2017

Comprehensive Annual Financial Report

City and County of Denver, Colorado

Year Ended December 31, 2017

Comprehensive Annual Financial Report

Year Ended December 31, 2017

City and County of Denver, Colorado

DENVER
THE MILE HIGH CITY

prepared by

Department of Finance

Controller's Office - Accounting and Financial Reporting Division

Brendan Hanlon, Chief Financial Officer

Beth Machann, CGFM, Controller

Available online at www.denvergov.org/finance

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Contents

Introduction

Financial

Basic Financial Statements

Government-Wide Financial Statements

Fund Financial Statements

Notes to Basic Financial Statements

Required Supplementary Information (unaudited)

Combining and Individual Fund Financial Statements and Schedules

Governmental Funds

Proprietary Funds

Fiduciary Funds

Component Units

Other Supplementary Schedules

Statistical (Unaudited)

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

Introduction

June 5, 2018

Citizens of the City and County of Denver,

Honorable Mayor,

Honorable Auditor,

Honorable Clerk and Recorder,

Honorable Members of City Council, and

Audit Committee

Brendan Hanlon
Chief Financial Officer

State law requires the City and County of Denver (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is prepared by the Controller's Office under the Department of Finance according to Article 2, Part 5 of the City's Charter. Pursuant to the requirements, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended December 31, 2017.

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

BKD, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2017, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's basic financial statements as of and for the year ended December 31, 2017. The independent auditors' report is presented as the first component of the financial section of this report.

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The Report

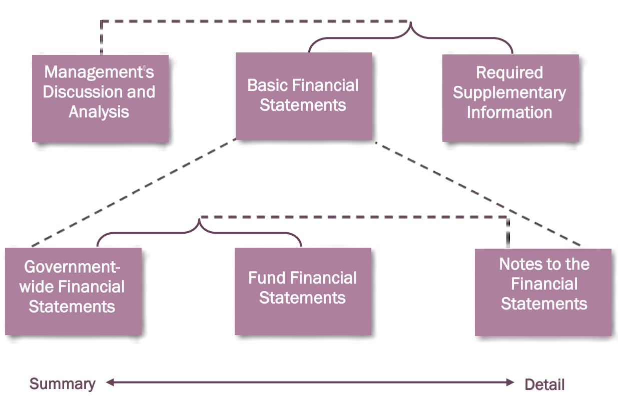
The CAFR is presented in three sections:

- **The Introduction section** includes this letter of transmittal, Mayor, Auditor, District Attorney, Clerk and Recorder, and City Council introductions, the City's organization chart, and certificates of achievement.

- **The Financial section** includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, the component units financial statements, and the combining individual funds financial statements for the nonmajor governmental funds and the internal service funds. Required supplementary information other than the MD&A is also included in the financial section.

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

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



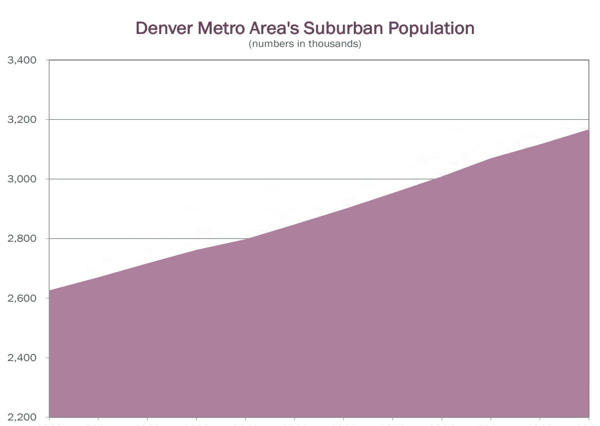
This CAFR includes all funds of the City. The City provides a full range of services including: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The CAFR also includes the City's component units,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

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

In addition to the financial audit, the City undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor's reports on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City's separately issued single audit report.

City Profile

The City is located at the eastern base of the Rocky Mountains in the north-central part of Colorado, encompassing 154.63 square miles. The City is the capital of the state, and it is also the cultural, distribution, entertainment, financial, service and transportation hub of the Rocky Mountain region. With an elevation of 5,280 feet the "Mile High City" has a cool, dry, sunny climate that makes it a magnet for health seekers and those enjoying outdoor recreation all year round. The Colorado Demographer's Office projects a population of 693,292 for Denver County for 2017. It is estimated that over 3 million people reside in the Denver metro area, which includes the suburban counties of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson. Denver was founded November 22, 1858, after a gold discovery at the confluence of Cherry Creek and the South Platte River. Town founder William H. Larimer, Jr. named the city for James W. Denver, Governor of Kansas Territory, of which east central Colorado was then a part.



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

The mayor and 13-member council, elected in non-partisan elections govern the City. The Mayor is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The legislative powers of the City are vested in the City Council. The City has an elected Auditor and an elected Clerk and Recorder. All elected officials' terms are concurrent and last four years, and each position is subject to term limits of 12 years.

The Charter establishes an audit committee consisting of seven members; two members appointed by the Mayor, two members appointed by the City Council and two members appointed by the Auditor, with the Auditor as the Chair. The audit committee, among other things, is responsible for the selection and management of the external auditor. During the course of the annual city-wide audit the audit committee monitors the progress of the audit and discusses with the external auditor any matters related to the audit. The audit committee also accepts the results of the audit.

Regional Economic Conditions

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

The City is the center of economic activity of the region, serving as a business, recreational, higher educational and cultural hub. Major features of the economy include the central business district, state capitol building, Denver International Airport, extensive library facilities, several professional sports teams, institutions of higher learning, and numerous museums and other cultural facilities.

The economy of the metropolitan area generally mirrors that of the state. As of February 2018 state unemployment was 2.7%. Colorado's unemployment rate is below the national average of 4.1% for 2018, according to the US Department of Labor

Construction

The March 2018 Office of State Planning and Budgeting (OSPB) Colorado Economic Perspective report states that nonresidential construction growth fell by 4.0% in 2017 following three years of double-digit growth. The forecast projects a decline of construction growth of 3.0% in 2018. In 2017, U.S. housing permits grew by 4.8%, but are expected to grow by 5.1% in 2018.

Personal Income and Wages

The March 2018 OSPB Colorado Economic Perspective report shows that Colorado personal income growth is expected to have rebounded to 5.4% in 2017. Personal income growth is expected to slow slightly to 5.1% in 2018 with an expected slowdown in employment growth due to tight labor market conditions and less in-migration.

Consumer Spending

Overall, consumer spending continues to increase according to the OSPB. Colorado retail trade sales grew by 4.8% in 2017 and are expected to increase 4.6% in 2018. Sales and use tax revenue, which makes up half of the City's General Fund revenue stream, increased by 6.5 % in 2017. The City anticipates that core sales and use tax revenue will grow approximately 9.6% in 2018.

City Financial Policies and Planning

The City's formal financial policies, as well as operating practices, have helped sustain the City through rapid population growth and a changing economy. Formal policies exist in areas such as balanced budgets, revenue diversification, and use of one-time and predictable revenues, operating expenditures, reserves, investments, and debt.

Revenue Administration

The City's main source of revenue for operating expenditures is sales and use tax, which makes up 48% of total General Fund revenues. This is less than the 70.0% average for most local governments in the region. In addition, the City reviews all fees, fines, and charges for services on a rotating basis to ensure they are meeting cost recovery goals. One-time and unpredictable revenues are spent on one-time costs, such as equipment replacement, or transferred to capital improvement funds for repair and rehabilitation projects.

Expenditure Administration

Expenditure budgets are carefully reviewed by both the implementing departments and the Budget and Management Office. Careful attention is paid to ensure departments are meeting projected vacancy savings and that excess budget is not transferred to non-personnel line items. For 2017, there was $34 million in additional savings beyond the revised budget by year-end. The primary contributors to this unspent appropriation were significant position vacancies that resulted from a very competitive job market and unspent contingency.

Reserves

The City has multiple reserves in its General Fund to address budgetary shortfalls. A Contingency Reserve of no less than 2.0% of total estimated expenditures, an Emergency Reserve mandated by the State Constitution equal to 3% of covered funds, and an unassigned Fund Balance target of

15.0% of total budgeted expenditures. The City's budget policy concerning the use of reserves varies depending on the reserve type but generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, or severe economic downturn. The policy further states that use of reserves should be combined with structural changes to bring the budget back into balance. The Unrestricted Fund Balance at the end of 2017 was projected to be 24% of expenditures.

Debt Administration

The City's debt policy establishes guidelines and parameters for the issuance and management of debt. The primary objectives of the policy are to ensure that debt is issued prudently and affordable. The Taxpayer's Bill of Rights (TABOR) under the State Constitution requires the City to obtain voter approval prior to issuing any multi-year fiscal debt or obligations. Certain exceptions apply for refunding of outstanding bonds and debt issued by enterprises of the City. The City's Charter further restricts general obligation bonded debt to 3.0% of the actual value of the taxable property within the City. General obligation water bonds issued by Denver Water are excluded from this limitation. At December 31, 2017, the City's general obligation bonded debt of $661,776,000 subject to this restriction, was 16.4% of the $4,042,333,000 three-percent limitation amount, not including compound interest of the general obligation mini-bonds.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed ratios, debt per capital, etc.), the City's level of direct debt obligations are considered moderate but manageable in comparison with similarly sized cities. Rating agencies cite the City's strong financial management and prudent fiscal policies as credit strengths. As of December 31, 2017, the City is rated triple-A (AAA) by all three of the major rating agencies: Standard & Poor's, Fitch, and Moody's Investors Service.

Cash Management

The City's Charter regulates the securities in which the City may invest its funds. Permissible investments under the Charter are obligations of the United States Government, its agencies, and sponsored corporations, prime bankers' acceptances, prime commercial paper, certificates of deposit issued by banks and savings and loan institutions, local government investment pools, repurchase agreements, forward purchase agreements, security lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The City Council has adopted an ordinance authorizing the investment of City moneys in Resolution Funding Corporation (REFCORP) Securities, Forward Purchase Agreements, and Debt Service Reserve Fund Put Agreements, all of which are either issued by a U.S. Government Corporation or are collateralized by surety types already authorized by the Charter. The City is not permitted to leverage its investment portfolio.

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

Long-Term Financial Planning

The City has a six-year long-range capital planning process and document that is updated each year and helps drive annual capital funding decisions as well as periodic general obligation bond issues for larger investments. For operations, revenues are forecasted out for 20 years to account for planned changes to existing revenues, such as sunsetting revenues, and to project any future deficits between revenues and expenditures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2016. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the 37th consecutive year that the City has received this award. A Certificate of Achievement is valid for one year only. We believe this 2017 CAFR continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Furthermore, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City for its Popular Annual Financial Report (PAFR) for the fiscal year ending on December 31, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal. This is the fifth year that the City has received this award. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Additionally, GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year beginning January 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another year.

Additionally, the City was awarded GFOA's Award for Excellence in Government Finance for the 2017 GO Bond Process: An Inclusive Approach to Public Outreach. This award recognizes contributions to the practice of government finance that exemplifies outstanding financial management and is given for practical, documented work that offers leadership to the profession and promotes improved public finance.

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

Respectfully submitted,

Brendan Hanlon
Chief Financial Officer

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Dear Denver residents:

Honorable
Michael B. Hancock
Mayor

I'm pleased to report that the state of our city is strong. But it has not been strong for everyone. That's why Denver's budget priorities in 2017 – and in 2018 – have focused on ensuring that we are pulling every lever we can to connect all residents to our thriving economy. We're focused on the new challenges we are all facing – like housing, mobility and the need to better manage our growth. I've highlighted a few of the initiatives we are focusing on:

- **General Obligation Bonds –** Denver voters overwhelmingly approved a $937 million bond package in November 2017, that will enable us to restore, replace and expand infrastructure and capital assets across the city – assets that are uniquely Denver and are points of pride for the people who live, work and play here.
- **Safety –** The safety of Denver's residents and neighborhoods remains one of the highest priorities, especially as our city grows. In 2017 we added 48 police officers to the Denver Police Department. We increased our 911 staff and the number of officers who wear body cameras and added two new police academy classes to train the next generation of police recruits.
- **Mobility Action Plan –** The My Mobility Action Plan is a clarion call for a future that offers mobility freedom for all by supporting the choices we know our residents want to make. This plan will accelerate the policies and projects necessary between now and 2030 to move more people, more efficiently and more safely.
- **Affordable Housing –** Upon approval, the city's first dedicated funding stream for affordable housing will be established and will provide an estimated $150 million over the next 10 years from the General Fund to create 6,000 affordable housing units.
- **Denveright –** In 2017, city planners heard from more than 10,000 voices as they sought input for the Denveright family of land use, mobility, parks and recreation plans. This plan will create a comprehensive, 20-year roadmap to help us better manage change – not from the top down, but with neighborhood direction and resident guidance.

Denver continues to experience changes and unprecedented growth which brings with it both new successes to celebrate and new challenges to face. Working together, we are showing how economic prosperity can bring everyone along, how to ensure we maintain the uniqueness of our neighborhoods, and how to plan for a safe, inclusive and thriving city into the future.

