

# CITY OF BOULDER, COLORADO

## Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2014

Prepared by the Finance Department

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# **CITY OF BOULDER, COLORADO**

## **Comprehensive Annual Financial Report**

**December 31, 2014**

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

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June 16, 2015

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, 2014.

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.

BKD, LLP, has issued an unmodified (“clean”) opinion on the City of Boulder’s financial statements for the year ended December 31, 2014. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s 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 a 2014 estimate made by the City of Boulder is 102,420.

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**

Original projections for sales and use tax revenues for 2014 expected a 3.50% increase from 2013. Actual sales and use tax revenues for the City increased by 6.24% over 2013. During 2014, Retail Sales Tax was up 5.76%, Business/Consumer Use Tax was up 25.38%, Construction Use Tax was down 9.11%, and Motor Vehicle Use Tax was up 11.14%. Recreational marijuana was a new revenue source in 2014 contributing to the 5.76% increase in the Retail Sales Tax. Excluding both the revenues from recreational and medical marijuana, retail Sales Tax Revenue would have had a more modest increase of 4.85%. The decrease in the Construction Use Tax is primarily due to a number of large one-time projects in 2013 compared to 2014. The Business/Consumer Use Tax and Motor Vehicle Use Tax continued to trend higher as the City continued to recover from the 2007-2009 Great Recession.

Sales and use tax revenues in 2014 made up approximately 47% of the General Fund, 97% of the Open Space and Mountain Parks Fund and 70% of the Transportation Fund total revenues.

The property tax base for 2014 was appraised at the 2013 actual value. The assessed valuation for property within the City of Boulder increased from \$2.567 billion in 2013 to \$2.599 billion in 2014, or 1.25%. Taxes levied against the 2014 assessed valuation will be collected in 2015. 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, 2015, economic growth in Colorado is expected to continue its solid momentum into 2015. Growth is expected to slow modestly from its current pace as noted by the Office of State Planning and Budgeting (OSPB). This is partially due to a slowdown in the oil and gas industry as a result of the sharp drop in oil prices.

The national economy's expansion has reached a solid and steady pace, with continued strong job gains. Colorado job growth in 2014 was at its highest pace and as a result, unemployment is near the low levels reached during the last expansion before the Great Recession.

Colorado's strong growth is due to the state's diverse set of industries, many of which are tied to information and technology, a large part of economic growth in today's economy. A continued increase in new business is also boosting growth. Colorado is also experiencing strong tourism activity. As a result of this and other factors, many indicators show that Colorado continues to be among the top performing economies in the nation.

The change in March 2015 year-to-date sales and use tax revenue, including use tax compared to March 2014 is as follows:

<b>TAX CATEGORY</b>	<b>% CHANGE IN REVENUE Increase/(Decrease)</b>	<b>% OF TOTAL</b>
Sales Tax	8.21%	75.35%
Business/Consumer Use Tax	26.38%	10.38%
Construction Use Tax	36.59%	11.48%
Motor Vehicle Use Tax	2.72%	2.79%
<b>Total Sales &amp; Use Tax</b>	<b>12.40%</b>	<b>100.00%</b>

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

- Retail Sales Tax – Actual retail receipts are up by 8.21%. A portion of this increase was due to late tax return filings by some food stores resulting in collection of two filing periods during the month of January. The increase also can be attributed to a 7.5% rise in sales at eating places and a 3.0% increase in general retail.
- Business/Consumer Use Tax – Revenues are up by 26.38%. 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.
- Construction Use Tax – This category is up by 36.59%. This increase is due primarily to construction use tax paid for some large projects.
- Motor Vehicle Use Tax is up by a modest 2.72%. Vehicles purchased by Boulder citizens, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city. 2014 was a strong year for motor vehicle sales. Although flat in January and February of 2015, sales were up by 6.96% in March.

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 2013 and 2014, along with the 2015 sales tax projections for the City of Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

<b>Forecast</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Projected</b>
Base Sales/Use Tax - City of Boulder	7.56%	6.24%	3.13%
Denver-Boulder-Greeley Consumer Price Index	2.80%	2.80%	1.80%
Statewide Retail Sales Trade Growth	4.50%	6.80%	4.90%
Statewide Personal Income Growth	3.50%	5.80%	5.10%

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

The following narrative was extracted from the City Manager's message found in the 2015 Annual Budget, Volume I:

The 2015 Recommended Budget has been developed in support of adopted strategic plans and community and council priorities, and focuses on continuing to build community sustainability and resilience, while implementing key initiatives. Our organization's collaborative approach ensures that the city will maintain an efficient, effective and transparent government that delivers the highest outcomes as identified by the Boulder community.

Boulder's revenues and expenditures will be closely monitored throughout 2015, and department budgets will continue to be reviewed and analyzed to better identify potential savings and improved efficiencies in how services are delivered. The leadership team and I are committed to meeting the goals of City Council and to ensuring that high-quality services and innovation remain a community hallmark. The 2015 Recommended Budget allocates resources, recognizing these commitments, while exercising strong fiscal responsibility to the community.

## **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.

The 2015 Capital Improvements Program (CIP) includes proposed funding of \$69.8 million for 99 projects. The entire six-year (2015-20) CIP includes proposed funding of \$361.4 million for 157 projects. 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. Some of the most significant capital expenditures included within the six-year plan are as follow: (i) acquisition and development of open space lands totaling \$45.1 million; (ii) parks and recreation projects totaling \$14.8 million including development of new community parks, repairs and deficiency corrections, and renovation and enhancement of existing facilities; (iii) \$41.7 million

in transportation system improvements including improvements to 28<sup>th</sup> Street and the implementation of the City's Transportation Master Plan; (iv) \$106.7 million for water utility fund capital projects including capital enhancement of the Barker Dam Outlet, Betasso Water Treatment Facility, and Waterline Replacement; (v) \$67.6 million for wastewater utility fund projects including wastewater treatment plant rehabilitation projects and Goose Creek Sanitary Sewer Interceptor rehabilitation; (vi) \$60.0 million for stormwater and flood management utility fund projects including Wonderland Creek and South Boulder Creek flood mitigation projects.

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.

On September 11 through September 18, 2013 an epic flood impacted cities across the Front Range of Colorado, including the City of Boulder. The significant damage and displacement from these historic rains have challenged the city's functions, residents, and businesses at unprecedented levels. The September 2013 flood had a threefold impact on the City of Boulder's CIP. As a direct result of the flood, some previously planned projects have either been deferred or are no longer relevant. In some cases, funding previously identified for regular CIP projects has been used to cover the cost of flood repair and recovery, and new or different funding sources will need to be identified to complete high priority projects within the needed time frame. Finally, the information learned from the flood has led to reprioritization of CIP projects. In the CIP, this is reflected in new projects, changes in timing of projects, and changes in scope of projects.

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

Additional information concerning the September 2013 flood can be found on the city's website ([www.bouldercolorado.gov](http://www.bouldercolorado.gov)) under the City of Boulder homepage.

## **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, 2013. This was the twenty-fifth consecutive year that the city has achieved this prestigious award and the thirty-second 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 2014 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, 2013. 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,



Duane Hudson, CPA  
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, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Enen". The signature is fluid and cursive.

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

At December 31, 2014

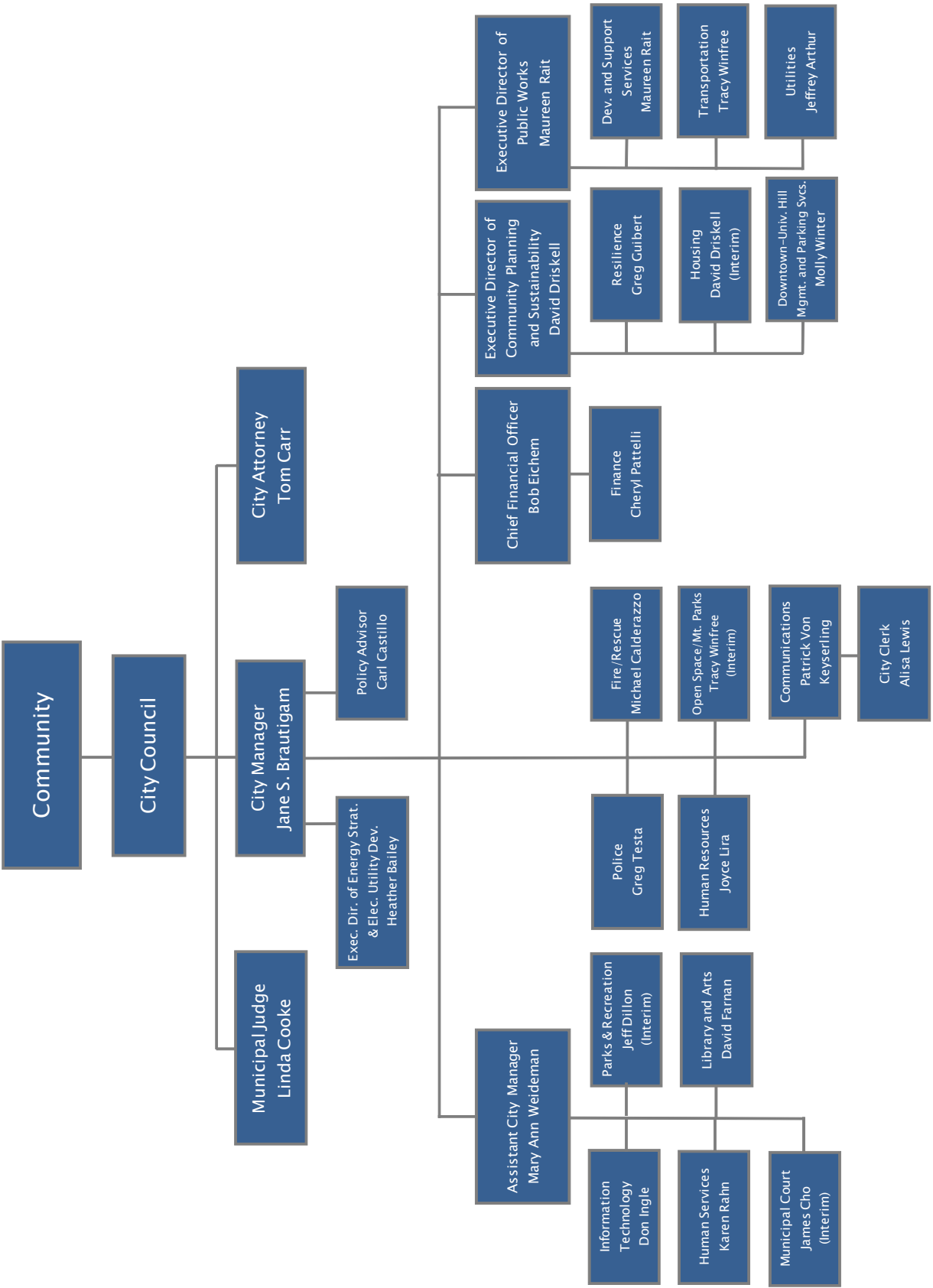
Mayor and City Council

Mayor:	Matthew Appelbaum
Mayor Pro Tem	Suzanne Jones
Council Members:	Macon Cowles George Karakehian Lisa Morzel Tim Plass Andrew Shoemaker Sam Weaver Mary Young

Administrative

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





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## Independent Auditor's 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, 2014 and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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.

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

## **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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons (budgetary basis) for the General Fund, Open Space and Mountain Parks Fund, and Transportation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note Z to the financial statements, in 2014, the City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinions are not modified with respect to this matter.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension/other post-employment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and other supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and local highway finance report as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, on our consideration of the City's internal control over financial reporting and 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 results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

*BKD, LLP*

Denver, Colorado  
June 16, 2015

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2014

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, 2014. 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 2014 by \$1,086.4 million (\$668.3 million in governmental activities net position and \$418.1 million in business-type activities net position). Of the governmental activities net position total, \$112.6 million, or 17%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$72.8 million, or 17%, of business-type activities net position is unrestricted.
- Total net position of the city increased \$59.5 million, or 6%, compared to 2013. Net position of the city's governmental activities increased \$40.4 million, which represents an increase of 6% from 2013. Net position of the city's business-type activities increased \$19.1 million, or 5%, from 2013.
- Total revenues, excluding transfers and extraordinary items, increased \$32.7 million, or 12%, to \$304.3 million compared to 2013. Governmental activities revenues increased \$21.7 million, or 10%, to \$233.7 million, while revenues of business-type activities increased \$11.0 million, or 18%, to \$70.6 million compared to 2013.
- The total expenses of all the city's programs, excluding transfers and extraordinary items, increased \$17.2 million, or 7%, to \$245.7 million compared to 2013. The expenses of governmental activities programs increased \$14.6 million, or 8%, to \$194.2 million, while the expenses of business-type activities increased \$2.6 million, or 5%, from 2013 to \$51.5 million.
- As of December 31, 2014, the city's governmental funds reported a combined ending fund balance of \$155.1 million. Approximately 60%, or \$93.5 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 two 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 and interest on long-term debt. The business-type activities of the city include water utility, wastewater utility, storm water and flood management, parking facilities and services and the Boulder Municipal Property Authority's acquisition of open space and parks property.

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, Boulder Municipal Property Authority 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>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 264,189	\$ 253,372	\$ 78,644	\$ 74,583	\$ 342,833	\$ 327,955
Capital assets	571,112	540,161	427,152	423,821	998,264	963,982
Total assets	<u>835,301</u>	<u>793,533</u>	<u>505,796</u>	<u>498,404</u>	<u>1,341,097</u>	<u>1,291,937</u>
Deferred outflows of resources	250	360	3,143	3,720	3,393	4,080
Noncurrent liabilities	113,256	111,718	85,882	97,203	199,138	208,921
Other liabilities	<u>23,025</u>	<u>23,851</u>	<u>3,656</u>	<u>3,830</u>	<u>26,681</u>	<u>27,681</u>
Total liabilities	<u>136,281</u>	<u>135,569</u>	<u>89,538</u>	<u>101,033</u>	<u>225,819</u>	<u>236,602</u>
Deferred inflows of resources	31,014	30,480	1,213	1,983	32,227	32,463
Net position:						
Invested in capital assets	494,209	480,321	345,149	331,096	839,358	811,417
Restricted	61,410	33,822	269	265	61,679	34,087
Unrestricted	<u>112,637</u>	<u>113,701</u>	<u>72,770</u>	<u>67,747</u>	<u>185,407</u>	<u>181,448</u>
Total net position	<u>\$ 668,256</u>	<u>\$ 627,844</u>	<u>\$ 418,188</u>	<u>\$ 399,108</u>	<u>\$ 1,086,444</u>	<u>\$ 1,026,952</u>

*Table 1* presents an analysis of the city's net position as of December 31, 2014. The city's assets exceeded its liabilities by \$1,086.4 million at the close of the current fiscal year. By far the largest portion of the city's net position (77%) reflects its investment of \$839.3 million in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position, \$61.7 million (6%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$185.4 million (17%), 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 \$27.9 million, or 3%, compared to 2013. This increase is mainly the result of capital project costs related to 2011 Capital Improvement Bond projects. Road pavement and road reconstruction also contributed to the increase in 2014. Restricted net position increased \$27.6 million, or 81%, compared to 2013. This was largely due to the issuance of Open Space Acquisition Bonds, Series 2014 for a par amount of \$10,000,000. The \$4.0 million, or 2%, increase in unrestricted net position during 2014 was due in large part to an increase in unrestricted sales and use taxes in the General Fund of \$4.1 million as a result of a 0.15 percent rate increase.

It is important to note that approximately \$46.7 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 \$59.5 million during 2014. This increase is explained in the governmental and business-type activities discussion below.

#### **Governmental Activities**

Net position of governmental activities increased by \$40.4 million during 2014, accounting for 68% of the total increase in the city's net position. This increase was \$8.6 million more than the \$31.8 million increase in net position in 2013.

Revenues during 2014 increased by \$21.8 million compared to 2013. The continuing strength of the economy, a 0.15 percent sales and use tax rate increase beginning in 2014, \$0.8 million from a new recreational marijuana tax and one time construction projects all contributed to a \$12.1 million rise in sales and use taxes. Other taxes increased by \$1.8 million primarily due to an increase of \$1.5 million in development excise taxes and \$0.4 million of new recreational marijuana excise taxes. Charges for services increased \$2.2 million primarily due to an increase in city impact fees. Operating and capital grant revenue increased by \$6.4 million and \$1.3 million, respectively, compared to 2013 primarily due to FEMA reimbursements for 2013 flood damage.

Expenses increased \$14.6 million in 2014 compared to 2013. Administrative Services expenses rose \$3.3 million because of additional salary and computer software costs partially due to large software replacement projects. A \$1.9 million increase in Housing and Human Services expenses was related to increased development projects in 2014 as compared to 2013, such as Bridge

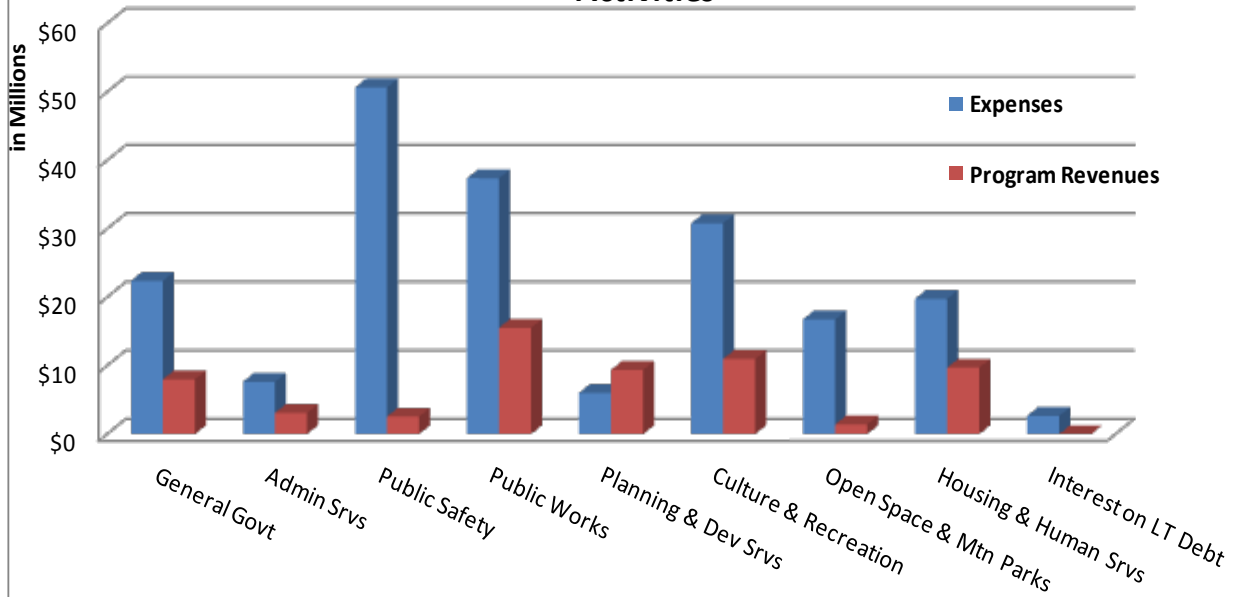
House's Ready to Work and Employment Center. Public Works expenses increased \$9.8 million primarily due to increased spending on engineering consultants for projects, materials and supplies, repairs and maintenance and salaries and benefits as compared to 2013. Much of this can be attributed to non-capital flood repairs and cleanup.

*Charts 1 and 2* illustrate the city's governmental expenses and revenues by function and its revenues by source. As can be seen in *Chart 1*, Public Safety is the largest function based on expenses (26%), followed by Public Works (19%) and Culture and Recreation (16%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program, but are used to support program activities citywide and included in *Chart 2*. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (50%), followed by charges for services (17%) and property taxes (13%).

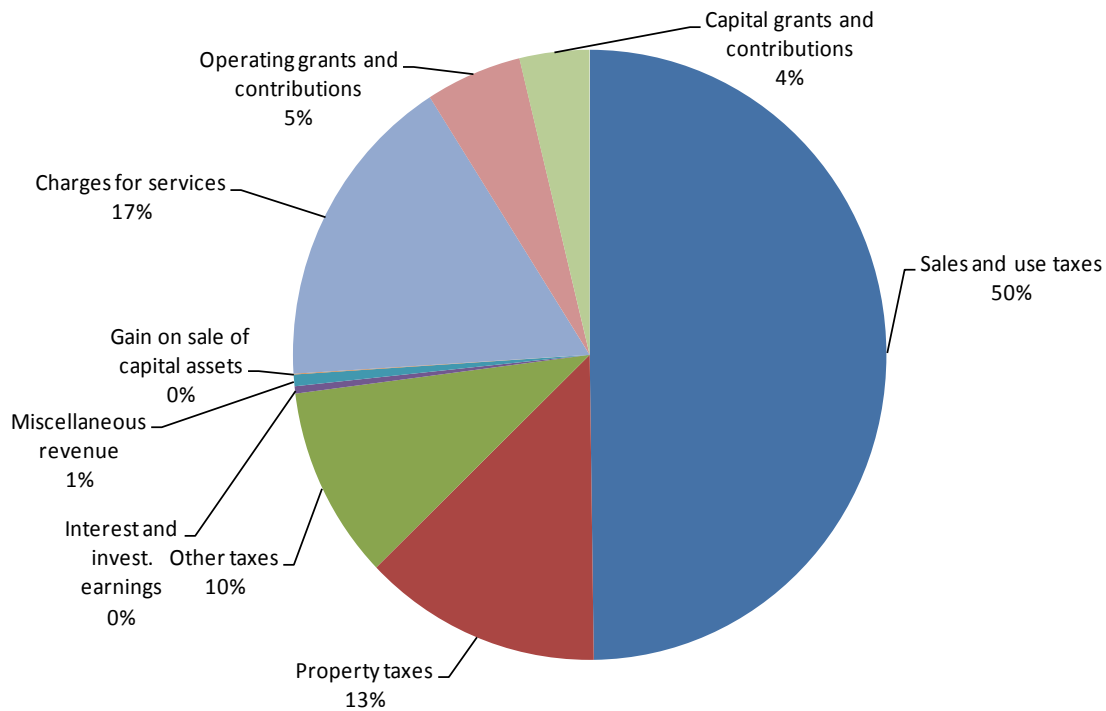
**Table 2 - Changes in Net Position** (dollars in thousands)

	Governmental		Business-type		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$ 39,616	\$ 37,438	\$ 50,132	\$ 49,603	\$ 89,748	\$ 87,041
Operating grants and contributions	12,213	5,824	-	138	12,213	5,962
Capital grants and contributions	8,906	7,630	17,983	6,498	26,889	14,128
General revenue:						
Sales and use taxes	116,316	104,136	-	118	116,316	104,254
Property taxes	30,353	29,434	2,013	1,976	32,366	31,410
Other taxes	23,858	21,184	66	904	23,924	22,088
Interest and investment earnings	906	755	324	301	1,230	1,056
Miscellaneous revenue	1,437	1,678	65	91	1,502	1,769
Gain on sale of capital assets	99	3,878	-	-	99	3,878
Total revenues	233,704	211,957	70,583	59,629	304,287	271,586
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	22,406	22,857	-	-	22,406	22,857
Administrative Services	7,655	4,387	-	-	7,655	4,387
Public Safety	50,662	50,468	-	-	50,662	50,468
Public Works	37,406	27,558	-	-	37,406	27,558
Planning and Development Services	6,041	6,087	-	-	6,041	6,087
Culture and Recreation	30,819	30,749	-	-	30,819	30,749
Open Space and Mountain Parks	16,774	16,023	-	-	16,774	16,023
Housing and Human Services	19,795	17,937	-	-	19,795	17,937
Interest on long-term debt	2,679	3,532	-	-	2,679	3,532
Business-type activities:						
Water Utility	-	-	22,644	22,599	22,644	22,599
Wastewater Utility	-	-	14,703	13,916	14,703	13,916
Stormwater and Flood Management	-	-	6,812	4,461	6,812	4,461
Parking Services	-	-	6,892	6,853	6,892	6,853
Property and Facility Acquisition	-	-	463	1,118	463	1,118
Total expenses	194,237	179,598	51,514	48,947	245,751	228,545
Excess before extraordinary items and transfers	39,467	32,359	19,069	10,682	58,536	43,041
Extraordinary items	956	1,888	-	-	956	1,888
Transfers	(11)	(1,630)	11	1,630	-	-
Increase in net position	40,412	32,617	19,080	12,312	59,492	44,929
Net position, beginning of year	627,844	595,987	399,108	387,723	1,026,952	983,710
Restatement for change in accounting principle	-	(760)	-	(927)	-	(1,687)
Net position, beginning of year, as restated	627,844	595,227	399,108	386,796	1,026,952	982,023
Net position, end of year	\$668,256	\$627,844	\$418,188	\$399,108	\$1,086,444	\$1,026,952

**Chart 1: 2014 Expenses and Program Revenues - Governmental Activities**



**Chart 2: 2014 Revenues by Source - Governmental Activities**



## Business-type Activities

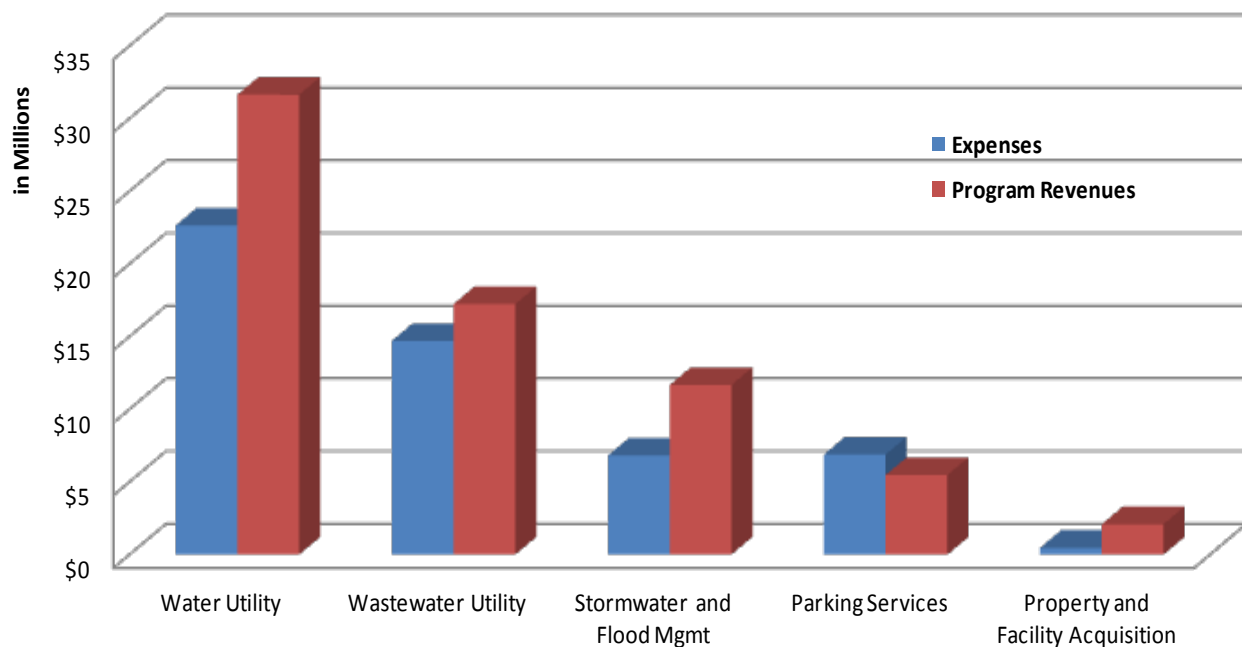
Net position in business-type activities increased \$19.1 million in 2014. This increase was \$7.7 million more than the \$11.4 million increase in net position in 2013.

Total business-type revenues increased \$11.0 million, or 18%, compared to 2013. Capital grants and contributions increased by \$11.5 million in 2014 mainly due to FEMA reimbursements for 2013 flood damage.

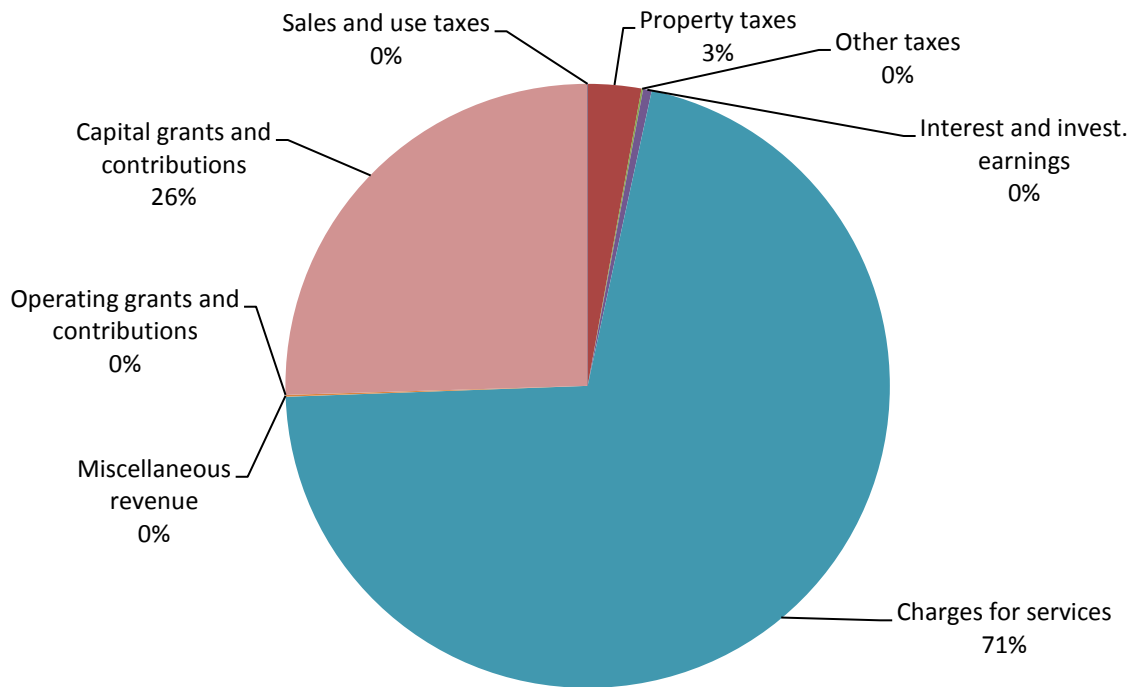
Expenses of business-type activities increased by \$2.6 million, or 5% compared to 2013, mainly because of flood recovery work.

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 (71%), followed by capital grants and contributions (26%) and property taxes (3%).

**Chart 3: 2014 Expenses and Program Revenues - Business-type Activities**



**Chart 4: 2014 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, 2014, the city's governmental funds reported combined ending fund balances of \$155.1 million, an increase of \$5.8 million, or 4%, from the prior year. The fund balance of the General Fund increased \$8.6 million to \$51.1 million at December 31, 2014. General Fund revenues grew by \$7.6 million, primarily because of overall improvements in the economy. Increased consumer spending, a 0.15 percent sales tax rate increase and a new recreational marijuana tax led to a \$4.1 million rise in sales and use taxes. In addition, intergovernmental revenues increased by \$2.0 million as a result of FEMA reimbursements. Fund expenditures decreased by \$6.4 million for a variety of reasons. The accounting treatment starting in 2014 for the reallocation of administration costs to other departments led to a \$3.7



million decrease in General Government. Administrative Services decreased \$3.3 million also due to the new accounting treatment of the reallocation of administrative costs to other departments. Housing and Human Services decreased \$2.8 million mainly due to reduced projects completed in 2014 as compared to 2013. Public Safety expenditures increased \$2.1 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 \$13.1 million in 2014. Revenues grew by \$0.7 million due to a \$1.7 million increase in sales and use taxes from increased economic activity offset by a \$1.2 million decrease in intergovernmental revenue. In 2013, the City had received \$1.3 million for an endangered species mitigation grant for land acquisition. Expenditures decreased by \$3.2 million because of fewer real estate acquisitions in 2014 as compared to 2013 and a \$1.8 million reduction in debt service payments, largely due to payoff of the 2009 Open Space Acquisition Sales Tax Revenue Refunding Bonds in 2013.

The fund balance of the Transportation Fund rose by \$4.1 million in 2014. Revenues increased by \$9.5 million while expenditures increased by \$9.1 million. Transportation receives funding from CDOT for infrastructure projects as they are completed. Due to the 2013 flood, some of the transportation projects originally scheduled for 2013 were completed in 2014. Revenue was also impacted as many of the planned projects not completed in 2013 were continued into 2014 and received reimbursement from CDOT in 2014.

The fund balance for the 2011 Capital Improvement Fund fell \$23.1 million during 2014. This decrease is a result of \$23.1 million in bond related capital expenditures.

Other governmental fund balances grew by \$3.1 million. This increase was primarily due to a \$2.3 million rise in impact fees received during 2014 in the Capital Development fund as compared to 2013. This increase was a result of more residential and business construction projects being completed in the city during 2014 as compared to 2013.

Approximately \$93.5 million or 60% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This non-spendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - \$0.3 million; (2) limitations imposed on use of funds by external laws and regulations - \$12.5 million; (3) restrictions for capital projects - \$12.3 million; (4) restrictions for future development - \$33.8 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - \$1.8 million and (6) restrictions placed on the funds by donors - \$0.9 million.

The General Fund is the primary operating fund of the city. At the end of 2014 the unrestricted fund balance of the General Fund was \$49.3 million, while total fund balance was \$51.1 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 2014, unassigned fund balance of \$39.1 million represents 35% of total general fund expenditures and transfers out of \$112.6 million.

General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 24% in 2013.

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 \$30.0 million at December 31, 2014, an increase of \$13.1 million from 2013. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2014, the Transportation Fund's restricted fund balance was \$6.9 million and \$9.5 million was assigned for special purposes. The total Transportation fund balance was \$16.4 million at December 31, 2014, a \$4.1 million increase from 2013.

The 2011 Capital Improvement Fund is a capital project fund. The fund balance is restricted to capital projects. Capital project funds do not have unassigned fund balances, similar to special revenue funds. Interest income, the only significant revenue source of the 2011 Capital Improvement Fund, declined due to lower fund balances and lower interest rates in 2014. The total fund balance of the 2011 Capital Improvement Fund at December 31, 2014 was \$10.8 million, a \$23.1 million decrease from 2013.

In the 2014 budget year, the City Council established 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 2014.

### 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, 2014, the unrestricted net position of the Water Utility Fund was \$33.4 million, the Wastewater Utility Fund was \$12.3 million, the Storm Water and Flood Management Fund was \$15.5 million, the Downtown Commercial District Fund was \$6.3 million and the non-major enterprise funds was \$1.1 million. The total increase in net position for the proprietary funds was \$18.8 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 2014 was \$18.5 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$2.1 million for recreational marijuana education and enforcement
- \$2.0 million for community housing assistance projects
- \$1.3 million for library automated materials handling system
- \$0.7 million for economic vitality flex rebate program
- \$0.5 million for education access cable television channel
- \$0.5 million for city office space relocation
- \$0.4 million for flood recovery consulting contract
- \$0.4 million for various information technology projects
- \$0.3 million for police off duty overtime
- \$0.3 million for wild land fire services reimbursement
- \$0.3 million for education excise tax grants
- \$0.3 million community oriented policing services

On a basis consistent with the adopted budget, actual revenues and transfers in were \$5.6 million, or 5%, more than the final budget. Actual expenditures and transfers out were \$16.3 million, or 12%, 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 \$22.9 million. The primary factors contributing to this favorable variance include the following:

- \$1.7 million more in intergovernmental and licenses, permits and fines than budgeted due to economic activity and significant construction projects
- \$1.0 million flood insurance claim recovery
- \$2.5 million less in expenditures for community planning & sustainability purchases
- \$1.3 million less in expenditures related to technology services
- \$3.4 million less in expenditures related to community housing assistance program
- \$1.9 million less in expenditures related to public safety
- Various smaller variances in both revenue 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, 2014 amounts to \$998.3 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 \$34.3 million (4%) from 2013. Net capital assets of governmental activities increased \$30.9 million (6%) and those of business-type activities increased \$3.4 million (1%).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land and easements	\$ 282,810	\$ 277,523	\$ 62,676	\$ 62,476	\$ 345,486	\$ 339,999
Buildings	54,808	57,721	25,889	27,112	80,697	84,833
Improvements other than buildings	42,431	39,206	3,446	3,084	45,877	42,290
Infrastructure	108,614	99,387	-	-	108,614	99,387
Utility plant in service and undergrounds	-	-	315,895	320,401	315,895	320,401
Machinery, equipment and vehicles	21,855	20,480	5,751	6,610	27,606	27,090
Construction in progress	60,594	45,844	13,495	4,138	74,089	49,982
Total	\$ 571,112	\$ 540,161	\$ 427,152	\$ 423,821	\$ 998,264	\$ 963,982

Some of the major capital asset activities during 2014 included the following:

Governmental activities:

- Construction in progress of several transportation infrastructure projects, including: Pearl Parkway Multi-Use Path and Junction Place Bridge at Goose Creek and Arterial road reconstruction - \$8.6 million
- Completion of Airport Ramp - \$1.2 million
- Construction in progress for new Wild-Land Fire Facility and Main Library renovation - \$4.2 million
- Construction and completion of Mesa Memorial Park and Elks Neighborhood Park - \$2.8 million
- Several land acquisitions by OSMP – \$4.9 million
- Installation of automated material handling system and new radio frequency identification (RFID) to be completed February 2015 at Main Library - \$0.7 million
- Completion of several transportation infrastructure projects including Pearl Parkway: South side of Pearl, and SH 93 widening - \$3.3 million
- Completion of road pavement repairs and road reconstruction - \$7.7 million
- Completion of Mesa Memorial Park and Elks Neighborhood Park - \$2.5 million
- Parks and Recreation facility renovations - \$ 1.8 million
- New vehicle purchases - \$3.0 million
- Recognition of \$15.8 million in depreciation expense

Business-type activities:

- Waterline Rehabilitation - \$3.2 million
- Flood mitigation projects by Water, Wastewater and Storm Water - \$6.7 million
- CAGID Garage Improvements - \$0.6 million
- Completion of Gunbarrel storage tank structural steel rehabilitation - \$.7 million
- Recognition of \$12.1 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 2014 and 2013. At December 31, 2014, the city had total bonded debt (including certificates of participation) of \$164.5 million. Of this amount, \$90.4 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$66.3 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). The remaining \$7.8 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 2014, the city issued \$10 million of Open Space Acquisition General Obligation Bonds, Series 2014.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 79,610	\$ 77,717	\$ 10,778	\$ 12,390	\$ 90,388	\$ 90,107
Revenue bonds	-	1,378	66,341	74,385	66,341	75,763
Pension obligation bonds	7,812	8,176	-	-	7,812	8,176
Total bonded debt	<u>\$ 87,422</u>	<u>\$ 87,271</u>	<u>\$ 77,119</u>	<u>\$ 86,775</u>	<u>\$ 164,541</u>	<u>\$ 174,046</u>

The city's general obligation credit rating is Aa1 by Moody's Investor Services, Inc. and AAA 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 2013 and 2014, in governmental activities only, the city incurred \$9.6 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.

Valmont Butte Allied Piles Site (Valmont Butte) – In 2011, 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 (VCUP). As required by CDPHE, site remediation actions in Valmont Butte started August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2013, the city had expended a total of \$2.5 million on Valmont Butte cleanup with no additional liability remaining for continued cleanup responsibilities. The city does have some lingering monitoring responsibilities until closeout is finalized by the State.

#### Business-type Activities

As described above, the city suffered from severe flood conditions in September 2013. In 2013 and 2014, in business-type activities only, the city incurred \$9.1 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.

## BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Position

December 31, 2014

(Amounts in 000's)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 8,962	\$ 3,089	\$ 12,051
Investments	173,212	59,926	233,138
General property tax receivable	31,014	1,213	32,227
Sales tax receivable	12,954	-	12,954
Notes receivable	903	299	1,202
Other receivables (See Note H)	9,143	9,550	18,693
Restricted investments	18,659	4,338	22,997
Inventory of materials and supplies	69	229	298
Other assets	434	-	434
Prepaid net pension obligation	8,839	-	8,839
Capital assets (net of accumulated depreciation):			
Land and easements	282,810	62,676	345,486
Buildings	54,808	25,889	80,697
Improvements other than buildings	42,431	3,446	45,877
Infrastructure	108,614	-	108,614
Utility plant in service and undergrounds	-	315,895	315,895
Machinery, equipment and vehicles	21,855	5,751	27,606
Construction in progress	60,594	13,495	74,089
Total assets	<u>835,301</u>	<u>505,796</u>	<u>1,341,097</u>
Deferred outflows of resources	<u>250</u>	<u>3,143</u>	<u>3,393</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	8,046	1,966	10,012
Contracts and retainage payable	1,501	673	2,174
Accrued liabilities	4,609	3,468	8,077
Internal balances	5,271	(5,271)	-
Other liabilities	2,846	1,129	3,975
Unearned revenue	752	-	752
Water rights liability	-	1,691	1,691
Noncurrent liabilities:			
Due within one year	10,790	10,574	21,364
Due in more than one year	102,466	75,308	177,774
Total liabilities	<u>136,281</u>	<u>89,538</u>	<u>225,819</u>
Deferred inflows of resources:			
Property Taxes	<u>31,014</u>	<u>1,213</u>	<u>32,227</u>
Net position:			
Net investment in capital assets	494,209	345,149	839,358
Restricted for:			
Legally restricted	12,500	169	12,669
Capital projects	12,283	100	12,383
Development	33,816	-	33,816
Lottery funds	1,788	-	1,788
Donor restrictions	923	-	923
Endowment	100	-	100
Unrestricted	112,637	72,770	185,407
Total net position	<u>\$ 668,256</u>	<u>\$ 418,188</u>	<u>\$ 1,086,444</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2014

(Amounts in 000's)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General Government	\$ 22,406	\$ 7,262	\$ 752	\$ -
Administrative Services	7,655	676	2,412	-
Public Safety	50,662	2,273	291	-
Public Works	37,406	4,474	3,460	7,620
Planning & Development Services	6,041	8,640	753	-
Culture and Recreation	30,819	9,358	649	975
Open Space and Mountain Parks	16,774	475	634	311
Housing and Human Services	19,795	6,458	3,262	-
Interest on long-term debt	2,679	-	-	-
Total governmental activities	<u>194,237</u>	<u>39,616</u>	<u>12,213</u>	<u>8,906</u>
Business-type activities:				
Water utility	22,644	22,950	-	8,697
Wastewater utility	14,703	13,979	-	3,255
Stormwater and flood management	6,812	5,637	-	6,027
Parking facilities and services	6,892	5,475	-	4
Property and facility acquisition	463	2,091	-	-
Total business-type activities	<u>51,514</u>	<u>50,132</u>	<u>-</u>	<u>17,983</u>
Total government	<u>\$ 245,751</u>	<u>\$ 89,748</u>	<u>\$ 12,213</u>	<u>\$ 26,889</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  
Extraordinary item  
Total general revenues,  
transfers and extraordinary item  
Change in net position  
Net position, beginning of year  
Net position, end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (14,392)	\$ -	\$ (14,392)
(4,567)	-	(4,567)
(48,098)	-	(48,098)
(21,852)	-	(21,852)
3,352	-	3,352
(19,837)	-	(19,837)
(15,354)	-	(15,354)
(10,075)	-	(10,075)
<u>(2,679)</u>	<u>-</u>	<u>(2,679)</u>
<u>(133,502)</u>	<u>-</u>	<u>(133,502)</u>
-	9,003	9,003
-	2,531	2,531
-	4,852	4,852
-	(1,413)	(1,413)
-	1,628	1,628
<u>-</u>	<u>16,601</u>	<u>16,601</u>
<u>(133,502)</u>	<u>16,601</u>	<u>(116,901)</u>
116,316	-	116,316
30,353	2,013	32,366
6,443	-	6,443
12,226	-	12,226
1,954	66	2,020
3,235	-	3,235
906	324	1,230
1,437	65	1,502
99	-	99
(11)	11	-
<u>956</u>	<u>-</u>	<u>956</u>
<u>173,914</u>	<u>2,479</u>	<u>176,393</u>
<u>40,412</u>	<u>19,080</u>	<u>59,492</u>
<u>627,844</u>	<u>399,108</u>	<u>1,026,952</u>
\$ <u><u>668,256</u></u>	\$ <u><u>418,188</u></u>	\$ <u><u>1,086,444</u></u>

## CITY OF BOULDER, COLORADO

## Balance Sheet

Governmental Funds

December 31, 2014

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>General Fund</u>	<u>Open Space &amp; Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>2011 Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Equity in pooled cash and cash equivalents	\$ 2,265	\$ 1,008	\$ 831	\$ 165	\$ 2,332	\$ 6,601
Investments	43,338	19,593	16,146	3,205	45,115	127,397
Receivables:						
General property taxes	28,652	-	-	-	2,362	31,014
Sales and use taxes	6,162	3,180	2,710	-	902	12,954
Accounts	1,991	34	558	-	217	2,800
Notes	813	-	-	-	90	903
Accrued interest	98	53	34	6	94	285
Intergovernmental	1,464	588	1,851	133	1,883	5,919
Other	1	-	-	-	-	1
Total receivables	39,181	3,855	5,153	139	5,548	53,876
Due from other funds	522	54	259	-	242	1,077
Advances to other funds	235	-	-	-	-	235
Inventory of materials and supplies	23	-	1	-	45	69
Restricted assets:						
Investments for special purposes	1,268	35	-	-	1,066	2,369
Investments for capital projects	-	-	-	9,385	-	9,385
Investments for debt service	-	6,905	-	-	-	6,905
Total restricted assets	1,268	6,940	-	9,385	1,066	18,659
Other assets	137	-	-	-	-	137
Total assets	86,969	31,450	22,390	12,894	54,348	208,051
Deferred outflows of resources						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 86,969	\$ 31,450	\$ 22,390	\$ 12,894	\$ 54,348	\$ 208,051

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 &amp; Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>2011 Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 1,336	\$ 441	\$ 1,729	\$ 1,103	\$ 2,604	\$ 7,213
Contracts and retainage payable	-	-	520	795	124	1,439
Accrued salaries, wages and amounts withheld from employees	2,510	260	249	29	657	3,705
Due to other funds	610	104	-	-	433	1,147
Advances from other funds	1,648	-	-	-	235	1,883
Other liabilities	105	-	1,767	-	726	2,598
Unearned revenue	528	21	162	-	41	752
Total liabilities	<u>6,737</u>	<u>826</u>	<u>4,427</u>	<u>1,927</u>	<u>4,820</u>	<u>18,737</u>
Deferred inflows of resources:						
Property tax	28,652	-	-	-	2,362	31,014
Grants and other deferrals	508	588	1,567	132	387	3,182
Total deferred inflows of resources	<u>29,160</u>	<u>588</u>	<u>1,567</u>	<u>132</u>	<u>2,749</u>	<u>34,196</u>
Fund balances:						
Nonspendable:						
Prepaid	137	-	-	-	-	137
Inventory	23	-	1	-	45	69
Endowment	100	-	-	-	-	100
Restricted for:						
Legally restricted	1,028	-	6,938	-	4,534	12,500
Capital projects	177	-	-	10,835	1,271	12,283
Development	-	30,001	-	-	3,815	33,816
Lottery funds	-	-	-	-	1,788	1,788
Donor restrictions	276	35	-	-	612	923
Committed to:						
Affordable housing	-	-	-	-	15,868	15,868
Transportation projects	-	-	-	-	1,327	1,327
Assigned to:						
Special purposes	9,495	-	9,457	-	17,539	36,491
Contractual obligations	707	-	-	-	-	707
Unassigned	39,129	-	-	-	(20)	39,109
Total fund balances	<u>51,072</u>	<u>30,036</u>	<u>16,396</u>	<u>10,835</u>	<u>46,779</u>	<u>155,118</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>86,969</u>	\$ <u>31,450</u>	\$ <u>22,390</u>	\$ <u>12,894</u>	\$ <u>54,348</u>	\$ <u>208,051</u>

CITY OF BOULDER, COLORADO

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

December 31, 2014

(Amounts in 000's)

Total governmental fund balances	\$	155,118
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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	842,771	
Accumulated depreciation - governmental funds	<u>(332,621)</u>	
Net book value of capital assets in governmental funds		510,150

Accumulated difference between the actual pension contributions expensed in the governmental funds and the actuarially determined annual pension cost expensed in the government-wide statements.

Police prepaid net pension obligation	\$	5,186	
Fire prepaid net pension obligation		<u>3,653</u>	8,839

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.		93,334
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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.	(102,367)
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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.

Special assessments receivable	8	
Intergovernmental revenues	<u>3,174</u>	<u>3,182</u>

Net position of governmental activities	\$	<u><u>668,256</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, 2014

(Amounts in 000's)

	General <u>Fund</u>	Open Space & Mountain Parks <u>Fund</u>	Trans- portation <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:						
Taxes:						
Sales and use taxes	\$ 55,457	\$ 28,426	\$ 24,177	\$ -	\$ 8,256	\$ 116,316
General property taxes	28,041	-	-	-	2,312	30,353
Accommodation taxes	6,443	-	-	-	-	6,443
Franchise taxes	10,410	-	-	-	1,808	12,218
Specific ownership & tobacco taxes	1,954	-	-	-	-	1,954
Excise taxes	790	-	-	-	2,445	3,235
Charges for services	4,374	147	-	-	18,425	22,946
Sale of goods	350	-	32	-	211	593
Licenses, permits and fines	6,151	77	-	-	6,585	12,813
Intergovernmental	3,732	105	9,683	-	4,668	18,188
Leases, rents and royalties	214	272	98	-	2,067	2,651
Interest and investment earnings	251	105	69	49	212	686
Other	688	127	416	-	838	2,069
Total revenues	<u>118,855</u>	<u>29,259</u>	<u>34,475</u>	<u>49</u>	<u>47,827</u>	<u>230,465</u>
Expenditures:						
Current:						
General Government	14,831	-	-	-	1,725	16,556
Administrative Services	6,773	-	-	-	-	6,773
Public Safety	50,196	84	-	-	-	50,280
Public Works	6,052	-	29,927	-	2,343	38,322
Planning & Development Services	58	-	-	-	5,956	6,014
Culture and Recreation	13,768	-	-	-	16,655	30,423
Open Space and Mountain Parks	90	20,117	-	-	226	20,433
Housing and Human Services	7,466	-	-	-	17,098	24,564
Capital outlay	-	-	-	23,193	3,937	27,130
Debt service payments:						
Principal	2,920	4,405	-	-	2,100	9,425
Interest	2,261	816	-	-	128	3,205
Base rentals to Boulder Municipal Property Authority	-	2,091	-	-	-	2,091
Total expenditures	<u>104,415</u>	<u>27,513</u>	<u>29,927</u>	<u>23,193</u>	<u>50,168</u>	<u>235,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,440</u>	<u>1,746</u>	<u>4,548</u>	<u>(23,144)</u>	<u>(2,341)</u>	<u>(4,751)</u>
Other financing sources (uses):						
Sale of capital assets	1	6	-	-	-	7
Bonds issued	-	10,000	-	-	-	10,000
Premium on bonds issued	-	123	-	-	-	123
Transfers in	1,444	1,264	63	-	5,563	8,334
Transfers out	(8,211)	-	(472)	-	(139)	(8,822)
Total other financing sources (uses)	(6,766)	11,393	(409)	-	5,424	9,642
Extraordinary item:						
Flood insurance recoveries	956	-	-	-	-	956
Net change in fund balances	8,630	13,139	4,139	(23,144)	3,083	5,847
Fund balances, beginning of year	<u>42,442</u>	<u>16,897</u>	<u>12,257</u>	<u>33,979</u>	<u>43,696</u>	<u>149,271</u>
Fund balances, end of year	<u>\$ 51,072</u>	<u>\$ 30,036</u>	<u>\$ 16,396</u>	<u>\$ 10,835</u>	<u>\$ 46,779</u>	<u>\$ 155,118</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, 2014

(Amounts in 000's)

Net change in fund balances - total governmental funds	\$	5,847
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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	\$	48,234	
Governmental Activities capital asset deletions		(2,653)	
Internal Service Funds capital asset additions		(5,794)	
Internal Service Funds capital asset deletions		2,294	
Governmental funds capital asset depreciation expense		<u>(9,523)</u>	32,558

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.

(1,946)

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

Special assessments - Public Works	8	
Intergovernmental revenue	<u>2,385</u>	2,393

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	1,752
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The decrease in the prepaid net pension obligation resulting from contributions greater than the annual required contribution is not a financial resource and is not reported in the funds.

(192)

Change in net position of governmental activities	\$	<u><u>40,412</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 Fund

Year ended December 31, 2014  
(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	\$ 50,216	\$ 52,216	\$ 55,457	\$ 3,241
General property taxes	28,050	28,050	28,041	(9)
Accommodations taxes	6,010	6,010	6,443	433
Franchise taxes	10,628	10,701	10,410	(291)
Specific ownership & tobacco taxes	1,667	1,667	1,954	287
Excise taxes	150	150	790	640
Charges for services	4,586	4,747	4,374	(373)
Sale of goods	89	130	350	220
Licenses, permits and fines	6,153	6,174	6,151	(23)
Intergovernmental	1,253	2,011	3,732	1,721
Leases, rents and royalties	239	239	214	(25)
Interest and investment earnings	458	458	595	137
Other	419	1,858	688	(1,170)
Total revenues	<u>109,918</u>	<u>114,411</u>	<u>119,199</u>	<u>4,788</u>
Expenditures:				
Current:				
General Government	14,618	20,989	15,054	5,935
Administrative Services	6,133	8,519	6,618	1,901
Public Safety	50,511	52,486	50,681	1,805
Public Works	5,123	6,606	6,085	521
Planning & Development Services	46	206	57	149
Culture and Recreation	12,603	14,969	13,862	1,107
Open Space and Mountain Parks	81	81	84	(3)
Housing and Human Services	9,406	12,285	7,380	4,905
Debt service payments:				
Principal	2,920	2,920	2,920	-
Interest	2,192	2,192	2,192	-
Total expenditures	<u>103,633</u>	<u>121,253</u>	<u>104,933</u>	<u>16,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,285</u>	<u>(6,842)</u>	<u>14,266</u>	<u>21,108</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):				
Sale of capital assets	-	-	1	1
Transfers in	7,232	7,268	8,056	788
Transfers out	<u>(14,145)</u>	<u>(15,064)</u>	<u>(15,064)</u>	-
Total other financing sources (uses)	(6,913)	(7,796)	(7,007)	789
Extraordinary item:				
Flood insurance recoveries	<u>-</u>	<u>-</u>	<u>956</u>	<u>956</u>
Net change in fund balance	\$ <u><u>(628)</u></u>	\$ <u><u>(14,638)</u></u>	8,215	\$ <u><u>22,853</u></u>
Encumbrances, end of year			893	
Fund balance, beginning of year, basis of budgeting			<u>43,568</u>	
Fund balance, end of year, basis of budgeting			52,676	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			59	
Accrued salaries, wages and amounts withheld from employees			(2,015)	
Change in prepaid assets			(19)	
Due to other funds			172	
Notes receivable			813	
Advances from other funds			<u>(614)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>51,072</u></u>	

CITY OF BOULDER, COLORADO

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

Open Space and Mountain Parks Fund

Year ended December 31, 2014

(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	\$ 26,296	\$ 26,296	\$ 28,426	\$ 2,130
Charges for services	-	-	147	147
Licenses, permits and fines	-	-	77	77
Intergovernmental	-	15	105	90
Leases, rents and royalties	325	325	272	(53)
Interest and investment earnings	325	325	108	(217)
Other	-	37	127	90
Total revenues	<u>26,946</u>	<u>26,998</u>	<u>29,262</u>	<u>2,264</u>
Expenditures:				
Current:				
Public Safety	84	84	84	-
Open Space and Mountain Parks	20,513	34,784	21,447	13,337
Debt service payments:				
Principal	4,405	4,405	4,405	-
Interest	816	816	816	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	<u>1,501</u>	<u>2,092</u>	<u>2,091</u>	<u>1</u>
Total expenditures	<u>27,319</u>	<u>42,181</u>	<u>28,843</u>	<u>13,338</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(373)</u>	<u>(15,183)</u>	<u>419</u>	<u>15,602</u>
Other financing sources (uses):				
Sale of capital assets	-	-	6	6
Proceeds from bonds	-	10,000	10,000	-
Premium on bonds issued	-	123	123	-
Transfers in	<u>1,264</u>	<u>1,264</u>	<u>1,264</u>	<u>-</u>
Total other financing sources (uses)	<u>1,264</u>	<u>11,387</u>	<u>11,393</u>	<u>6</u>
Net change in fund balance	\$ <u>891</u>	\$ <u>(3,796)</u>	11,812	\$ <u>15,608</u>
Encumbrances, end of year			1,366	
Fund balance, beginning of year, basis of budgeting			<u>17,037</u>	
Fund balance, end of year, basis of budgeting			30,215	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			32	
Accrued salaries, wages and amounts withheld from employees			<u>(211)</u>	
Fund balance, end of year, GAAP basis			\$ <u>30,036</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, 2014

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 17,967	\$ 22,467	\$ 24,177	\$ 1,710
Sale of goods	-	-	32	32
Intergovernmental	10,326	26,576	9,683	(16,893)
Leases, rents and royalties	100	100	98	(2)
Interest and investment earnings	45	45	81	36
Other	292	552	416	(136)
Total revenues	<u>28,730</u>	<u>49,740</u>	<u>34,487</u>	<u>(15,253)</u>
Expenditures:				
Current:				
Public Works	<u>30,949</u>	<u>58,379</u>	<u>34,270</u>	<u>24,109</u>
Total expenditures	<u>30,949</u>	<u>58,379</u>	<u>34,270</u>	<u>24,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,219)</u>	<u>(8,639)</u>	<u>217</u>	<u>8,856</u>
Other financing sources (uses):				
Transfers in	-	63	63	-
Transfers out	<u>(472)</u>	<u>(472)</u>	<u>(472)</u>	<u>-</u>
Total other financing sources (uses)	<u>(472)</u>	<u>(409)</u>	<u>(409)</u>	<u>-</u>
 Net change in fund balance	 \$ <u>(2,691)</u>	 \$ <u>(9,048)</u>	 (192)	 \$ <u>8,856</u>
Encumbrances, end of year			4,378	
Fund balance, beginning of year, basis of budgeting			<u>12,388</u>	
Fund balance, end of year, basis of budgeting			16,574	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			21	
Accrued salaries, wages and amounts withheld from employees			<u>(199)</u>	
Fund balance, end of year, GAAP basis			\$ <u>16,396</u>	