Mayor's Cabinet and Chief of Staff

Deputy Mayor and Chief Financial Officer	Executive Director of Parks and Recreation
Chief of Staff	Executive Director of General Services
City Attorney	Executive Director of Public Works
Executive Director of Aviation	Executive Director of Safety
Executive Director of Environmental Health	Executive Director of Community Planning and Development
Executive Director of Excise and Licenses	Executive Director of Human Services

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

Honorable Timothy M. O’Brien, CPA
Auditor

Honorable Beth McCann
District Attorney

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

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

Honorable Debra Johnson
Clerk and Recorder

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

Honorable
Albus Brooks
President
Council District 9

Honorable
Robin Kniech
Council At-Large

Honorable
Deborah Ortega
Council At-Large

Honorable
Rafael Espinoza
Council District 1

Honorable
Kevin Flynn
Council District 2

Honorable
Paul D. López
Council District 3

Honorable
Kendra Black
Council District 4

Honorable
Mary Beth Susman
Council District 5

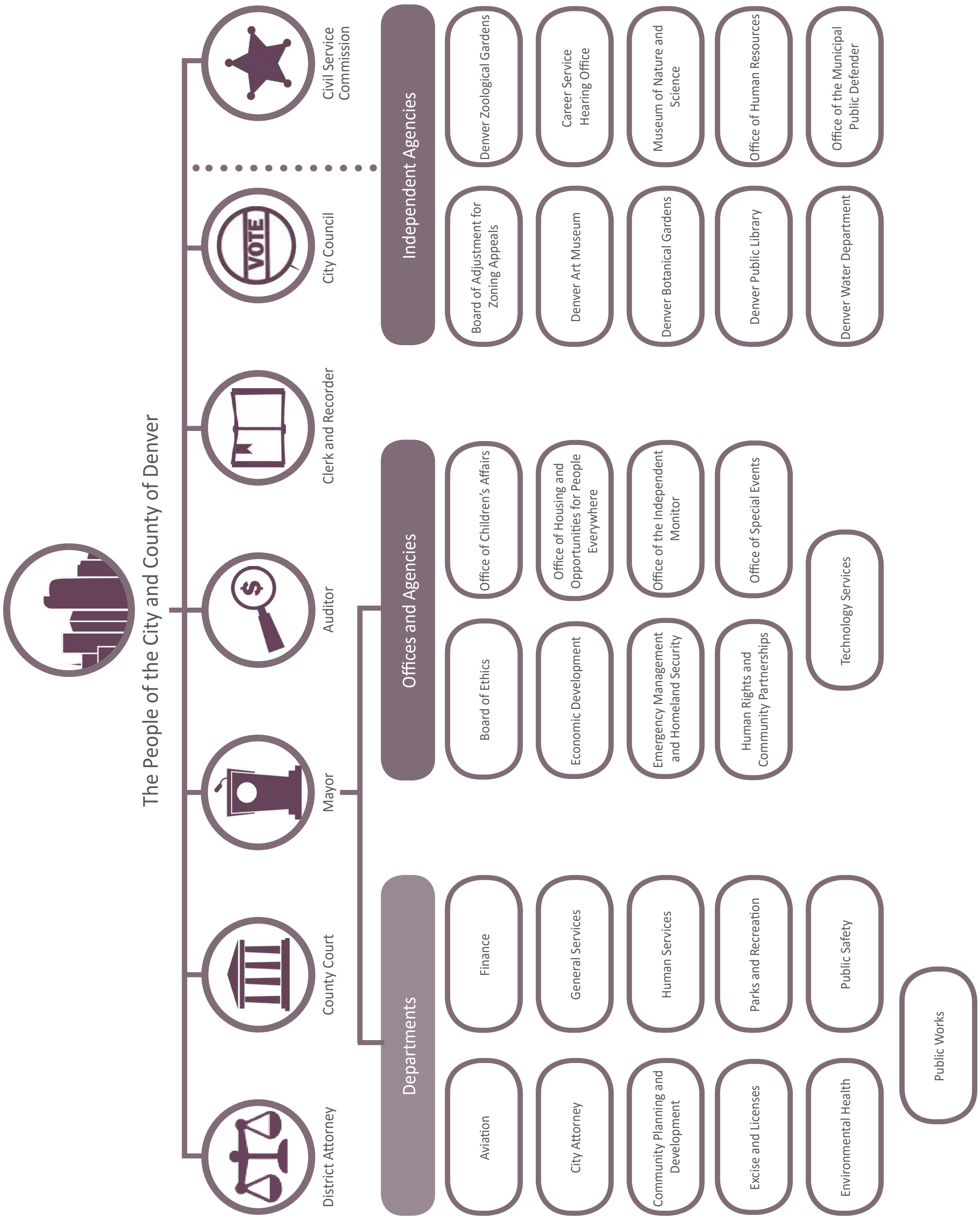
Honorable
Paul Kashmann
Council District 6

Honorable
Jolon Clark
Council District 7

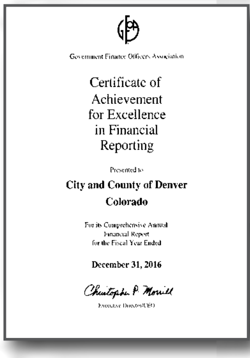
Honorable
Christopher Herndon
Council District 8

Honorable
Wayne New
Council District 10

Honorable
Stacie Gilmore
Council District 11


The People of the City and County of Denver
District Attorney
County Court
Mayor
Auditor
Clerk and Recorder
City Council
Civil Service Commission
VOTE
Departments
Aviation
Finance
City Attorney
General Services
Community Planning and Development
Human Services
Excise and Licenses
Parks and Recreation
Environmental Health
Public Safety
Public Works
Offices and Agencies
Board of Ethics
Office of Children's Affairs
Economic Development
Office of Housing and Opportunities for People Everywhere
Emergency Management and Homeland Security
Office of the Independent Monitor
Human Rights and Community Partnerships
Office of Special Events
Technology Services
Independent Agencies
Board of Adjustment for Zoning Appeals
Denver Zoological Gardens
Denver Art Museum
Career Service Hearing Office
Denver Botanical Gardens
Museum of Nature and Science
Denver Public Library
Office of Human Resources
Denver Water Department
Office of the Municipal Public Defender

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


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City and County of Denver
Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill
Executive Director/CEO

Outstanding Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and County of Denver for its Annual Report for the fiscal year ended December 31, 2016.

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

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

Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City and County of Denver for its Popular Annual Financial Report for the fiscal year ended December 31, 2016. The Award for Outstanding Achievement in popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the City and County of Denver for its annual budget for the fiscal year beginning January 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

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

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

Award for Excellence in Government Finance

The GFOA's Awards for Excellence in Government Finance recognizes contributions to the practice of government finance that exemplify outstanding financial management. This award is given for practical, documented work that offers leadership to the profession and promotes improved public finance. Eight criteria are taken into consideration for this award and include: local significance and value, technical significance, transferability, documentation, the cost/benefit analysis, efficiency, originality, and durability. This award was presented to the City and County of Denver for the 2017 GO Bond Process: An Inclusive Approach to Public Outreach.

Financial

BKD LLP
CPAs & Advisors
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Independent Auditor's Report

Audit Committee
City and County of Denver, Colorado
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City and County of Denver (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No. 1, Downtown Denver Business Improvement District, Denver Union Station Project Authority, and Denver Preschool Program, Inc., all of which are included as discretely presented component units, which represent 57.13 percent of total assets, 75.50 percent of total revenues, and 3.94 percent of net position (deficit) of the aggregate discretely presented component units as of and for the year ended December 31, 2017. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion on the aggregate discretely presented component units and, insofar as it relates to the amounts included for the Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No. 1, Downtown Denver Business Improvement District, Denver Union Station Project Authority, and Denver Preschool Program, Inc., is based solely on the report of the other auditors. Additionally, we did not audit the financial statements of the Gateway Village General Improvement District, the RINO General Improvement District, and the 14th Street General Improvement District, which are included as blended component units, and the Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan, a fiduciary fund of the City, which represent 57.18 percent of total assets, 44.12 percent of total revenues and 79.53 percent of net position (or fund balance) of the aggregate remaining fund information as of and for the year ended

Audit Committee
City and County of Denver

December 31, 2017. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Gateway Village General Improvement District, the RINO General Improvement District, and the 14th Street General Improvement District, the Denver Employee Retirement Plan, and the Deferred Compensation Plan, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Wastewater Management Enterprise Fund, which is both a major enterprise fund of the City, and 14.11 percent, 14.33 percent and 38.99 percent, respectively, of the assets, revenues and net position of the business-type activities as of and for the year ended December 31, 2017. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinions on the Wastewater major fund and the business-type activities, insofar as it relates to the amounts included for the Wastewater Management Enterprise Fund, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City and County of Denver, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied

Audit Committee
City and County of Denver

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introduction section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended December 31, 2016, which are not presented with the accompanying financial statements. In our report dated May 26, 2017, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the general fund balance sheet as of December 31, 2016 and related statement of revenues, expenditures, and changes in fund balance for the year then ended shown as supplementary information are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2016, taken as a whole.

The introduction section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Denver, Colorado
June 5, 2018

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Management's Discussion and Analysis

Management of the City and County of Denver (City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $3,565,112,000 (net position). Of this amount, $152,536,000 represents a deficit of unrestricted net position.
- The City's total net position increased by $328,255,000, or 10.1%, over the prior year.
- As of close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,179,411,000, a decrease of $86,004,000 from the prior year. Approximately 22.4% or $264,124,000 of the fund balance (unassigned fund balance) is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was $264,124,000 which represents 20.1% of total General Fund expenditures, including transfers out.
- The City's total bonded debt decreased by $53,975,000 during the year. General obligation bonds decreased by $99,630,000 and revenue bonds increased by $45,655,000.
- During 2017, the City adopted Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, Governmental Accounting Standards Board Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14,* Governmental Accounting Standards Board Statement No. 81, Irrevocable Split-Interest Agreements, Governmental Accounting Standards Board Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No 73*, and Governmental Accounting Standards Board Statement No. 86, *Certain Debt Extinguishment Issues.* There was no impact to net position as a result of implementing these principles.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $3,565,112,000 at the close of the most recent fiscal year. Net position of $2,431,754,000 (62.8%) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net positions of the City also include $1,333,854,000 (37.4%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

Table 1 reflects the City's net position (dollars in thousands) as of December 31, 2017 and 2016:

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Current and other assets	$ 1,955,299	$ 1,904,051	$ 2,177,479	$ 1,953,795	$ 4,132,778	$ 3,857,846
Capital assets	3,032,374	2,892,680	4,339,141	4,163,611	7,371,515	7,056,291
Total assets	**4,987,673**	**4,796,731**	**6,516,620**	**6,117,406**	**11,504,293**	**10,914,137**
Deferred outflows	409,940	433,322	167,464	211,439	577,404	644,761
Noncurrent liabilities	2,723,039	2,775,460	4,327,606	4,266,391	7,050,645	7,041,851
Other liabilities	385,343	313,439	597,973	554,333	983,316	867,772
Total liabilities	**3,108,382**	**3,088,899**	**4,925,579**	**4,820,724**	**8,033,961**	**7,909,623**
Deferred inflows	472,723	409,889	9,901	2,529	482,624	412,418
Net position						
Net investment in capital assets	1,730,520	1,572,753	701,234	175,636	2,431,754	1,748,389
Restricted	792,057	918,405	493,837	622,880	1,285,894	1,541,285
Unrestricted	(706,069)	(759,893)	553,533	707,076	(152,536)	(52,817)
Total net position	**$ 1,816,508**	**$ 1,731,265**	**$ 1,748,604**	**$ 1,505,592**	**$ 3,565,112**	**$ 3,236,857**

Table 2 reflects the City's changes in net position (dollars in thousands) for the years ended December 31, 2017 and 2016:

Table 2

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	$ 407,002	$ 400,525	$ 1,083,535	$ 1,032,149	$ 1,490,537	$ 1,432,674
Operating grants and contributions	194,285	179,641	873	686	195,158	180,327
Capital grants and contributions	90,432	68,218	77,175	28,975	167,607	97,193
General revenues:						
Facilities development admissions tax	13,816	12,401	-	-	13,816	12,401
Lodgers tax	112,947	88,872	-	-	112,947	88,872
Motor vehicle ownership fee	30,793	26,787	-	-	30,793	26,787
Occupational privilege tax	50,955	49,864	-	-	50,955	49,864
Property tax	419,648	399,859	-	-	419,648	399,859
Sales and use tax	718,577	674,398	-	-	718,577	674,398
Specific ownership tax	57	57	-	-	57	57
Telephone tax	9,372	9,446	-	-	9,372	9,446
Investment income	20,642	19,151	49,083	40,414	69,725	59,565
Other revenues	39,465	24,128	4,941	921	44,406	25,049
Total revenues	**2,107,991**	**1,953,347**	**1,215,607**	**1,103,145**	**3,323,598**	**3,056,492**
Expenses						
General government	445,601	405,900	-	-	445,601	405,900
Public safety	707,981	688,287	-	-	707,981	688,287
Public works	254,381	216,587	-	-	254,381	216,587
Human services	167,131	145,594	-	-	167,131	145,594
Health	62,351	65,265	-	-	62,351	65,265
Parks and recreation	100,294	93,842	-	-	100,294	93,842
Cultural activities	157,531	130,536	-	-	157,531	130,536
Community development	52,832	48,766	-	-	52,832	48,766
Economic opportunity	11,746	14,830	-	-	11,746	14,830
Interest on long-term debt	63,952	62,566	-	-	63,952	62,566
Wastewater management	-	-	124,046	114,740	124,046	114,740
Denver airport system	-	-	825,110	811,094	825,110	811,094
Other enterprise funds	-	-	22,387	22,983	22,387	22,983
Total expenses	**2,023,800**	**1,872,173**	**971,543**	**948,817**	**2,995,343**	**2,820,990**
Change in net position before transfers	84,191	81,174	244,064	154,328	328,255	235,502
Transfers	1,052	(1,676)	(1,052)	1,676	-	-
Transfers of Capital Assets	-	(2,880)	-	2,880	-	-
Change in net position	**85,243**	**76,618**	**243,012**	**158,884**	**328,255**	**235,502**
Net position (deficit) - January 1	1,731,265	1,654,647	1,505,592	1,346,708	3,236,857	3,001,355
Net position - December 31	**$ 1,816,508**	**$ 1,731,265**	**$ 1,748,604**	**$ 1,505,592**	**$ 3,565,112**	**$ 3,236,857**

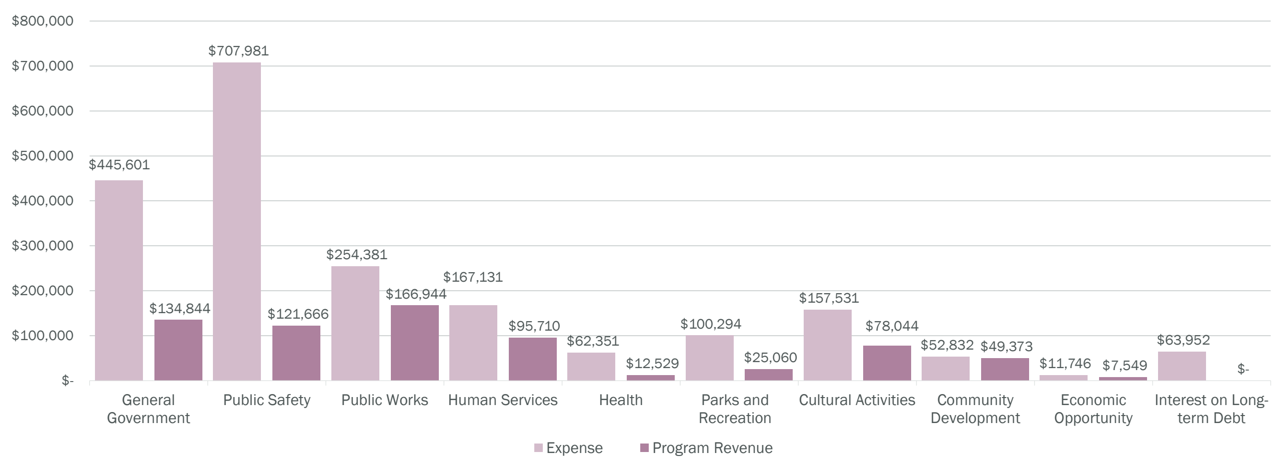
Governmental activities increased the City's net position by $85,243,000 for the year ended December 31, 2017. Key elements of the increase are as follows:

- Property tax and sales and use taxes totaled 83.9% of all tax revenues and 54.0% of all governmental activities' revenues. Property tax recorded in the governmental funds totaled $419,648,000 for an increase of $19,789,000 (4.9%) while sales and use tax revenues of $718,577,000 were up $44,179,000 (6.6%) compared to 2016, reflecting stable growth in the 2017 economy. Lodgers tax increased $24,075,000 (27.1%) due to the City imposing a new 10.75% lodgers fee to short-term rentals, an increasing hotel inventory, and a one-time online travel company legal settlement of $9,989,000.