The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

## Statement of Net Position

Proprietary Funds

December 31, 2014

(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	\$ 1,603	\$ 575	\$ 541
Investments	31,127	11,162	10,507
Receivables:			
General property taxes	-	-	-
Accounts	282	18	-
Charges for services	1,319	1,259	688
Notes - current installments	-	-	-
Accrued interest	69	24	23
Intergovernmental	994	491	4,354
Total receivables	2,664	1,792	5,065
Due from other funds	177	46	11
Advances to other funds	61	-	-
Inventory of materials and supplies	224	4	1
Other assets - prepaid expenses	-	-	-
Total current assets	35,856	13,579	16,125
Noncurrent assets:			
Advances to other funds	594	-	-
Notes receivable - less current installments	-	-	-
Restricted assets:			
Investments for bond reserves	2,935	670	325
Investments for capital projects	99	-	-
Total restricted assets	3,034	670	325
Capital assets:			
Land and easements	20,970	1,633	16,288
Buildings	1,382	2,331	764
Improvements other than buildings	131	392	965
Infrastructure	-	-	-
Utility plant in service	283,182	142,171	-
Undergrounds - drainage facilities	-	-	69,503
Vehicles	2,814	2,317	1,207
Machinery and equipment	2,245	1,230	345
	310,724	150,074	89,072
Less accumulated depreciation	(108,568)	(56,616)	(21,730)
	202,156	93,458	67,342
Construction in progress	3,621	1,733	8,141
Total capital assets, net of accumulated depreciation	205,777	95,191	75,483
Total noncurrent assets	209,405	95,861	75,808
Total assets	245,261	109,440	91,933
Deferred outflows of resources			
Deferred loss on refunding	541	2,388	11
Total deferred outflow of resources	541	2,388	11
Total assets and deferred outflows of resources	\$ 245,802	\$ 111,828	\$ 91,944

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>
\$ 328	\$ 42	\$ 3,089	\$ 2,361
6,300	830	59,926	45,815
1,133	80	1,213	-
-	-	300	5
-	-	3,266	-
-	146	146	-
13	11	140	92
5	-	5,844	41
<u>1,151</u>	<u>237</u>	<u>10,909</u>	<u>138</u>
3	104	341	27
2	-	63	145
-	-	229	-
-	-	-	297
<u>7,784</u>	<u>1,213</u>	<u>74,557</u>	<u>48,783</u>
13	-	607	848
-	153	153	-
309	-	4,239	-
-	-	99	-
<u>309</u>	<u>-</u>	<u>4,338</u>	<u>-</u>
2,333	21,452	62,676	117
38,496	6,433	49,406	87,117
5,912	58	7,458	8,611
-	-	-	468
6	-	425,359	-
-	-	69,503	-
97	83	6,518	31,644
<u>1,397</u>	<u>247</u>	<u>5,464</u>	<u>10,693</u>
48,241	28,273	626,384	138,650
<u>(22,334)</u>	<u>(3,479)</u>	<u>(212,727)</u>	<u>(79,344)</u>
25,907	24,794	413,657	59,306
-	-	13,495	1,656
<u>25,907</u>	<u>24,794</u>	<u>427,152</u>	<u>60,962</u>
<u>26,229</u>	<u>24,947</u>	<u>432,250</u>	<u>61,810</u>
<u>34,013</u>	<u>26,160</u>	<u>506,807</u>	<u>110,593</u>
203	-	3,143	120
<u>203</u>	<u>-</u>	<u>3,143</u>	<u>120</u>
\$ <u>34,216</u>	\$ <u>26,160</u>	\$ <u>509,950</u>	\$ <u>110,713</u>

(continued)

## CITY OF BOULDER, COLORADO

Statement of Net Position,  
continuedProprietary Funds

December 31, 2014

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,150	\$ 319	\$ 420
Contracts and retainage payable	343	124	206
Accrued salaries, wages and amounts withheld from employees	275	164	67
Accrued interest	79	129	4
Accrued claims liability	-	-	-
Due to other funds	-	-	41
Advances from other funds	-	-	-
Other liabilities	690	123	280
General obligation bonds payable	-	-	-
Revenue bonds payable	4,510	2,565	345
Revenue notes payable (current portion)	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	72	74	17
Total current liabilities	<u>7,119</u>	<u>3,498</u>	<u>1,380</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,474	-
Accrued claims liability	-	-	-
Future water rights	1,691	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium)	-	-	-
Revenue bonds payable (net of premium)	20,331	37,482	1,108
Revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	521	403	41
Retiree health care benefit	107	83	30
Total noncurrent liabilities	<u>22,650</u>	<u>40,442</u>	<u>1,179</u>
Total liabilities	<u>29,769</u>	<u>43,940</u>	<u>2,559</u>
Deferred inflows of resources:			
Property tax	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Net investment in capital assets	182,575	55,618	73,921
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>33,358</u>	<u>12,270</u>	<u>15,464</u>
Total net position	\$ <u>216,033</u>	\$ <u>67,888</u>	\$ <u>89,385</u>

The accompanying notes are an integral part of this statement.



Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 70	\$ 7	\$ 1,966	\$ 833
-	-	673	62
47	7	560	51
118	104	434	54
-	-	-	946
-	-	41	257
-	2	2	-
28	8	1,129	248
1,540	-	1,540	-
-	-	7,420	-
-	1,451	1,451	-
-	-	-	547
-	-	163	21
<u>1,803</u>	<u>1,579</u>	<u>15,379</u>	<u>3,019</u>
-	-	2,474	-
-	-	-	1,136
-	-	1,691	-
-	13	13	-
9,238	-	9,238	-
-	-	58,921	-
-	5,727	5,727	-
-	-	-	8,827
146	34	1,145	48
52	5	277	33
<u>9,436</u>	<u>5,779</u>	<u>79,486</u>	<u>10,044</u>
<u>11,239</u>	<u>7,358</u>	<u>94,865</u>	<u>13,063</u>
<u>1,133</u>	<u>80</u>	<u>1,213</u>	<u>-</u>
<u>1,133</u>	<u>80</u>	<u>1,213</u>	<u>-</u>
15,419	17,616	345,149	50,913
163	6	169	-
-	-	100	-
<u>6,262</u>	<u>1,100</u>	<u>68,454</u>	<u>46,737</u>
\$ <u>21,844</u>	\$ <u>18,722</u>	413,872	\$ <u>97,650</u>

Adjustment to reflect the consolidation  
of internal service fund activities  
related to enterprise funds 4,316

Net position of  
business-type activities \$ 418,188

## CITY OF BOULDER, COLORADO

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

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Operating revenues:			
Charges for services	\$ 22,917	\$ 13,982	\$ 5,602
Leases, rents and royalties	-	-	-
Total operating revenues	<u>22,917</u>	<u>13,982</u>	<u>5,602</u>
Operating expenses:			
Personnel	6,677	4,508	1,606
Non-personnel	7,332	5,202	2,001
Depreciation	5,684	3,609	1,169
Total operating expenses	<u>19,693</u>	<u>13,319</u>	<u>4,776</u>
Operating income (loss)	<u>3,224</u>	<u>663</u>	<u>826</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	176	56	40
Leases, rents and royalties	32	-	36
Intergovernmental revenue	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(1,080)	(1,218)	-
Contribution expense - future water rights	(1,474)	-	-
Gain (loss) on disposition of capital assets	(555)	(286)	(2,128)
Other, net	7	5	1
Total nonoperating revenues (expenses)	<u>(2,894)</u>	<u>(1,443)</u>	<u>(2,051)</u>
Income before capital contributions and transfers	330	(780)	(1,225)
Capital contributions	8,697	3,255	6,026
Transfers in	181	-	-
Transfers out	<u>(266)</u>	<u>(231)</u>	<u>(146)</u>
Changes in net position	<u>8,942</u>	<u>2,244</u>	<u>4,655</u>
Total net position, beginning of year	<u>207,091</u>	<u>65,644</u>	<u>84,730</u>
Total net position, end of year	<u>\$ 216,033</u>	<u>\$ 67,888</u>	<u>\$ 89,385</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>
\$ 5,136	\$ 149	\$ 47,786	\$ 20,047
-	2,091	2,091	-
<u>5,136</u>	<u>2,240</u>	<u>49,877</u>	<u>20,047</u>
1,472	279	14,542	2,834
2,889	308	17,732	9,803
1,529	179	12,170	6,302
<u>5,890</u>	<u>766</u>	<u>44,444</u>	<u>18,939</u>
(754)	1,474	5,433	1,108
31	21	324	220
189	-	257	20
3	-	3	-
1,956	57	2,013	-
63	3	66	-
(263)	(320)	(2,881)	(347)
-	-	(1,474)	-
(7)	-	(2,976)	158
51	-	64	221
<u>2,023</u>	<u>(239)</u>	<u>(4,604)</u>	<u>272</u>
1,269	1,235	829	1,380
-	-	17,978	157
1,525	425	2,131	754
<u>(1,317)</u>	<u>(161)</u>	<u>(2,121)</u>	<u>(276)</u>
1,477	1,499	18,817	2,015
<u>20,367</u>	<u>17,223</u>		<u>95,635</u>
\$ <u>21,844</u>	\$ <u>18,722</u>		\$ <u>97,650</u>

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

263

Change in net position of  
business-type activities

\$ 19,080

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 22,975	\$ 13,922	\$ 5,290
Receipts from interfund services provided	-	-	-
Other receipts	7	39	-
Other payments	(19)	-	(33)
Payments to suppliers	(6,463)	(3,451)	(1,614)
Payments to employees	(5,740)	(4,533)	(1,564)
Payment for interfund services used	(1,974)	(1,877)	(651)
Net cash provided by operating activities	<u>8,786</u>	<u>4,100</u>	<u>1,428</u>
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	(177)	(5)	(11)
Payments from other funds on advances	59	-	-
Payments to other funds on advances	-	-	-
Leases, rents and royalties	32	-	36
Intergovernmental revenue	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	-	-	-
Transfers out	(266)	(231)	(146)
Net cash provided (used) by noncapital financing activities	<u>(352)</u>	<u>(236)</u>	<u>(121)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,049)	(2,033)	(7,942)
Proceeds from sale or transfer of property and equipment	-	-	-
Contractual payment - future water rights	(2,037)	-	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,360)	(2,475)	(335)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,089)	(1,669)	(49)
Payment received on note receivable due from County for sale of land	-	-	-
Capital contributions	<u>7,295</u>	<u>2,435</u>	<u>1,478</u>
Net cash (used) for capital related financing activities	<u>(6,240)</u>	<u>(3,742)</u>	<u>(6,848)</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>
\$	5,192	\$ 2,284	\$ 49,663	\$ 253
	-	-	-	19,798
	68	-	114	221
	-	(1)	(53)	-
	(2,222)	(209)	(13,959)	(9,150)
	(1,427)	(270)	(13,534)	(2,857)
	<u>(705)</u>	<u>(97)</u>	<u>(5,304)</u>	<u>(1,087)</u>
	<u>906</u>	<u>1,707</u>	<u>16,927</u>	<u>7,178</u>
	640	-	640	123
	-	-	(193)	(79)
	1	-	60	140
	-	(1)	(1)	-
	189	-	257	20
	3	-	3	50
	1,956	57	2,013	-
	63	3	66	-
	1,525	425	1,950	754
	<u>(1,317)</u>	<u>(161)</u>	<u>(2,121)</u>	<u>(95)</u>
	<u>3,060</u>	<u>323</u>	<u>2,674</u>	<u>913</u>
	(244)	-	(16,268)	(5,162)
	-	-	-	73
	-	-	(2,037)	-
	(1,495)	(1,771)	(10,436)	(514)
	(349)	(363)	(3,519)	(331)
	-	139	139	-
	<u>-</u>	<u>-</u>	<u>11,208</u>	<u>23</u>
	<u>(2,088)</u>	<u>(1,995)</u>	<u>(20,913)</u>	<u>(5,911)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from investing activities:			
Purchase of investment securities	\$ (18,573)	\$ (6,433)	\$ (5,890)
Proceeds from sale and maturities of investment securities	12,982	4,991	9,281
Interest on investments	<u>122</u>	<u>38</u>	<u>33</u>
Net cash provided in investing activities	<u>(5,469)</u>	<u>(1,404)</u>	<u>3,424</u>
Net (decrease) in cash and cash equivalents	(3,275)	(1,282)	(2,117)
Cash and cash equivalents, January 1	<u>4,878</u>	<u>1,857</u>	<u>2,658</u>
Cash and cash equivalents, December 31	\$ <u><u>1,603</u></u>	\$ <u><u>575</u></u>	\$ <u><u>541</u></u>

The accompanying notes are an integral part of this statement.

	Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$	(3,593)	\$ (451)	\$ (34,940)	\$ (24,909)
	1,263	306	28,823	17,583
	<u>18</u>	<u>22</u>	<u>233</u>	<u>149</u>
	<u>(2,312)</u>	<u>(123)</u>	<u>(5,884)</u>	<u>(7,177)</u>
	(434)	(88)	(7,196)	(4,997)
	<u>762</u>	<u>130</u>	<u>10,285</u>	<u>7,358</u>
\$	<u><u>328</u></u>	\$ <u><u>42</u></u>	\$ <u><u>3,089</u></u>	\$ <u><u>2,361</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2014

(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)	\$ <u>3,224</u>	\$ <u>663</u>	\$ <u>826</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,684	3,609	1,169
Other nonoperating revenues (expenses)	7	5	1
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	823	757	182
Charges for services receivable	(765)	(817)	(494)
Intergovernmental receivables	-	-	-
Due from other funds	-	-	-
Inventory of materials and supplies	(63)	-	(1)
Other assets - prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(319)	(69)	(263)
Accrued salaries, wages and amounts withheld from employees	105	34	24
Accrued claims liability	-	-	-
Other liabilities	-	(57)	-
Other liabilities - refundable deposits	(19)	34	(34)
Compensated absences	92	(72)	13
Retiree health care benefit	17	13	5
Total adjustments	<u>5,562</u>	<u>3,437</u>	<u>602</u>
Net cash provided by operating activities	\$ <u><u>8,786</u></u>	\$ <u><u>4,100</u></u>	\$ <u><u>1,428</u></u>
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From governmental funds	\$ -	\$ -	\$ -
From internal service funds	181	-	-
Other	416	354	363
Financed through accounts, contracts and retainage payable	1,296	198	435
Amortization of bond premium	(102)	(761)	(11)
Amortization of deferred loss on bond refundings	180	348	5
Assets transferred to other funds	-	-	-
Increase in fair value of investments	<u>46</u>	<u>16</u>	<u>15</u>
	\$ <u><u>2,017</u></u>	\$ <u><u>155</u></u>	\$ <u><u>807</u></u>

The accompanying notes are an integral part of this statement.



Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities Internal Service <u>Funds</u>
\$ <u>(754)</u>	\$ <u>1,474</u>	\$ <u>5,433</u>	\$ <u>1,108</u>
1,529	179	12,170	6,302
51	-	64	221
56	-	1,818	22
-	-	(2,076)	-
-	-	-	(18)
-	44	44	-
-	-	(64)	-
-	-	-	(115)
(38)	2	(687)	(491)
15	1	179	(14)
-	-	-	179
-	(1)	(58)	-
17	-	(2)	-
22	7	62	(22)
8	1	44	6
<u>1,660</u>	<u>233</u>	<u>11,494</u>	<u>6,070</u>
\$ <u><u>906</u></u>	\$ <u><u>1,707</u></u>	\$ <u><u>16,927</u></u>	\$ <u><u>7,178</u></u>
\$ -	\$ -	\$ -	\$ 134
-	-	181	-
-	-	1,133	-
18	-	1,947	(326)
(117)	-	(991)	-
45	-	578	-
-	-	-	(181)
9	1	87	61
\$ <u><u>(45)</u></u>	\$ <u><u>1</u></u>	\$ <u><u>2,935</u></u>	\$ <u><u>(312)</u></u>

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## FIDUCIARY FUNDS

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

The City of Boulder has the following pension trust funds:

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

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

CITY OF BOULDER, COLORADO

Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2014

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$	3
Investments:		
U.S. Treasuries		254
U.S. Agencies & Instrumentalities		650
Time Deposits		3
Mutual Funds		16,987
Equity Securities		5,090
Local Government Investment Pools		3
Money Market Funds		530
Real Estate Investment Trust		660
Corporate Bonds		103
Other		676
Receivables:		
Accrued interest		<u>12</u>
Total assets		<u>24,971</u>
Liabilities:		
Accounts and accrued liabilities:		
Accrued pensions payable		<u>77</u>
Net position restricted for pensions	\$	<u><u>24,894</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, 2014

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	369
Employees		<u>2</u>
Total contributions		<u>371</u>

Investment earnings		1,041
Less investment expense		<u>(72)</u>
Net investment earnings		<u>969</u>

Total additions		<u>1,340</u>
-----------------	--	--------------

Deductions:

Benefits		3,071
Administrative		<u>25</u>
Total deductions		<u>3,096</u>

Net (decrease) in net position		(1,756)
--------------------------------	--	---------

Net position restricted for

pensions:

Beginning of year		<u>26,650</u>
End of year	\$	<u><u>24,894</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, 2014**

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

**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, 2014

**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 Enterprise Fund (a proprietary 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, 2014

**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, 2014

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

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

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

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

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

Sales and use taxes, property taxes when budgeted for, other taxes, charges for services, intergovernmental revenues when eligibility requirements are met, and interest and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is also considered to be susceptible to accrual as revenue of the current 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, 2014

**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.

*2011 Capital Improvement Fund* – This capital projects fund accounts 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.

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, 2014

**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 revenues in the blended component unit Boulder Municipal Property Authority are received from the city in the form of base rentals on open space and parks property. 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, 2014.

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, 2014

**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, 2014

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

6. Investments (continued)

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

The city records long-term investments at fair value 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, 2014

**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, 2014

**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 2014 totaled \$146,009.

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, 2014

**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.

**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.

**14. Fund Balances and Net Position**

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

14. Fund Balances and Net Position (Continued)

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 those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2014 totaled \$20,528,977 consisting of \$2,934,796 for the Water Utility Fund, \$670,139 for the Wastewater Utility Fund, \$324,984 for the Stormwater and Flood Management Fund, \$309,094 for the Downtown Commercial District Fund, and \$16,289,964 for Capital Bond Proceeds.

Fiduciary funds report net position held in trust for pension benefits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 assets.

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	\$ 282,693	\$ 117	\$ 282,810
Buildings	27,481	87,117	\$ 114,598
Improvements other than buildings	64,478	8,611	\$ 73,089
Infrastructure	403,782	468	\$ 404,250
Machinery, equipment and vehicles	5,401	42,337	\$ 47,738
Construction-in-progress	58,936	1,656	\$ 60,592
Total capital assets	842,771	140,306	983,077
Less accumulated depreciation	(332,621)	(79,344)	(411,965)
Capital assets, net	<u>\$ 510,150</u>	<u>\$ 60,962</u>	<u>\$ 571,112</u>

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	\$ 79,610
Taxable obligation bonds	7,812
Capital Lease, excluding internal service funds	46
Compensated absences, excluding internal service funds	12,408
Deferred Outflows, excluding internal service funds	(130)
Retiree health care benefits payable, excluding internal service funds	1,822
Interest payable, excluding internal service funds	799
Governmental fund long-term liabilities	<u>\$ 102,367</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

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

The details of the \$1,946 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 General Obligation Bonds	\$ (10,000)
Premiums received on new issuances	(123)
Increase in compensated absences	(2,758)
Increase in retiree health care benefit	(677)
Total debt issued or incurred	<u>(13,558)</u>
Principal repayments or reductions	
Repayments	9,390
Amortization of debt premium	582
Bond Payments	<u>9,972</u>
Capital lease obligation	35
Decrease in compensated absences, excluding Internal Service Funds	1,273
Decrease in retiree health care benefit, excluding Internal Service Funds	<u>389</u>
Total principal repayments or reductions	<u>11,669</u>
Other long term liabilities	
Change in accrued interest payable	34
Amortization of deferred loss on refunding	<u>(91)</u>
Total other related items	<u>(57)</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>\$ (1,946)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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) \$4,456,000 increase to the Transportation Fund from CDOT RAMP (Responsible Acceleration of Maintenance and Partnerships) funding to extend the SH 119 / Diagonal reconstruction project.
- 2) \$4,500,000 increase in the Transportation Fund from new Transportation Sales and Use Tax revenues to be used for pavement maintenance, routine maintenance, Transit / TDM / Planning, adding additional capacity to improve Multi-modal system and to replenish operating reserve due to 2013 flood expenditures.
- 3) \$2,000,000 increase in the General Fund for enforcement, administration, training, education and contingency funding for unexpected costs related to non-medical marijuana.
- 4) \$1,000,000 increase in the Open Space and Mountain Parks Fund from fund balance to provide additional in 2014 for repairs and reconstruction of infrastructure damaged during the 2013 flood.
- 5) \$800,000 increase in the Water Utility Fund from fund balance within the Water Fund for increased main replacement funding.
- 6) \$414,077 increase to Facility Renovation and Replacement Fund for additional work on the Boulder Main Library.

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).
- Proprietary fund types – depreciation and amortization of deferred charges, bond premiums and deferred refunding losses, capital assets reassigned to other funds.

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).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE C – LEGAL COMPLIANCE – BUDGETS (CONTINUED)**

- Proprietary fund types – capital outlay including capital assets acquired through issuance of long-term lease purchase revenue notes, principal retirement, reduction in deferred credit, refunding of debt.

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

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

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

- Proprietary fund types – long-term debt proceeds.

*Non-compliance:*

As of December 31, 2014, the City had three funds in deficit fund balance non-compliance as follows:

Airport Fund	\$ 13,000
Community Development Fund	5,000
HOME Fund	2,000

The Community Development Fund and the HOME Fund had two small grant receivables which were not received within 60 days of year end. As a result, the revenue for these two receivables is reported as deferred inflows of resources in the amount of \$5,000 and \$2,000 respectively. This deferral of revenue resulted in a negative fund balance in these same amounts since the related payroll payables were recognized as expenditures while the corresponding revenue was deferred.

The Airport Fund also had a small negative fund balance in the amount of \$13,000. The Airport Fund had significant projects ongoing at year end, resulting in a large unexpected accounts payable at December 31, 2014. This unexpected large accounts payable accrual resulted in a temporary negative fund balance in the Airport Fund.

**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



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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.

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, 2014, the city believes it was in compliance with TABOR (see Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE E – DEPOSITS AND INVESTMENTS**

At December 31, 2014, the city had the following in cash and investments (in 000's):

Cash and deposits	\$ 12,054
Investments	<u>281,091</u>
Total	<u>\$ 293,145</u>

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

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 12,051
Investments	233,138
Restricted investments	<u>22,997</u>
	268,186
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	3
Investments	<u>24,956</u>
	<u>24,959</u>
Total	<u>\$ 293,145</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, 2014, 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, 2014

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

At December 31, 2014, the city had cash on hand of \$25,000. In addition, at December 31, 2014, the carrying amount of the city's deposits at JPMorgan Chase was \$12,023,810 while the bank statement balance was \$14,881,463. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and expired on December 31, 2012, leaving \$250,000 of the city's operating accounts under FDIC coverage and \$14,631,463 properly collateralized under the Public Deposit Protection Act.

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

As of December 31, 2014, the city had the following investments:

Investment Type	Fair Value (000's)
Local Government	
Investment Pools	\$ 19,033
U.S. Treasuries	67,835
U.S. Instrumentalities	160,269
Time Deposits	<u>8,998</u>
Total	<u>\$ 256,135</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, 2014

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

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

As of December 31, 2014, the city held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Instrumentalities			
FHLB	\$ 48,015	AA+	Aaa
FNMA	54,483	AA+	Aaa
FFCB	21,057	AA+	Aaa
FHLMC	36,714	AA+	Aaa
Local Government Investment Pools	19,033	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, 2014, the weighted average maturity of the city's pooled investment portfolio was 1.61 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 67,835	2.13
FHLB	48,015	1.61
FNMA	54,483	1.22
FFCB	21,057	1.41
FHLMC	36,714	2.33
Time Deposits	8,998	1.04
Local Government Investment Pools	19,033	0.00
Total fair value	<u>\$ 256,135</u>	
Portfolio weighted average maturity		<u>1.61</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, 2014

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

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

As of December 31, 2014, 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, 2014:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 48,015	19%
Federal Farm Credit Bureau	21,057	8%
Federal National Mortgage Association	54,483	21%
Federal Home Loan Mortgage Corporation	36,714	14%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

**Investments – Fiduciary Funds**

As of December 31, 2014, 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	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	254	1	6	12	100	135
U.S. Instrumentalities and Agencies	650	91	14	194	351	-
Time Deposits	3	2	1	-	-	-
Corporate Bonds	103	-	103	-	-	-
<b>Subtotal</b>	<b>\$ 1,013</b>	<b>\$ 97</b>	<b>\$ 124</b>	<b>\$ 206</b>	<b>\$ 451</b>	<b>\$ 135</b>
Money Market Funds	530					
Mutual Funds	16,987					
Equities	5,090					
Real Estate Investment Trust	660					
Other	676					
<b>Total</b>	<b>\$ 24,956</b>					

*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, 2014 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
Local Government			
Investment Pools	\$ 3	AAAm	N/A
U.S. Instrumentalities and Agencies	650	AA+	Aaa
Corporate Bond – JPMorgan Chase	103	A	A3

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014, 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, 2014

**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, 2014 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	\$ 1,186	9%
Fidelity Total Bond Fund	1,048	8%
Artisan International Fund	828	6%
Brandes International Equity Fund	732	5%
Principal US Property Separate Account real estate	660	5%



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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	\$ 999	9%
Fidelity Total Bond Fund	1,540	14%
Metropolitan West Mutual Fund	1,544	14%
Artisan International Fund	764	7%
Artisan Mid Cap Equity Fund	599	5%
Brandes International Equity Fund	695	6%
Diamond Hill Small Cap Mutual Fund	565	5%
Dodge & Cox Stock Fund	954	9%
Harbor Cap Appreciation Fund	946	9%
Vanguard 500 Index Fund	950	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, 2014

**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 2014 for collection in 2015 of \$28,652,000 in the General Fund, \$37,000 in the Special Revenue Funds, \$2,325,000 in the Capital Projects Funds and \$1,213,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2014. These taxes are classified as deferred inflows since they are not normally available to the city until mid-2015 and are budgeted for in 2015.

**NOTE G – NOTES RECEIVABLE**

The December 31, 2014 balance in “notes receivable” included two long-term notes 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	\$ -	\$ -	\$ 146	\$ 153
HHS Construction Loan	-	903	-	-
	<u>\$ -</u>	<u>\$ 903</u>	<u>\$ 146</u>	<u>\$ 153</u>

**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, 2014, no allowance for doubtful accounts was recognized.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE H – OTHER RECEIVABLES (CONTINUED)**

The December 31, 2014, balance in “other receivables” contains the following detail (amounts in 000’s):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 2,805	\$ 300	\$ 3,105
Charges for services	-	3,266	3,266
Accrued interest	377	140	517
Intergovernmental	5,960	5,844	11,804
Other	1	-	1
	<u>\$ 9,143</u>	<u>\$ 9,550</u>	<u>\$ 18,693</u>

**NOTE I – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014, was as follows (amounts in 000’s):

Governmental Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 277,523	\$ 5,267	\$ 20	\$ -	\$ 282,810
Construction in progress	45,844	29,606	(14,382)	(474)	60,594
Total capital assets, not being depreciated, net	<u>323,367</u>	<u>34,873</u>	<u>(14,362)</u>	<u>(474)</u>	<u>343,404</u>
Capital assets being depreciated:					
Buildings	114,043	1,102	510	(1,057)	114,598
Improvements other than buildings	66,876	2,077	4,135	-	73,088
Infrastructure	389,329	6,039	8,880	-	404,248
Machinery and equipment	43,878	4,143	837	(1,120)	47,738
Total capital assets, being depreciated	<u>614,126</u>	<u>13,361</u>	<u>14,362</u>	<u>(2,177)</u>	<u>639,672</u>
Less accumulated depreciation for:					
Buildings	56,322	3,656	-	(188)	59,790
Improvements other than buildings	27,670	2,987	-	-	30,657
Infrastructure	289,942	5,692	-	-	295,634
Machinery and equipment	23,398	3,489	-	(1,004)	25,883
Total accumulated depreciation	<u>397,332</u>	<u>15,824</u>	<u>-</u>	<u>(1,192)</u>	<u>411,964</u>
Total capital assets, being depreciated, net	<u>216,794</u>	<u>(2,463)</u>	<u>14,362</u>	<u>(985)</u>	<u>227,708</u>
Governmental activities capital assets, net	<u>\$ 540,161</u>	<u>\$ 32,410</u>	<u>\$ -</u>	<u>\$ (1,459)</u>	<u>\$ 571,112</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

During 2014, the city had intangible assets of \$14.0 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	\$ 62,476	\$ 200	\$ -	\$ -	\$ 62,676
Construction in progress	4,138	10,026	(662)	(7)	13,495
Total capital assets, not being depreciated	66,614	10,226	(662)	(7)	76,171
Capital assets being depreciated:					
Buildings	49,190	204	24	(12)	49,406
Improvements other than buildings	6,751	150	558	-	7,459
Utility plant in service and undergrounds	490,227	7,649	80	(3,095)	494,861
Machinery and equipment	11,952	252	-	(223)	11,981
Total capital assets, being depreciated	558,120	8,255	662	(3,330)	563,707
Less accumulated depreciation for:					
Buildings	22,078	1,441	-	(2)	23,517
Improvements other than buildings	3,667	346	-	-	4,013
Utility plant in service and undergrounds	169,826	9,383	-	(243)	178,966
Machinery and equipment	5,342	1,000	-	(112)	6,230
Total accumulated depreciation	200,913	12,170	-	(357)	212,726
Total capital assets, being depreciated, net	357,207	(3,915)	662	(2,973)	350,981
Business-type activities capital assets, net	\$ 423,821	\$ 6,311	\$ -	\$ (2,980)	\$ 427,152

In 2014, the city capitalized \$146,009 of eligible interest costs in the business-type activities capital assets.