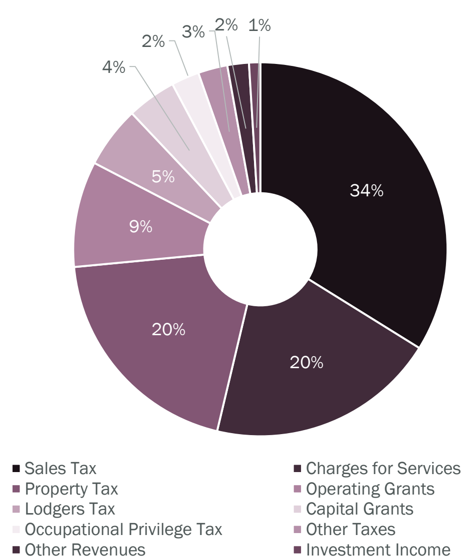
- Total governmental activities expenses increased by $151,627,000 (8.1%) primarily due to an increase in costs for goods, expanded services offered by agencies, and pension expense. General government expense increased $39,701,000 (9.8%), mainly due to increasing costs for services and increasing personnel costs. Public Safety expenses increased $19,694,000 (2.9%), in part due to hiring additional deputies and enhanced staffing, technology, training, equipment, and facilities as well as pension expense. Public Works expense increased $37,794,000 (17.4%) mainly due to an increase in capital project activity and land acquisition costs related to the construction of the National Western Center. Human Services expense increased $21,537,000 (14.8%) mainly due to the agency adding new positions and the reorganization of the Office of Behavioral Health which resulted in expenses from the Crime and Prevention Control Program transitioned to Human Services. Cultural Activities expenses increased $26,995,000 (20.7%) mainly due to an increase in repairs and maintenance costs in their capital project funds and Convention Complex payments made during 2017.

General government expenses in 2017 were $445,601,000 (22.0%) of total expenses. Public safety expenses were $707,981,000 (35.0%) of total expenses. Public Works expenses were $254,381,000 (12.6%) of total expenses. Cultural activities were $157,531,000 (7.8%) of total expenses. Human services' expenses were $167,131,000 (8.3%) of total expenses. The remainder of the governmental activities expenses is comprised of health with $62,351,000 (3.1%), parks and recreation with $100,294,000 (5.0%) community development with $52,832,000 (2.6%), economic opportunity with $11,746,000 (.58%), and interest on long-term debt of $63,952,000 (3.2%).

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



Revenues by Source - Governmental Activities

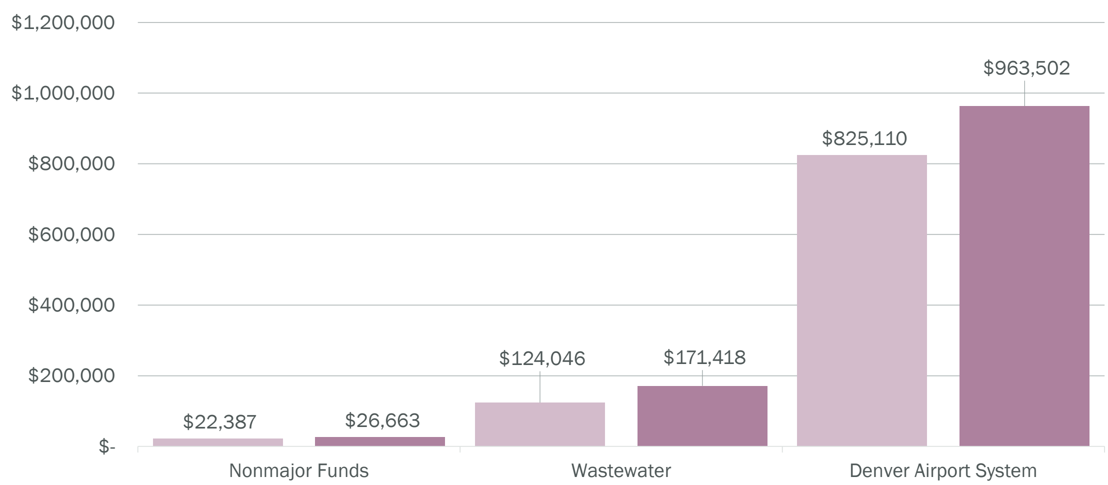


Business-type activities increased the City's net position by $243,012,000. Key elements of this increase are as follows:

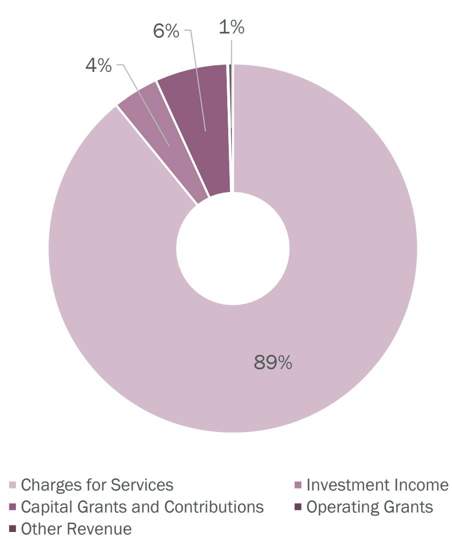
- Total revenues of $1,215,607,000 were $112,462,000 (10.2%), higher compared to prior year amounts. For the Denver Airport System, the change was primarily due to increases in concessions revenue due to the opening of new locations, an increase in enplaned passengers, and increases in car rentals and hotel revenues. Wastewater Management, the change was mainly due to a 5.0% rate increase for the sanitary fees and an 11.0% rate increase in storm fees at Wastewater Management.

- Total expenses of $971,543,000 increased by $149,454,000 (8.0%) when compared to the prior year. Wastewater Management expenses in 2017 totaled $124,046,000 (12.8%) of total business-type activities. Denver Airport System expenses totaled $825,110,000 (84.9%) of business-type activities. The remaining $22,387,000 (2.3%) of expenses in business-type activities were related to Environmental Services and Golf activities. The main source of the increase in expenses for all funds was primarily due to an increase in personnel costs due to salary increases and pension expense.

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



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2017, the City's governmental funds reported combined ending fund balances of $1,179,411,000, a decrease of $86,004,000 in comparison with the prior year. Approximately 22.4% or $264,124,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. As of December 31, 2017, unassigned fund balance of the General Fund was $264,124,000 while total fund balance was $394,059,000. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.1% of total General Fund expenditures, including transfers out, of $1,311,813,000 while total fund balance represents 30.0% of the same amount.

The total fund balance of the City's General Fund decreased by $3,364,000 (0.8%) during the year ended December 31, 2017. This is largely due to increased transfers to capital projects funds for projects related to transportation infrastructure, deferred maintenance, and street paving.

Almost every revenue source increased slightly in 2017 due to a recovery of the economy. Total General Fund revenues including transfers in, totaled $1,304,289,000, an increase of $63,506,000 or 5.1%. Certain revenues in the General Fund that increased from 2016 to 2017 include:

- Sales and use taxes earned were higher by $44,179,000. This increase is primarily attributable to the continuing expansion of the economy and retail marijuana sales tax collections related to the implementation of Amendment 64.

- Lodgers taxes were higher by $7,177,000, largely as a result of the initiation of collection of lodger's tax on short-term rentals in 2017, an increasing hotel inventory, and a one-time legal settlement from online travel companies of $9,989,000.

- Property taxes were higher by $4,319,000 due in part to an increase in the assessed value of property taxed during 2017.

The national and local economies continued to recover in 2017 following the recession of 2009. The City continued to monitor 2017 expenditures. Total General Fund expenditures, including transfers out, increased by $73,689,000, or 6.0%. The primary drivers of this increase are personnel cost increases and an increase in costs for goods and services.

The Human Services special revenue fund had a total fund balance of $75,582,000. This amounts to a net decrease in fund balance of $447,000 during the current year. The underlying reasons for the change include increased liabilities at year-end when compared to 2016.

Proprietary Funds

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

Total net position of Wastewater Management was $681,788,000 and for the Denver Airport System net position was $1,023,673,000. Net position for all enterprise funds increased $243,092,000. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

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

Original revenue estimates for 2017, prepared in the summer of 2016, assumed moderate growth in the local and national economies. Sales and use tax revenue was originally projected to grow by 4.2% over the 2016 revised forecast and total General Fund revenue was projected to increase by 3.4% over 2016 revised figures. In the summer of 2017, the original General Fund revenue forecast, including transfers in, was revised upward by $14,043,300 or 1.1% over original projections. Major factors contributing to this upward adjustment include:

- The tax revenue was revised upward by $11,224,000 or 1.3% due largely to the economy expanding more rapidly than originally anticipated, and strong mid-year actual collections

- Licenses and permitting revenue projections were revised upward by $8,642,000 or 18.0%. This increase was largely driven by upward adjustments to the revenue projections for construction and excavation permitting and street occupancy permitting.

- Fines and forfeitures were revised downward by $4,846,000 or 8.6% due to an decrease in photo radar collections in part because some construction zones ended. This and other miscellaneous decreases in fine revenue are partially offset by a projected increase in parking fine collections.

- Charges for services revenue was revised upward by $341,000 or 0.2%.

- Differences between the final amended budget and actual revenues and expenditures are briefly summarized in the following paragraph.

In 2017, actual General Fund revenues, including transfers in, were approximately $1,304,289,000 which is 1.5% higher than the revised budget for 2017. This overage was due in part to realizing unbudgeted online travel settlement revenue and overperformance in sales and use tax collections. General Fund budget actual expenditures were approximately $34,000,000 less than the revised 2017 budget. This is a result of achieving unspent appropriations, due in large part to compensation savings and not fully expending contingency funds.

Capital Assets and Bonded Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2017, were $7,371,515,000 (net of accumulated depreciation). This investment in capital assets includes land and land rights, collections, buildings and improvements, equipment and other, park facilities, and, for governmental activities, infrastructure (including streets, alleys, traffic signals, bridges, fiber optic cable, and trails). Infrastructure-type assets of business-type activities are reported as buildings and improvements. The City's capital assets by type at December 31, 2017 and 2016 are shown in **Table 3** (dollars in thousands):

Table 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Land and construction in progress	$ 577,776	$ 426,646	$ 645,294	$ 537,763	$ 1,223,070	$ 964,409
Buildings and Improvements	2,388,822	2,396,115	6,329,131	6,136,972	8,717,953	8,533,087
Equipment and other	333,622	322,575	906,332	880,189	1,239,954	1,202,764
Collections	46,844	44,481	-	-	46,844	44,481
Intangibles	58,532	36,661	33,177	6,125	91,709	42,786
Infrastructure	1,678,600	1,595,588	-	-	1,678,600	1,595,588
Less accumulated depreciation	(2,051,822)	(1,929,386)	(3,574,793)	(3,397,438)	(5,626,615)	(5,326,824)
Total	**$ 3,032,374**	**$ 2,892,680**	**$ 4,339,141**	**$ 4,163,611**	**$ 7,371,515**	**$ 7,056,291**

Major capital asset activity for the year ended December 31, 2017 included the following:

- Governmental Activities – Work on the National Western Center (NWC) commenced and includes costs related to land acquisition within the NWC campus boundaries, preparation for rail consolidation, environmental analysis, preliminary design, engineering and construction.

- Business-type Activities – Wastewater's increase in net capital assets is due to the completion of Wastewater funded projects of approximately $6,700,000 and the receipt of $26,300,000 in donated capital assets. The Denver Airport System had a 3.2% increase in capital assets resulting primarily from new facilities and facility improvements entering service during 2017

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

Bonded Debt

At December 31, 2017, the City had total bonded indebtedness of $5,128,576,000. Of this amount, $661,776,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt, $4,466,800,000 represents bonds secured by specified revenue sources (i.e., revenue bonds of Wastewater Management and excise tax revenue bonds). The City has no outstanding commercial paper notes as of December 31, 2017.

As of December 31, 2017, the City’s general obligation debt is rated AAA by Standard & Poor’s rating agency, Fitch Ratings, and Moody’s Investors Service. Outstanding bonded debt at December 31, 2017, and 2016, is reflected in **Table 4** (dollars in thousands):

Table 4

			Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
General obligation bonds	$ 661,776	$ 761,406	$ -	$ -	$ 661,776	$ 761,406
Revenue bonds	351,475	374,960	4,115,325	4,046,185	4,466,800	4,421,145
Total	**$ 407,002**	**$ 1,136,366**	**$ 1,083,535**	**$ 4,046,185**	**$ 5,128,576**	**$ 5,182,551**

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

Economic Factors and Next Year’s Budget

The original 2018 budget assumes moderate growth in the local economy. The 2018 General Fund original revenues are projected to increase 3.7% from actual 2017 revenues. It is anticipated that 2018 revenues will be revised upward to reflect better than expected performance in 2017 and the early part of 2018. Measures have been taken to have expenditures be in line with anticipated revenues.

It is anticipated that fund balance will increase during 2018 and the City remains committed to growing General Fund reserves.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

The Controller’s Office
201 West Colfax Avenue
Department 1109
Denver, CO 80202

Basic Financial

Statement of Net Position

December 31, 2017 (dollars in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash on hand	$ 9,040	$ -	$ 9,040	$ -
Cash and cash equivalents	1,122,202	77,689	1,199,891	47,466
Investments	-	605,374	605,374	-
Receivables (net of allowances):				
Taxes	551,848	-	551,848	99,268
Notes	55,430	-	55,430	-
Accounts	38,161	117,475	155,636	7,459
Accrued interest	5,209	7,192	12,401	260
Other	-	-	-	3,176
Due from other governments	34,325	-	34,325	-
Internal balances	3,402	(3,402)	-	-
Inventories	119	12,552	12,671	-
Prepaid items and other assets	-	1,715	1,715	2,647
Restricted assets:				
Cash and cash equivalents	74,855	76,743	151,598	29,844
Investments	-	1,202,057	1,202,057	205,495
Accounts receivable	-	14,762	14,762	-
Accrued interest receivable	-	2,451	2,451	-
Prepaid items and other assets	20,471	5,728	26,199	-
Long-term receivables (net of allowances)	39,506	29,018	68,524	-
Prepaid expense	-	439	439	-
Interest rate swaps	-	27,686	27,686	-
Assets held for disposition	731	-	731	-
Capital assets:				
Land and construction in progress	577,776	645,294	1,223,070	25,486
Buildings, improvements, infrastructure, collections, and equipment, net of accumulated depreciation	2,454,598	3,693,847	6,148,445	188,524
Total Assets	**4,987,673**	**6,516,620**	**11,504,293**	**609,625**
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	24,070	10,857	34,927	-
Deferred amount on refundings	22,704	109,545	132,249	23,263
Items related to pension plans	363,166	47,062	410,228	-
Total Deferred Outflows of Resources	**409,940**	**167,464**	**577,404**	**23,263**
Liabilities				
Vouchers payable	143,195	104,914	248,109	7,757
Accrued liabilities	41,174	54,287	95,461	37,973
Unearned revenue	41,037	59,207	100,244	8,046
Interest rate swaps	27,615	119,484	147,099	-
Advances	7,701	-	7,701	2,209
Due to taxing unit	584	-	584	-
Due to other governments	-	4,821	4,821	299
Liabilities payable from restricted assets	-	55,319	55,319	-
Noncurrent liabilities:				
Due within one year	124,037	199,941	323,978	35,704
Due in more than one year	2,723,039	4,327,606	7,050,645	723,391
Total Liabilities	**3,108,382**	**4,925,579**	**8,033,961**	**815,379**
Deferred Inflows of Resources				
Property taxes	471,142	-	471,142	91,379
Items related to pension plans	1,581	5,636	7,217	-
Deferred gain on refunding of debt	-	4,265	4,265	-
Total Deferred Inflows of Resources	**472,723**	**9,901**	**482,624**	**91,379**
Net Position				
Net investment in capital assets	1,730,520	701,234	2,431,754	(71,826)
Restricted for:				
Capital projects and grants	619,480	8,944	628,424	105,673
Emergency use	51,426		51,426	24,250
Debt service	96,951	484,893	581,844	28,058
Donor and other restrictions:				
Expendable	-	-	-	15,604
Nonexpendable	3,000	-	3,000	-
Other purposes	21,200	-	21,200	-
Unrestricted (deficit)	(706,069)	553,533	(152,536)	(375,629)
Total Net Position (Deficit)	**$ 1,816,508**	**$ 1,748,604**	**$ 3,565,112**	**$ (273,870)**

See accompanying notes to basic financial statements.