# City of Boulder, Colorado

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

### 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	\$ 63
Administrative Services	825
Public Safety	139
Public Works	11,824
Culture and Recreation	2,483
Open Space and Mountain Parks	375
Housing & Human Services	65
Community Sustainability	50
Total depreciation expense – Governmental Activities	<u>\$ 15,824</u>
Business-type Activities:	
Water Utility	\$ 5,684
Wastewater Utility	3,609
Stormwater and Flood Management	1,169
Parking Facilities and Services	1,565
Property and Facility Acquisition	143
Total depreciation expense – Business-type Activities	<u>\$ 12,170</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. As of December 31, 2014, the reserve exceeded this goal by \$3,993,000. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2013 and 2014, were as follows (amounts in 000's):

	2013	2014
Estimated claims payable January 1	\$ 1,010	\$ 720
Current year claims and changes in estimates	(43)	312
Claim payments	(247)	(199)
Estimated claims payable December 31	<u>\$ 720</u>	<u>\$ 833</u>
Claims payable due within one year	<u>\$ 167</u>	<u>\$ 171</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, 2014, 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. As of December 31, 2014, the reserve exceeded this goal by \$219,000. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2013 and 2014, were as follows (amounts in 000's):

	2013	2014
Estimated claims payable January 1	\$ 1,162	\$ 1,183
Current year claims and changes in estimates	973	936
Claim payments	(952)	(870)
Estimated claims payable December 31	<u>\$ 1,183</u>	<u>\$ 1,249</u>
Claims payable due within one year	<u>\$ 762</u>	<u>\$ 775</u>

**NOTE K – ACCRUED LIABILITIES**

The December 31, 2014, 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	\$ 3,756	\$ 560	\$ 4,316
Accrued interest	853	434	1,287
Accrued liability – landfill cleanup	-	2,474	2,474
	<u>\$ 4,609</u>	<u>\$ 3,468</u>	<u>\$ 8,077</u>

**NOTE L – PROPERTY TAX OVERCOLLECTION LIABILITY**

The 2013 mill levy for the City of Boulder for taxes collected in 2014 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$23,115. The 2014 mill levy for taxes collected in 2015 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	\$ 17
University Hill Commercial District	6
	<u>\$ 23</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014

**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, 2014, 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:

2015	1,655,004
2016	1,697,958
2017	1,700,125

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014 balance was \$1,690,593.

**NOTE O – LONG-TERM DEBT**

The following balances and changes in long-term debt are for the year ended December 31, 2014 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 77,717	\$ 10,000	\$ (8,107)	\$ 79,610	\$ 8,295
Taxable pension obligation bonds	8,176	-	(364)	7,812	360
Revenue bonds	1,378	-	(1,378)	-	-
Total bonds payable	87,271	10,000	(9,849)	87,422	8,655
Capital lease purchase agreements	9,969	-	(549)	9,420	583
Compensated absences	11,014	2,758	(1,295)	12,477	606
Estimated claims payable (Note J)	1,903	1,248	(1,069)	2,082	946
Retiree health care benefit	1,561	677	(383)	1,855	-
Governmental activities long-term debt	<u>\$ 111,718</u>	<u>\$ 14,683</u>	<u>\$ (13,145)</u>	<u>\$ 113,256</u>	<u>\$ 10,790</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 12,390	\$ -	\$ (1,612)	\$ 10,778	\$ 1,540
Revenue bonds	74,385	-	(8,044)	66,341	7,420
Total bonds payable	86,775	-	(9,656)	77,119	8,960
Lease purchase revenue notes	8,949	-	(1,771)	7,178	1,451
Compensated absences	1,246	319	(257)	1,308	163
Retiree health care benefit	233	101	(57)	277	-
Business-type activities long-term debt	<u>\$ 97,203</u>	<u>\$ 420</u>	<u>\$ (11,741)</u>	<u>\$ 85,882</u>	<u>\$ 10,574</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	\$ 66,310	\$ 85,115
Governmental activities – refunding	2.00% - 4.00%	8,565	24,240
Business-type activities – refunding	2.00% - 4.00%	10,315	15,005
		<u>\$ 85,190</u>	<u>\$ 124,360</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	
2015	\$ 8,295	\$ 2,697	\$ 1,540	\$ 311	\$ 12,843
2016	6,440	2,442	1,590	272	10,744
2017	6,660	2,221	1,645	221	10,747
2018	6,235	1,991	1,705	169	10,100
2019	4,665	1,771	720	115	7,271
2020-2024	15,135	6,892	3,115	238	25,380
2025-2029	18,185	3,843	-	-	22,028
2030-2034	9,260	652	-	-	9,912
Total liability	<u>74,875</u>	<u>22,509</u>	<u>10,315</u>	<u>1,326</u>	<u>109,025</u>
Plus bond premium	4,735	-	463	-	5,198
Net liability	<u>\$ 79,610</u>	<u>\$ 22,509</u>	<u>\$ 10,778</u>	<u>\$ 1,326</u>	<u>\$ 114,223</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.00% - 5.00%	<u>\$ 7,720</u>	<u>\$ 9,070</u>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 360	\$ 327	\$ 687
2016	370	316	686
2017	380	305	685
2018	395	292	687
2019	410	278	688
2020-2024	2,305	1,130	3,435
2025-2029	2,845	587	3,432
2030	655	33	688
Total liability	<u>7,720</u>	<u>3,268</u>	<u>10,988</u>
Plus bond premium	92	-	92
Total liability	<u>\$ 7,812</u>	<u>\$ 3,268</u>	<u>\$ 11,080</u>

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, 2014

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

Revenue Bonds (Continued)

Revenue bonds outstanding at December 31, 2014, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	10,525	55,225
Business-type activities – refunding	2.00% - 4.125%	50,185	79,660
		<u>\$ 60,710</u>	<u>\$ 134,885</u>

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

Year ending December 31	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Debt Requirements</u>
	Principal	Interest	Principal	Interest	to Maturity
2015	\$ -	\$ -	\$ 7,420	\$ 2,547	\$ 9,967
2016	-	-	7,445	2,276	9,721
2017	-	-	6,860	1,988	8,848
2018	-	-	7,130	1,698	8,828
2019	-	-	5,900	1,397	7,297
2020-2024	-	-	19,395	3,776	23,171
2025-2029	-	-	5,910	545	6,455
2030	-	-	650	22	672
Total liability	<u>-</u>	<u>-</u>	<u>60,710</u>	<u>14,249</u>	<u>74,959</u>
Plus bond premium	-	-	5,631	-	5,631
Total liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$66,341</u>	<u>\$ 14,249</u>	<u>\$ 80,590</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, 2014, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

Lease Purchase Revenue Notes (continued)

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activity	3.25 - 7.00%	\$ 7,178	\$ 14,469

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

Year Ending December 31	Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2015	\$ 1,451	\$ 283	\$ 1,734
2016	1,401	217	1,618
2017	848	154	1,002
2018	650	118	768
2019	569	94	663
2020-2023	2,259	185	2,444
Total liability	\$ 7,178	\$ 1,051	\$ 8,229

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. As a result of the refunding, the book value of the assets and liabilities were reduced by \$392,250.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

Capital Lease Purchase Agreements (continued)

*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, 2014 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.65 - 4.93%	\$ 9,420	\$ 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	
2015	\$ 583	\$ 314	\$ 897
2016	594	293	887
2017	631	272	903
2018	684	249	933
2019	739	225	964
2020-2024	4,490	685	5,175
2025-2027	1,699	62	1,761
Total liability	\$ 9,420	\$ 2,100	\$ 11,520

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 8,610	\$ 818
Accrued sick pay	1,290	102
Accrued appreciation bonus	2,281	388
Accrued compensation time	296	-
	<u>\$ 12,477</u>	<u>\$ 1,308</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$606 of governmental activities and \$163 of business-type activities liabilities will be paid in 2015. 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, 2014, 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, 2014, there is \$27,055,000 of principal outstanding on defeased bonds.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014

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

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

**Due To/From Other Funds**

The composition of interfund receivable and payable balances as of December 31, 2014 is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
Planning & Development Services	General	2
.25 Cent Sales Tax	General	62
Climate Action Plan Tax	General	1
Open Space & Mountain Parks	General	54
Airport	General	19
Transportation	General	259
Perminant Parks and Recreation	General	12
Water Utility	General	177
Wastewater Utility	General	5
Stormwater and Flood Management	General	11
CAGID	General	3
Fleet	General	5
Boulder Junction Improvement Fund	Capital Development	146
BMPA Debt Service	Open Space & Mountain Parks	104
General	CDBG	268
General	Home	19
Waste water	Storm Water	41
General	Property and Casulty Insurance Fund	41
General	Fleet	194
Facility Renovation and Replacement	Fleet	22
		<u>\$ 1,445</u>

The more significant interfund receivable/payable balances are amounts due from General Fund to Transportation Fund and General Fund due to Water Utility Fund for FEMA grant revenue receipts originally posted to the General Fund, Capital Development Fund due to Boulder Junction Improvement Fund for building permit revenues pertaining to Boulder Junction, Open Space and Mountain Parks due to Boulder Municipal Property Authority for accrued interest on debt, CDBG Fund due to General Fund for temporary working capital and Fleet Fund due to General Fund for temporary working capital. All balances will be repaid within one year.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

**Advances To/From Other Funds**

The composition of interfund advances receivable and payable balances as of December 31, 2014, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 235
Water Fund	General Fund	655
Fleet Fund	General Fund	993
Downtown Commerical District	Boulder Junction Access GID - Parking	15
		<u>\$ 1,898</u>

The Airport Fund owes the General Fund \$235,000 at December 31, 2014. This advance will be repaid over 6 years with annual payments beginning in 2014.

The General Fund owes the Water Utility Fund \$655,319 at December 31, 2014, 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 \$144,460 for funding assistance in the implementation of new parking technology and \$848,053 for the Valmont Butte Remediation at December 31, 2014. 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 \$14,533 at December 31, 2014. This advance will 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 2014 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, 2014

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

**Interfund Transactions (Continued)**

TRANSFERS OUT						
TRANSFERS IN	General Fund	Transportation	Nonmajor Governmental	Water Utility	Wastewater Utility	
General Fund	\$ -	\$ 28	\$ 11	\$ 53	\$ 18	
Open Space & Mountain Parks	1,103	-	-	-	-	
Transportation	63	-	-	-	-	
Nonmajor Governmental	4,341	444	128	213	213	
Water Utility	-	-	-	-	-	
Downtown Commercial District	1,525	-	-	-	-	
Nonmajor Business-type	425	-	-	-	-	
Internal Service Funds	754	-	-	-	-	
Total transfers	\$ 8,211	\$ 472	\$ 139	\$ 266	\$ 231	

TRANSFERS OUT (Continued)						
TRANSFERS IN	Stormwater & Flood Management	Downtown Commercial District	Nonmajor Business-type	Internal Service Funds	TOTAL	
General Fund	\$ 17	\$ 1,317			\$ 1,444	
Open Space & Mountain Parks	-	-	161	-	1,264	
Transportation	-	-	-	-	63	
Nonmajor Governmental	129	-	-	95	5,563	
Water Utility	-	-	-	181	181	
Downtown Commercial District	-	-	-	-	1,525	
Nonmajor Business-type	-	-	-	-	425	
Internal Service Funds	-	-	-		754	
Total transfers	\$ 146	\$ 1,317	\$ 161	\$ 276	\$ 11,219	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE Q – RELATED PARTY TRANSACTIONS**

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2014, Boulder Housing Partners received grant funding of \$1,395,700 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 2014 totaling \$29,570.

During 2014, 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, 2014.

**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, 2014, net position for Business-type Activities of \$162,500 and \$6,071, 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, 2014

**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 Single Audit Act of 1984, as amended in 1996. 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, 2014

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

3. Construction Commitments

At December 31, 2014, city funds were obligated under contractual commitments for various construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 741
Open Space	1,365
Transportation	4,378
2011 Capital Improvement	4,582
Total Major Funds	<u>11,066</u>
 Total Non- Major Governmental Funds	 <u>2,755</u>
 Total Governmental Funds	 <u>\$ 13,821</u>
 Water Utility	 \$ 2,197
Wastewater Utility	617
Stormwater & Flood Management	1,384
CAGID	340
Total Major Enterprise Funds	<u>4,538</u>
 Non-Major Enterprise Funds	 <u>14</u>
 Total Enterprise Funds	 <u>\$ 4,552</u>
 Total Internal Service Funds	 <u>\$ 1,404</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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
1,411	PERA	\$ 5,232	8.000%	\$ 8,983	13.700%
0	Old Hire Police	1	2.000%	305	
0	Old Hire Fire	1	7.833%	64	
	Police and Fire Money Purchase –				
173	Police employees	824	6.200%	1,836	13.800%
	Police and Fire Money Purchase –				
	Fire employees – International				
110	Association of Firefighters	731	8.000%	1,188	13.000%
5	ICMA 401(a)	86	8.000%	148	13.700%
4	ICMA 457	14	8.000%	5	13.700%
	Totals	<u>\$ 6,889</u>		<u>\$ 12,529</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, 2014

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

Membership of each plan consisted of the following at January 1, 2014, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees & Beneficiaries receiving benefits	43	42
Terminated plan members entitled but not yet receiving benefits	6	5
Active plan members	1	1
Total	<u>50</u>	<u>48</u>

The city's annual pension costs and net pension obligation for the two plans for the year ended December 31, 2014 are as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Annual required contributions (ARC)	\$ 182	\$ -
Interest on net pension obligation (NPO)	(390)	(287)
Adjustment to ARC	571	485
Annual Pension Cost	<u>363</u>	<u>198</u>
City contributions	(305)	(64)
Increase in NPO	58	134
Net pension obligation (prepaid) beginning of year	<u>(5,244)</u>	<u>(3,787)</u>
Net pension obligation (prepaid) end of year	<u>\$ (5,186)</u>	<u>\$ (3,653)</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

Three Year Trend Information (amounts in 000's)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>City Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Prepaid)</u>
<b>"Old Hire" Police Defined Benefit Plan</b>				
2014	\$ 363	\$ 305	84%	\$ (5,186)
2013	424	222	52%	(5,244)
2012	388	222	57%	(5,404)
<b>"Old Hire" Fire Defined Benefit Plan</b>				
2014	\$ 198	\$ 64	32%	\$ (3,653)
2013	305	159	52%	(3,787)
2012	345	162	47%	(3,965)

The "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan financial statements as of December 31, 2014, 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, 2014, is as follows (amounts in 000's):

	<u>"Old Hire" Police Defined Benefit Plan</u>	<u>"Old Hire" Fire Defined Benefit Plan</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents	\$ 1	\$ 2
Investments		
U.S. Treasuries	242	12
U.S. Instrumentalities	621	29
Time Deposits	1	2
Mutual Funds	6,166	10,821
Equity Securities	5,090	-
Local Government Investment Pools	1	2
Money Market Funds	301	229
Real Estate Investment Trust	660	-
Corporate Bonds	103	-
Other	676	-
Accrued Interest	12	-
Total assets	<u>13,874</u>	<u>11,097</u>
<b>Liabilities:</b>		
Accrued pensions payable	<u>44</u>	<u>33</u>
Net position restricted for pensions	<u>\$ 13,830</u>	<u>\$ 11,064</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

The changes in plan net position for December 31, 2014, 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	\$ 305	\$ 64
Employees	1	1
Total contributions	306	65
Investment earnings	670	371
Less investment expense	(36)	(36)
Net investment income	634	335
Total additions	940	400
Deductions:		
Benefits	1,529	1,542
Administrative	13	12
Total deductions	1,542	1,554
Net (decrease) in net position	(602)	(1,154)
Net position restricted for pensions:		
Beginning of year	14,432	12,218
End of year	\$ 13,830	\$ 11,064

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, 2014

**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, 2014, 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, 2014

**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 2014, 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, 2014. 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, 2014

**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.

**Funded Status and Funding Progress** – As of January 1, 2014, the most recent actuarial valuation date, the plan was 88.8% funded. The actuarial accrued liability for benefits was \$15,380,119 and the actuarial value of assets was \$13,655,904, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,724,215. The covered payroll (annual payroll of active employees covered by the plan) is not applicable since there are no active employees except for the DROP employee. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$5,469,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.59%. 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, 2014.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	4.0%
Domestic Small Cap	4.4%
International Equity	4.4%
Emerging Markets	4.9%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	4.1%
Real Estate	3.5%
Commodities	2.2%

**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, 2014

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

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

**Net Pension Liability** – The components of the net pension liability of the City at December 31, 2014 were as follows:

Total Pension Liability	\$	14,955,507
Fiduciary Net Position		<u>13,830,000</u>
Net Pension Liability	\$	<u><u>1,125,507</u></u>
Plan Fiduciary Net Position as a		
Percentage of the Total Pension Liability		92.47%

**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	<u>\$ 2,408,164</u>	<u>\$ 1,125,507</u>	<u>\$ 18,680</u>

2. “Old Hire” Fire Defined Benefit Plan

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

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

*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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

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

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

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

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

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

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2014, there are no current Fire employees who have elected the DROP and all DROP balances have been disbursed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

**Death and Disability Benefits**

*Employees and Former Members* – Effective January 1, 2007, the widow of a retiree who retired prior to January 1, 1990, is eligible for a benefit of the lesser of one-third of the monthly salary paid by the city to a first class firefighter at the date of the member’s death or earlier retirement or the Board established minimum widow benefit which is currently \$515.00 per month. Benefits for normal or disability retirees who retired prior to January 1, 2000, are eligible for a minimum benefit of \$875.50 per month. Dependent children of the employee are eligible for \$30.00 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

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

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

**Contributions and Funding Policy** – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the “Old Hire” Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the city are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. Contribution rates during 2014 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 2014, 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, 2014 and rolled forward to December 31, 2014. 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, 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

- 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.

**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, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.90%. 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, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	4.0%
Domestic Mid Cap	4.2%
Domestic Small Cap	4.4%
International Equity	4.4%
Emerging Markets	4.9%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	4.1%
Commodities	2.2%

**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.

**Net Pension Liability** – The components of the net pension liability of the City at December 31, 2014 were as follows:

Total Pension Liability	\$ 11,072,222
Fiduciary Net Position	<u>11,064,000</u>
Net Pension Liability	<u>\$ 8,222</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.93%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 (Asset)	\$ 884,299	\$ 8,222	\$ (751,285)

3. Public Employees Retirement Association (PERA)

**Plan Description** – The City of Boulder contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members and their beneficiaries. All employees, except firefighters, police officers and certain management employees that work directly for the City Manager are members of the LGDTF. Those employees excepted from PERA are covered by other plans described in this Note. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly-available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203, or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

**Funding Policy** – The City of Boulder is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the City of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the City of Boulder is 13.7% of covered salary. A portion of the City of Boulder’s contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (HCTF) (see Note W – Other Postemployment Benefit Plans (OPEB) than Pensions). Also included within the 13.7%, the City of Boulder is required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll for the calendar year 2014 (2.20% of total payroll was also the rate for calendar years 2013 and 2012) and a supplemental amortization equalization disbursement (SAED) equal to 1.50% of total payroll for the calendar year 2014 (as well as for 2013 and 2012).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

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, 2014, 2013, and 2012, the City of Boulder's contributions to the LGDTF, were \$10,023,137, \$9,027,975, and \$8,425,590, 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, 2014. The city's contribution requirement for the year ended December 31, 2014, was 13.8%, of covered payroll. The dollar amount of the city's contributions was \$1,763,793 in 2014. The employee contributions were 6.2%, or \$792,429, of covered payroll.

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, 2014, was 13% of covered payroll, or \$1,141,981. The employee contributions were 8% of covered payroll, or \$702,758.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

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

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

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

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

**NOTE V – DEFERRED COMPENSATION PLANS**

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. 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](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Funding Policy – The City of Boulder is required to contribute at a rate of 1.02%, of covered 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 of the CRS, as amended.

The City of Boulder's contributions to HCTF for the years ending December 31, 2014, 2013, and 2012 were \$746,248, \$671,828; and \$627,054, 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 2014, 2013, and 2012, the city paid \$355,887, \$320,527, and \$297,687, respectively, equal to their required contributions for each year.

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



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

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

3. City of Boulder Retiree Health Care Benefit Plan

Plan Description – The City of Boulder administers a single-employer defined benefit healthcare plan (the Retiree Health Care Benefit Plan). The city provides health care insurance coverage to current and future retirees of the city who retire with a PERA or city provided pension and have 12 years of service with the city. Employees who terminate or retire prior to meeting the eligibility requirements for retiree 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)	\$	777
Interest on prior year net OPEB obligation		67
Adjustment to ARC		(66)
Annual OPEB cost		<u>778</u>
Contributions made		<u>440</u>
Increase in net OPEB obligation		338
Net OPEB obligation – beginning of year		<u>1,794</u>
Net OPEB obligation – end of year	\$	<u><u>2,132</u></u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 2014 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 602	56.0%	\$ 1,631
2013	\$ 603	73.0%	\$ 1,794
2014	\$ 778	56.6%	\$ 2,132

Funded Status and Funding Progress – As of January 1, 2013, the most recent actuarial evaluation date, the actuarial accrued liability for benefits was \$8,280,910, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$78,172,630, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.6%.

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, 2013. It is the plan's policy to have an actuarial study prepared every two years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 – RP-2000 Combined Healthy Mortality Table projected to 2021 using Scale AA.
  - Disabled Lives – RP-2000 Disabled Mortality Table projected to 2021 using Scale AA.
- 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.
- Health Care Cost Trend – Using the Getzen Model, the trend rate starts at 10.8% for 2013 and trends downward to a rate of 4.5% in 2083.
- 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, 2013 included the following:

- Updated claims and premiums to experience and plan changes.
- The trend assumption was updated using the Getzen Trend Model.
- A lapse assumption was added at age 65 to reflect anticipated plan experience.
- The withdrawal and retirement decrement rates were updated to better reflect anticipated plan experience.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**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 \$59,280,000 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 2030. 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, 2014 is \$73,420,450. Principal and interest paid for the current year and total customer net revenues were \$9,592,075 and \$18,862,000, 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 \$1,430,000 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 2018. 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, 2014 is \$1,538,600. Principal and interest paid for the current year and total customer net revenues were \$384,600 and \$1,905,000, 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 \$25,410,000 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 \$25,410,000 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, 2014 is \$30,222,030. Principal and interest paid for the current year and total pledged sales tax revenues were \$5,221,113 and \$28,426,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE X – PLEDGED REVENUES (CONTINUED)**

**25 Cent Parks Acquisition and Recreation Sales Tax Revenues Pledged**

The city has pledged future sales and use tax revenues of the .25 Cent Sales Tax Fund to repay \$2,130,000 in outstanding bonds. Proceeds from the bonds provided financing to refund the Parks Acquisition Bonds, Series 1999, which refunded the Parks Acquisition Bonds, Series 1996 used to acquire and develop park lands. The bonds are payable from the sales tax revenues of the .25 Cent Sales Tax Fund and are also backed with a pledge of the full faith and credit of the city. These bonds mature through 2015, the year the .25% sales tax levy expires. Annual principal and interest payments on the bonds are expected to require less than 40% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2014 is \$2,193,900. Principal and interest paid for the current year and total pledged sales tax revenues were \$2,190,850 and \$8,057,000, respectively.

**Downtown Commercial District Revenues Pledged**

The city has pledged a portion of future sales tax revenues to repay \$6,545,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9<sup>th</sup> Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

In addition, the city has pledged future net revenue derived by CAGID from the operation of its properties to repay \$3,770,000 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, 2014 is \$11,641,000. Principal and interest paid for the current year and total pledged revenues were \$1,844,650 and \$4,587,000, 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, 2014, BMPA currently has \$7,178,506 in outstanding debt used primarily to provide funding for acquisition of 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE X – PLEDGED REVENUES (CONTINUED)**

**Boulder Municipal Property Authority Revenues Pledged (Continued)**

principal and interest remaining on the debt is \$8,229,503 with annual requirements ranging from \$1,451,336 in 2015 to \$539,342 in 2021. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$3,955,272 over the last 14 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$2,135,133 and \$2,135,133, respectively.

**Trash Tax Revenues**

On August 16, 1994, the city passed the 1994 Ordinance approving the 1994 Election Question which authorized the city to raise its trash tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the city approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the city under TABOR to issue not to exceed \$6,000,000 of bonds payable from the city's trash tax revenues and additionally secured by the full faith and credit of the city, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2014, there are currently \$4,750,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2014 is \$6,335,825. 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 \$428,288 and \$428,288, 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, 2014, \$42,585,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2014 is \$58,632,150. Principal and interest paid for the current year and total General Fund pledged revenues were \$3,994,700 and \$3,994,700, respectively.

**NOTE Y – EXTRAORDINARY ITEM**

During the period of September 11 to September 18, 2013, the city of Boulder experienced a major flood event resulting in significant damage to insured property. The City received \$955,995 in insurance proceeds for covered damages from this event which is recognized in the General Fund as extraordinary income for the year ended December 31, 2014. This is in addition to \$1,887,706 in insurance proceeds received for the year ended December 31, 2013.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

**NOTE Z – CHANGE IN ACCOUNTING PRINCIPLES**

The city adopted Governmental Accounting Standards Board Statement 67 (GASB 67) *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, in 2014 which has as its objective improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability.

Adoption of GASB 67 for the Old Hire Fire and Old Hire Police defined benefit plans, presented as pension trust funds, had no effect on net position restricted for pensions or net increase in net position. It did, however, change the requirements for information disclosed in the notes to the financial statements and information required to be presented as Required Supplementary Information (RSI) that are included within this financial report.

## REQUIRED SUPPLEMENTARY INFORMATION



CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Police Pension Fund

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (1) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	1/1/2010	10,394,413	16,663,370	6,268,957	62.4%	124,228	5046.3%
2012	1/1/2012	14,051,067	16,057,253	2,006,186	87.5%	130,326	1539.4%
2014	1/1/2014	13,655,904	15,380,119	1,724,215	88.8%	-	NA

- (1) In October 2010, the City of Boulder issued pension obligation bonds and invested \$5,469,000 of the proceeds into the Police Pension Fund, in addition to the regular annual contribution. This contribution was reflected in the actuarial evaluation as of January 1, 2012.
- (2) As of January 1, 2014, there are no active participants in the plan. Participants in an approved DROP plan are not considered active employees for purposes of the actuarial calculations. Therefore, there is no covered payroll in the table above but employee contributions to their DROP account continued.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Fire Pension Fund

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (1) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	1/1/2010	9,493,000	13,681,074	4,188,074	69.4%	-	NA
2012	1/1/2012	11,884,000	13,142,256	1,258,256	90.4%	-	NA
2014	1/1/2014	12,218,000	11,831,797	(386,203)	103.3%	-	NA

- (1) In October 2010, the City of Boulder issued pension obligation bonds and invested \$3,531,000 of the proceeds into the Fire Pension Fund, in addition to the regular annual contribution. This contribution was reflected in the actuarial evaluation as of January 1, 2012.
- (2) As of January 1, 2010, there are no active participants in the plan. Participants in an approved DROP plan are not considered active employees for purposes of the actuarial calculations. Therefore, there is no covered payroll in the table above but employee contributions to their DROP account continued.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Police and Fire Pension Funds

Fiscal Year	Police Pension Fund (Note 1)			Fire Pension Fund (Note 2)		
	Annual Required Contributions	Actual City Contributions	Percentage Contributed	Annual Required Contributions	Actual City Contributions	Percentage Contributed
2005	362,824	369,722	101.9%	109,541	118,183	107.9%
2006	302,812	369,386	122.0%	133,792	141,313	105.6%
2007	302,812	473,695	156.4%	133,792	313,944	234.7%
2008	403,366	471,474	116.9%	197,099	314,422	159.5%
2009	403,366	470,892	116.7%	197,099	314,770	159.7%
2010	634,924	5,984,894	942.6%	479,444	3,874,297	808.1%
2011	188,544	191,945	101.8%	60,510	64,510	106.6%
2012	219,204	221,807	101.2%	156,888	161,800	103.1%
2013	237,055	221,966	93.6%	97,999	159,119	162.4%
2014	181,916	304,977	167.6%	-	64,207	NA

Note 1: Benefits were increased as of January 1, 2007. A special actuarial study was performed to determine the cost of these benefit changes, and an additional \$104,000 was budgeted beginning in 2007 to fully fund them.

Note 2: Benefits were increased as of January 1, 2007. A special actuarial study was performed to determine the cost of these benefit changes, and an additional \$306,000 was budgeted beginning in 2007 to fully fund them.

Note 3: In October 2010, the city of Boulder issued pension obligation bonds and invested \$5,469,000 of the proceeds into the Police Pension Fund and \$3,531,000 of the proceeds into the Fire Pension Fund, in addition to the regular annual contributions. These contributions were reflected in the actuarial evaluation as of January 1, 2012.

Note 4: In 2014, there was an updated actuary report completed for the Police Pension Fund. As a result of this updated report, the 2013 annual required contribution amount was updated from the amount previously presented. While new information indicates less than 100% contributed, the City's 2013 contributions exceeded the annual required contribution amount available at the time they were made.

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>
2009	1/1/2009	\$ -	\$ 7,616,068	\$ 7,616,068	-	\$ 85,687,119	8.9%
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%

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,

	<u>2014</u>
Total Pension Liability	
Service cost	\$ -
Interest on total pension liability	1,097,208
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	7,180
Effect of assumption changes or inputs	-
Benefit payments	<u>(1,529,000)</u>
Net change in total pension liability	(424,612)
Total pension liability, beginning	<u>15,380,119</u>
Total pension liability, ending (a)	<u><u>\$ 14,955,507</u></u>
Fiduciary Net Position	
Employer contributions	\$ 305,000
Member contributions	1,000
Investment income net of investment expenses	635,000
Benefit payments	(1,529,000)
Administrative expenses	<u>(14,000)</u>
Net change in plan fiduciary net position	<u>(602,000)</u>
Fiduciary net position, beginning	<u>14,432,000</u>
Fiduciary net position, ending (b)	<u><u>13,830,000</u></u>
Net pension liability, ending (a) - (b)	<u><u>\$ 1,125,507</u></u>
Fiduciary net position as a % of total pension liability	92.47%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

Note to Schedule:

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

## 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
2005	\$ 362,824	\$ 370,000	\$ (7,176)	\$ 162,535	227.64%
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

## 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%

## CITY OF BOULDER, COLORADO

Required Supplementary InformationSchedule of Changes in Net Pension Liability  
and Related Ratios

## Fire Pension Fund

Fiscal Year Ending December 31,

	<u>2014</u>
Total Pension Liability	
Service cost	\$ -
Interest on total pension liability	830,605
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	(48,180)
Effect of assumption changes or inputs	-
Benefit payments	<u>(1,542,000)</u>
Net change in total pension liability	(759,575)
Total pension liability, beginning	<u>11,831,797</u>
Total pension liability, ending (a)	<u><u>\$ 11,072,222</u></u>
Fiduciary Net Position	
Employer contributions	\$ 64,000
Member contributions	1,000
Investment income net of investment expenses	335,000
Benefit payments	(1,542,000)
Administrative expenses	<u>(12,000)</u>
Net change in plan fiduciary net position	<u>(1,154,000)</u>
Fiduciary net position, beginning	<u>12,218,000</u>
Fiduciary net position, ending (b)	<u><u>11,064,000</u></u>
Net pension liability, ending (a) - (b)	<u><u>\$ 8,222</u></u>
Fiduciary net position as a % of total pension liability	99.93%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

## Note to Schedule:

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



## CITY OF BOULDER, COLORADO

Required Supplementary Information

## Schedule of Employer Contributions

## Fire Pension Fund

<u>Fiscal Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a % of Covered Payroll</u>
2005	\$ 109,541	\$ 118,000	\$ (8,459)	\$ 378,793	31.15%
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

## 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%

## 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.

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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, 2014

(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	\$ 1,946	\$ 116	\$ 203	\$ 2,265
Investments	37,184	2,213	3,941	43,338
Receivables:				
General property taxes	25,722	860	2,070	28,652
Sales and use taxes	6,162	-	-	6,162
Accounts	1,985	-	6	1,991
Notes	-	-	813	813
Accrued interest	86	4	8	98
Intergovernmental	1,464	-	-	1,464
Other	1	-	-	1
Total receivables	<u>35,420</u>	<u>864</u>	<u>2,897</u>	<u>39,181</u>
Due from other funds	522	-	-	522
Advances to other funds	235	-	-	235
Inventory of materials and supplies	23	-	-	23
Restricted assets:				
Investments for special purposes	1,268	-	-	1,268
Other assets	137	-	-	137
Total assets	<u>76,735</u>	<u>3,193</u>	<u>7,041</u>	<u>86,969</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	\$ <u>76,735</u>	\$ <u>3,193</u>	\$ <u>7,041</u>	\$ <u>86,969</u>

<u>Liabilities, Deferred Inflows of Resources and Fund</u> <u>Balance</u>	Core General <u>Fund</u>	Library <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 1,241	\$ 90	\$ 5	\$ 1,336
Accrued salaries, wages and amounts withheld from employees	2,319	182	9	2,510
Due to other funds	610	-	-	610
Advances from other funds	1,648	-	-	1,648
Other liabilities	105	-	-	105
Unearned revenue	528	-	-	528
Total liabilities	<u>6,451</u>	<u>272</u>	<u>14</u>	<u>6,737</u>
Deferred inflows of resources:				
Property tax	25,722	860	2,070	28,652
Grants and other deferrals	508	-	-	508
Total deferred inflows of resources	<u>26,230</u>	<u>860</u>	<u>2,070</u>	<u>29,160</u>
Fund balances:				
Nonspendable:				
Prepaid	137	-	-	137
Inventory	23	-	-	23
Endowment	100	-	-	100
Restricted:				
Legally restricted	1,028	-	-	1,028
Capital projects	177	-	-	177
Donor restrictions	276	-	-	276
Assigned:				
Special purposes	2,477	2,061	4,957	9,495
Contractual obligations	707	-	-	707
Unassigned	39,129	-	-	39,129
Total fund balances	<u>44,054</u>	<u>2,061</u>	<u>4,957</u>	<u>51,072</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>76,735</u>	\$ <u>3,193</u>	\$ <u>7,041</u>	\$ <u>86,969</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, 2014  
(Amounts in 000's)

	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Eliminations	Total General Fund
Revenues:					
Taxes:					
Sales and use taxes	\$ 55,457	\$ -	\$ -	\$ -	\$ 55,457
General property taxes	25,175	845	2,021	-	28,041
Accommodations taxes	6,443	-	-	-	6,443
Franchise taxes	10,410	-	-	-	10,410
Specific ownership & tobacco taxes	1,954	-	-	-	1,954
Excise taxes	445	-	345	-	790
Charges for services	4,225	143	6	-	4,374
Sale of goods	69	-	281	-	350
Licenses, permits and fines	6,151	-	-	-	6,151
Intergovernmental	3,701	25	6	-	3,732
Leases, rents and royalties	207	7	-	-	214
Interest and investment earnings	170	13	68	-	251
Other	563	125	-	-	688
Total revenues	<u>114,970</u>	<u>1,158</u>	<u>2,727</u>	<u>-</u>	<u>118,855</u>
Expenditures:					
Current:					
General Government	14,831	-	-	-	14,831
Administrative Services	6,773	-	-	-	6,773
Public Safety	50,196	-	-	-	50,196
Public Works	6,052	-	-	-	6,052
Planning & Development Services	58	-	-	-	58
Culture and Recreation	5,594	8,174	-	-	13,768
Open Space and Mountain Parks	90	-	-	-	90
Housing and Human Services	6,603	-	863	-	7,466
Debt service payments:					
Principal	2,920	-	-	-	2,920
Interest	2,261	-	-	-	2,261
Total expenditures	<u>95,378</u>	<u>8,174</u>	<u>863</u>	<u>-</u>	<u>104,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,592</u>	<u>(7,016)</u>	<u>1,864</u>	<u>-</u>	<u>14,440</u>
Other financing sources (uses):					
Sale of capital assets	1	-	-	-	1
Transfers in	1,444	6,587	-	(6,587)	1,444
Transfers out	(14,378)	(414)	(6)	6,587	(8,211)
Total other financing sources (uses)	<u>(12,933)</u>	<u>6,173</u>	<u>(6)</u>	<u>-</u>	<u>(6,766)</u>
Extraordinary item:					
Flood insurance recoveries	<u>956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>956</u>
Net change in fund balances	7,615	(843)	1,858	-	8,630
Fund balances, beginning of year	<u>36,439</u>	<u>2,904</u>	<u>3,099</u>	<u>-</u>	<u>42,442</u>
Fund balances, end of year	<u>\$ 44,054</u>	<u>\$ 2,061</u>	<u>\$ 4,957</u>	<u>\$ -</u>	<u>\$ 51,072</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, 2014

(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	\$ 50,216	\$ 52,216	\$ 55,457	\$ 3,241
General property taxes	25,182	25,182	25,175	(7)
Accommodations taxes	6,010	6,010	6,443	433
Franchise taxes	10,628	10,701	10,410	(291)
Specific ownership & tobacco taxes	1,667	1,667	1,954	287
Excise taxes	-	-	445	445
Charges for services	4,466	4,609	4,225	(384)
Sale of goods	89	130	69	(61)
Licenses, permits and fines	6,153	6,174	6,151	(23)
Intergovernmental	1,253	1,980	3,701	1,721
Leases, rents and royalties	230	230	207	(23)
Interest and investment earnings	303	303	205	(98)
Other	363	1,717	563	(1,154)
Total revenues	<u>106,560</u>	<u>110,919</u>	<u>115,005</u>	<u>4,086</u>
Expenditures:				
Current:				
General Government	14,618	20,989	15,054	5,935
Administrative Services	6,133	8,519	6,618	1,901
Public Safety	50,511	52,486	50,681	1,805
Public Works	5,123	6,606	6,085	521
Planning & Development Services	46	206	57	149
Culture and Recreation	5,388	5,826	5,570	256
Open Space and Mountain Parks	81	81	84	(3)
Housing and Human Services	7,106	7,975	6,518	1,457
Debt service payments:				
Principal	2,920	2,920	2,920	-
Interest	2,192	2,192	2,192	-
Total expenditures	<u>94,118</u>	<u>107,800</u>	<u>95,779</u>	<u>12,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,442</u>	<u>3,119</u>	<u>19,226</u>	<u>16,107</u>

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	1	1
Transfers in	646	682	1,469	787
Transfers out	<u>(13,725)</u>	<u>(14,644)</u>	<u>(14,644)</u>	<u>-</u>
Total other financing sources (uses)	<u>(13,079)</u>	<u>(13,962)</u>	<u>(13,174)</u>	<u>788</u>
Extraordinary item:				
Flood insurance recoveries	<u>-</u>	<u>-</u>	<u>956</u>	<u>956</u>
Net change in fund balance	\$ <u><u>(637)</u></u>	\$ <u><u>(10,843)</u></u>	7,008	\$ <u><u>17,851</u></u>
Encumbrances, end of year			741	
Fund balance, beginning of year, basis of budgeting			<u>38,571</u>	
Fund balance, end of year, basis of budgeting			46,320	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			52	
Accrued salaries, wages and amounts withheld from employees			(1,857)	
Change in prepaid assets			(19)	
Transfers to (from) other funds			172	
Advances from other funds			<u>(614)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>44,054</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, 2014

(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	\$ 843	\$ 843	\$ 845	\$ 2
Charges for services	120	138	143	5
Intergovernmental	-	31	25	(6)
Leases, rents and royalties	9	9	7	(2)
Interest and investment earnings	15	15	19	4
Other	<u>56</u>	<u>141</u>	<u>125</u>	<u>(16)</u>
Total revenues	1,043	1,177	1,164	(13)
Expenditures:				
Current:				
Culture and Recreation	<u>7,215</u>	<u>9,143</u>	<u>8,292</u>	<u>851</u>
Total expenditures	<u>7,215</u>	<u>9,143</u>	<u>8,292</u>	<u>851</u>
Excess (deficiency) of revenues over (under) expenditures	(6,172)	(7,966)	(7,128)	838
Other financing sources:				
Transfers in	6,586	6,586	6,587	1
Transfers out	<u>(414)</u>	<u>(414)</u>	<u>(414)</u>	<u>-</u>
Total other financing sources (uses)	<u>6,172</u>	<u>6,172</u>	<u>6,173</u>	<u>1</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,794)</u>	(955)	\$ <u>839</u>
Encumbrances, end of year			152	
Fund balance, beginning of year, basis of budgeting			<u>3,010</u>	
Fund balance, end of year, basis of budgeting			2,207	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			3	
Accrued salaries, wages and amounts withheld from employees			<u>(149)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,061</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, 2014

(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	\$ 2,025	\$ 2,025	\$ 2,021	\$ (4)
Excise taxes	150	150	345	195
Charges for services	-	-	6	6
Sale of goods and capital assets	-	-	281	281
Intergovernmental	-	-	6	6
Interest and investment earnings	140	140	371	231
Total revenues	<u>2,315</u>	<u>2,315</u>	<u>3,030</u>	<u>715</u>
Expenditures:				
Current:				
Housing and Human Services	<u>2,300</u>	<u>4,310</u>	<u>862</u>	<u>3,448</u>
Total expenditures	<u>2,300</u>	<u>4,310</u>	<u>862</u>	<u>3,448</u>
Excess (deficiency) of revenues over (under) expenditures	15	(1,995)	2,168	4,163
Other financing uses:				
Transfers out	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Net change in fund balance	\$ <u>9</u>	\$ <u>(2,001)</u>	2,162	\$ <u>4,163</u>
Fund balance, beginning of year, basis of budgeting			<u>1,987</u>	
Fund balance, end of year, basis of budgeting			4,149	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			4	
Notes receivable			813	
Accrued salaries, wages and amounts withheld from employees			<u>(9)</u>	
Fund balance, end of year, GAAP basis			\$ <u>4,957</u>	

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## MAJOR CAPITAL PROJECT FUND

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.

## 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, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Interest and investment earnings	\$ 132	\$ 132	\$ 65	\$ (67)
Total revenues	132	132	65	(67)
Expenditures:				
Capital outlay	-	33,700	27,758	5,942
Total expenditures	-	33,700	27,758	5,942
Excess (deficiency) of revenues over (under) expenditures	132	(33,568)	(27,693)	5,875
Net change in fund balance	\$ 132	\$ (33,568)	(27,693)	\$ 5,875
Encumbrances, end of year			4,582	
Fund balance, beginning of year, basis of budgeting			33,967	
Fund balance, end of year, basis of budgeting			10,856	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			8	
Accrued salaries, wages and amounts withheld from employees			(29)	
Fund balance, end of year, GAAP basis			\$ 10,835	



## 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 30<sup>th</sup> and Pearl streets. It will be a regional transit-oriented, mixed-use neighborhood including a new regional bus and light rail terminal developed by Regional Transportation District (RTD). Funding is provided from a portion of the use taxes collected from development in the area.

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 2,124	\$ 208	\$ 2,332
Investments	41,083	4,032	45,115
Receivables:			
General property taxes	37	2,325	2,362
Sales and use taxes	902	-	902
Accounts	214	3	217
Notes	90	-	90
Accrued interest	85	9	94
Intergovernmental	1,823	60	1,883
Total receivables	3,151	2,397	5,548
Due from other funds	84	158	242
Inventory of materials and supplies	45	-	45
Restricted assets:			
Investments for special purposes	1,066	-	1,066
Total assets	47,553	6,795	54,348
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 47,553	\$ 6,795	\$ 54,348
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 2,508	\$ 96	\$ 2,604
Contracts and retainage payable	72	52	124
Accrued salaries, wages and amounts withheld from employees	633	24	657
Due to other funds	433	-	433
Advances from other funds	235	-	235
Other liabilities	726	-	726
Unearned revenue	41	-	41
Total liabilities	4,648	172	4,820
Deferred inflows of resources:			
Property tax	37	2,325	2,362
Grants and other deferrals	333	54	387
Total deferred inflow of resources	370	2,379	2,749
Fund balances:			
Nonspendable:			
Inventory	45	-	45
Restricted:			
Legally restricted	4,534	-	4,534
Capital projects	-	1,271	1,271
Development fees	3,815	-	3,815
Lottery funds	1,788	-	1,788
Donor restrictions	612	-	612
Committed:			
Affordable housing	15,868	-	15,868
Transportation projects	1,327	-	1,327
Assigned:			
Special purposes	14,566	2,973	17,539
Unassigned	(20)	-	(20)
Total fund balances	42,535	4,244	46,779
Total liabilities, deferred inflows of resources and fund balances	\$ 47,553	\$ 6,795	\$ 54,348

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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, 2014

(Amounts in 000's)

	Special Revenue	Capital Project	Total
Revenues:			
Taxes:			
Sales and use taxes	\$ 8,057	\$ 199	\$ 8,256
General property taxes	29	2,283	2,312
Franchise taxes	1,808	-	1,808
Excise taxes	1,395	1,050	2,445
Charges for services	17,832	593	18,425
Sale of goods	211	-	211
License, permits and fines	6,585	-	6,585
Intergovernmental	4,647	21	4,668
Leases, rents and royalties	2,067	-	2,067
Interest and investment earnings	194	18	212
Other	826	12	838
Total revenues	<u>43,651</u>	<u>4,176</u>	<u>47,827</u>
Expenditures:			
Current:			
General Government	1,725	-	1,725
Public Works	2,343	-	2,343
Planning & Development Services	5,956	-	5,956
Culture and Recreation	16,655	-	16,655
Open Space and Mountain Parks	226	-	226
Housing and Human Services	17,098	-	17,098
Capital outlay	-	3,937	3,937
Debt service payments:			
Principal	2,100	-	2,100
Interest	128	-	128
Total expenditures	<u>46,231</u>	<u>3,937</u>	<u>50,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,580)</u>	<u>239</u>	<u>(2,341)</u>
Other financing sources (uses):			
Transfers in	5,253	310	5,563
Transfers out	<u>(23)</u>	<u>(116)</u>	<u>(139)</u>
Total other financing sources (uses)	<u>5,230</u>	<u>194</u>	<u>5,424</u>
Net change in fund balances	2,650	433	3,083
Fund balances, beginning of year	<u>39,885</u>	<u>3,811</u>	<u>43,696</u>
Fund balances, end of year	<u>\$ 42,535</u>	<u>\$ 4,244</u>	<u>\$ 46,779</u>

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2014

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	<u>Capital Development Fund</u>	<u>Lottery Fund</u>	<u>Planning &amp; Development Services Fund</u>	<u>Affordable Housing Fund</u>	<u>.25 Cent Sales Tax Fund</u>	<u>Recreation Activity Fund</u>
Equity in pooled cash and cash equivalents	\$ 317	\$ 88	\$ 447	\$ 800	\$ 131	\$ 109
Investments	6,148	1,703	8,682	15,527	2,538	1,955
Receivables:						
General property taxes	-	-	-	-	-	-
Sales and use taxes	-	-	-	-	902	-
Accounts	-	-	24	-	2	10
Notes	-	-	-	90	-	-
Accrued interest	12	3	17	32	6	4
Intergovernmental	-	40	5	-	262	1
Total receivables	<u>12</u>	<u>43</u>	<u>46</u>	<u>122</u>	<u>1,172</u>	<u>15</u>
Due from other funds	-	-	2	-	62	-
Inventory of materials and supplies	-	-	-	-	-	45
Restricted assets:						
Investments for special purposes	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>302</u>	<u>60</u>
Total assets	<u>6,477</u>	<u>1,834</u>	<u>9,189</u>	<u>16,449</u>	<u>4,205</u>	<u>2,184</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 6,477</u>	<u>\$ 1,834</u>	<u>\$ 9,189</u>	<u>\$ 16,449</u>	<u>\$ 4,205</u>	<u>\$ 2,184</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ -	\$ 4	\$ 89	\$ 560	\$ 228	\$ 136
Contracts and retainage payable	-	-	-	-	18	-
Accrued salaries, wages and amounts withheld from employees	-	1	261	10	75	258
Due to other funds	146	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Other liabilities	-	-	693	11	17	-
Unearned revenue	-	-	-	-	5	36
Total liabilities	<u>146</u>	<u>5</u>	<u>1,043</u>	<u>581</u>	<u>343</u>	<u>430</u>
Deferred inflows of resources:						
Property tax	-	-	-	-	-	-
Grants and other deferrals	-	41	27	-	254	1
Total deferred inflows of resources	<u>-</u>	<u>41</u>	<u>27</u>	<u>-</u>	<u>254</u>	<u>1</u>
Fund balances:						
Nonspendable:						
Inventory	-	-	-	-	-	45
Restricted:						
Legally restricted	-	-	12	-	3,306	-
Development fees	3,815	-	-	-	-	-
Lottery funds	-	1,788	-	-	-	-
Donor restrictions	-	-	-	-	302	60
Committed:						
Affordable housing	-	-	-	15,868	-	-
Transportation projects	-	-	-	-	-	-
Assigned:						
Special purposes	2,516	-	8,107	-	-	1,648
Unassigned	-	-	-	-	-	-
Total fund balances	<u>6,331</u>	<u>1,788</u>	<u>8,119</u>	<u>15,868</u>	<u>3,608</u>	<u>1,753</u>
Total liabilities, deferred inflows from resources and fund balances	<u>\$ 6,477</u>	<u>\$ 1,834</u>	<u>\$ 9,189</u>	<u>\$ 16,449</u>	<u>\$ 4,205</u>	<u>\$ 2,184</u>

(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
\$ 64 1,249	\$ 13 252	\$ 152 2,958	\$ 1 25	\$ 2 46	\$ - -	\$ - -	\$ - -	\$ 2,124 41,083
-	-	-	9	28	-	-	-	37
-	-	-	-	-	-	-	-	902
169	9	-	-	-	-	-	-	214
-	-	-	-	-	-	-	-	90
3	1	6	-	-	1	-	-	85
2	1,117	-	-	-	1	305	90	1,823
174	1,127	6	9	28	2	305	90	3,151
1	19	-	-	-	-	-	-	84
-	-	-	-	-	-	-	-	45
-	-	-	-	-	692	-	-	1,066
1,488	1,411	3,116	35	76	694	305	90	47,553
-	-	-	-	-	-	-	-	-
\$ 1,488	\$ 1,411	\$ 3,116	\$ 35	\$ 76	\$ 694	\$ 305	\$ 90	\$ 47,553
\$ 254 -	\$ 1,124 54	\$ 6 -	\$ - -	\$ - -	\$ 6 -	\$ 32 -	\$ 69 -	\$ 2,508 72
16	5	-	-	-	-	5	2	633
-	-	-	-	-	-	268	19	433
-	235	-	-	-	-	-	-	235
-	5	-	-	-	-	-	-	726
-	-	-	-	-	-	-	-	41
270	1,423	6	-	-	6	305	90	4,648
-	-	-	9	28	-	-	-	37
2	1	-	-	-	-	5	2	333
2	1	-	9	28	-	5	2	370
-	-	-	-	-	-	-	-	45
1,216	-	-	-	-	-	-	-	4,534
-	-	-	-	-	-	-	-	3,815
-	-	-	-	-	-	-	-	1,788
-	-	-	-	-	250	-	-	612
-	-	-	-	-	-	-	-	15,868
-	-	1,327	-	-	-	-	-	1,327
-	-	1,783	26	48	438	-	-	14,566
-	(13)	-	-	-	-	(5)	(2)	(20)
1,216	(13)	3,110	26	48	688	(5)	(2)	42,535
\$ 1,488	\$ 1,411	\$ 3,116	\$ 35	\$ 76	\$ 694	\$ 305	\$ 90	\$ 47,553

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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, 2014

(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	2	-	-	-
Charges for services	2,930	-	1,916	5,909
Sale of goods	-	-	4	-
Licenses, permits and fines	-	-	6,347	-
Intergovernmental	-	975	17	-
Leases, rents and royalties	-	-	-	156
Interest and investment earnings	18	7	40	80
Other	-	-	109	20
Total revenues	<u>2,950</u>	<u>982</u>	<u>8,433</u>	<u>6,165</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Works	82	-	-	-
Planning & Development Services	-	-	5,956	-
Culture and Recreation	-	481	-	-
Open Space and Mountain Parks	-	226	-	-
Housing and Human Services	-	-	4,862	9,913
Debt service payments:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>82</u>	<u>707</u>	<u>10,818</u>	<u>9,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,868</u>	<u>275</u>	<u>(2,385)</u>	<u>(3,748)</u>
Other financing sources (uses):				
Transfers in	517	-	2,931	240
Transfers out	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>511</u>	<u>-</u>	<u>2,931</u>	<u>240</u>
Net change in fund balances	3,379	275	546	(3,508)
Fund balances, beginning of year	<u>2,952</u>	<u>1,513</u>	<u>7,573</u>	<u>19,376</u>
Fund balances, end of year	\$ <u><u>6,331</u></u>	\$ <u><u>1,788</u></u>	\$ <u><u>8,119</u></u>	\$ <u><u>15,868</u></u>

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2014

(Amounts in 000's)

	.25 Cent Sales Tax <u>Fund</u>	Recreation Activity <u>Fund</u>	Climate Action Plan Tax <u>Fund</u>	Airport <u>Fund</u>	Trans- portation Development <u>Fund</u>
Revenues:					
Taxes:					
Sales and use taxes	\$ 8,057	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-	-
Franchise taxes	-	-	1,808	-	-
Excise taxes	-	-	-	-	1,393
Charges for services	22	7,052	-	3	-
Sale of goods	-	207	-	-	-
Licenses, permits and fines	65	173	-	-	-
Intergovernmental	179	29	10	1,123	-
Leases, rents and royalties	160	1,265	-	486	-
Interest and investment earnings	16	10	5	3	12
Other	303	329	-	-	18
Total revenues	<u>8,802</u>	<u>9,065</u>	<u>1,823</u>	<u>1,615</u>	<u>1,423</u>
Expenditures:					
Current:					
General Government	-	-	1,723	-	-
Public Works	490	-	-	1,711	60
Planning & Development Services	-	-	-	-	-
Culture and Recreation	5,846	10,255	-	-	-
Open Space and Mountain Parks	-	-	-	-	-
Housing and Human Services	-	-	-	-	-
Debt service payments:					
Principal	2,100	-	-	-	-
Interest	128	-	-	-	-
Total expenditures	<u>8,564</u>	<u>10,255</u>	<u>1,723</u>	<u>1,711</u>	<u>60</u>
Excess (deficiency) of revenues over (under) expenditures	<u>238</u>	<u>(1,190)</u>	<u>100</u>	<u>(96)</u>	<u>1,363</u>
Other financing sources (uses):					
Transfers in	-	1,561	-	-	-
Transfers out	-	(11)	-	-	(6)
Total other financing sources (uses)	<u>-</u>	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
Net change in fund balances	238	360	100	(96)	1,357
Fund balances, beginning of year	<u>3,370</u>	<u>1,393</u>	<u>1,116</u>	<u>83</u>	<u>1,753</u>
Fund balances, end of year	\$ <u><u>3,608</u></u>	\$ <u><u>1,753</u></u>	\$ <u><u>1,216</u></u>	\$ <u><u>(13)</u></u>	\$ <u><u>3,110</u></u>

Transit Pass General Improvement <u>District</u>	Boulder Junction Access GID- <u>TDM</u>	Gifts and Contributions <u>Fund</u>	Community Development <u>Fund</u>	HOME <u>Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,057
11	18	-	-	-	29
-	-	-	-	-	1,808
-	-	-	-	-	1,395
-	-	-	-	-	17,832
-	-	-	-	-	211
-	-	-	-	-	6,585
-	-	-	972	1,342	4,647
-	-	-	-	-	2,067
-	-	3	-	-	194
-	-	45	2	-	826
<u>11</u>	<u>18</u>	<u>48</u>	<u>974</u>	<u>1,342</u>	<u>43,651</u>
-	2	-	-	-	1,725
-	-	-	-	-	2,343
-	-	-	-	-	5,956
-	-	73	-	-	16,655
-	-	-	-	-	226
-	-	-	979	1,344	17,098
-	-	-	-	-	2,100
-	-	-	-	-	128
<u>-</u>	<u>2</u>	<u>73</u>	<u>979</u>	<u>1,344</u>	<u>46,231</u>
<u>11</u>	<u>16</u>	<u>(25)</u>	<u>(5)</u>	<u>(2)</u>	<u>(2,580)</u>
4	-	-	-	-	5,253
-	-	-	-	-	(23)
<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,230</u>
15	16	(25)	(5)	(2)	2,650
<u>11</u>	<u>32</u>	<u>713</u>	<u>-</u>	<u>-</u>	<u>39,885</u>
\$ <u><u>26</u></u>	\$ <u><u>48</u></u>	\$ <u><u>688</u></u>	\$ <u><u>(5)</u></u>	\$ <u><u>(2)</u></u>	\$ <u><u>42,535</u></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, 2014

(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	\$ 138	\$ 138	\$ 2	\$ (136)
Charges for services	427	427	2,930	2,503
Interest and investment earnings	<u>40</u>	<u>40</u>	<u>18</u>	<u>(22)</u>
Total revenues	<u>605</u>	<u>605</u>	<u>2,950</u>	<u>2,345</u>
Expenditures:				
Current:				
Public Works	67	179	82	97
Culture and Recreation	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total expenditures	<u>367</u>	<u>479</u>	<u>82</u>	<u>397</u>
Excess (deficiency) of revenues over (under) expenditures	238	126	2,868	2,742
Other financing uses:				
Transfers in	-	517	517	-
Transfers out	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6)</u>	<u>511</u>	<u>511</u>	<u>-</u>
Net change in fund balance	\$ <u><u>232</u></u>	\$ <u><u>637</u></u>	3,379	\$ <u><u>2,742</u></u>
Fund balance, beginning of year, basis of budgeting			<u>2,943</u>	
Fund balance, end of year, basis of budgeting			6,322	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>9</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>6,331</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2014

(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	\$ 975	\$ 139
Interest and investment earnings	<u>1</u>	<u>1</u>	<u>9</u>	<u>8</u>
Total revenues	<u>837</u>	<u>837</u>	<u>984</u>	<u>147</u>
Expenditures:				
Current:				
Culture and Recreation	493	1,311	490	821
Open Space and Mountain Parks	<u>343</u>	<u>584</u>	<u>347</u>	<u>237</u>
Total expenditures	<u>836</u>	<u>1,895</u>	<u>837</u>	<u>1,058</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>(1,058)</u>	<u>147</u>	<u>1,205</u>
Net change in fund balance	\$ <u>1</u>	\$ <u>(1,058)</u>	147	\$ <u>1,205</u>
Encumbrances, end of year			130	
Fund balance, beginning of year, basis of budgeting			<u>1,510</u>	
Fund balance, end of year, basis of budgeting			1,787	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,788</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, 2014