Statement of Activities

For the Year Ended December 31, 2017 (dollars in thousands)

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 445,601	$ 97,788	$ 25,288	$ 11,768
Public safety	707,981	97,339	24,327	-
Public works	254,381	79,397	21,992	65,555
Human services	167,131	489	95,221	-
Health	62,351	2,234	10,295	-
Parks and recreation	100,294	13,826	7,310	3,924
Cultural activities	157,531	75,996	2,048	-
Community development	52,832	39,905	283	9,185
Economic opportunity	11,746	28	7,521	-
Interest on long-term debt	63,952	-	-	-
Total Governmental Activities	**2,023,800**	**407,002**	**194,285**	**90,432**
Business-type Activities:				
Wastewater management	124,046	150,122	-	21,296
Denver airport system	825,110	906,750	873	55,879
Environmental services	10,880	14,700	-	-
Golf course	11,507	11,963	-	-
Total Business-type Activities	**971,543**	**1,083,535**	**873**	**77,175**
Total Primary Government	**$ 2,995,343**	**$ 1,490,537**	**$ 195,158**	**$ 167,607**
Component Units	**$ 227,492**	**$ 102,238**	**$ 2,917**	**$ -**

General revenues

Taxes

Facilities development admissions

Lodgers

Motor vehicle ownership fee

Occupational privilege

Property

Sales and use

Specific ownership

Telephone

Investment and interest income

Other revenues

Transfers

Total General Revenues and Transfers

Special Items

Loss on dissolution

Loss on assumption of debt

Total Special Items

Change in net position

Net position (deficit), January 1

Net Position (Deficit) - December 31

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (310,757)	$ -	$ (310,757)	
(586,315)	-	(586,315)	
(87,437)	-	(87,437)	
(71,421)	-	(71,421)	
(49,822)	-	(49,822)	
(75,234)	-	(75,234)	
(79,487)	-	(79,487)	
(3,459)	-	(3,459)	
(4,197)	-	(4,197)	
(63,952)	-	(63,952)	
(1,332,081)	**-**	**(1,332,081)**	
-	47,372	47,372	
-	138,392	138,392	
-	3,820	3,820	
-	456	456	
-	**190,040**	**190,040**	
(1,332,081)	**190,040**	**(1,142,041)**	
			$ (122,337)
13,816	-	13,816	-
112,947	-	112,947	106,900
30,793	-	30,793	-
50,955	-	50,955	-
419,648	-	419,648	26,390
718,577	-	718,577	-
57	-	57	367
9,372	-	9,372	-
20,642	49,083	69,725	2,670
39,465	4,941	44,406	329,237
1,052	(1,052)	-	-
1,417,324	**52,972**	**1,470,296**	**465,564**
-	-	-	(151,446)
-	-	-	(187,842)
-	-	-	**(339,288)**
85,243	243,012	328,255	3,939
1,731,265	1,505,592	3,236,857	(277,809)
$ 1,816,508	**$ 1,748,604**	**$ 3,565,112**	**$ (273,870)**

Balance Sheet - Governmental Funds

December 31, 2017 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	$ 921	$ 187	$ 7,932	$ 9,040
Cash and cash equivalents	286,222	76,845	709,719	1,072,786
Receivables (net of allowances of $170,347)				
Taxes	203,890	72,234	275,724	551,848
Notes	2,822	-	52,608	55,430
Accounts	19,877	13,022	41,676	74,575
Accrued interest	2,025	-	2,918	4,943
Interfund receivable	13,530	35	181	13,746
Due from other governments		2,581	31,744	34,325
Prepaid items and other assets	2,983	9	17,479	20,471
Restricted assets:		-		
Cash and cash equivalents	71,295	-	3,560	74,855
Assets held for disposition	-	-	731	731
Total Assets	**$ 603,565**	**$ 164,913**	**$ 1,144,272**	**$ 1,912,750**
Liabilities and Fund Balances				
Liabilities:				
Vouchers payable	$ 42,799	$ 12,495	$ 87,045	$ 142,339
Accrued liabilities	19,609	1,423	738	21,770
Due to taxing units	501	2	81	584
Interfund payable	1,763	1,830	6,406	9,999
Unearned revenue	1,542	18	39,477	41,037
Advances	218	192	7,291	7,701
Compensated absences	-	-	62	62
Total Liabilities	**66,432**	**15,960**	**141,100**	**223,492**
Deferred Inflows of Resources:				
Unavailable revenues - property taxes levied in advance	130,327	73,371	266,643	470,341
Unavailable revenues - long-term receivables	12,747	-	26,759	39,506
Total Deferred Inflows of Resources	**143,074**	**73,371**	**293,402**	**509,847**
Fund Balances:				
Nonspendable	2,979	-	20,479	23,458
Restricted	71,295	75,582	667,605	814,482
Committed	55,661	-	20,624	76,285
Assigned	-	-	1,062	1,062
Unassigned	264,124	-	-	264,124
Total Fund Balances	**394,059**	**75,582**	**709,770**	**1,179,411**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 603,565**	**$ 164,913**	**$ 1,144,272**	**$ 1,912,750**

See accompanying notes to basic financial statements.

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

December 31, 2017 (dollars in thousands)

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

Total fund balance-governmental funds.	$ 1,179,411
Capital assets used in governmental activities, excluding internal service funds of $43 are not financial resources, and therefore, are not reported in the funds.	3,032,331
Accrued interest payable not included in the funds.	(19,305)
Deferred inflow of resources related to property taxes, long-term receivables, and pensions are not available to pay for current-period expenditures, and therefore, are not recorded in the funds.	37,124
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Accumulated decrease in fair value of hedging derivatives	24,070
Pensions	363,166
Loss on refunding	22,704
Interest rate swap liability.	(27,615)
Internal service funds are used by management to charge the cost of these funds to their primary users-governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	25,050
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds (this excludes internal service liabilities of $26,648).	(2,820,428)
Net position of governmental activities	**$ 1,816,508**

See accompanying notes to basic financial statements.

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

For the Year Ended December 31, 2017 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Facilities development admission	$ -	$ -	$ 13,816	$ 13,816
Lodgers	32,146	-	80,801	112,947
Motor vehicle ownership fee	30,793	-		30,793
Occupational privilege	50,955	-		50,955
Property	120,328	66,195	233,125	419,648
Sales and use	656,531	-	64,981	721,512
Specific ownership	-	-	57	57
Telephone	2,453	-	6,919	9,372
Special assessments	-	-	1,257	1,257
Licenses and permits	64,601	-	431	65,032
Intergovernmental revenues	35,500	95,134	116,211	246,845
Charges for services	194,569	489	71,179	266,237
Investment and interest income	9,185	-	10,984	20,169
Fines and forfeitures	49,710	-	1,688	51,398
Contributions	27	86	9,889	10,002
Other revenue	14,366	273	51,555	66,194
Total Revenues	**1,261,164**	**162,177**	**662,893**	**2,086,234**
Expenditures				
Current:				
General government	276,941	-	205,575	482,516
Public safety	561,995	-	75,714	637,709
Public works	151,959	-	139,248	291,207
Health	46,201	-	13,139	59,340
Human services	7,844	156,825	-	164,669
Parks and recreation	68,087	-	12,902	80,989
Cultural activities	48,444	-	81,525	129,969
Community development	32,463	-	19,417	51,880
Economic opportunity	187	4,228	6,873	11,288
Debt service:		-		
Principal retirement	4,199	4,255	149,079	157,533
Interest	751	378	64,927	66,056
Capital outlay	-	-	57,959	57,959
Total Expenditures	**1,199,071**	**165,686**	**826,358**	**2,191,115**
Excess (deficiency) of revenues over (under) expenditures	62,093	(3,509)	(163,465)	(104,881)
Other Financing Sources (Uses)				
Sale of capital assets	3,957	-	-	3,957
Issuance of certificate of participation			1,055	1,055
Issuance of capital leases	-	-	13,551	13,551
Capital lease refunding			15,507	15,507
Note proceeds	-	-	4,025	4,025
Payment to escrow	-	-	(21,172)	(21,172)
Payment to component unit			(306)	(306)
Insurance recoveries	203	-	590	793
Transfers in	43,125	7,050	148,758	198,933
Transfers out	(112,742)	(3,988)	(80,736)	(197,466)
Total Other Financing Sources (Uses)	**(65,457)**	**3,062**	**81,272**	**18,877**
Net change in fund balances	(3,364)	(447)	(82,193)	(86,004)
Fund balances - January 1	397,423	76,029	791,963	1,265,415
Fund Balances - December 31	**$ 394,059**	**$ 75,582**	**$ 709,770**	**$ 1,179,411**

See accompanying notes to basic financial statements.

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

For the Year Ended December 31, 2017 (dollars in thousands)

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

Net change in fund balances - total governmental funds	$ (86,004)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and capital related expenditures exceeded depreciation expense in the current period:	
Capital expenditures	263,726
Depreciation expense (excluding internal service)	(151,855)
Certain revenues are recorded in the funds under modified accrual but not considered revenue in the statement of activities.	21,910
The issuance of long-term debt and other obligations (e.g., bonds, certificates of participation, and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:	
Capital lease refunding	(15,507)
Capital lease obligations	(14,606)
GID Proceeds	(4,000)
Principal retirement on bonds	123,115
Amortization of premium, discounts, and deferred gain (loss) on refunding	4,074
Capital lease principal payments	45,006
Principal payments on GID revenue note	3,315
Principal payments on intergovernmental agreement	658
Principal payments on note payable	1,431
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences (excluding internal service)	(5,684)
Accrued interest payable	2,104
Legal liability	(5,715)
Net OPEB obligation	(1,446)
Amortization of imputed debt-swap	474
Portion of pension expense that do not require current financial resources	(84,393)
Pension amortization	(16,844)
Internal service funds are used by management to charge their cost to individual funds. The net expense of certain activities of internal service funds is reported within governmental activities.	5,484
Change in net position of governmental activities	**$ 85,243**

See accompanying notes to basic financial statements.

Statement of Net Position - Proprietary Funds

December 31, 2017 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Assets		
Current assets:		
Cash and cash equivalents	$ 16,861	$ 36,427
Investments	14,079	73,339
Receivables (net of allowance for uncollectibles of $2,151):		
Accounts	27,864	86,988
Accrued interest	981	6,111
Inventories	-	12,397
Interfund receivable	51	3,727
Prepaid items and other assets	342	1,373
Restricted assets:		
Cash and cash equivalents	-	70,396
Investments	20,344	152,139
Accounts receivable	-	14,190
Accrued interest receivable	-	2,425
Prepaid items	-	5,728
Total Current Assets	**80,522**	**465,240**
Noncurrent assets:		
Investments - restricted	103,063	926,510
Investments - unrestricted	71,326	446,630
Capital assets:		
Land and construction in progress	100,211	534,782
Buildings and improvements	17,975	4,228,015
Improvements other than buildings	834,944	1,219,045
Machinery and equipment	15,165	885,000
Intangibles	6,125	27,052
Accumulated depreciation	(309,655)	(3,242,642)
Net capital assets	664,765	3,651,252
Long-term receivables (net of allowances)	-	29,018
Prepaid expense and other	-	439
Interest rate swaps	-	27,686
Total Noncurrent Assets	**839,154**	**5,081,535**
Total Assets	**919,676**	**5,546,775**
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	-	10,857
Deferred amount on refundings	403	109,142
Items related to pension plans	7,776	36,427
Total Deferred Outflows of Resources	**8,179**	**156,426**

See accompanying notes to basic financial statements.

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	$ 24,402	$ 77,690	$ 49,416
		87,418	
	2,623	117,475	3,092
	100	7,192	266
	155	12,552	119
	1,914	5,692	58
	-	1,715	-
	6,347	76,743	-
	-	172,483	-
	572	14,762	-
	26	2,451	-
	-	5,728	-
	36,139	**581,901**	**52,951**
	-	1,029,573	-
	-	517,956	-
	10,301	645,294	-
	12,349	4,258,339	3,627
	16,804	2,070,793	-
	6,166	906,331	1,677
	-	33,177	-
	(22,496)	(3,574,793)	(5,261)
	23,124	4,339,141	43
	-	29,018	-
	-	439	-
	-	27,686	-
	23,124	**5,943,813**	**43**
	59,263	**6,525,714**	**52,994**
	-	10,857	-
	-	109,545	-
	2,859	47,062	-
	2,859	**167,464**	**-**

continued

Statement of Net Position - Proprietary Funds, continued

December 31, 2017 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Liabilities		
Current liabilities:		
Vouchers payable	$ 731	$ 87,071
Revenue bonds payable	5,065	-
Accrued liabilities	1,457	52,618
Unearned revenue	12,902	45,753
Interfund payable	594	8,418
Capital lease obligations	647	-
Compensated absences	823	2,439
Claims reserve	-	-
Construction payable	15,195	-
Due to other governments	4,821	-
Current liabilities (payable from restricted assets):		
Vouchers payable	-	12,919
Retainages payable	-	11,890
Notes payable	-	3,593
Accrued interest and other liabilities	-	23,458
Other accrued liabilities	-	6,343
Revenue bonds payable	-	186,140
Total Current Liabilities	**42,235**	**440,642**
Noncurrent liabilities:		
Interest rate swaps		119,484
Notes payable	-	7,600
Revenue bonds payable, net	161,167	3,941,423
Net pension liability	34,492	153,874
Capital lease obligations	5,039	-
Compensated absences	2,486	7,421
Claims reserve	-	-
Total Noncurrent Liabilities	**203,184**	**4,229,802**
Total Liabilities	**245,419**	**4,670,444**
Deferred Inflows of Resources		
Items related to pension plans	648	4,819
Deferred gain on refunding of debt	-	4,265
Total Deferred Inflows of Resources	**648**	**9,084**
Net Position		
Net investment in capital assets	601,526	78,760
Restricted for:		
Capital projects	-	2,708
Debt service	-	484,893
Unrestricted	80,262	457,312
Total Net Position	**$ 681,788**	**$ 1,023,673**
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds		
Net position of business-type activities		

See accompanying notes to basic financial statements.

		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 1,917	$ 89,719	$ 856
590	5,655	-
212	54,287	37
552	59,207	-
430	9,442	55
311	958	-
333	3,595	112
-	-	9,149
-	15,195	-
-	4,821	-
709	13,628	-
-	11,890	-
-	3,593	-
-	23,458	-
-	6,343	-
-	186,140	-
5,054	**487,931**	**10,209**
	119,484	-
	7,600	-
1,275	4,103,865	-
11,966	200,332	-
-	5,039	-
863	10,770	254
-	-	17,133
14,104	**4,447,090**	**17,387**
19,158	**4,935,021**	**27,596**
169	5,636	-
-	4,265	-
169	**9,901**	**-**
20,948	701,234	43
6,236	8,944	-
-	484,893	-
15,611	553,185	25,355
$ 42,795	1,748,256	**$ 25,398**
	348	
	$ 1,748,604	

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

For the Year Ended December 31, 2017 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Operating Revenues		
Charges for services	$ 150,122	$ 768,925
Other revenue	-	-
Change in claims reserve	-	-
Total Operating Revenues	**150,122**	**768,925**
Operating Expenses		
Personnel services	26,662	163,808
Contractual services	17,621	223,844
Supplies and materials	2,499	38,523
Depreciation and amortization	19,126	183,351
District water treatment charges	54,710	-
Other operating expenses	-	27,357
Total Operating Expenses	**120,618**	**636,883**
Operating income	29,504	132,042
Nonoperating Revenues (Expenses)		
Investment and interest income	2,013	46,779
Passenger facility charges	-	118,333
Customer facility fee	-	19,492
Intergovernmental revenue	763	-
Disposition of assets	(142)	-
Grants	-	873
Interest expense	(3,431)	(188,152)
Other revenue	-	4,286
Net Nonoperating Revenues (Expenses)	**(797)**	**1,611**
Income before capital grants, contributions, and transfers	28,707	133,653
Capital grants and contributions	21,296	55,879
Transfers out	(757)	-
Change in net position	49,246	189,532
Net position - January 1	632,542	834,141
Net Position - December 31	**$ 681,788**	**$ 1,023,673**
Change in net position of enterprise funds		
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds		
Change in net position of business-type activities		

See accompanying notes to basic financial statements.

		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 24,206	$ 943,253	$ 21,169
2,457	2,457	2,418
-	-	1,531
26,663	**945,710**	**25,118**
10,523	200,993	2,270
5,364	246,829	540
1,271	42,293	6,627
1,164	203,641	81
-	54,710	9,105
3,937	31,294	1,237
22,259	**779,760**	**19,860**
4,404	165,950	5,258
291	49,083	1,358
-	118,333	-
-	19,492	-
-	763	-
34	(108)	-
-	873	-
(120)	(191,703)	-
-	4,286	-
205	**1,019**	**1,358**
4,609	166,969	6,616
	77,175	-
(295)	(1,052)	(415)
4,314	243,092	6,201
38,481	1,505,164	19,197
$ 42,795	**$ 1,748,256**	**$ 25,398**
	$ 243,092	
	(80)	
	$ 243,012	

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Cash Flows From Operating Activities		
Receipts from customers	$ 145,474	$ 768,885
Payments to suppliers	(67,852)	(260,829)
Payments to employees	(24,086)	(149,906)
Other receipts	-	-
Interfund activity	(7,592)	(24,118)
Claims paid	-	-
Net Cash Provided by Operating Activities	**45,944**	**334,032**
Cash Flows From Noncapital Financing Activities		
Operating grants received	-	873
Transfers (out)	(757)	-
Net Cash Provided by (Used) in Noncapital Financing Activities	**(757)**	**873**
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of debt	-	300,000
Bond issue costs	-	(1,836)
Principal payments	(5,573)	(177,597)
Interest payments	(6,252)	(171,970)
Passenger facility charges	-	122,354
Car rental customer facility charges	-	18,443
Payments on capital assets acquired through construction payables	(3,766)	(15,345)
Acquisition and construction of capital assets	(40,911)	(291,859)
Payments to escrow for current refunding of debt	-	(11,471)
Proceeds from sale of assets	282	451
Contributions and advances	2,177	25,658
Intergovernmental revenues	763	-
Net Cash Provided by (Used) in Capital and Related Financing Activities	**(53,280)**	**(203,172)**
Cash Flows From Investing Activities		
Purchases of investments	407,358	(2,208,135)
Proceeds from sale of investments	(398,924)	2,076,465
Sale of assets held for disposition	-	8,737
Interest received	2,019	20,329
Net Cash Provided by (Used) in Investing Activities	**10,453**	**(102,604)**
Net increase in cash and cash equivalents	2,361	29,129
Cash and cash equivalents - January 1	14,500	77,694
Cash and Cash Equivalents - December 31	**$ 16,861**	**$ 106,823**

See accompanying notes to basic financial statements.

		Governmental Activities
Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
$ 23,557	$ 937,916	$ 20,179
(8,057)	(336,738)	(8,321)
(10,050)	(184,042)	(2,247)
2,457	2,457	2,418
-	(31,710)	
-	-	(9,105)
7,907	**387,883**	**2,924**
-	873	-
(295)	(1,052)	(415)
(295)	**(179)**	**(415)**
-	300,000	-
-	(1,836)	-
(962)	(184,132)	(35)
(120)	(178,342)	-
-	122,354	-
-	18,443	-
-	(19,111)	-
(5,965)	(338,735)	-
-	(11,471)	-
34	767	-
-	27,835	-
-	763	-
(7,013)	**(263,465)**	**(35)**
-	(1,800,777)	-
-	1,677,541	-
-	8,737	-
288	22,636	1,431
288	**(91,863)**	**1,431**
887	32,376	3,905
29,861	122,055	45,511
$ 30,748	**$ 154,431**	**$ 49,416**

continued

Statement of Cash Flows - Proprietary Funds, continued

For the Year Ended December 31, 2017 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	$ 29,504	$ 132,042
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	19,126	183,351
Miscellaneous revenue (expenses)	-	(473)
Changes in Assets and Liabilities		
Accounts receivable, net of allowance	(5,985)	(13,591)
Due from other City agencies/departments	-	(3,727)
Interfund receivable	62	-
Inventories	-	(1,681)
Prepaid items and other assets	(65)	(135)
Vouchers payable	(477)	15,483
Unearned revenue	1,275	14,023
Accrued and other liabilities	(300)	(5,159)
Interfund payable	236	294
Claims reserved	-	-
Deferred outflows of resources	2,058	12,945
Deferred inflows of resources	325	4,819
Net pension liability	186	(4,159)
Net Cash Provided by Operating Activities	**$ 45,945**	**$ 334,032**
Noncash Activities		
Assets acquired through capital contributions	$ 19,119	$ -
Assets acquired through city capital contributions, net	15,195	-
Unrealized gain on investments	-	(9,869)
Unrealized gain on derivatives	-	23,857
Capital assets acquired through accounts payable	-	24,809
Amortization of bond premiums and deferred losses and gains on bond refundings	686	3,160
Refunding bond proceeds delivered directly to an irrevocable trust	-	275,505

See accompanying notes to basic financial statements.

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	$ 4,404	$ 165,950	$ 5,258
	1,164	203,641	81
	-	(473)	-
	(319)	(19,895)	(959)
	1,075	(2,652)	-
	-	62	(31)
	46	(1,635)	(61)
	-	(200)	-
	234	15,240	162
	84	15,382	-
	(130)	(5,589)	23
	39	569	(18)
	-	-	(1,531)
	778	15,781	-
	169	5,313	-
	363	(3,610)	-
	$ 7,907	**$ 387,884**	**$ 2,924**
	$ -	$ 19,119	$ -
	-	15,195	-
	-	(9,869)	-
	-	23,857	-
	-	24,809	-
	-	3,846	-
	-	275,505	-

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2017 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets			
Cash on hand	$ -	$ 384	$ 3,291
Cash and cash equivalents	42,655	1,046	41,493
Securities lending collateral	130,408	-	-
Receivables (net of allowance for uncollectibles of $4,505):			
Taxes	328	-	1,000,716
Accounts	1,560	-	14
Investments, at fair value:			
U.S. Government obligations	129,731	-	-
Domestic stocks and bonds	833,200	-	-
International stocks	544,945	-	-
Mutual funds	474,226	-	-
Real estate	174,131	-	-
Alternative investments	469,934	-	-
Other	344,632	-	-
Total Investments	**2,970,799**	**-**	**-**
Prepaid items and other assets	4	-	-
Capital assets, net of accumulated depreciation	3,892	-	-
Total Assets	**3,149,646**	**1,430**	**$ 1,045,514**
Liabilities			
Vouchers payable	2,334	712	15,498
Securities lending obligation	130,845	-	-
Other accrued liabilities	-	-	3,466
Due to taxing units	-	409	1,026,550
Total Liabilities	**133,179**	**1,121**	**$ 1,045,514**
Net Position			
Net position restricted for pensions	2,225,426	-	
Net position held in trust for OPEB benefits	74,827	-	
Net position held in trust for deferred compensation benefits	716,214	-	
Net position held in trust for other purposes	-	309	
Net Position Restricted for Pensions and Other Purposes	**$ 3,016,467**	**$ 309**	

See accompanying notes to basic financial statements.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

December 31, 2017 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds
Additions		
Contributions:		
City and County of Denver	$ 69,363	$ -
Denver Health and Hospital Authority	6,735	-
Plan members	88,980	-
Total Contributions	**165,078**	**-**
Investment earnings:		
Net appreciation in fair value of investments	282,348	-
Interest and dividends	128,807	20
Total Investment Earnings	**411,155**	**20**
Less investment expense	(14,783)	-
Net Investment Earnings	**396,372**	**20**
Securities lending earnings	2,224	-
Securities lending expenses:		
Borrower rebates	(1,285)	-
Agent fees	(235)	-
Net Earnings from Securities Lending	**704**	**-**
Total Net Investment Earnings	**397,076**	**20**
Total Additions	**562,154**	**20**
Deductions		
Benefits	257,760	-
Refunds of contributions	3,670	-
Administrative expenses	4,615	-
Other deductions	-	-
Total Deductions	**266,045**	**-**
Change in net position	296,109	20
Net position - January 1	2,720,358	289
Net Position -December 31	**$ 3,016,467**	**$ 309**

See accompanying notes to basic financial statements.

Statement of Net Position - Component Units

December 31, 2017 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Union Station Project Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	Other Component Units	Total
Assets						
Cash and cash equivalents	$ 4,714	$ -	$ 7,028	$ 8,353	$ 27,371	$ 47,466
Receivables (net of allowances):						
Taxes	1,790	-	61,912	23,966	11,600	99,268
Accounts	-	-	7,027	-	432	7,459
Accrued interest	-	-	260	-	-	260
Other	-	-	3,074	-	102	3,176
Prepaid items and other assets	1,578	-	1,002	-	67	2,647
Restricted Assets:						
Cash and cash equivalents	-	-	29,565	-	279	29,844
Investments	91,280	-	114,215	-	-	205,495
Capital Assets:						
Land and construction in progress	25,486	-	-	-	-	25,486
Buildings and improvements	249,738	-	-	-	20,913	270,651
Machinery and equipment	28,045	-	183	-	3,901	32,129
Accumulated depreciation	(106,213)	-	(103)	-	(7,940)	(114,256)
Net Capital Assets	**197,056**	**-**	**80**	**-**	**16,874**	**214,010**
Total Assets	**296,418**	**-**	**224,163**	**32,319**	**56,725**	**609,625**
Deferred Outflows of Resources						
Deferred amount on refundings	5,441	-	16,238	-	1,584	23,263
Total Deferred Outflows of Resources	**5,441**	**-**	**16,238**	**-**	**1,584**	**23,263**
Liabilities						
Vouchers payable	2,943	-	-	-	4,814	7,757
Accrued liabilities	10,160	-	19,216	-	8,597	37,973
Unearned revenue	8,039	-	-	-	7	8,046
Advances	1,292	-	917	-	-	2,209
Due to other governments	-	-	241	-	58	299
Noncurrent liabilities:						
Due within one year	-	-	27,865	7,084	755	35,704
Due in more than one year	304,503	-	223,840	180,758	14,290	723,391
Total Liabilities	**326,937**	**-**	**272,079**	**187,842**	**28,521**	**815,379**
Deferred Inflows of Resources						
Property taxes	-	-	55,813	23,966	11,600	91,379
Total Deferred Inflows of Resources	**-**	**-**	**55,813**	**23,966**	**11,600**	**91,379**
Net Position						
Net investment in capital assets	(75,309)	-	80	-	3,403	(71,826)
Restricted for:						
Capital projects	29,588	-	76,085	-	-	105,673
Emergency use	23,938	-	-	-	312	24,250
Debt service	1,111	-	26,947	-	-	28,058
Donor and other restrictions:						
Expendable	9,946	-	5,612	-	46	15,604
Unrestricted (deficit)	(14,352)	-	(196,215)	(179,489)	14,427	(375,629)
Total Net Position (Deficit)	**$ (25,078)**	**$ -**	**$ (87,491)**	**$ (179,489)**	**$ 18,188**	**$ (273,870)**

See accompanying notes to basic financial statements.

Statement of Activities - Component Units

For the Year Ended December 31, 2017 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Union Station Project Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	Other Component Units	Total
Expenses	$ 99,108	$ 1,711	$ 77,152	$ 16,262	$ 33,259	$ 227,492
Program Revenues						
Charges for services	101,798	-	-	-	440	102,238
Operating grants and contributions	-	-	2,811	-	106	2,917
Total Program Revenues	**101,798**	**-**	**2,811**	**-**	**546**	**105,155**
Net expenses	2,690	(1,711)	(74,341)	(16,262)	(32,713)	(122,337)
General Revenues						
Taxes:						
Lodgers	-	-	106,900	-	-	106,900
Property	-	134	-	15,116	11,140	26,390
Specific ownership	-	-	-	-	367	367
Investment and interest income	457	745	1,420	40	8	2,670
Other revenues	11,167	281,439	2,200	9,459	24,972	329,237
Net General Revenues	**11,624**	**282,318**	**110,520**	**24,615**	**36,487**	**465,564**
Special Items						
Loss on dissolution	-	(151,446)	-	-	-	(151,446)
Loss on assumption of debt	-	-	-	(187,842)	-	(187,842)
Total Special Items	-	(151,446)	-	(187,842)	-	(339,288)
Change in net position	14,314	129,161	36,179	(179,489)	3,774	3,939
Net position: January 1	(39,392)	(129,161)	(123,670)	-	14,414	(277,809)
Net Position (Deficit) - December 31	**$ (25,078)**	**$ -**	**$ (87,491)**	**$ (179,489)**	**$ 18,188**	**$ (273,870)**

See accompanying notes to basic financial statements.