(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	\$ 1,919	\$ 1,919	\$ 1,916	\$ (3)
Sale of goods	5	5	4	(1)
Licenses, permits and fines	4,221	4,266	6,347	2,081
Intergovernmental	-	1	17	16
Interest and investment earnings	100	100	50	(50)
Other	-	75	109	34
Total revenues	<u>6,245</u>	<u>6,366</u>	<u>8,443</u>	<u>2,077</u>
Expenditures:				
Current:				
Planning & Development Services	5,947	6,370	6,003	367
Housing and Human Services	<u>4,571</u>	<u>5,021</u>	<u>4,941</u>	<u>80</u>
Total expenditures	<u>10,518</u>	<u>11,391</u>	<u>10,944</u>	<u>447</u>
Excess (deficiency) of revenues over (under) expenditures	(4,273)	(5,025)	(2,501)	2,524
Other financing sources (uses):				
Transfers in	<u>2,931</u>	<u>2,931</u>	<u>2,931</u>	-
Total other financing sources (uses)	<u>2,931</u>	<u>2,931</u>	<u>2,931</u>	-
Net change in fund balance	\$ <u>(1,342)</u>	\$ <u>(2,094)</u>	430	\$ <u>2,524</u>
Encumbrances, end of year			168	
Fund balance, beginning of year, basis of budgeting			<u>7,721</u>	
Fund balance, end of year, basis of budgeting			8,319	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			11	
Accrued salaries, wages and amounts withheld from employees			<u>(211)</u>	
Fund balance, end of year, GAAP basis			\$ <u>8,119</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, 2014

(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	\$ 1,004	\$ 5,909	\$ 4,905
Leases, rents and royalties	156	156	156	-
Interest and investment earnings	30	30	155	125
Other	-	-	20	20
Total revenues	<u>1,190</u>	<u>1,190</u>	<u>6,240</u>	<u>5,050</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,417</u>	<u>14,079</u>	<u>9,909</u>	<u>4,170</u>
Total expenditures	<u>1,417</u>	<u>14,079</u>	<u>9,909</u>	<u>4,170</u>
Excess (deficiency) of revenues over (under) expenditures	(227)	(12,889)	(3,669)	9,220
Other financing sources (uses):				
Transfers in	<u>240</u>	<u>240</u>	<u>240</u>	-
Total other financing sources (uses)	<u>240</u>	<u>240</u>	<u>240</u>	-
Net change in fund balance	\$ <u>13</u>	\$ <u>(12,649)</u>	(3,429)	\$ <u>9,220</u>
Fund balance, beginning of year, basis of budgeting			<u>19,198</u>	
Fund balance, end of year, basis of budgeting			15,769	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			19	
Notes receivable			90	
Accrued salaries, wages and amounts withheld from employees			<u>(10)</u>	
Fund balance, end of year, GAAP basis			\$ <u>15,868</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, 2014

(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	\$ 7,470	\$ 7,470	\$ 8,057	\$ 587
Charges for services	-	-	22	22
Licenses, permits and fines	-	-	65	65
Intergovernmental	23	15	179	164
Leases, rents and royalties	-	-	160	160
Interest and investment earnings	20	20	20	-
Other	124	493	303	(190)
Total revenues	<u>7,637</u>	<u>7,998</u>	<u>8,806</u>	<u>808</u>
Expenditures:				
Current:				
Public Works	450	507	500	7
Culture and Recreation	4,897	7,739	6,572	1,167
Debt service payments:				
Principal	2,100	2,100	2,100	-
Interest	128	128	128	-
Total expenditures	<u>7,575</u>	<u>10,474</u>	<u>9,300</u>	<u>1,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62</u>	<u>(2,476)</u>	<u>(494)</u>	<u>1,982</u>
Net change in fund balance	\$ <u>62</u>	\$ <u>(2,476)</u>	(494)	\$ <u>1,982</u>
Encumbrances, end of year			723	
Fund balance, beginning of year, basis of budgeting			<u>3,436</u>	
Fund balance, end of year, basis of budgeting			3,665	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			<u>(58)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,608</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, 2014

(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	\$ 6,800	\$ 6,800	\$ 7,052	\$ 252
Sale of goods	198	198	207	9
Licenses, permits and fines	180	180	173	(7)
Intergovernmental	-	40	29	(11)
Leases, rents and royalties	1,150	1,150	1,265	115
Interest and investment earnings	11	22	12	(10)
Other	47	307	329	22
Total revenues	8,386	8,697	9,067	370
Expenditures:				
Current:				
Culture and Recreation	10,270	10,454	10,176	278
Total expenditures	10,270	10,454	10,176	278
Excess (deficiency) of revenues over (under) expenditures	(1,884)	(1,757)	(1,109)	648
Other financing sources (uses):				
Transfers in	1,561	1,561	1,561	-
Transfers out	-	(11)	(11)	-
Total other financing sources (uses)	1,561	1,550	1,550	-
Net change in fund balance	\$ <u>(323)</u>	\$ <u>(207)</u>	441	\$ <u>648</u>
Encumbrances, end of year			7	
Fund balance, beginning of year, basis of budgeting			1,512	
Fund balance, end of year, basis of budgeting			1,960	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			(209)	
Fund balance, end of year, GAAP basis			\$ <u>1,753</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, 2014

(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	\$ 1,840	\$ 1,840	\$ 1,808	\$ (32)
Intergovernmental	-	-	10	10
Interest and investment earnings	<u>6</u>	<u>6</u>	<u>7</u>	<u>1</u>
Total revenues	<u>1,846</u>	<u>1,846</u>	<u>1,825</u>	<u>(21)</u>
Expenditures:				
Current:				
General Government	<u>1,846</u>	<u>2,719</u>	<u>2,301</u>	<u>418</u>
Total expenditures	<u>1,846</u>	<u>2,719</u>	<u>2,301</u>	<u>418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(873)</u>	<u>(476)</u>	<u>397</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(873)</u>	(476)	\$ <u>397</u>
Encumbrances, end of year			583	
Fund balance, beginning of year, basis of budgeting			<u>1,124</u>	
Fund balance, end of year, basis of budgeting			<u>1,231</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			<u>(16)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,216</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, 2014

(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	\$ 8	\$ 8	\$ 3	\$ (5)
Intergovernmental	1,400	1,400	1,123	(277)
Leases, rents and royalties	536	536	486	(50)
Interest and investment earnings	<u>4</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Total revenues	1,948	1,948	1,615	(333)
Expenditures:				
Current:				
Public Works	<u>2,015</u>	<u>2,015</u>	<u>1,986</u>	<u>29</u>
Total expenditures	<u>2,015</u>	<u>2,015</u>	<u>1,986</u>	<u>29</u>
Excess (deficiency) of revenues over (under) expenditures	(67)	(67)	(371)	(304)
Other financing uses:				
Transfers out	<u>-</u>	<u>(25)</u>	<u>(25)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(25)</u>	<u>(25)</u>	<u>-</u>
Net change in fund balance	\$ <u>(67)</u>	\$ <u>(92)</u>	(396)	\$ <u>(304)</u>
Encumbrances, end of year			276	
Fund balance, beginning of year, basis of budgeting			<u>346</u>	
Fund balance, end of year, basis of budgeting			226	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			(5)	
Advances from other funds			<u>(235)</u>	
Fund balance, end of year, GAAP basis			\$ <u>(13)</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, 2014

(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	\$ 573	\$ 573	\$ 1,393	\$ 820
Interest and investment earnings	4	4	13	9
Other	<u>100</u>	<u>100</u>	<u>18</u>	<u>(82)</u>
Total revenues	<u>677</u>	<u>677</u>	<u>1,424</u>	<u>747</u>
Expenditures:				
Current:				
Public Works	<u>911</u>	<u>2,103</u>	<u>252</u>	<u>1,851</u>
Total expenditures	<u>911</u>	<u>2,103</u>	<u>252</u>	<u>1,851</u>
Excess (deficiency) of revenues over (under) expenditures	(234)	(1,426)	1,172	2,598
Other financing uses:				
Transfers out	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>
 Net change in fund balance	 \$ <u>(240)</u>	 \$ <u>(1,432)</u>	 1,166	 \$ <u>2,598</u>
 Encumbrances, end of year			192	
Fund balance, beginning of year, basis of budgeting			<u>1,749</u>	
Fund balance, end of year, basis of budgeting			<u>3,107</u>	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>3</u>	
 Fund balance, end of year, GAAP basis			 \$ <u>3,110</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, 2014

(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	\$ 10	\$ 10	\$ 11	\$ 1
Total revenues	<u>10</u>	<u>10</u>	<u>11</u>	<u>1</u>
Expenditures:				
Current:				
Public Works	<u>15</u>	<u>15</u>	<u>-</u>	<u>15</u>
Total expenditures	<u>15</u>	<u>15</u>	<u>-</u>	<u>15</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	11	16
Other financing sources -				
Transfers in	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
Total other financing sources (uses)	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
Net change in fund balance	\$ <u>(1)</u>	\$ <u>(1)</u>	15	\$ <u>16</u>
Fund balance, beginning of year, basis of budgeting			<u>11</u>	
Fund balance, end of year, GAAP basis			\$ <u>26</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, 2014

(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	\$ 131	\$ 131	\$ 18	\$ (113)
Total revenues	<u>131</u>	<u>131</u>	<u>18</u>	<u>(113)</u>
Expenditures:				
Current:				
General Government	<u>50</u>	<u>50</u>	<u>2</u>	<u>48</u>
Total expenditures	<u>50</u>	<u>50</u>	<u>2</u>	<u>48</u>
Excess (deficiency) of revenues over (under) expenditures	<u>81</u>	<u>81</u>	<u>16</u>	<u>(65)</u>
Net change in fund balance	\$ <u>81</u>	\$ <u>81</u>	16	\$ <u>(65)</u>
Fund balance, beginning of year, basis of budgeting			<u>32</u>	
Fund balance, end of year, GAAP basis			\$ <u>48</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, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 684	\$ 805	\$ 972	\$ 167
Other	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total revenues	684	805	974	169
Expenditures:				
Current:				
Housing and Human Services	<u>684</u>	<u>1,682</u>	<u>979</u>	<u>703</u>
Total expenditures	<u>684</u>	<u>1,682</u>	<u>979</u>	<u>703</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(877)</u>	(5)	\$ <u>872</u>
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>(5)</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 811	\$ 960	\$ 1,342	\$ 382
Total revenues	<u>811</u>	<u>960</u>	<u>1,342</u>	<u>382</u>
Expenditures:				
Current:				
Housing and Human Services	<u>811</u>	<u>2,515</u>	<u>1,344</u>	<u>1,171</u>
Total expenditures	<u>811</u>	<u>2,515</u>	<u>1,344</u>	<u>1,171</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,555)</u>	<u>(2)</u>	<u>1,553</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,555)</u>	(2)	\$ <u>1,553</u>
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>(2)</u>	



## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2014

(Amounts in 000's)

<u>Assets and Deferred Outflows of Resources</u>	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 68	\$ -	\$ 140	\$ 208
Investments	1,314	4	2,714	4,032
Receivables:				
General property taxes	2,325	-	-	2,325
Accounts	3	-	-	3
Accrued interest	3	-	6	9
Intergovernmental	60	-	-	60
Total receivables	2,391	-	6	2,397
Due from other funds	12	-	146	158
Total assets	3,785	4	3,006	6,795
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 3,785	\$ 4	\$ 3,006	\$ 6,795
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 59	\$ -	\$ 37	\$ 96
Contracts and retainage payable	52	-	-	52
Accrued salaries, wages and amounts withheld from employees	24	-	-	24
Total liabilities	135	-	37	172
Deferred inflows of resources:				
Property tax	2,325	-	-	2,325
Grants and other deferrals	54	-	-	54
Total deferred inflow of resources	2,379	-	-	2,379
Fund balances:				
Restricted:				
Capital projects	1,271	-	-	1,271
Assigned:				
Special purposes	-	4	2,969	2,973
Total fund balances	1,271	4	2,969	4,244
Total liabilities, deferred inflows of resources and fund balances	\$ 3,785	\$ 4	\$ 3,006	\$ 6,795

## CITY OF BOULDER, COLORADO

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

Nonmajor Capital Project Funds

Year ended December 31, 2014

(Amounts in 000's)

	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	<u>Total</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ 199	\$ 199
General property taxes	2,283	-	-	2,283
Excise taxes	5	-	1,045	1,050
Charges for services	-	-	593	593
Intergovernmental	21	-	-	21
Interest and investment earnings	10	-	8	18
Other	4	-	8	12
Total revenues	<u>2,323</u>	<u>-</u>	<u>1,853</u>	<u>4,176</u>
Expenditures:				
Capital outlay	<u>3,406</u>	<u>42</u>	<u>489</u>	<u>3,937</u>
Total expenditures	<u>3,406</u>	<u>42</u>	<u>489</u>	<u>3,937</u>
Excess (deficiency) of revenues over (under) expenditures	(1,083)	(42)	1,364	239
Other financing sources (uses)				
Transfers in	110	-	200	310
Transfers out	<u>(6)</u>	<u>-</u>	<u>(110)</u>	<u>(116)</u>
Total other financing sources (uses)	<u>104</u>	<u>-</u>	<u>90</u>	<u>194</u>
Net change in fund balances	<u>(979)</u>	<u>(42)</u>	<u>1,454</u>	<u>433</u>
Fund balances, beginning of year	<u>2,250</u>	<u>46</u>	<u>1,515</u>	<u>3,811</u>
Fund balances, end of year	<u>\$ 1,271</u>	<u>\$ 4</u>	<u>\$ 2,969</u>	<u>\$ 4,244</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, 2014

(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	\$ 2,278	\$ 2,278	\$ 2,283	\$ 5
Excise taxes	208	208	5	(203)
Intergovernmental	-	-	21	21
Interest and investment earnings	7	7	15	8
Other	20	20	4	(16)
Total revenues	<u>2,513</u>	<u>2,513</u>	<u>2,328</u>	<u>(185)</u>
Expenditures:				
Capital outlay	<u>2,569</u>	<u>4,299</u>	<u>3,480</u>	<u>819</u>
Total expenditures	<u>2,569</u>	<u>4,299</u>	<u>3,480</u>	<u>819</u>
Excess (deficiency) of revenues over (under) expenditures	(56)	(1,786)	(1,152)	634
Other financing sources (uses)				
Transfers in	-	110	110	-
Transfers out	<u>(214)</u>	<u>(214)</u>	<u>(6)</u>	<u>208</u>
Total other financing sources (uses)	<u>(214)</u>	<u>(104)</u>	<u>104</u>	<u>208</u>
Net change in fund balance	\$ <u>(270)</u>	\$ <u>(1,890)</u>	(1,048)	\$ <u>842</u>
Encumbrances, end of year			75	
Fund balance, beginning of year, basis of budgeting			<u>2,266</u>	
Fund balance, end of year, basis of budgeting			1,293	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			<u>(24)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,271</u>	

CITY OF BOULDER, COLORADO

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

Fire Training Center Construction Fund

Year ended December 31, 2014

(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:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	42	42	-
Total expenditures	-	42	42	-
Excess (deficiency) of revenues over (under) expenditures	-	(42)	(42)	-
Net change in fund balance	\$ -	\$ (42)	(42)	\$ -
Fund balance, beginning of year, basis of budgeting			46	
Fund balance, end of year, GAAP basis			\$ 4	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2014

(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	\$ 199	\$ (102)
Excise taxes	573	573	1,045	472
Charges for services	506	506	593	87
Interest and investment earnings	5	5	10	5
Other	-	67	8	(59)
Total revenues	<u>1,385</u>	<u>1,452</u>	<u>1,855</u>	<u>403</u>
Expenditures:				
Capital outlay	<u>1,544</u>	<u>3,214</u>	<u>942</u>	<u>2,272</u>
Total expenditures	<u>1,544</u>	<u>3,214</u>	<u>942</u>	<u>2,272</u>
Excess (deficiency) of revenues over (under) expenditures	(159)	(1,762)	913	2,675
Other financing sources (uses)				
Transfers in	408	408	200	(208)
Transfers out	-	(110)	(110)	-
Total other financing sources (uses)	<u>408</u>	<u>298</u>	<u>90</u>	<u>(208)</u>
Net change in fund balance	\$ <u><u>249</u></u>	\$ <u><u>(1,464)</u></u>	1,003	\$ <u><u>2,467</u></u>
Encumbrances, end of year			450	
Fund balance, beginning of year, basis of budgeting			<u>1,513</u>	
Fund balance, end of year, basis of budgeting			2,966	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>3</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>2,969</u></u>	

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## NONMAJOR ENTERPRISE FUNDS

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

Boulder Municipal Property Authority – to account 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.

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, 2014

(Amounts in 000's)

	Boulder Municipal Property <u>Authority</u>	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 40	\$ 2	\$ 42
Investments	-	783	47	830
Receivables:				
General property taxes	-	33	47	80
Notes - current installments	146	-	-	146
Accrued interest	9	2	-	11
Total receivables	155	35	47	237
Due from other funds	104	-	-	104
Total current assets	259	858	96	1,213
Noncurrent assets:				
Notes receivable - less current installments	153	-	-	153
Capital assets:				
Land and easements	21,008	444	-	21,452
Buildings	6,433	-	-	6,433
Improvements other than buildings	-	58	-	58
Vehicles	-	83	-	83
Machinery and equipment	-	247	-	247
	27,441	832	-	28,273
Less accumulated depreciation	(3,217)	(262)	-	(3,479)
	24,224	570	-	24,794
Total capital assets, net of accumulated depreciation	24,224	570	-	24,794
Total noncurrent assets	24,377	570	-	24,947
Total assets	24,636	1,428	96	26,160
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 24,636	\$ 1,428	\$ 96	\$ 26,160



## CITY OF BOULDER, COLORADO

Combining Statement of Net Position  
continuedNonmajor Enterprise Funds

December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property <u>Authority</u>	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	\$ -	\$ 7	\$ -	\$ 7
Accrued salaries, wages and amounts withheld from employees	-	7	-	7
Accrued interest	104	-	-	104
Advances from other funds	-	-	2	2
Other liabilities	-	8	-	8
Revenue notes payable (current portion)	1,451	-	-	1,451
Total current liabilities	<u>1,555</u>	<u>22</u>	<u>2</u>	<u>1,579</u>
Non-current liabilities:				
Advances from other funds	-	-	13	13
Revenue notes payable	5,727	-	-	5,727
Compensated absences payable	-	34	-	34
Retiree health care benefit	-	5	-	5
Total non-current liabilities	<u>5,727</u>	<u>39</u>	<u>13</u>	<u>5,779</u>
Total liabilities	<u>7,282</u>	<u>61</u>	<u>15</u>	<u>7,358</u>
Deferred inflows of resources:				
Property tax	<u>-</u>	<u>33</u>	<u>47</u>	<u>80</u>
Net position:				
Net investment in capital assets	17,046	570	-	17,616
Restricted for:				
Legally restricted	-	6	-	6
Unrestricted	<u>308</u>	<u>758</u>	<u>34</u>	<u>1,100</u>
Total net position	<u>\$ 17,354</u>	<u>\$ 1,334</u>	<u>\$ 34</u>	<u>\$ 18,722</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, 2014

(Amounts in 000's)

	Boulder Municipal Property <u>Authority</u>	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Operating revenues:				
Charges for services	\$ -	\$ 149	\$ -	\$ 149
Leases, rents and royalties	2,091	-	-	2,091
Total operating revenues	<u>2,091</u>	<u>149</u>	<u>-</u>	<u>2,240</u>
Operating expenses:				
Personnel	-	279	-	279
Non-personnel	-	305	3	308
Depreciation	143	36	-	179
Total operating expenses	<u>143</u>	<u>620</u>	<u>3</u>	<u>766</u>
Operating income (loss)	<u>1,948</u>	<u>(471)</u>	<u>(3)</u>	<u>1,474</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	18	3	-	21
General property taxes	-	33	24	57
Specific ownership & tobacco taxes	-	2	1	3
Interest expense	(320)	-	-	(320)
Total nonoperating revenues (expenses)	<u>(302)</u>	<u>38</u>	<u>25</u>	<u>(239)</u>
Income (loss) before capital contributions and transfers	1,646	(433)	22	1,235
Transfers in	-	425	-	425
Transfers out	<u>(161)</u>	<u>-</u>	<u>-</u>	<u>(161)</u>
Changes in net position	1,485	(8)	22	1,499
Total net position, beginning of year	<u>15,869</u>	<u>1,342</u>	<u>12</u>	<u>17,223</u>
Total net position, end of year	\$ <u>17,354</u>	\$ <u>1,334</u>	\$ <u>34</u>	\$ <u>18,722</u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,135	\$ 149	\$ -	\$ 2,284
Other payments	-	(1)	-	(1)
Payments to suppliers	-	(207)	(2)	(209)
Payments to employees	-	(270)	-	(270)
Payment for interfund services used	-	(96)	(1)	(97)
Net cash provided (used) by operating activities	<u>2,135</u>	<u>(425)</u>	<u>(3)</u>	<u>1,707</u>
Cash flows from noncapital financing activities:				
Payments to other funds on advances	-	-	(1)	(1)
General property taxes	-	33	24	57
Specific ownership & tobacco taxes	-	2	1	3
Transfers in	-	425	-	425
Transfers out	<u>(161)</u>	<u>-</u>	<u>-</u>	<u>(161)</u>
Net cash provided (used) by noncapital financing activities	<u>(161)</u>	<u>460</u>	<u>24</u>	<u>323</u>
Cash flows from capital and related financing activities:				
Principal paid on notes payable, bonds payable and capitalized lease obligations	(1,771)	-	-	(1,771)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(363)	-	-	(363)
Payment received on note receivable due from County for sale of land	<u>139</u>	<u>-</u>	<u>-</u>	<u>139</u>
Net cash provided (used) for capital related financing activities	<u>(1,995)</u>	<u>-</u>	<u>-</u>	<u>(1,995)</u>
Cash flows from investing activities:				
Purchase of investment securities	-	(426)	(25)	(451)
Proceeds from sale and maturities of investment securities	-	304	2	306
Interest on investments	<u>21</u>	<u>1</u>	<u>-</u>	<u>22</u>
Net cash provided (used) in investing activities	<u>21</u>	<u>(121)</u>	<u>(23)</u>	<u>(123)</u>
Net (decrease) in cash and cash equivalents	-	(86)	(2)	(88)
Cash and cash equivalents, January 1	<u>-</u>	<u>126</u>	<u>4</u>	<u>130</u>
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 2</u>	<u>\$ 42</u>

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedNonmajor Enterprise Funds

Year ended December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property <u>Authority</u>	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>1,948</u>	\$ <u>(471)</u>	\$ <u>(3)</u>	\$ <u>1,474</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	143	36	-	179
Change in assets and liabilities:				
(Increase) decrease in assets:				
Due from other funds	44	-	-	44
Increase (decrease) in liabilities:				
Vouchers and accounts payable	-	2	-	2
Accrued salaries, wages and amounts withheld from employees	-	1	-	1
Other liabilities	-	(1)	-	(1)
Compensated absences	-	7	-	7
Retiree health care benefit	-	1	-	1
Total adjustments	<u>187</u>	<u>46</u>	<u>-</u>	<u>233</u>
Net cash provided (used) by operating activities	\$ <u><u>2,135</u></u>	\$ <u><u>(425)</u></u>	\$ <u><u>(3)</u></u>	\$ <u><u>1,707</u></u>
Noncash investing, capital and financing activities:				
Increase in fair value of investments	\$ <u>-</u>	\$ <u>1</u>	\$ <u>-</u>	\$ <u>1</u>
	\$ <u><u>-</u></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, 2014

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 80	\$ 306	\$ 147	\$ 76
Investments	1,546	5,936	2,847	1,466
Receivables, net:				
Accounts	-	-	-	-
Accrued interest	3	12	6	3
Intergovernmental	-	-	-	-
Total receivables	3	12	6	3
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	297	-	-
Total current assets	1,629	6,551	3,000	1,545
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	(2,030)	(7)	-	-
	1,283	6	-	-
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	1,283	6	-	-
Total noncurrent assets	1,283	6	-	-
Total assets	2,912	6,557	3,000	1,545
Deferred outflows of resources:				
Deferred loss on refunding	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflows of resources	2,912	6,557	3,000	1,545



<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 629	\$ 370	\$ 238	\$ 515	\$ 2,361
12,211	7,184	4,626	9,999	45,815
4	-	-	1	5
24	15	9	20	92
18	-	-	23	41
<u>46</u>	<u>15</u>	<u>9</u>	<u>44</u>	<u>138</u>
5	-	-	22	27
145	-	-	-	145
-	-	-	-	297
<u>13,036</u>	<u>7,569</u>	<u>4,873</u>	<u>10,580</u>	<u>48,783</u>
848	-	-	-	848
-	-	-	117	117
2,381	-	108	84,421	87,117
1,437	-	-	7,174	8,611
-	-	-	468	468
31,644	-	-	-	31,644
27	4,110	3,255	182	10,693
<u>35,489</u>	<u>4,110</u>	<u>3,363</u>	<u>92,362</u>	<u>138,650</u>
<u>(17,900)</u>	<u>(2,850)</u>	<u>(2,645)</u>	<u>(53,912)</u>	<u>(79,344)</u>
17,589	1,260	718	38,450	59,306
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,656</u>	<u>1,656</u>
17,589	1,260	718	40,106	60,962
<u>18,437</u>	<u>1,260</u>	<u>718</u>	<u>40,106</u>	<u>61,810</u>
<u>31,473</u>	<u>8,829</u>	<u>5,591</u>	<u>50,686</u>	<u>110,593</u>
-	-	-	120	120
<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
<u>31,473</u>	<u>8,829</u>	<u>5,591</u>	<u>50,806</u>	<u>110,713</u>

## CITY OF BOULDER, COLORADO

Combining Statement of Net Position  
continuedInternal Service Funds

December 31, 2014

(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	38	3	20	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	4	11	6	-
Accrued interest	-	-	-	-
Accrued claims liability (current portion)	-	171	775	-
Due to other funds	-	41	-	-
Other liabilities	-	-	-	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>42</u>	<u>226</u>	<u>801</u>	<u>-</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued claims liability	-	662	474	-
Retiree health care benefit	2	3	3	-
Total non-current liabilities	<u>2</u>	<u>665</u>	<u>477</u>	<u>-</u>
Total liabilities	<u>44</u>	<u>891</u>	<u>1,278</u>	<u>-</u>
Net position:				
Net investment in capital assets	1,283	7	-	-
Unrestricted	<u>1,585</u>	<u>5,659</u>	<u>1,722</u>	<u>1,545</u>
Total net position	<u>\$ 2,868</u>	<u>\$ 5,666</u>	<u>\$ 1,722</u>	<u>\$ 1,545</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>
79	62	3	628	833
-	-	-	62	62
28	-	-	2	51
-	-	-	54	54
-	-	-	-	946
216	-	-	-	257
-	-	-	248	248
21	-	-	-	21
-	-	-	547	547
<u>344</u>	<u>62</u>	<u>3</u>	<u>1,541</u>	<u>3,019</u>
-	-	-	8,827	8,827
48	-	-	-	48
-	-	-	-	1,136
22	-	1	2	33
<u>70</u>	<u>-</u>	<u>1</u>	<u>8,829</u>	<u>10,044</u>
<u>414</u>	<u>62</u>	<u>4</u>	<u>10,370</u>	<u>13,063</u>
17,589	1,240	717	30,077	50,913
<u>13,470</u>	<u>7,527</u>	<u>4,870</u>	<u>10,359</u>	<u>46,737</u>
\$ <u><u>31,059</u></u>	\$ <u><u>8,767</u></u>	\$ <u><u>5,587</u></u>	\$ <u><u>40,436</u></u>	\$ <u><u>97,650</u></u>

## CITY OF BOULDER, COLORADO

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

Internal Service Funds

Year ended December 31, 2014

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Operating revenues:				
Charges for services	\$ 736	\$ 1,610	\$ 1,569	\$ 730
Total operating revenues	<u>736</u>	<u>1,610</u>	<u>1,569</u>	<u>730</u>
Operating expenses:				
Personnel	151	340	238	880
Non-personnel	668	1,373	1,393	37
Depreciation	265	3	-	-
Total operating expenses	<u>1,084</u>	<u>1,716</u>	<u>1,631</u>	<u>917</u>
Operating income (loss)	<u>(348)</u>	<u>(106)</u>	<u>(62)</u>	<u>(187)</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	6	24	11	6
Leases, rents and royalties	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	<u>1</u>	<u>-</u>	<u>29</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>7</u>	<u>24</u>	<u>40</u>	<u>6</u>
Income (loss) before capital contributions, and transfers	(341)	(82)	(22)	(181)
Capital contributions	-	-	-	-
Transfers in	340	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
Changes in net position	(1)	(82)	(117)	(181)
Total net position, beginning of year	<u>2,869</u>	<u>5,748</u>	<u>1,839</u>	<u>1,726</u>
Total net position, end of year	\$ <u>2,868</u>	\$ <u>5,666</u>	\$ <u>1,722</u>	\$ <u>1,545</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>8,343</u>	\$ <u>1,979</u>	\$ <u>935</u>	\$ <u>4,145</u>	\$ <u>20,047</u>
<u>8,343</u>	<u>1,979</u>	<u>935</u>	<u>4,145</u>	<u>20,047</u>
1,099	-	30	96	2,834
2,352	1,042	101	2,837	9,803
2,208	529	243	3,054	6,302
<u>5,659</u>	<u>1,571</u>	<u>374</u>	<u>5,987</u>	<u>18,939</u>
<u>2,684</u>	<u>408</u>	<u>561</u>	<u>(1,842)</u>	<u>1,108</u>
85	30	17	41	220
-	-	-	20	20
-	-	-	(347)	(347)
109	23	(5)	31	158
<u>27</u>	<u>18</u>	<u>-</u>	<u>146</u>	<u>221</u>
<u>221</u>	<u>71</u>	<u>12</u>	<u>(109)</u>	<u>272</u>
2,905	479	573	(1,951)	1,380
157	-	-	-	157
-	-	-	414	754
<u>(181)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(276)</u>
2,881	479	573	(1,537)	2,015
<u>28,178</u>	<u>8,288</u>	<u>5,014</u>	<u>41,973</u>	<u>95,635</u>
\$ <u><u>31,059</u></u>	\$ <u><u>8,767</u></u>	\$ <u><u>5,587</u></u>	\$ <u><u>40,436</u></u>	\$ <u><u>97,650</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2014