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Contents

I. Summary of Significant Accounting Policies

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

Note A – Reporting Entity

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

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14. Certain amounts reported in the individual component unit financial statements have been reclassified to conform to the City's accounting policies. Each component unit has a December 31st year end.

1. Blended Component Units.

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

2. Discretely Presented Component Units.

Cherry Creek North, Cherry Creek Subarea, Colfax, Downtown Denver, Old South Gaylord, West Colfax, Federal Boulevard, Bluebird, Colfax-Mayfair, Santa Fe, and RiNo Business Improvement Districts (BID) – Each BID was created by the City as a separate legal entity pursuant to state statute for the purpose of maintaining public improvements and planning development activities within each BID's geographic boundaries. The City appoints the governing boards of the BIDs and is able to impose its will through the approval of the BID's operating budgets.

Denver Convention Center Hotel Authority (DCCHA) – The DCCHA was organized by the City as a nonprofit corporation in accordance with State law for the purpose of owning, acquiring, constructing, equipping, operating and financing a hotel adjacent to the City's convention center. The Mayor appoints the Board of Directors of the DCCHA, subject to City Council confirmation, and a financial benefit/burden relationship exists as a result of an economic development agreement between the City and DCCHA. According to the agreement DCCHA distributes certain excess revenues to the City, makes payments in lieu of taxes to the City, and has entered into a room block agreement which coordinates the reservation of hotel room blocks with events scheduled at the City's convention center. The City makes semi-annual economic development payments to the DCCHA, which totaled $10,750,000 in 2017, and will gradually increase to an annual maximum of $11,000,000 in 2018. The City also has the right to purchase the hotel at the purchase option price per the agreement.

Denver Downtown Development Authority (DDDA) – The DDDA was created for the purpose of promoting public health, safety, prosperity, security, and general welfare in order to halt or prevent deterioration of property values or structures within the central business district and to assist in the development and redevelopment of the central business district, especially to benefit the property within the boundaries of the Authority. The City entered into a cooperation agreement with DDDA in 2009 authorizing the Authority to collect and disburse property and sales tax increment revenues. The DDDA collects property and sales tax increment revenue from the City and disburses it to the Denver Union Station Project Authority (DUSPA) and the Denver Union Station Metro Districts. The Central Platte Valley Metropolitan District also exists within the boundaries of DDDA and it receives property tax revenue from the DDDA. The Board of Directors is appointed by the Mayor and confirmed by City Council, and City Council may remove any director at will. These appointments and the ability of the City to impose its will on the Authority make the City financially accountable for the Authority. DUSPA dissolved on October 31, 2017 and the DDDA entered into a loan agreement in the amount of $187,842,000. Proceeds from this loan were transferred to DUSPA for the purpose of paying, in full, DUSPA's debt obligations.

Denver Preschool Program, Inc. (DPP) – DPP is a nonprofit corporation organized to administer the Denver Preschool Program that provides tuition credits for children of Denver families the year before the child is eligible for kindergarten. The City is legally obligated to provide financial support to DPP, as the program is funded by a sales and use tax increase of fifteen one-hundredths of one percent (0.15%) that was voter-approved through December 2026. The Mayor appoints 10 of the 11 DPP board members and City Council appoints a council member as the other board member. The City appointments to the governing body and its financial obligations to DPP make the City financially accountable for the DPP.

Denver Union Station Project Authority (DUSPA) – In 2001, the City, the Regional Transportation District (RTD), the Denver Regional Council of Governments, and the Colorado Department of Transportation entered into an intergovernmental agreement for the redevelopment of Denver Union Station and its surrounding environs as a multimodal transportation hub in the City's metropolitan area. The Denver Union Station Project Authority was created by City ordinance in 2008, as a permanent, centralized agency to accomplish the Denver Union Station Project (the Project) which specifically dealt with the financing, acquiring, equipping, designing, constructing, operating and maintaining of the Project. DUSPA was created for the sole purpose of undertaking the Project and did not function as a general-purpose government. On February 3, 2017, the DDDA entered into a loan agreement and used the proceeds that allowed the Authority to prepay, in full, the Authority's debt obligations associated with the building of the Project. On September 18, 2017, Denver City Council passed an ordinance approving the dissolution of the Authority effective October 31, 2017. There was a loss on dissolution of $151,446,000 at December 31, 2017.

Denver Urban Renewal Authority (DURA) – DURA was created as a separate legal entity by the City pursuant to the state Urban Renewal Law to acquire, clear, rehabilitate, conserve, develop or redevelop identified slum or blighted areas existing within the City and to prevent future blight from developing. In addition, for health and safety purposes, DURA provides housing rehabilitation assistance in the form of low-interest loans to low-income Denver homeowners through two City housing rehabilitation programs. The Mayor appoints the DURA board of directors subject to City Council approval. Any urban renewal project undertaken by DURA must receive prior approval by the City. A significant amount of DURA's financing comes from incremental property and sales tax revenue from the City. In 2009, DURA established Denver Neighborhood Revitalization, Inc. (DNRI), a registered State of Colorado not-for-profit organization and component unit of

DURA, to address the needs in the Denver community related to foreclosed and/or abandoned homes. DNRI administers and executes the Neighborhood Stabilization Program (NSP) funds awarded by the City and County of Denver. DNRI activities include acquisition and rehabilitation of foreclosed residential properties in targeted neighborhoods within the City and County of Denver. For presentation purposes, DURA and DNRI financial activity is combined.

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

Bluebird BID
8005 South Chester Street, Suite 150
Centennial, Colorado 80112

Cherry Creek North BID
299 Milwaukee Street, Suite 201
Denver, Colorado 80206

Cherry Creek Subarea BID
1573 South Jamaica Street
Denver, Colorado 80012

Colfax BID
P. O. Box 18853
Denver, Colorado 80218

Colfax-Mayfair BID
P. O. Box 202161
Denver, Colorado 80220

Downtown Denver BID
511 16th Street, Suite 200
Denver, Colorado 80202

Denver Convention Center Hotel Authority
1225 17th Street, Suite 3050
Colorado 80202

Denver Downtown Development Authority
201 West Colfax Avenue, Department 1109 Denver,
Denver, Colorado 80202

Denver Preschool Program, Inc.
305 Park Avenue West, Suite B
Denver, Colorado 80205

Denver Union Station Project Authority
1225 17th Street, Suite 3050
Denver, Colorado 80202

Denver Urban Renewal Authority
1555 California Street, Suite 200
Denver, Colorado 80202

Federal Boulevard BID
2931 West 25th Avenue
Denver, Colorado 80211

Old South Gaylord BID
1076 South Gaylord Street
Denver, Colorado 80209

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

West Colfax BID
4500 West Colfax Avenue
Denver, Colorado 80204

RiNO BID/GID
2901 Blake St., Suite 165
Denver, Colorado, 80205

3. Fiduciary Component Unit.

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

4. Related Organizations.

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

Denver Health and Hospital Authority (Authority) – The Authority is a political subdivision and body corporate of the State of Colorado. The Authority is governed by a nine-member board, all appointed by the Mayor. The Authority entered into contractual agreements with the City to obtain and operate the City's existing hospital system. In accordance with the contractual agreements between the Authority and the City, the City paid the Authority $56,236,000 for providing various health related services to the City and its residents during 2017. In addition, the Authority made payments in the amount of $1,908,000 to the City for human services, fleet, sheriff, and various human resources services.

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

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

Denver Water Board – The Denver Water Board was created pursuant to the City Charter as a separate legal entity to oversee the City's water system. The Denver Water Board's five-member governing body is appointed by the Mayor, but the City is not financially accountable for the Denver Water Board because the Denver Water Board has the power to levy property taxes to support general obligation bonds issued by the Denver Water Board and the Denver Water Boards' determination of the necessity for the mill levy would not be subject to approval or modification by the City. The Denver Water Board had no general obligation bonds outstanding as of December 31, 2017, and no longer has authority to issue general obligation bonds.

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

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

Note B – Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

- **The General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund. This fund is financed primarily by sales tax, property tax, and charges for services.
- **The Human Services special revenue fund** is used to account for proceeds of restricted revenue to be used for public assistance and welfare activities. This fund is financed primarily by intergovernmental revenue and property taxes.

The City reports the following major proprietary funds:

- **The Wastewater Management fund** accounts for the City's storm and sewer operations. This fund is financed primarily by sanitary sewer and storm drainage charges.

- **The Denver Airport System fund** accounts for the operation of the City's airport system which includes Denver International Airport. This fund is financed primarily by facility rentals, parking revenues, and landing fees.

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

Additionally, the City reports the following fund-types:

- **Internal service funds** account for asphalt plant and workers' compensation services provided to the various departments and agencies of the City on a cost reimbursement basis.
- **Pension trust funds** account for the Denver Employees Retirement Plan, which accumulate resources for pension and health benefit payments to qualified City retirees.
- **Other employee benefits trust fund** accounts for the Deferred Compensation Fund, which holds and administers resources to qualified city employees who participate in the plan. Assets are reserved solely for deferred compensation benefits.
- **The private-purpose trust funds** are used to account for resources legally held in trust by the City for use by various organizations for various purposes, such as COBRA payments and unclaimed warrants. All resources of the funds, including any earnings on invested resources, may be used to support the various activities of the organizations. There is no requirement to preserve the resources as capital.
- **Agency funds** account for the Employee Salary Redirect plan, clearing funds for payroll and benefit provider payments, and collected receipts being temporarily held for allocation to other entities. The agency funds are custodial in nature and do not involve measurement of results of operations. The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. **Cash and Investments.** For the primary government, except when prohibited by trust agreements, the operating cash in each fund is maintained in one consolidated pool by the City. Cash in excess of operating requirements is invested by the City. The City Charter, Section 2.5.3(C) and the Denver Revised Municipal Code, Section 20-21, authorize that investments may be made in U.S. Government obligations, its agencies and sponsored corporations, prime commercial paper, prime bankers' acceptances, certificates of deposit issued by eligible banks and savings and loan associations, local government investment pools, repurchase agreements, forward purchase agreements, securities lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency

collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The pension trust funds and component units maintain deposits and investments outside of the City's investment pools. These are primarily in demand deposits and equities, and U.S. Government obligations.

Investments, unless otherwise noted, are stated at fair value, which is primarily determined based upon quoted market prices or other significant, observable inputs, at year end. Fair values of real estate and other investments are determined by independent periodic appraisals. Investments in repurchase agreements and the guaranteed investment contract are stated at cost, while investments in the local government investment pools and certain investments in the Fiduciary Funds are stated at net asset value (NAV).

2. **Cash Equivalents.** The City's investments held in the consolidated pool with original maturities of three months or less from the purchase date are classified as cash equivalents. For investments owned by wastewater, the airport system, the pension trust funds, and the component units, investments with original maturities of three months or less from the date of purchase are considered cash equivalents.

3. **Property Taxes Receivable.** Property taxes are reported as a receivable and as deferred inflows of resources when the levy is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes receivable is reduced by an allowance for uncollectible taxes. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Tax rate levy authority for the 2017 fiscal year was approved when Resolution 1070, Series of 2017, was adopted by the City Council and approved by the Mayor.

4. **Water and Wastewater Service Accounts.** Sanitary sewer accounts are maintained, billed, and collected by the Water Board in connection with its water accounts. The Wastewater Management enterprise fund is responsible for billing and collecting storm drainage charges using a cycle billing system. Flat rate accounts and certain cycle billings are billed in advance on a monthly basis and revenues relating to future years are classified as unearned revenue. Metered accounts are billed in arrears and have been accrued.

5. **Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances from these transactions are classified as "interfund receivable" or "interfund payable" on the balance sheet/statement of net position. Other interfund receivables/payables between individual funds have occurred because some funds have overdrawn their equity share of pooled cash.

6. **Due from Other Governments.** Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are unearned. In the governmental funds, revenue recognition also depends on the timing of cash collections (availability).

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

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

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

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

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

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

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

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

Capital assets of the City and certain component units are depreciated on a straight-line basis over the estimated useful lives, as shown in **Table 1.**

Table 1

Capital Asset Type	Estimated Useful Life
Buildings and Improvements	5 to 100 years
Motor vehicles and motorized equipment	5 to 20 years
Furniture, machinery and equipment	3 to 20 years
Collections, excluding library books	15 years
Library books	4 years
Infrastructure	6 to 50 years
Intangibles	3 to 5 years

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

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

10. **Long-term Obligations.** The City records long-term debt and other long-term obligations as liabilities in the government-wide and proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method or the straight-line method, which is not materially different than the effective-interest method, over the term of the debt. Bond premiums and discounts are presented as an addition or reduction (net) of the face amount of the bond payable. With few exceptions, bonds issued by the City are tax-exempt and subject to federal arbitrage regulations.

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

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

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

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

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

13. **Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP) the Statewide Defined Benefit Plan and Old Hire Fire and Police Pension Plans, administered by the Fire and Police Pension Association of Colorado (FPPA) and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various pension plan's fiduciary net position have been determined on the same basis as they are reported by DERP, FPPA, and PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. **Deferred Outflows of Resources and Deferred Inflows of Resources.** A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statement of Net Position, but are not recognized in

the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate. The City reports deferred outflows of resources for pension-related amounts for the City's share of the difference between projected and actual earnings, for the City's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs. Deferred outflows of resources of the City also consist of the accumulated decrease in fair value of hedging derivatives and the deferred amount on refunding.

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

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

A deferred amount on refunding is included in deferred inflows of resources relating to the Denver Airport System. These amounts relate to a deferred gain on refunding that will be recognized as an inflow of resources in future periods over the life of the related debt.

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

16. **Fund Balance.** In the governmental fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balance classifications based on the nature and extent of the constraints placed on the fund balances.

17. **Encumbrances.** Encumbrances for contracts and purchase orders are unencumbered at year end and reappropriated against the subsequent year's budget. As of December 31, 2017, the encumbrances reflected in **Table 2** (dollars in thousands) were reappropriated against the 2018 budget for remaining prior year encumbrances.

Table 2

Governmental Activities:		
General Fund	$	62,675
Human Services Fund		17,029
Other Governmental Funds		203,634
Total Governmental Activities	**$**	**283,338**
Business-type Activities:		
Wastewater Management	$	107,706
Denver Airport System		161,352
Other Enterprise Funds		4,420
Total Business-type Activities	**$**	**273,478**

Note E – Implementation of New Accounting Principles

Governmental Accounting Standards Board Statement No. 74. In 2017, the Denver Employee Retirement Plan (DERP), a fiduciary fund of the City, implemented provisions of GASB Statement No. 74 (Statement No. 74), *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions to establish a consistent set of standards for all postemployment benefits, provide more transparent reporting of the liability, and more useful information about the liability and cost of benefits. There was no impact on net position as a result of implementation. DERP is presented as a fiduciary fund of the City.

Governmental Accounting Standards Board Statement No. 80. In 2017, the City implemented the provisions of GASB Statement No. 80 (Statement No. 80), *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14* The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units by amending the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. As of December 31, 2017, the City had no component units that meet the amended blending requirements.

Governmental Accounting Standards Board Statement No. 81. In 2017, the City implemented the provisions of GASB Statement No. 81 (Statement No. 81), *Irrevocable Split-Interest Agreements* The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. As of December 31, 2017, the City has no agreements that meet the criteria of Statement No. 81.

Governmental Accounting Standards Board Statement No. 82. In 2017, the city implemented the provisions of GASB Statement No. 82 (Statement No. 82), *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No 73.* This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Governmental Accounting Standards Board Statement No. 86. In 2017, the City implemented the provisions of GASB Statement No. 86 (Statement No. 86), *Certain Debt Extinguishment Issues* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources — resources other than the proceeds of refunding debt— are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance The principal amounts outstanding to be paid from the escrow as of December 31, 2017 was $26,350,000 for the 2010D bonds and $16,455,000 for the 2011A bonds.See **Note III-G-1** for additional information.

II. Stewardship, Compliance, and Accountability

Note A – Deficit Fund Equity

At December 31, 2017, the Denver Convention Center Hotel Authority (DCCHA), the Denver Urban Renewal Authority (DURA), and the Downtown Denver Development Authority component units had deficit net position in the amounts of $25,078,000, $87,491,000, and $179,489,000, respectively.

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

Note B – Excess Expenditures Over Authorizations

There were no budget basis expenditures that exceeded authorization as of December 31, 2017.

III. Detailed Notes for All Funds

Note A – Deposits and Investments

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

   Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the City would not be able to recover its deposits, investments or collateral securities. At December 31, 2017, the bank balance and carrying amounts of accounts managed by the Manager of Finance (the Manager) were $13,225,000 and $19,679,000 respectively. The City's deposits, except for the pension trust fund and certain component units' deposits are subject to, and in accordance with PDPA.

   All deposits for DURA, DDDA, and DCCHA were not subject to custodial credit risk at December 31, 2017, since they were covered by FDIC or PDPA.

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

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

At December 31, 2017, the City's investment balances, including fiduciary funds were as shown in **Table 3**.

Table 3

City Investment Balances
December 31, 2017 (dollars in thousands)

		Fair Value
Repurchase agreements	$	146
Money market funds		1,716
Local government investment pool		181,912
Common stock		1,044,964
Commercial paper		157,590
Mutual funds		474,279
Municipal bonds		129,845
U.S. Treasury securities		672,163
U.S. agency securities		1,041,204
Corporate bonds		781,348
Structured products[1]		376,521
Multinational fixed income[2]		263,324
Annuity contracts		223,860
Real estate		174,131
Other		631,855
Total Investments	**$**	**6,154,858**

[1]Includes asset backed securities, collateralized mortgage obligations, and mortgage back securities.
[2] Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

The DERP pension trust fund had securities lending collateral of $224,664,000 at December 31, 2017; see **Note III-A-5** for additional discussion related to this balance.

At December 31, 2017, the investment balances of the discretely presented component units were as shown in **Table 4.**

Table 4

Component Units Investment Balances
December 31, 2017 (dollars in thousands)

		Fair Value
Money market funds	$	108,763
Local government investment pool		895
Municipal Bonds		2,744
Commercial paper		13,123
U.S. Treasury securities		31,752
U.S. agency securities		32,533
Corporate bonds		7,781
Structured products[1]		120
Multinational fixed income[2]		7,972
Total Investments	**$**	**205,683**

[1] Includes assed backed securities, collateralized mortgage obligations and mortgage backed securities.
[2] Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2017, is shown in **Table 5**.

Table 5

Reconciliation of Cash and Investments

December 31, 2017 (dollars in thousands)

	Primary	Component	
Governmental and Business-type Activities	$ 9,040	$ -	$ 9,040
Cash on hand	1,199,890	47,466	1,247,356
Cash and cash equivalents	605,374	-	605,374
Investments	151,598	29,844	181,442
Restricted cash and cash equivalents	1,202,057	205,495	1,407,552
Restricted investments	**3,167,959**	**282,805**	**3,450,764**
Total Governmental and Business-type Activities			
Fiduciary			
Cash on hand	3,675	-	3,675
Total other investments not valued at fair value[2]	2,970,799	-	2,970,799
Total Fiduciary	**$ 2,974,474**	**$ -**	**$ 2,974,474**
Total	**$ 6,142,433**	**$ 282,805**	**$ 6,425,238**

[1]The carrying amount of the City's deposits of $19,679, plus pension deposits of $19,907, plus other cash amounts of $33,180, equal $72,766.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Equities within all asset classes that are classified in Level 1 are valued using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. The City currently does not maintain equity securities classified as Level 3. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing issued to value securities based on the securities' relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate and agency bonds, bank loans, and structured products. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. The city currently does not maintain fixed income securities classified as Level 3.

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

Investment derivative instruments determination of fair value consists of a two-step process. First settlement prices is determined by utilizing the income approach under GASB 72 from “mid-market” pricing data available from public and subscription source. The second step is to determine the credit valuation adjustment for the derivative instrument. The purpose of the credit valuation adjustment is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Fair value is then determined as the settlement price of the derivative instrument adjusted by the credit valuation adjust of both the reporting entity's payment obligation and the counterparty's payment obligations.

The City has the following recurring fair value measurements as of December 31, 2017 as shown in **Table 6**:

Table 6

Fair Value Measurements
December 31, 2017 (dollars in thousands)

Governmental and Business-type Activities	Fair Value	Level 1	Level 2	Level 3
Municipal bonds	$ 127,744	$ -	$ 127,744	$ -
Mutual funds	53	53	-	-
Commercial paper	155,040	-	155,040	-
U.S. Treasury securities	593,748	-	593,748	-
U.S. agency securities	953,657	-	953,657	-
Corporate bonds	451,514	-	451,514	-
Structured products	370,427	-	370,427	-
Multinational fixed income	259,063	-	259,063	-
Governmental and Business-type Activities	**$ 2,911,246**	**$ 53**	**$ 2,911,193**	**$ -**
Total investments measured at the NAV[1]	178,920	-	-	-
Total other investments not valued at fair value[2]	20,265	-	-	-
Total Governmental and Business-type Activities	**$ 3,110,431**	**$ -**	**$ -**	**$ -**

Major Component Units	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 91,280	$ -	$ 91,280	$ -
Municipal bonds	2,744	2,744	-	-
Mutual funds	-	-	-	-
Commercial paper	13,123	-	13,123	-
U.S. Treasury securities	31,752	31,752	-	-
U.S. agency securities	32,652	-	32,652	-
Corporate bonds	7,781	7,781	-	-
Structured products	-	-	-	-
Multinational fixed income	7,972	-	7,972	-
Governmental and Business-type Activities	**$ 187,304**	**$ 42,277**	**$ 145,027**	**$ -**
Total investments measured at the NAV[3]	707	-	-	-
Total other investments not valued at fair value[4]	30,607	-	-	-
Total Major Component Units	**$ 218,618**	**$ -**	**$ -**	**$ -**

Fiduciary	Fair Value	Level 1	Level 2	Level 3
Money market funds	$ 1,716	$ 1,716	$ -	$ -
Municipal Bonds	2,101	-	2,101	-
Common stock	1,044,964	1,044,964	-	-
Commercial paper	2,550	-	2,550	-
U.S. Treasury securities	29,955	20,188	9,767	-
U.S. agency securities	85,256	-	85,256	-
Corporate bonds	7,637	-	7,637	-
Structure products	6,094	-	6,094	-
Multinational fixed income	4,262	-	4,262	-
Mutual funds	474,226	474,226	-	-
Other (self directed brokerage)	301,450	170,514	130,936	-
Total Fiduciary	**$ 1,960,211**	**$ 1,711,608**	**$ 248,603**	**$ -**
Total investments measured at the NAV[5]	826,275	-	-	-
Total investments measured at amortized cost[6]	22,747		-	-
Total other investments not valued at fair value[7]	235,194	-	-	-
Total Fiduciary	**$ 3,044,427**	**$ -**	**$ -**	**$ -**
Total Investments	**$ 6,154,858**	**$ -**	**$ -**	**$ -**

Governmental and Business-type Activities				
Investment derivative instruments				
Interest rate swaps[8]	$ (119,412)	$ -	$ (119,412)	$ -
Total Governmental and Business-Type Activities	**$ (119,412)**	**$ -**	**$ (119,412)**	**$ -**

[1] Balance held at Colotrust $112,349,000, balance held at CSAFE $66,571,000

[2] Includes $146,000 of repurchase agreements, $3,057,000 of money market funds and $17,062,000 guaranteed investment contract

[3] December 31, 2017 balance held at Colotrust

[4] Includes $17,483,000 of money market funds and $13,124,000 of commercial paper

[5] Balance held at Colotrust $1,875,000, balance held at CSAFE $1,117,000. See **Table 7** for detail of $823,283,000 measured at NAV

[6] Includes $22,747,000 in short term investments measured at amortized cost

[7] Includes Deferred Compensation Plan amounts of $223,860,000 of synthetic guaranteed investment contracts and $11,334,000 of loans to participants

[8] Net of $27,687 of interest rate swaps at an asset position and $147,099 of interest rate swaps at a liability position. See **Tables 37** and **41**

Table 7

Investments Measured at the NAV

December 31, 2017 (dollars in thousands)

	December 31	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Investments				
Private debt	$ 189,857,394	$ 42,798,362	Not eligible	n/a
Emerging market debt	52,153,598	-	Monthly	3 days
Total Fixed Income Investments	**$ 242,010,992**	**$ 42,798,362**		
Real Estate Investments				
Real estate - open-end	142,838,574	-	Quarterly	20 - 90 days
Real estate - closed-end	31,292,092	9,009,372	Not eligible	n/a
Total real estate investments	**$ 174,130,666**	**$ 9,009,372**		
Alternative Investments				
Private equity	183,720,981	117,593,984	Not eligible	n/a
Energy investments	83,748,358	49,387,893	Not eligible	n/a
Timber	37,028,290	-	Not eligible	n/a
Total alternative investments	**$ 304,497,629**	**$ 166,981,877**		
Absolute Return				
Hedge Fund	102,643,530	-	Quarterly	65 days
Total Absolute Return	**$ 102,643,530**	**$ -**		
Total Investments Measured at the NAV	**$ 823,282,817**	**$ 218,789,611**		

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

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

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

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

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

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

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

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

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

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

At December 31, 2017, the City's investment balances and maturities for those investments subject to interest rate risk (excluding the DERP) is shown in **Table 8** (dollars in thousands):

Table 8

		Investment Maturities in Years			
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**Greater than 10**
L					
Municipal bonds	129,845	6,504	96,820	17,439	9,082
U.S. Treasury securities	603,516	13,107	474,176	116,233	-
U.S. agency securities	969,345	131,360	676,867	160,151	967
Corporate bonds	458,942	77,075	381,867	-	-
Multinational fixed income	263,324	40,170	186,105	37,049	-
Structured products	376,521	17,840	274,016	80,085	4,580
Commercial paper	157,590	157,590	-	-	-
Total	**$ 3,140,401**	**$ 624,964**	**$ 2,089,851**	**$ 410,957**	**$ 14,629**

The City's portfolio of U.S. agency securities includes callable securities. If a callable investment is purchased at a discount, the maturity date is assumed to be the maturity date of the investment. If the investment is bought at a premium, the maturity date is assumed to be the call date. As of December 31, 2017, the City owned agency callable securities with a fair value of $13,688,000.

The DERP manages interest rate risk through the constraints on duration specified in each manager's investment guidelines included in the Plan's Investment Policy. At December 31, 2017, the DERP pension trust fund fixed income investment balances subject to interest rate risk are shown in **Table 9** (dollars in thousands).

Table 9

		Investment Maturities in Years			
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**Greater than 10**
U.S. Treasury securities	$ 68,647	$ 63	$ 29,311	$ 31,442	$ 7,831
U.S. agency securities	71,860	3	34,558	26,728	10,571
Asset backed	720	1	251	286	182
Corporate	223,613	150	203,028	14,976	5,459
Non- U.S. Government bonds	58,792	8	29,522	16,882	12,380
Mortgage backed	39,281	51	15,386	17,496	6,348
Total	**$ 462,913**	**$ 276**	**$ 312,056**	**$ 107,810**	**$ 42,771**

Credit Quality Risk. Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the City. Moody's, Standard & Poor's, and Fitch Ratings are the three primary Nationally Recognized Securities Rating Organizations (NRSRO) that assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are assigned credit quality ratings of AAA by Fitch and Aaa by Moody's, both with stable outlooks as of December 31, 2017. Standard and Poor's rate securities of the U.S. Government AA+ also with a stable outlook. Of the City's investments at December 31, 2017, commercial paper, municipal bonds, corporate debt obligations, structured products, local government investment pools, and supranational securities were subject to credit quality risk

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

Information on the credit ratings associated with the City's investments (excluding DERP) as of December 31, 2017, is shown in **Table 10** (dollars in thousands).

Table 10

S&P	Commercial Paper	Municipal Bonds	Corporate Debt Obligations	Asset Backed Securities	Agency Mortgage Backed Securities	Collateralized Mortgage Obligations	Local Government Investment Pools	Multinational Fixed Income	Total
AAA	$ -	$ 41,594	$ 51,624	$ 116,645	$ 15,088	$ 39,239	$ 181,318	$ 214,619	$ 660,127
AA+ to AA-	-	73,865	228,309	-	35,636	41,250	-	-	379,060
AA	-	-	41,747	-	-	-	-	-	41,747
A+ to A-	-	5,791	89,537	-	-	-	-	-	95,328
A to A-	-	-	47,726	-	-	-	-	-	47,726
A-1 to A-1+	157,590	-	-	-	-	-	-	-	157,590
NR	-	8,595	-	50,718	24,216	53,729	-	48,706	185,964
Total	**$ 157,590**	**$ 129,845**	**$ 458,943**	**$ 167,363**	**$ 74,940**	**$ 134,218**	**$ 181,318**	**$ 263,325**	**$ 1,567,542**
Moody's									
Aaa	$ -	$ 24,979	$ 80,645	$ 107,998	$ 50,723	$ 105,175	$ -	$ 258,363	$ 627,883
Aa1 to Aa2	-	73,718	116,490	-	-	-	-	-	190,208
Aa3 to A1	-	31,148	173,862	-	-	-	-	-	205,010
A2 to A3	-	-	87,946	-	-	-	-	-	87,946
P-1	157,590	-	-	-	-	-	-	-	157,590
NR	-	-	-	59,365	24,217	29,043	181,318	4,962	298,905
Total	**$ 157,590**	**$ 129,845**	**$ 458,943**	**$ 167,363**	**$ 74,940**	**$ 134,218**	**$ 181,318**	**$ 263,325**	**$ 1,567,542**

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

Information on the credit ratings associated with the DERP investments in debt securities at December 31, 2017, is shown in **Table 11** (dollars in thousands).