(Amount in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 92	\$ -	\$ -	\$ -
Receipts from interfund services provided	644	1,610	1,569	730
Other receipts	1	-	29	-
Payments to suppliers	(448)	(1,198)	(1,301)	-
Payments to employees	(148)	(334)	(235)	(891)
Payments for interfund services used	<u>(235)</u>	<u>(177)</u>	<u>(45)</u>	<u>(37)</u>
Net cash provided (used) by operating activities	<u>(94)</u>	<u>(99)</u>	<u>17</u>	<u>(198)</u>
Cash flows from noncapital financing activities:				
Payments from other funds				
on due from (due to) balances	-	-	57	-
Payments to other funds				
on due from (due to) balances	-	(57)	-	-
Payments from other funds on advances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	340	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>340</u>	<u>(57)</u>	<u>(38)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(841)	(3,227)	(1,548)	(797)
Proceeds from sale and maturities of investment securities	451	2,649	1,227	788
Interest on investments	<u>3</u>	<u>16</u>	<u>6</u>	<u>4</u>
Net cash provided in investing activities	<u>(387)</u>	<u>(562)</u>	<u>(315)</u>	<u>(5)</u>
Net (decrease) in cash and cash equivalents	(141)	(718)	(336)	(203)
Equity in pooled cash and cash equivalents, January 1	<u>221</u>	<u>1,024</u>	<u>483</u>	<u>279</u>
Equity in pooled cash and cash equivalents, December 31	<u>\$ 80</u>	<u>\$ 306</u>	<u>\$ 147</u>	<u>\$ 76</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>
\$ 146	\$ -	\$ -	\$ 15	\$ 253
8,186	1,979	935	4,145	19,798
27	18	-	146	221
(2,222)	(976)	(140)	(2,865)	(9,150)
(1,123)	-	(30)	(96)	(2,857)
(475)	(49)	(19)	(50)	(1,087)
<u>4,539</u>	<u>972</u>	<u>746</u>	<u>1,295</u>	<u>7,178</u>
66	-	-	-	123
-	-	-	(22)	(79)
140	-	-	-	140
-	-	-	20	20
-	-	-	50	50
-	-	-	414	754
-	-	-	-	(95)
<u>206</u>	<u>-</u>	<u>-</u>	<u>462</u>	<u>913</u>
(2,843)	(178)	(65)	(2,076)	(5,162)
50	23	-	-	73
-	-	-	(514)	(514)
-	-	-	(331)	(331)
<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>
<u>(2,770)</u>	<u>(155)</u>	<u>(65)</u>	<u>(2,921)</u>	<u>(5,911)</u>
(6,639)	(3,906)	(2,515)	(5,436)	(24,909)
3,496	2,364	1,392	5,216	17,583
<u>64</u>	<u>17</u>	<u>10</u>	<u>29</u>	<u>149</u>
<u>(3,079)</u>	<u>(1,525)</u>	<u>(1,113)</u>	<u>(191)</u>	<u>(7,177)</u>
(1,104)	(708)	(432)	(1,355)	(4,997)
<u>1,733</u>	<u>1,078</u>	<u>670</u>	<u>1,870</u>	<u>7,358</u>
\$ <u><u>629</u></u>	\$ <u><u>370</u></u>	\$ <u><u>238</u></u>	\$ <u><u>515</u></u>	\$ <u><u>2,361</u></u>

(continued)

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedInternal Service Funds

Year ended December 31, 2014

(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)	\$ <u>(348)</u>	\$ <u>(106)</u>	\$ <u>(62)</u>	\$ <u>(187)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	265	3	-	-
Other nonoperating revenues (expenses)	1	-	29	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	-	(115)	-	-
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(13)	3	(17)	-
Accrued salaries, wages and amounts withheld from employees	(1)	3	-	(11)
Accrued claims liability	-	113	66	-
Compensated absences	-	-	-	-
Retiree health care benefit	2	-	1	-
Total adjustments	<u>254</u>	<u>7</u>	<u>79</u>	<u>(11)</u>
Net cash provided (used) by operating activities	\$ <u><u>(94)</u></u>	\$ <u><u>(99)</u></u>	\$ <u><u>17</u></u>	\$ <u><u>(198)</u></u>
Noncash investing, capital and financing activities:				
Assets acquired through:				
Capital contributions:				
From governmental funds	\$ -	\$ -	\$ -	\$ -
Financed through accounts, contracts and retainage payable	-	-	-	-
Assets transferred to other funds	-	-	-	-
Increase (decrease) in fair value of investments	<u>2</u>	<u>8</u>	<u>4</u>	<u>2</u>
	\$ <u><u>2</u></u>	\$ <u><u>8</u></u>	\$ <u><u>4</u></u>	\$ <u><u>2</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>
\$ <u>2,684</u>	\$ <u>408</u>	\$ <u>561</u>	\$ <u>(1,842)</u>	\$ <u>1,108</u>
2,208	529	243	3,054	6,302
27	18	-	146	221
7	-	-	15	22
(18)	-	-	-	(18)
-	-	-	-	(115)
(345)	17	(58)	(78)	(491)
(5)	-	-	-	(14)
-	-	-	-	179
(22)	-	-	-	(22)
3	-	-	-	6
<u>1,855</u>	<u>564</u>	<u>185</u>	<u>3,137</u>	<u>6,070</u>
\$ <u><u>4,539</u></u>	\$ <u><u>972</u></u>	\$ <u><u>746</u></u>	\$ <u><u>1,295</u></u>	\$ <u><u>7,178</u></u>
\$ 134	\$ -	\$ -	\$ -	\$ 134
-	20	-	(346)	(326)
(181)	-	-	-	(181)
<u>16</u>	<u>10</u>	<u>6</u>	<u>13</u>	<u>61</u>
\$ <u><u>(31)</u></u>	\$ <u><u>30</u></u>	\$ <u><u>6</u></u>	\$ <u><u>(333)</u></u>	\$ <u><u>(312)</u></u>

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## SUPPLEMENTARY SCHEDULES

## CITY OF BOULDER, COLORADO

Supplementary Schedule

## Combined Schedule of Long-Term Debt Payable

December 31, 2014

(Amounts in 000's)

	Interest rates %	Dates		Authorized and issued	Outstanding	Current portion
		<u>Issued</u>	<u>Maturity</u>			
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	\$ 8,975	\$ 1,655
Premium on Bonds					55	
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	6,435	1,505
Premium on Refunding Bonds					11	
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	10,000	370
Premium on Bonds					121	
Parks, Recreation, Muni., Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	2,130	2,130
Premium on Refunding Bonds					27	
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	4,750	250
Premium on Waste Reduction Bonds					45	
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	42,585	2,385
Premium on Cap. Imp. Projects Bonds					4,476	
				<u>109,355</u>	<u>79,610</u>	<u>8,295</u>
Taxable Pension Obligation Bonds						
Premium on Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	7,720	360
					92	
				<u>9,070</u>	<u>7,812</u>	<u>360</u>
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,145	104
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	8,229	443
Bank of the West Equipment Lease	3.25	2/05/13	3/15/16	107	46	36
				<u>10,857</u>	<u>9,420</u>	<u>583</u>
Compensated Absences						
				-	12,477	606
Retiree Health Care Benefit (OPEB)						
				-	1,855	-
Estimated Claims Payable						
				<u>-</u>	<u>2,082</u>	<u>946</u>
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ <u>129,282</u>	\$ <u>113,256</u>	\$ <u>10,790</u>

## 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	12,510	1,600
Premium on Bonds					411	
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	1,630	800
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	10,290	2,110
Water and Sewer	3.50 - 5.00	11/15/05	12/01/15	45,245	2,145	2,145
Premium on Bonds				-	5	
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	24,325	-
Premium on Bonds				-	5,037	
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	8,380	420
Premium on Bonds					155	
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	1,430	345
Premium on Bonds					23	
				<u>134,885</u>	<u>66,341</u>	<u>7,420</u>

(continued)

## CITY OF BOULDER, COLORADO

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

December 31, 2014

(Amounts in 000's)

	Interest rates	Dates		Authorized and issued	Outstanding	Current portion	
		Issued	Maturity				
Business-type Activities (Continued):							
Compensated Absences (estimated)				-	1,127	163	
Retiree Health Care Benefit (OPEB) (estimated)				-	220	-	
Total supported by utility revenues				134,885	67,688	7,583	
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	6,545	655	
Premium on Bonds					381		
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	3,770	885	
Premium on Bonds					82		
				15,005	10,778	1,540	
Compensated Absences				-	181	-	
Retiree Health Care Benefit (OPEB)				-	57	-	
Total supported by parking revenues				15,005	11,016	1,540	
Supported by base rentals:							
Lease Purchase Revenue Notes:							
Boulder Municipal Property Authority:							
Open space acquisition:							
Foothills	Note 1997G	7.00	7/16/97	7/16/17	1,095	271	84
Gisle	Note 2005A	4.75	2/18/05	2/18/17	1,180	359	114
Hill	Note 2005B	4.75	4/05/05	4/05/15	910	111	111
Luchetta	Note 2005C	5.00	8/05/05	8/05/20	720	352	52
Boulder Valley	Note 2006A	5.00	6/16/06	6/16/16	3,550	855	417
Eisenberg	Note 2006B	5.00	6/07/06	6/07/16	1,206	290	142
Kolb, Edward H.	Note 2008AR-1	5.00	4/22/08	4/22/18	404	186	43
Vigil	Note 2008AR-2	5.00	4/22/08	4/22/18	404	186	43
E.R.T.L.	Note 2013A	3.25	10/31/13	10/31/23	5,000	4,568	445
				14,469	7,178	1,451	
Total supported by base rentals				14,469	7,178	1,451	
Total Business-type Activities				\$ 164,359	\$ 85,882	\$ 10,574	

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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, 2014

(Unaudited)

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

## CITY OF BOULDER, COLORADO

Statistical Data

## Net Position By Component

Last Ten Fiscal Years  
(Unaudited)

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities:					
Net Investment in capital assets	\$ 329,926	\$ 343,319	\$ 350,644	\$ 363,896	\$ 379,461
Restricted	47,497	63,452	56,833	59,456	58,197
Unrestricted	39,282	20,955	45,771	51,761	51,266
<b>Total governmental activities     net position</b>	<u><u>\$ 416,705</u></u>	<u><u>\$ 427,726</u></u>	<u><u>\$ 453,248</u></u>	<u><u>\$ 475,113</u></u>	<u><u>\$ 488,924</u></u>
Business-type activities:					
Net Investment in capital assets	\$ 267,873	\$ 269,527	\$ 283,633	\$ 295,936	\$ 313,583
Restricted	213	220	228	234	242
Unrestricted	32,291	53,147	57,233	65,263	59,917
<b>Total business-type activities     net position</b>	<u><u>\$ 300,377</u></u>	<u><u>\$ 322,894</u></u>	<u><u>\$ 341,094</u></u>	<u><u>\$ 361,433</u></u>	<u><u>\$ 373,742</u></u>
Primary government:					
Net Investment in capital assets	\$ 597,799	\$ 612,846	\$ 634,277	\$ 659,832	\$ 693,044
Restricted	47,710	63,672	57,061	59,690	58,439
Unrestricted	71,573	74,102	103,004	117,024	111,183
<b>Total primary government     net position</b>	<u><u>\$ 717,082</u></u>	<u><u>\$ 750,620</u></u>	<u><u>\$ 794,342</u></u>	<u><u>\$ 836,546</u></u>	<u><u>\$ 862,666</u></u>

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

Fiscal Year				
2010	2011	2012	2013	2014
\$ 395,174	\$ 418,691	\$ 458,372	\$ 480,321	\$ 494,209
51,815	30,256	35,096	33,822	61,410
69,024	86,439	102,519	113,701	112,637
<u>\$ 516,013</u>	<u>\$ 535,386</u>	<u>\$ 595,987</u>	<u>\$ 627,844</u>	<u>\$ 668,256</u>
\$ 310,791	\$ 325,861	\$ 325,883	\$ 331,096	\$ 345,149
249	254	257	265	269
65,547	67,166	61,583	67,747	72,770
<u>\$ 376,587</u>	<u>\$ 393,281</u>	<u>\$ 387,723</u>	<u>\$ 399,108</u>	<u>\$ 418,188</u>
\$ 705,965	\$ 744,552	\$ 727,155	\$ 811,417	\$ 839,358
52,064	30,510	81,581	34,087	61,679
134,571	153,605	174,974	181,448	185,407
<u>\$ 892,600</u>	<u>\$ 928,667</u>	<u>\$ 983,710</u>	<u>\$ 1,026,952</u>	<u>\$ 1,086,444</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				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General Government	\$ 7,632	\$ 8,429	\$ 9,846	\$ 10,227	\$ 9,945
Administrative Services	2,708	3,337	3,182	2,951	2,139
Public Safety	38,091	37,942	42,221	44,479	45,506
Public Works	28,773	32,657	36,030	30,966	32,634
Planning & Development Services	7,180	7,476	7,657	8,966	8,619
Culture and Recreation	24,357	25,901	26,573	27,961	27,478
Open Space and Mountain Parks	11,023	12,299	13,156	13,360	13,043
Housing and Human Services	11,692	14,720	10,420	13,983	14,745
Interest on long-term debt	4,016	4,137	3,872	3,530	2,820
Total governmental activities expenses	<u>135,472</u>	<u>146,898</u>	<u>152,957</u>	<u>156,423</u>	<u>156,929</u>
Business-type activities:					
Water utility	20,657	21,711	20,767	21,713	21,051
Wastewater utility	9,043	10,362	10,849	11,693	13,458
Stormwater and flood management	3,891	3,963	4,197	4,407	4,011
Parking facilities and services	5,223	5,374	5,549	6,228	7,385
Property and facility acquisition	1,460	1,411	1,316	1,150	1,009
Total business-type activities expenses	<u>40,274</u>	<u>42,821</u>	<u>42,678</u>	<u>45,191</u>	<u>46,914</u>
Total primary government expenses	<u>175,746</u>	<u>189,719</u>	<u>195,635</u>	<u>201,614</u>	<u>203,843</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	1,826	1,783	2,009	2,832	2,819
Administrative Services	116	98	112	268	205
Public Safety	1,075	990	1,426	1,640	1,706
Public works	928	719	890	909	803
Planning & Development Services	5,298	6,289	6,803	6,327	4,587
Culture and Recreation	7,341	8,057	8,589	9,069	8,448
Open Space and Mountain Parks	369	405	374	367	384
Housing and Human Services	1,529	1,527	1,328	3,671	2,608
Operating grants and contributions:	3,887	7,039	7,522	8,500	6,607
Capital grants and contributions	9,991	6,514	13,521	6,886	11,950
Total governmental activities program revenue	<u>32,360</u>	<u>33,421</u>	<u>42,574</u>	<u>40,469</u>	<u>40,117</u>
Business-type activities:					
Charges for services:					
Water utility	21,055	23,570	21,175	21,123	20,201
Wastewater utility	10,002	12,126	12,596	12,606	12,748
Stormwater and flood management	4,402	4,607	4,796	4,959	5,084
Parking facilities and services	3,607	3,808	4,231	4,319	3,939
Property and facility acquisition	5,090	4,444	4,540	4,042	3,455
Operating grants and contributions:	196	140	210	168	136
Capital grants and contributions:	6,738	6,618	4,812	10,703	8,408
Total business-type activities program revenues	<u>51,090</u>	<u>55,313</u>	<u>52,360</u>	<u>57,920</u>	<u>53,971</u>
Total primary government program revenues	<u>83,450</u>	<u>88,734</u>	<u>94,934</u>	<u>98,389</u>	<u>94,088</u>
Net (expense) revenue:					
Governmental activities	(103,112)	(113,477)	(110,383)	(115,954)	(116,812)
Business-type activities	10,816	12,492	9,682	12,729	7,057
Total primary government net expense	<u>\$ (92,296)</u>	<u>\$ (100,985)</u>	<u>\$ (100,701)</u>	<u>\$ (103,225)</u>	<u>\$ (109,755)</u>

Fiscal Year				
2010	2011	2012	2013	2014
\$ 12,431	\$ 19,509	\$ 16,625	\$ 22,857	\$ 22,406
1,678	1,892	2,627	4,387	7,655
45,819	47,391	49,693	50,468	50,662
30,542	30,844	33,110	27,558	37,406
8,248	5,665	5,555	6,087	6,041
27,200	28,140	28,112	30,749	30,819
13,548	14,863	13,040	16,023	16,774
16,580	13,060	14,431	17,937	19,795
2,285	2,290	2,984	3,532	2,679
<u>158,331</u>	<u>163,654</u>	<u>166,177</u>	<u>179,598</u>	<u>194,237</u>
20,921	21,223	21,925	22,599	22,644
12,885	13,948	13,776	13,916	14,703
4,454	4,790	4,523	4,461	6,812
7,602	6,570	7,303	6,853	6,892
860	724	479	1,118	463
<u>46,722</u>	<u>47,255</u>	<u>48,006</u>	<u>48,947</u>	<u>51,514</u>
<u>205,053</u>	<u>210,909</u>	<u>214,183</u>	<u>228,545</u>	<u>245,751</u>
3,512	2,941	7,593	7,546	7,262
191	142	548	1,163	676
1,874	1,748	1,629	1,652	2,273
1,122	2,095	1,730	2,070	4,474
5,421	5,862	7,473	7,710	8,640
8,121	8,386	9,041	9,015	9,358
425	479	506	423	475
5,775	1,401	13,303	7,859	6,458
7,338	6,154	6,911	5,824	12,213
8,381	7,679	9,260	7,630	8,906
<u>42,160</u>	<u>36,887</u>	<u>57,994</u>	<u>50,892</u>	<u>60,735</u>
21,633	22,940	24,592	23,269	22,950
12,688	12,955	13,013	14,267	13,979
5,080	4,896	5,167	5,537	5,637
4,162	4,324	4,483	4,905	5,475
3,447	5,178	2,336	1,625	2,091
169	151	181	138	-
5,610	8,411	5,175	6,498	17,983
<u>52,789</u>	<u>58,855</u>	<u>54,947</u>	<u>56,239</u>	<u>68,115</u>
<u>94,949</u>	<u>95,742</u>	<u>112,941</u>	<u>107,131</u>	<u>128,850</u>
(116,171)	(126,767)	(108,183)	(128,706)	(133,502)
6,067	11,600	6,941	7,292	16,601
<u><u>\$(110,104)</u></u>	<u><u>\$(115,167)</u></u>	<u><u>\$(101,242)</u></u>	<u><u>\$(121,414)</u></u>	<u><u>\$(116,901)</u></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				
	2005	2006	2007	2008	2009
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Sales and use taxes (a)	\$ 76,624	\$ 80,057	\$ 88,403	\$ 84,867	\$ 85,457
Property taxes (a)	19,391	19,854	20,475	21,865	23,526
Other taxes (b)	15,686	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
Interest and investment earnings	2,315	4,869	6,594	7,875	2,088
Miscellaneous (c)	5,125	5,002	6,752	5,025	5,286
Gain on Sale of Capital Assets	-	-	-	627	130
Transfers	3,439	663	(1,110)	587	(1,468)
Extraordinary Item	-	-	-	-	-
Total governmental activities	<u>122,580</u>	<u>124,498</u>	<u>135,905</u>	<u>137,819</u>	<u>130,623</u>
Business-type activities:					
Taxes:					
Sales and use tax increment (a)	46	85	99	94	83
Property taxes (a)	839	874	912	1,578	1,627
Property tax increment (a)	44	500	563	-	-
Other taxes (b)	433	664	766	-	-
Accommodation taxes	-	-	-	714	604
Specific Ownership & Tobacco taxes	-	-	-	63	55
Excess tax increment	-	(245)	(703)	-	-
Interest and investment earnings	1,585	5,215	5,796	5,583	1,257
Miscellaneous (c)	(390)	(159)	(25)	165	78
Gain on Sale of Capital Assets	-	-	-	-	80
Transfers	(3,439)	(663)	1,110	(587)	1,468
Extraordinary item	-	3,754	-	-	-
Total business-type activities	<u>(882)</u>	<u>10,025</u>	<u>8,518</u>	<u>7,610</u>	<u>5,252</u>
Total primary government	<u>121,698</u>	<u>134,523</u>	<u>144,423</u>	<u>145,429</u>	<u>135,875</u>
Changes in net assets:					
Governmental activities	9,103	14,115	25,522	21,865	13,811
Business-type activities	11,610	19,707	18,200	20,339	12,309
Total primary government	<u>\$ 20,713</u>	<u>\$ 33,822</u>	<u>\$ 43,722</u>	<u>\$ 42,204</u>	<u>\$ 26,120</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				
2010	2011	2012	2013	2014
\$ 87,802	\$ 92,627	\$ 97,397	\$ 104,136	\$ 116,316
26,022	27,462	29,474	29,434	30,353
-	-	-	-	-
3,199	4,668	4,890	5,192	6,443
10,868	10,282	12,310	12,815	12,226
1,587	1,578	1,789	1,839	1,954
837	1,927	1,290	1,338	3,235
2,060	1,895	1,052	755	906
5,633	6,418	1,645	1,678	1,437
805	456	2,173	3,878	99
5,982	(1,208)	16,764	(1,630)	(11)
(1,535)	35	-	1,888	956
143,260	146,140	168,784	161,323	173,914
87	94	119	118	-
1,704	1,782	1,952	1,976	2,013
-	-	-	-	-
-	-	-	-	-
635	715	781	844	-
51	51	55	60	66
-	-	-	-	-
1,226	1,156	384	301	324
81	64	974	91	65
-	-	-	-	-
(5,982)	1,208	(16,764)	1,630	11
(1,024)	24	-	-	-
(3,222)	5,094	(12,499)	5,020	2,479
140,038	151,234	156,285	166,343	176,393
27,089	19,373	60,601	32,617	40,412
2,845	16,694	(5,558)	12,312	19,080
\$ 29,934	\$ 36,067	\$ 55,043	\$ 44,929	\$ 59,492

## 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				
	2005	2006	2007	2008	2009
General Fund:					
Reserved	\$ 2,706	\$ 2,784	\$ 2,953	\$ 2,928	\$ 3,934
Unreserved	16,631	18,466	17,600	18,524	19,399
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 19,337</u>	<u>\$ 21,250</u>	<u>\$ 20,553</u>	<u>\$ 21,452</u>	<u>\$ 23,333</u>
All Other Governmental Funds:					
Reserved	\$ 10,228	\$ 32,671	\$ 10,662	\$ 9,857	\$ 17,774
Unreserved, reported in:					
Special revenue funds	37,616	29,772	38,995	57,409	38,605
Debt service funds	301	303	334	356	418
Capital projects funds	3,870	4,675	13,112	14,449	4,568
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other government funds	<u>\$ 52,015</u>	<u>\$ 67,421</u>	<u>\$ 63,103</u>	<u>\$ 82,071</u>	<u>\$ 61,365</u>

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



Fiscal Year				
2010	2011 (a)	2012	2013	2014
\$ 4,179	\$ -	\$ -	\$ -	\$ -
22,103	-	-	-	-
-	297	276	1,646	260
-	3,468	2,492	1,694	1,481
-	-	-	-	-
-	7,711	10,016	10,886	10,202
-	20,209	25,471	28,216	39,129
<u>\$ 26,282</u>	<u>31,685</u>	<u>38,255</u>	<u>42,442</u>	<u>51,072</u>
\$ 11,338	\$ -	\$ -	\$ -	\$ -
45,123	-	-	-	-
446	-	-	-	-
1,125	-	-	-	-
-	63	47	50	46
-	26,688	78,732	63,649	59,829
-	4,174	15,399	19,376	17,195
-	21,949	21,964	23,754	26,996
-	-	-	-	(20)
<u>\$ 58,032</u>	<u>\$ 52,874</u>	<u>\$ 116,142</u>	<u>\$ 106,829</u>	<u>\$ 104,046</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			
	2005	2006	2007	2008
Revenues:				
Taxes:				
Sales and use taxes	\$ 76,624	\$ 80,057	\$ 88,403	\$ 84,867
General property taxes	19,391	19,854	20,475	21,865
Other taxes (a)	15,686	14,053	14,791	-
Accommodation taxes	-	-	-	3,389
Franchise taxes	-	-	-	9,131
Specific Ownership & Tobacco taxes	-	-	-	1,705
Excise taxes	-	-	-	2,748
Charges for services	10,493	11,375	12,080	16,115
Sale of goods	1,635	738	2,993	329
License, permits and fines	9,337	9,830	10,259	9,910
Intergovernmental	9,956	14,252	19,842	15,192
Leases, rents and royalties	1,993	1,976	329	2,278
Interest and investment earnings	1,748	3,760	9,910	5,698
Other	1,648	1,335	15,192	1,567
Total revenues	148,511	157,230	194,274	174,794
Expenditures:				
General Government	9,291	9,722	11,705	11,838
Administrative Services	8,021	8,473	8,599	8,773
Public Safety	35,105	36,738	40,327	42,882
Public Works	23,374	27,950	34,479	29,204
Planning & Development Services	6,057	6,352	6,796	7,849
Culture and Recreation	22,977	23,412	24,179	26,195
Open Space and Mountain Parks	11,726	17,616	29,919	13,579
Housing and Human Services	9,925	13,602	10,431	12,736
Capital outlay	1,390	1,729	1,254	1,840
Debt service payments:				
Principal	8,322	8,439	8,899	10,331
Interest	3,961	4,102	3,817	2,552
Base rentals to Boulder Municipal				
Property Authority Debt Service Fund	5,090	4,444	4,540	4,042
Cost of issuance - refunding bonds	-	-	-	-
Total expenditures	145,239	162,579	184,945	171,821
Excess of revenues (under)				
expenditures	3,272	(5,349)	9,329	2,973
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Capital lease financing	-	-	-	-
Notes / loans payable issued	-	-	-	-
Bonds issued (including refunding bonds)	-	20,482	12,416	-
Premium on bonds issued	-	-	-	-
Transfers in	18,188	18,540	20,259	20,795
Transfers out	(16,052)	(16,354)	(17,948)	(18,706)
Payment to refunding bond escrow agent	-	-	(12,311)	-
Total other financing sources				
(uses)	2,136	22,668	2,416	2,089
Extraordinary Item				
Flood insurance recoveries	-	-	-	-
Net changes in fund balance	\$ 5,408	\$ 17,319	\$ 11,745	\$ 5,062
Debt service as a percentage of noncapital				
expenditures (b)	9.2%	8.8%	8.5%	8.3%

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

Accommodation taxes, Franchise Taxes, Specific Ownership &amp; 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					
2009	2010	2011	2012	2013	2014
\$ 85,457	\$ 87,802	\$ 92,627	\$ 97,397	\$ 104,136	\$ 116,316
23,526	26,022	27,462	29,474	29,434	30,353
-	-	-	-	-	-
3,049	3,199	4,668	4,890	5,192	6,443
9,121	10,858	10,295	12,310	12,815	12,218
1,587	1,587	1,578	1,788	1,839	1,954
1,847	837	1,927	1,290	1,338	3,235
13,982	17,239	14,015	27,030	22,670	22,946
318	812	368	628	863	593
8,716	10,956	10,518	11,918	12,156	12,813
15,589	17,043	13,647	16,420	13,348	18,188
2,148	2,240	2,346	2,433	2,365	2,651
1,392	1,445	1,416	879	563	686
1,914	1,208	2,869	1,792	1,556	2,069
168,646	181,248	183,736	208,249	208,275	230,465
11,294	13,852	18,122	18,568	20,161	16,556
8,749	8,597	8,504	9,149	10,024	6,773
43,273	53,972	45,123	47,825	48,202	50,280
32,276	31,970	29,558	22,178	27,896	38,322
7,460	7,118	7,551	4,370	4,659	6,014
27,029	26,352	26,839	25,677	28,089	30,423
10,396	11,199	15,978	12,055	22,521	20,433
13,443	15,308	12,022	13,384	20,226	24,564
12,417	9,785	4,077	29,111	19,218	27,130
11,561	9,895	9,715	10,549	11,201	9,425
2,930	2,406	2,398	3,025	3,549	3,205
3,454	3,452	5,178	3,452	1,625	2,091
-	28	104	28	-	-
184,282	193,934	185,169	193,934	217,371	235,216
(15,636)	(12,686)	(1,433)	(12,686)	(9,096)	(4,751)
84	24	17	24	257	7
-	-	-	-	107	-
5,441	-	-	-	-	-
30,685	9,203	-	9,203	-	10,000
1,016	-	-	-	-	123
20,745	21,638	22,576	21,638	20,371	8,334
(18,410)	(18,563)	(19,415)	(18,563)	(18,653)	(8,822)
(27,945)	-	-	-	-	-
11,616	12,302	3,178	12,302	2,082	9,642
-	-	(1,500)	-	1,888	956
\$ (4,020)	\$ (384)	\$ 245	\$ (384)	\$ (5,126)	\$ 5,847
8.7%	7.8%	8.6%	9.2%	8.1%	6.6%

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Market Sector	2005	2006	2007	2008
Food Stores	\$ 295,719	\$ 305,797	\$ 315,876	\$ 329,727
Eating Places	264,788	281,966	306,927	321,062
Apparel Stores	69,535	71,349	79,051	82,966
Home Furnishings	81,784	80,872	85,709	80,115
General Retail	429,372	453,235	508,536	532,688
Transportation/Utilities	203,096	211,510	208,719	231,463
Automotive Trade	164,197	161,209	173,982	151,612
Building Material-Retail	58,356	87,678	91,274	90,428
Construction Use Tax	132,227	133,395	136,291	103,986
Construction Sales Tax	8,126	8,602	11,751	11,960
Consumer Electronics	49,663	54,812	69,954	61,953
Computer Related Business Sector	162,849	145,538	153,321	158,410
All Other	330,152	354,847	344,405	335,698
Refunds	(2,827)	(3,098)	(2,565)	(3,300)
Total Sales and Use Tax	<u>\$ 2,247,037</u>	<u>\$ 2,347,712</u>	<u>\$ 2,483,231</u>	<u>\$ 2,488,768</u>
Direct city sales tax rate	3.41%	3.41%	3.56%	3.41%
Food service sales tax	0.15%	0.15%	0.15%	0.15%
Total direct city sales tax	<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</u>	<u>3.56%</u>

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

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 Center for Conference Services and Cultural Affairs.

	2009	2010	2011	2012	2013	2014
\$	328,338	\$ 327,796	\$ 359,707	\$ 388,154	\$ 397,482	\$ 418,373
	311,060	321,904	347,871	384,485	389,207	411,710
	77,259	79,232	100,696	110,467	111,504	119,125
	75,883	76,487	81,304	81,243	80,077	88,116
	515,305	567,786	586,189	606,359	613,769	630,457
	215,137	220,981	215,462	208,713	227,916	244,471
	145,333	157,930	174,631	187,675	206,196	224,224
	82,342	87,238	85,319	94,886	109,136	111,777
	142,739	173,534	153,438	171,106	254,550	240,872
	11,263	14,922	16,147	12,006	12,695	11,617
	50,755	54,843	73,237	62,924	58,542	67,918
	168,124	146,311	167,503	188,876	209,218	201,225
	390,880	351,272	359,612	359,324	383,549	497,419
	(8,349)	(5,396)	(4,781)	-	-	
\$	2,506,069	\$ 2,574,840	\$ 2,716,335	\$ 2,856,218	\$ 3,053,841	\$ 3,267,304
	3.41%	3.41%	3.41%	3.41%	3.41%	3.56%
	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
	3.56%	3.56%	3.56%	3.56%	3.56%	3.71%

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years  
(Unaudited)

Tax Year Levied	City Direct Rates									Parks & Rec	Parks Acquisition
	General Fund	General Fund	General Fund	Open Space	Open Space	Open Space	Transportation	Transportation		& General Muni	& Recreation
	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Sales Tax		Sales Tax	Sales Tax
	No Expiration	No Expiration	Expires 12/31/24	No Expiration	No Expiration	Expires 12/31/39	No Expiration	Expires 12/31/19	Expires 12/31/19	Expires 12/31/39	Expires 12/31/35
2005	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2006	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2007	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2008	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2009	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2010	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2011	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2012	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2013	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	-	0.15%	0.25%
2014	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	-	0.15%	0.25%

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						Total Direct and Overlapping
Food Service Establishments Sales Tax No Expiration	Fire Training Center Sales Tax 2007 only	Total Direct	State of Colorado	Regional Transportation District	Cultural District	Ball Stadium District	Boulder County	Total Overlapping	
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	0.15%	3.71%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.15%	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.15%	-	3.71%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.51%

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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)

	2005			2014		
Market Sector	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 5,463	7.13%	4	\$ 7,370	6.34%
Automotive Trade	1	2,055	2.68%	1	3,199	2.75%
Computer Related Business Sector	1	2,519	3.29%	1	2,588	2.22%
General Retail, Utilities, & Other	4	7,550	9.85%	4	10,402	8.94%
Total	10	\$17,587	22.95%	10	\$ 23,559	20.25%

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	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds
2005	60,375	-	10,850	69	-	3,500	25,643	116,899
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

(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				
113	3,485	17,776	238,710	15,071,496	1.58%	2,340.29
-	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%	1,741.72

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	49,683	16,753	66,436	2,574,840	2.58%	684.91
2011	41,746	15,350	57,096	2,716,335	2.10%	582.61
2012 (c)	87,577	14,046	101,623	2,856,218	3.56%	1,006.17
2013	77,717	12,390	90,107	3,053,841	2.95%	883.40
2014	79,610	10,778	90,388	3,267,304	2.77%	869.12

(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, 2014

(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	\$ 324,125	53.01 %	\$ 171,835
Boulder Central Area General Improvement District	10,778	100.00	10,778
Northern Colorado Water Conservancy District (NCWCD)	4,310	17.86	770
Boulder County	-	44.99	-
Urban Drainage and Flood Control District	-	6.87	-
Total Overlapping Debt			183,383
City Direct Governmental Activity Debt			96,842
Total Direct and Overlapping Debt			<u>\$ 280,225</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	\$ 2,599,362
Boulder Valley School District	4,903,071
NCWCD	14,554,204
Boulder County	5,777,776
Urban Drainage & Flood Control	37,842,433

# CITY OF BOULDER, COLORADO

## Statistical Data

### Legal Debt Margin Information

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

	2005	2006	2007
Debt limit	\$ 59,120	\$ 62,759	\$ 62,838
Total net debt applicable to limit	-	-	-
Legal debt margin	<u>\$ 59,120</u>	<u>\$ 62,759</u>	<u>\$ 62,838</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 2014

Assessed value	\$ 2,599,362
Debt limit - 3% of assessed value	<u>77,981</u>
Debt applicable to limit:	
Total bonded debt	90,388
Deductions allowed by law:	
Self-supporting General Obligation bonds	(90,388)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 77,981</u></u>

2008	2009	2010	2011	2012 (a)	2013	2014
\$ 72,496	\$ 76,882	\$ 76,981	\$ 74,943	\$ 75,021	\$ 77,024	\$ 77,981
-	-	-	-	-	-	-
<u>\$ 72,496</u>	<u>\$ 76,882</u>	<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>	<u>\$ 77,024</u>	<u>\$ 77,981</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>
2005	37,657	19,633	18,024	10,325	1.75
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

- (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>
2005	4,734	2,586	2,148	639	3.36
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

(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)
2005	102	287	13,289	46.376	5.1%
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	104	*	*	*	3.2%

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

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

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

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

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

(f) Source: Starting in 2008, amounts were based on Boulder Economic Council estimates. Annual 2013 rate not yet available so October 2013 rate was used.

\* 2014 Boulder, Colorado Metropolitan Statistical 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	2005			2014		
	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a)
University of Colorado at Boulder	7,100	1	3.86%	7,755	1	3.83%
Boulder Valley School District	3,967	3	2.16%	4,412	2	2.18%
St. Vrain Valley School District	3,400	4	1.85%	3,500	3	1.73%
IBM Corporation	4,500	2	2.45%	2,800	4	1.38%
Ball Corporation	3,175	5	1.73%	2,800	4	1.38%
Boulder Community Hospital	2,500	8	1.36%	2,350	6	1.16%
Boulder County	-	-	-	1,923	7	0.95%
Oracle Corporation	-	-	-	1,900	8	0.94%
SCL Health System	-	-	-	1,900	8	0.94%
Covidien	-	-	-	1,800	10	0.89%
Level 3 Communications Inc.	2,050	9	1.11%	-	-	-
State of Colorado	2,846	6	1.55%	-	-	-
Sun Microsystems Inc	2,700	7	1.47%	-	-	-
Storage Technology Corp	2,000	10	1.09%	-	-	-
	<u>34,238</u>		<u>18.63%</u>	<u>31,140</u>		<u>15.38%</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government:				
City Council	1.00	1.00	1.00	1.00
Municipal Court	17.00	17.00	18.50	18.50
City Attorney	18.75	18.75	19.70	18.65
City Manager- Administration	10.00	10.00	10.00	16.50
City Manager- Downtown & University Hill Mgt	40.50	40.50	42.25	42.25
City Manager- Communications	11.50	11.50	11.50	6.00
Administrative Services:				
Human Resources	13.75	14.25	14.63	16.38
Finance	27.25	27.25	28.87	29.37
Information Technology	32.75	32.75	32.75	35.25
Public Safety:				
Police	263.25	263.25	269.25	273.25
Fire	111.33	111.33	111.33	111.33
Planning & Development Services:	64.71	64.74	69.36	72.56
Environmental Affairs:	6.00	6.00	5.50	9.50
Public Works:				
Administration	-	-	-	-
Fleet	16.90	16.90	16.87	16.87
Transportation	62.97	62.97	65.99	68.24
Utilities	150.44	150.44	154.93	155.18
Facility / Asset Management	13.51	13.51	13.58	14.58
Culture and Recreation:				
Parks and Recreation	149.22	145.25	144.62	145.82
Library	78.35	78.95	79.45	80.20
Arts	1.50	1.50	1.50	1.50
Open Space / Mountain Parks:	69.00	77.58	83.25	92.00
Housing and Human Services:	52.43	53.42	56.51	56.24
Total	<u>1,212.11</u>	<u>1,218.84</u>	<u>1,251.34</u>	<u>1,281.17</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					
2009	2010	2011	2012	2013	2014
1.00	-	-	-	-	-
18.00	16.25	16.25	16.25	18.16	18.13
18.65	18.65	18.65	20.15	20.20	21.20
16.50	14.30	11.80	12.68	12.00	12.00
42.25	42.25	42.25	42.25	42.25	42.25
6.00	4.00	5.50	6.50	6.50	6.50
					-
16.63	14.88	14.88	15.38	15.63	18.63
28.37	26.37	33.50	34.00	34.00	36.00
35.25	33.50	34.50	34.50	34.00	36.85
273.25	269.50	276.50	279.50	279.50	282.50
112.33	112.33	112.33	115.33	118.33	120.33
76.56	79.47	78.66	82.97	88.74	93.87
10.50	-	-	-	-	-
-	-	-	-	2.74	2.74
16.87	14.87	14.82	14.82	14.77	14.77
68.69	67.10	59.28	59.52	59.78	60.09
156.23	155.90	154.84	154.84	153.59	154.17
14.58	14.58	14.68	14.68	14.73	14.84
146.99	139.24	126.12	126.37	128.37	127.37
79.95	76.95	75.45	75.13	74.14	76.26
1.50	1.50	1.50	2.00	3.25	3.25
91.00	90.50	85.60	89.60	91.60	95.35
57.42	56.10	53.39	46.73	48.34	48.91
<u>1,288.52</u>	<u>1,248.24</u>	<u>1,230.50</u>	<u>1,243.20</u>	<u>1,260.62</u>	<u>1,286.01</u>

## CITY OF BOULDER, COLORADO

Statistical Data

## Operating Indicators By Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2005	2006	2007	2008
General Government:				
Municipal Court				
Traffic tickets processed	11,928	12,554	11,204	13,782
General summons processed	3,306	4,249	3,760	4,099
Animal summons processed	707	1,459	1,366	986
Arraignments	4,986	5,030	3,974	4,716
Court trials	185	150	114	93
Jury trials	6	4	6	9
Public Safety:				
Police				
Number of police officers	171	171	171	171
DUI arrests	1,115	1,163	989	1,089
Traffic summons	18,226	17,914	19,554	21,205
Total traffic accidents	3,644	3,552	3,641	3,242
Total calls for service	79,354	84,747	87,320	78,204
Fire				
Number of firefighters	95	95	95	95
Total annual responses	8,327	8,679	8,943	8,943
Percentage of responses within 6 minutes	85%	69%	80%	80%
Planning & Development Services:				
Number of applications received	5,689	5,642	5,920	5,781
Number of zoning and environmental code enforcement cases	3,920	3,260	4,515	3,000
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.62 million	2.61 million	2.57 million	2.49 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	412,049	432,901	464,432	453,248
Outdoor pool attendance	41,406	41,558	58,954	58,643
Adult athletics participation	198,944	201,040	216,550	234,567
Recreation class enrollment	24,966	25,818	27,791	26,583
Reservoir attendance	117,194	91,207	57,408	48,713
Rounds of golf	48,052	47,966	48,384	49,360
Library				
Circulation of books, videos, tapes	1,088,504	1,109,619	1,183,717	1,274,299
Remote use of library resources online	737,227	1,630,945	2,028,526	1,792,633
Adults participating in cultural and educational programs	54,136	62,211	65,455	66,994
Attendance at outreach program activities	5,424	8,647	7,554	14,569
Arts				
Participants in Boulder Arts Resource	456	523	555	625
Housing Division:				
Number of permanently affordable housing units added on an annual basis	61	117	147	163

Source: City of Boulder departmental records.

2009	2010	2011	2012	2013	2014
13,260	17,433	17,181	15,681	12,464	10,998
4,510	4,351	6,028	6,498	5,871	4,466
1,055	870	1,318	1,635	1,340	1,074
5,543	5,218	5,437	5,810	5,049	4,341
98	87	69	63	84	61
8	8	20	12	16	23
171	171	173	173	173	176
781	767	674	706	592	583
15,304	18,394	17,530	16,547	18,438	12,530
3,405	3,222	3,328	3,183	3,598	3,449
77,745	76,383	81,218	91,675	107,519	108,279
96	96	96	96	96	96
9,730	9,535	10,111	10,293	11,203	9,910
72%	77%	76%	74%	78%	47%
5,532	6,309	5,888	6,488	7,727	6,115
2,821	1,995	2,145	706	809	821
2.46 million	2.49 million	2.34 million	2.34 million	2.40 million	2.89 million
428,682	422,200	628,639	725,000	736,138	727,531
83,335	88,303	83,707	77,441	74,175	75,597
237,292	236,950	250,372	175,543	181,752	161,652
26,671	22,201	21,794	23,092	23,417	29,451
36,582	42,688	330,205	238,265	227,935	156,034
43,348	38,293	39,440	43,974	36,872	41,494
1,354,742	1,363,545	1,384,900	1,446,816	1,449,679	1,305,894
669,217	806,770	804,998	748,917	752,629	840,954
37,319	33,175	33,298	31,063	23,999	25,737
5,796	4,525	4,185	5,312	4,429	4,650
677	678	718	737	NA	NA
84	100	24	18	236	141

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2005	2006	2007	2008
Public Safety:				
Police				
Number of stations and annexes	3	3	3	3
Fire				
Number of stations	7	7	7	7
Public Works:				
Fleet Services				
Cars, Pickups, Vans, and Motorcycles	282	281	297	311
Fire Apparatus	11	11	11	11
Other Heavy Trucks and Equipment	493	490	477	658
Total Equipment in Fleet	786	782	785	980
Transportation				
Miles of streets	285	287	288	289
Number of street lights	4,525	4,562	4,567	4,608
Utilities - Water				
Number of water accounts	28,426	28,555	28,578	28,359
Average daily water production (000's)	17,326	18,187	16,458	16,900
Miles of water mains	441	449	451	451
Utilities - Sewer				
Miles of sanitary sewer mains	348	349	349	351
Miles of storm sewers	138	138	138	150
Culture and Recreation:				
Parks and Recreation				
Acres of urban parks	1,880	1,880	1,880	1,880
Library				
Number of libraries	4	4	4	4
Number of library items in collection	418,417	419,339	389,805	389,805
Open Space / Mountain Parks:				
Acres of mountain parks and open space	43,221	43,497	44,921	45,090

Source: City of Boulder departmental records.



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

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CITY OF BOULDER, COLORADO  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2014

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Federal Expenditures 1/1/14-12/31/14
Department of Agriculture:			
Passed through Colorado State Forest Service:			
CSFS Flagstaff Road			
Cooperative Forestry Assistance	10.664	5367470/5321280	\$ 15,474
Department of Housing and Urban Development:			
Direct Programs:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	1,015,634
HOME Investment Partnerships Program	14.239	N/A	1,308,343
Total Department of Housing and Urban Development			2,323,977
Department of Interior:			
Direct Program:			
Historic Preservation Fund Grants-In-Aid	15.904	N/A	1,500
Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	(2,600)
Public Safety Partnership and Community Policing Grants	16.710	N/A	59,964
Justice Assistance Grant (JAG) Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	62,147
Total Department of Justice			119,511
Department of Transportation:			
Highway Planning and Construction Cluster:			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	See Note 4	4,620,763
Passed through Regional Air Quality Council:			
Highway Planning and Construction	20.205	None provided	(10,621)
Total Department of Transportation			4,610,142

CITY OF BOULDER, COLORADO  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2014

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Federal Expenditures 1/1/14-12/31/14
Department of Veteran's Affairs:			
Direct Programs:			
United States Olympic Committee	64.xxx	N/A	<u>54,914</u>
Environmental Protection Agency:			
Passed through Colorado Department of Public Health and Environment:			
Nonpoint Source Implementation Grants			
Boulder Creek Watershed	66.460	13 FAA 56804	<u>49,971</u>
Department of Energy:			
Direct Programs:			
Conservation Resea Plug-in Hybrid Electric Vehicles	81.086	N/A	<u>(9,892)</u>
Department of Education:			
Passed through Boulder Valley School District:			
Twenty-First Century Community Learning Centers	84.287	None provided	<u>46,106</u>
Department of Health and Human Services:			
Passed through Colorado Department of Human Services:			
Temporary Assistance for Needy Families	93.558	None provided	6,255
Passed through Qualistar Early Learning:			
Child Care and Development Block Grant	93.575	None provided	<u>35,119</u>
Total Department of Health and Human Services			<u>41,374</u>
Department of Public Safety:			
Passed through Colorado Department of Public Safety:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	See Note 4	<u>9,310,894</u>
Total Federal Expenditures			<u><u>\$ 16,563,971</u></u>

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2014

**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, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

**Note 3. Subrecipients**

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipient</b>
CDBG - Entitlement Grants	14.218	\$ 792,342
HOME Investment Partnerships Program	14.239	\$ 1,232,690
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 36,546
Highway Planning and Construction	20.205	\$ 438,616

**Note 4. Pass Through Entity Identifying Numbers**

The pass through award numbers for the Highway Planning and Construction program were STU M110-064 (17000), STE M110-076 (18385), STU M110-077 (18386), STM M110-078 (18389), AQC M110-079 (18396), STU M110-080 (18397), AQC M110-081 (18405), AQC M110-082 (18575), SHO M110-084 (19062), SAR M110-085 (19075), TCSP M110-086 (19343), and AQC M110-087 (19478).

CITY OF BOULDER, COLORADO  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2014

The pass through award numbers for the Disaster Grants – Public Assistance program were PW-00257, PW-00420, PW-00564, PW-00590, PW-00597, PW-00606, PW-00699, PW-00717, PW-00725, PW-00726, PW-00806, PW-00827, PW-00831, PW-00840, PW-00866, PW-00877, PW-00883, PW-00888, PW-00889, PW-00907, PW-00914, PW-00915, PW-00918, PW-00939, PW-00942, PW-00949, PW-00963, PW-01000, PW-01010, PW-01019, PW-01032, PW-01034, PW-01041, PW-01042, PW-01047, PW-01068, PW-01070, PW-01073, PW-01093, PW-01104, PW-01118, PW-01136, PW-01139, PW-01140, PW-01141, PW-01142, PW-01143, PW-01145, PW-01152, PW-01155, PW-01165, PW-01166, PW-01168, PW-01170, PW-01171, PW-01175, PW-01176, and PW-01180.

**Note 5. 2013 Expenditures Reported in 2014 SEFA**

The City received a 2014 pass-through grant from the Colorado Department of Public Safety; Division of Homeland Security and Emergency Management for the 2013 Colorado floods. The City incurred \$3,997,975 of expenditures during 2013 which were not approved until 2014 and are therefore included in the 2014 schedule of expenditures of federal awards.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based on an  
Audit of the 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 (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2015, that contained an emphasis of matter paragraph regarding adoption of a new change in accounting principle.

***Internal Control Over Financial Reporting***

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

Honorable Mayor and Members of City Council  
City of Boulder Colorado

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency in internal controls.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to the City's management in a separate letter dated June 16, 2015.

### ***Purpose of this Report***

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

*BKD, LLP*

Denver, Colorado  
June 16, 2015



## Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance

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 compliance of the City of Boulder (the City) with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Honorable Mayor and Members of City Council  
City of Boulder Colorado

### ***Opinion on Each Major Federal Program***

In our opinion, the City 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, 2014.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City 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'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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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'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.

Honorable Mayor and Members of City Council  
City of Boulder Colorado

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002 that we consider to be a material weakness.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Denver, Colorado  
June 16, 2015

CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2014

**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. Type of auditor’s report issued:

☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified?      ☐ Yes      ☒ No  
Significant deficiency(ies) identified?      ☒ Yes      ☐ None Reported

3. Noncompliance material to the financial statements noted?

☐ Yes      ☒ No

*Federal Awards*

4. Internal control over major programs:

Material weakness(es) identified?      ☒ Yes      ☐ No  
Significant deficiency(ies) identified?      ☐ Yes      ☒ None Reported

5. Types of auditor’s report issued on compliance for major programs:

☒ Unmodified      ☐ Qualified      ☐ Adverse      ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

☒ Yes      ☐ No

CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2014

7. Identification of major programs:

<b>Name of Federal Program or Cluster</b>	<b>CFDA Number</b>
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

8. Dollar threshold used to distinguish between Type A and Type B programs: \$496,919

9. Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2014

**Section II – Financial Statement Findings**

Reference Number	Finding
2014-001	<p><b>Finding:</b> Accounts Payable</p> <p><b>Criteria:</b> Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles generally accepted (GAAP). Additionally, the City should have controls in place to properly record accounts payable balances to prevent a material misstatement in the financial statements.</p> <p><b>Condition:</b> During our search for unrecorded liabilities, it was noted that several invoices pertaining to 2014 were not accrued during year-end close procedures. Per testing performed, we identified approximately \$798,000 of invoices not accrued, which affected multiple funds as well as government-wide statements. The City posted an audit adjust adjustment to the Transportation and 2011 Capital Improvement funds which represented approximately \$651,000 of the invoices identified.</p> <p><b>Cause:</b> The City implemented a new accounting system effective January 1, 2015. Any invoice received after that date, had to be recorded in the new system in order to generate payment. Therefore, the City was relying on manual accruals for most of the invoices received after year-end. During the manual review process, these invoices were not identified and as such were not accrued.</p> <p><b>Recommendation:</b> We recommend 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 can not be relied upon, an alternative system of controls should be properly designed and operating to prevent potential material misstatements in the financial statements.</p>

CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2014

Reference Number	Finding
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**Views of responsible officials and planned corrective actions:**

*Response:* The City fully agrees with this recommendation. In the old accounting system, a manual review process by Central Finance existed to review large disbursements paid through the end of the audit (January through May) for expenses related to the prior year. With the implementation of the new system, more reliance was placed upon the departments that were paying the invoices to identify what expenses should be accrued back. A verification procedure by Central Finance similar to the old procedure designed to supplement the departments' review was not in place for the new system, resulting in not identifying these prior year costs. To correct this, Central Finance will implement a review procedure similar to the prior year process to supplement the reviews done by the departments to help identify prior year costs that should be accrued into the prior year as accounts payable.

*Person responsible for implementing:* Duane Hudson, Controller.

*Implementation date:* January 2016 (this is a year-end process).

CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2014

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
2014-002	<p><b>Finding:</b> Reporting</p> <p><b>CFDA No. 97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b> <b>Department of Homeland Security, Award Number FEMA-DR-4145-CO:14-L4145-054,</b> <b>Award Year 2014</b></p> <p><b>Passed-through Colorado Department of Public Safety Division of Homeland Security and Emergency Management</b></p> <p><b>Criteria:</b> The City of Boulder (the City) is required to submit quarterly financial status and progress reports for each reporting period in which a grant/project is open. Such reporting should be accurate and based on actual results and supported by general ledger activity. In addition, federal expenditures should be easily identifiable in order to be accurately reported in the schedule of expenditures of federal awards.</p> <p><b>Condition:</b> We 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 work sheets 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.</p> <p><b>Questioned Costs:</b> None.</p> <p><b>Context:</b> We tested five quarterly reports for the year ended December 31, 2014, noting the issues described above in each of the reports, in addition to significant difficulty reconciling single audit populations back to general ledger detail and other supporting records. The differences noted, while not warranting material noncompliance, were pervasive enough to indicate a material weakness in internal controls over the reporting compliance requirement.</p> <p><b>Effect:</b> The City inaccurately reported the total amount of expenditures incurred and the amounts reported could not be directly supported by the general ledger.</p> <p><b>Cause:</b> The City's process of identifying federal expenditures was not being utilized for this particular program, making it difficult to determine the appropriate amounts to be reported. During a portion of the year, the quarterly reports were completed based on the approved project worksheet, not necessarily general ledger activity or input from project managers. Later in the year a process was put into place to obtain information from project managers directly, which did assist in the process, but still did not include a reconciliation to supporting general ledger activity. In addition, there was no secondary level of review or approval prior to reports being submitted.</p>



CITY OF BOULDER, COLORADO  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2014

Reference Number	Finding
	<p><b>Recommendation:</b> We recommend 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.</p> <p><b>Views of responsible officials and planned corrective actions:</b></p> <p><i>Response:</i> Staff concurs with this finding. The initial few months after the September 2013 flood were very hectic and evolving. What was being requested for documentation by FEMA was not clear and changed as FEMA managers rotated in and out of recovery work. This was a large scale out of the ordinary event. Numerous departments and processes of the City were involved or impacted. Even after numerous inquiries of FEMA it was unclear at the beginning of 2014 exactly what FEMA required, and what projects or cleanup expenses should be included in one of the FEMA project schedules. Internally, all flood related costs were tracked using a project code, whether it was FEMA reimbursable or not. After the FEMA project schedules began to be formalized and approved by FEMA in 2014, procedures and processes were modified within the City to separately identify and report the FEMA eligible activities. This has enabled improved tracking and reporting of these flood recovery and repair activities. However, required quarterly reports had already been filed using the information available at the time they had to be filed, which was prior to these changes being made. The original reports, developed prior to knowing what would finally be required by FEMA, were compiled using detailed transaction spreadsheets instead of pulling all flood related expenses from the general ledger, which included both FEMA-eligible and ineligible expenses.</p> <p>The initial modules of the new City finance software went live January 1, 2015. In the new system, FEMA expenses will be tracked using a project ledger allowing for detailed tracking of these types of grant expenses. In addition, review and approval of quarterly reports will now be conducted by an individual not involved in the report preparation. This should provide better controls over FEMA reporting activities.</p> <p><i>Person responsible for implementing:</i> Joel Wagner, Flood Recovery Coordinator.</p> <p><i>Implementation date:</i> June 2015.</p>

CITY OF BOULDER, COLORADO  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2014

Reference Number	Summary of Finding	Status
2013-001	Accounting for Compensated Absences  The City should begin including all required salary-related items in the accrual for compensated absences, including those that may need to be manually calculated.	Implemented.
2013-002	Accounting for Capital Assets  The City should implement a requirement that journal entries related to unusual, significant, or complex transactions, be reviewed by Finance Department management prior to posting.	Implemented.

**LOCAL HIGHWAY FINANCE REPORT**

City or County:

City of Boulder

YEAR ENDING :

December 2014

This Information From The Records Of:  
City of BoulderPrepared 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
<b>A. Receipts from local sources:</b>	
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	4,070,815
3. Other local imposts (from page 2)	15,269,817
4. Miscellaneous local receipts (from page 2)	156,932
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)	19,497,564
<b>B. Private Contributions</b>	0
<b>C. Receipts from State government</b> (from page 2)	3,592,363
<b>D. Receipts from Federal Government</b> (from page 2)	3,423,512
<b>E. Total receipts (A.7 + B + C + D)</b>	26,513,438

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	18,793,918
2. Maintenance:	2,338,287
3. Road and street services:	
a. Traffic control operations	2,671,254
b. Snow and ice removal	1,311,722
c. Other	2,663,300
d. Total (a. through c.)	6,646,276
4. General administration & miscellaneous	4,880,975
5. Highway law enforcement and safety	3,400,684
6. Total (1 through 5)	36,060,140
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	783,631
b. Redemption	1,080,018
c. Total (a. + b.)	1,863,650
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,863,650
<b>C. Payments to State for highways</b>	0
<b>D. Payments to toll facilities</b>	0
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	37,923,790

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	15,647,284	21,362,605	23,043,725	13,966,165	0
Capital Improvement Bond Fund (Street & Road)	10,866,378	0	9,729,232	1,137,146	0
General Fund (Street & Road)	0	5,150,833	5,150,833	0	0
<b>Totals</b>	<b>26,513,662</b>	<b>26,513,438</b>	<b>37,923,790</b>	<b>15,103,310</b>	<b>0</b>

**Notes and Comments:**

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

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	4,213	a. Interest on investments	93,875
b. Other local imposts:		b. Traffic Fines & Penalties	63,057
1. Sales Taxes	13,223,413	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,807,472	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	234,719	g. Other Misc. Receipts	0
6. Total (1. through 5.)	15,265,604	h. Other	0
c. Total (a. + b.)	15,269,817	i. Total (a. through h.)	156,932
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,468,510	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	264,480	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	363,306	e. U.S. Corps of Engineers	0
e. Other - CDOT	496,066	f. Other Federal (FHWA)	3,423,512
f. Total (a. through e.)	1,123,852	g. Total (a. through f.)	3,423,512
4. Total (1. + 2. + 3.f)	3,592,363	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	30,769	0	30,769
b. Engineering Costs	1,678,151	4,016,775	5,694,926
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	89,461	89,461
(3). System Preservation	738,647	8,043,928	8,782,575
(4). System Enhancement & Operation	3,870,540	325,648	4,196,188
(5). Total Construction (1) + (2) + (3) + (4)	4,609,187	8,459,037	13,068,223
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	6,318,106	12,475,812	18,793,918
		(Carry forward to page 1)	
Notes and Comments:			