Table 11

S&P	Moody's	Asset Backed	Corporate Bonds	Non- U.S. Government Bonds	Mortgage Backed	Implicit U.S. Government Bonds	Total
AAA	Aaa	$ 458	$ 24,008	$ -	$ 28,047	$ 2,291	$ 54,804
AAA	NR						-
AA+ to AA-	Aa3 to A1	23	1,204	1,627	1,406	69,568	73,828
A+ to A-	A1 to Baa2	73	3,833	3,844	4,478	-	12,228
BBB+ to BBB-	A3 to Baa3	88	4,580	24,950	5,350	-	34,968
BB+ to BB-	Ba3 to B1	-	-	14,306	-	-	14,306
B+ to B-	B1 to Caa1	-	-	5,758	-	-	5,758
CCC+ to CCC-	B3 to Caa2	78	-	-	-	-	78
D	NR						-
NR	Aaa to Baa2						-
NR	NR	-	189,989	8,307	-	-	198,296
Total		**$ 720**	**$ 223,614**	**$ 58,792**	**$ 39,281**	**$ 71,859**	**$ 394,266**
U.S. Government							68,647
Total							**$ 462,913**

NR - no rating available

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City’s name, and are held by either the counterparty to the investment purchase or are held by the counterparty’s trust department or agent but not held in the City’s name. None of the City’s investments owned at December 31, 2017, were subject to custodial credit risk.

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

One City agency, the Office of Economic Development, owned repurchase agreements that are related to several bank accounts at Vectra Bank in relation to its HUD Section 108 programs. The cash in these accounts is invested each night in repurchase agreements issued by Vectra. The amounts in these accounts are held in the City’s name and protected by the PDPA. In addition, Vectra pledges securities that are direct obligations of the U.S. Government, at a minimum collateralized value of 102.00% in compliance with HUD’s investment requirements. The total repurchase agreements at December 31, 2017, were $146,000.

DERP has no formal policy for custodial credit risk. At December 31, 2017, there were no investments or collateral securities subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City’s Investment Policy states that a maximum of 5.00% of the portfolio may be invested in commercial paper, municipal securities, corporate debt obligations, certificates of deposit, asset-backed securities, or mortgage-backed securities issued by any one obligor. The City’s Investment Policy states that a maximum of 10.00% of the portfolio may be invested in an individual supranational obligor, local government investment pool, money market mutual fund, or collateralized mortgage obligation. The City’s Investment Policy also limits investments in U.S. agency securities to 25.00% of total investments. The City’s Investment Policy limits concentrations even further with a combined maximum of 50.00% of the portfolio that can be invested in corporate debt obligations, commercial paper, and certificates of deposit as well as a combined maximum of 20.00% of the portfolio that can be invested in structured products. As of December 31, 2017, all investments were in compliance with this policy. More than 5.00% of the City's investments in U.S. agency securities are in individual issuers: Federal Home Loan Bank (9.39%), Federal National Mortgage Association (8.94%), Federal Home Loan Mortgage Corporation (5.05%).

The DERP Investment Policy mandates that no managed account may invest more than 5.00% of managed assets in the securities of a single issuer. As of December 31, 2017, all DERP investments were in compliance with this policy.

Foreign Currency Risk. Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The City’s Investment Policy, excluding the DERP pension trust fund, does not allow for investments in foreign currency. The DERP pension trust fund Investment

Policy allows 18.50% to 30.0% of total investments to be invested in international equities and 1.50% to 3.50% of total investments to be invested in international fixed income. The DERP pension trust fund exposure to foreign currency risk as of December 31, 2017, is reflected in **Table 12** (dollars in thousands).

Table 12

Foreign Currency	Equities	Fixed Income	Total
Argentine Peso	$ -	$ 511	$ 511
Australian Dollar	17,519	-	17,519
Brazilian Real	13,422	5,231	18,653
British Pound Sterling	64,998	-	64,998
Canadian Dollar	13,396	-	13,396
Chilean Peso	592	1,283	1,875
Chinese Yuan	35,020	668	35,688
Columbian Peso	954	3,567	4,521
Czech Koruna	-	2,060	2,060
Danish Krone	5,473	-	5,473
Egyptian Pound	191	-	191
Euro	111,595	-	111,595
Hong Kong Dollar	33,249	-	33,249
Hungarian Forint	1,585	2,404	3,989
Indian Rupee	14,890	-	14,890
Indonesian Rupiah	4,142	5,184	9,326
Japanese Yen	79,881	-	79,881
Malaysian Ringgit	4,047	4,245	8,292
Mexican Peso	4,104	4,214	8,318
New Israeli Shekel	1,864	-	1,864
New Zealand Dollar	1,335	-	1,335
Nigerian Naira	-	1,309	1,309
Norwegian Krone	5,544	-	5,544
Peru Sole	-	1,455	1,455
Philippine Peso	534	167	701
Polish Zloty	1,966	4,715	6,681
Qatari Riyal	401	-	401
Romanian Leu	-	1,565	1,565
Russian Ruble	7,674	4,089	11,763
Singapore Dollar	7,492	-	7,492
South Korean Won	35,163	-	35,163
South African Rand	10,041	3,432	13,473
Swedish Krona	7,361	-	7,361
Swiss Franc	19,554	-	19,554
Taiwan Dollar	25,256	-	25,256
Thai Baht	7,969	4,125	12,094
Turkish Lira	3,799	3,797	7,596
United Arab Emiarti Dirham	1,909	-	1,909
Uruguayan Peso	-	136	136
Other	785	(2,003)	(1,218)
Total Foreign Deposits and Investments	**$ 543,705**	**$ 52,154**	**$ 595,859**

3. **Denver Convention Center Hotel Authority (DCCHA).** DCCHA's investments were not subject to custodial credit risk at December 31, 2017, since they consisted solely of money market funds that are not evidenced by securities and are in DCCHA's name.

Table 13

		Investment Maturities in Years	
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**
Money market funds	$ 17,483	$ 17,483	$ -
Local government investment pool	707	707	-
U.S. Treasury securities	31,752	9,930	21,822
Structured products	120	26	94
U.S. agency securities	32,532	16,271	16,261
Corporate bonds	7,782	954	6,828
Multinational fixed income	7,972	1,123	6,849
Municipal bonds	2,744	1,217	1,527
Commercial paper	13,123	13,123	-
Total	**$ 114,215**	**$ 60,834**	**$ 53,381**

4. **Denver Urban Renewal Authority (DURA).** Although it does not have a formal policy to limit exposure to interest rate risk, DURA limits the maximum maturity of investments. At December 31, 2017, DURA's investment balances and maturities are shown **Table 13** (dollars in thousands).

5. **Securities Lending.** Although the City is authorized to enter into securities lending programs with certain qualified dealers, it had no security lending transactions in 2017. Under this program, investment securities owned by the City are loaned to the dealer up to a maximum of one year in exchange for a predetermined fee. The City continues to receive interest earnings on the loaned securities. The securities are collateralized by the dealer. The collateral is held in the City's name by Wells Fargo, the City's custodian. Collateral for these transactions is limited to permissible investments included in the City's Investment Policy with maturities not exceeding one year from the date of settlement. The initial market value of the collateral for each investment position maintained with a dealer shall be 102.00% of the market value of the securities being collateralized. Market value includes investment principal plus accrued interest. Collateral valuation levels with each dealer must be determined on at least a weekly basis, and deficiencies from the required 102.00% level must be cured no later than the following business day. The City had no securities on loan as of December 31, 2017.

   The DERP pension trust fund participates in a securities lending program to augment income. The program is administered by the DERP custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. Government securities, defined letters of credit or other collateral approved by the DERP. Loans of domestic securities are initially collateralized at 102.00% of the fair value of securities lent. Loans of international securities are initially collateralized at 105.00% of the fair value of securities lent. The DERP continues to receive interest and dividends during the loan period as well as a fee from the borrower. There are no restrictions on the amount of securities that can be lent at one time. The duration of securities lending loans generally matches the maturation of the investments made with cash collateral. At December 31, 2017, the fair value of underlying securities lent was $215,170,000. The fair value of associated collateral was $224,664,000 of this amount, $130,408,000 represents the fair value of cash collateral and $94,256,000 is the fair value of non-cash collateral not reported on the financial statements. The DERP pension trust fund does not have the ability to pledge or sell non-cash collateral unless the borrower defaults, therefore it is not reported on the financial statements.

Note B – Receivables

1. Accounts Receivables and Allowances. The City reviews its accounts receivables periodically and allowances for doubtful accounts are established based upon management's assessment of collection.

Table 14 represents the accounts receivables and allowances for doubtful accounts at December 31, 2017.

Table 14

Accounts Receivables and Allowances Summary

December 31, 2017 (dollars in thousands)

	Governmental Activities					Business-type Activities				Fiduciary Funds
Receivable	**General**	**Human Services**	**Other Governmental Funds**	**Internal Service Funds**	**Total**	**Wastewater Management**	**Denver Airport System**	**Nonmajor Business-type**	**Total**	**Agency and DERP**
Property taxes	$ 128,992	$ 72,659	$ 265,524	$ -	$ **467,175**	$ -	$ -	$ -	$ **-**	$ 1,002,737
Other taxes	75,608	-	11,207	-	**86,815**	-	-	-	**-**	3,705
Notes	15,265	-	136,025	-	**151,290**	-	-	-	**-**	-
Accounts	7,130	13,022	15,034	3,092	**38,278**	27,864	103,349	3,195	**134,408**	342
Long-term	80,847	-	30,887	-	**111,734**	-	29,018	-	**29,018**	-
Accrued interest	2,025	-	2,918	266	**5,209**	981	8,536	126	**9,643**	1,559
Loans	-	-	-	-	**-**	-	-	-	**-**	-
Gross Receivable	**309,867**	**85,681**	**461,595**	**3,358**	**860,501**	**28,845**	**140,903**	**3,321**	**173,069**	**1,008,343**
Allowances	(81,253)	(425)	(88,669)	-	**(170,347)**	-	(2,151)	-	**(2,151)**	(5,726)
Net Receivable	**$ 228,614**	**$ 85,256**	**$ 372,926**	**$ 3,358**	**$ 690,154**	**$ 28,845**	**$ 138,752**	**$ 3,321**	**$ 170,918**	**$ 1,002,617**

2. Notes Receivable. The special revenue funds', General Fund, related organizations, and component unit notes receivable balance at December 31, 2017, is shown in **Table 15** (dollars in thousands).

Table 15

		December 31	Percent of Total Related Notes Receivable
Neighborhood Development Loans	$	17,792	n/a
Economic Development Loans		26,074	n/a
Housing Development Loans		107,424	n/a
Total Office of Economic Development		**151,290**	
Less allowances for delinquent loans	$	13,400	n/a
Less allowances for forgivable loans		82,460	n/a
Notes Receivable, Net		**55,430**	
Denver Health and Hospital Park Hill Health Clinic	$	3,500	2.31%
Denver Housing Authority		9,561	6.32%
Total Related Organizations Notes Receivable	**$**	**13,061** [1]	
Denver Urban Renewal Authority	$	4,861	3.22%

[1]Amounts included in the notes receivable balance above.

Allowance for uncollectibles for notes receivable of $95,860,000 is included in the accounts receivable allowance of $166,472,000 in **Table 14.** The Neighborhood, Economic and Housing Development loans are funded from both federal U.S. Housing and Urban Development grants and City monies designated for affordable housing. Recipients of affordable housing loans target low and moderate income households, special needs and the homeless. Rental and occupancy covenants are recorded on these properties for affordability periods of 20 years or more. Housing loans may be fully forgivable at the end of the affordability period, due and payable in full, or due and payable based on occupancy rates or other conditions. The Economic Development loans are made to qualified program recipients under the Community Development Block Grant to provide business owners with funds to promote job creation and growth in targeted areas. Loans are collateralized by the underlying properties.

3. **Long-Term Receivables Allowance.** Included in long-term receivables are amounts related to reimbursement for construction costs, parking fines, court fines, and library fines. The City recorded an allowance for uncollectible accounts for governmental activities of $72,232,000 The DURA component recorded an allowance of $782,000.

4. **Operating Leases.** The Denver Airport System leases portions of its Denver International Airport buildings and improvements to concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases require retail concessions to pay a minimum guarantee or percentage of gross receipts, whichever is greater. Revenue from these operating leases of $90,100,000 was recognized in the Denver Airport System enterprise fund during the year ended December 31, 2017. Minimum future rentals due from concessions under operating leases are shown in **Table 16** (dollars in thousands

Table 16

Year		
2018	$	59,396
2019		53,528
2020		49,830
2021		24,199
2022		18,695
2023-2027		39,085
2028-2031		184
Total	**$**	**244,917**

The United Airlines lease provides it can be terminated by the airline if the airline's cost per enplaned passenger exceeds $20 in 1990 dollars. Current costs per enplaned passenger did not approach this limit for either 2017 or 2016. Rental rates for airlines are established using the rate making methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet rate maintenance covenants per governing bond ordinances.

Note C – Interfund Receivables, Payables, and Transfers

Tables 17 and 18 (dollars in thousands) reflect the City's interfund balances as of December 31, 2017.

1. **Interfund Payables/Receivables.**

Table 17

	Payable Fund							
Receivable Fund	**General Fund**	**Human Services**	**Nonmajor Governmental**	**Wastewater Management**	**Denver Airport System**	**Nonmajor Business-type**	**Internal Service**	**Total**
General Fund	$ -	$ 1,650	$ 2,492	$ 594	$ 8,367	$ 376	$ 51	$ 13,530
Human Services	35	-	-	-	-	-	-	35
Nonmajor Governmental	1	180	-	-	-	-	-	181
Wastewater Management	-	-	-	-	51	-	-	51
Denver Airport System	1,727	-	2,000	-	-	-	-	3,727
Internal Service	-	-	-	-	-	54	4	58
Nonmajor Business-type	-	-	1,914	-	-	-	-	1,914
Total	**$ 1,763**	**$ 1,830**	**$ 6,406**	**$ 594**	**$ 8,418**	**$ 430**	**$ 55**	**$ 19,496**

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

2. Transfers

Table 18

	Transfers Out						
Transfers In	**General Fund**	**Human Services**	**Nonmajor Governmental**	**Wastewater Management**	**Nonmajor Business-type**	**Internal Service**	**Total**
General Fund	$ -	$ -	$ 43,125	$ -	$ -	$ -	$ 43,125
Human Services	7,050	-	-	-	-	-	7,050
Nonmajor Governmental	105,692	3,988	37,611	757	295	415	148,758
Nonmajor Business							$ -
Total out	**$ 112,742**	**$ 3,988**	**$ 80,736**	**$ 757**	**$ 295**	**$ 415**	**$ 198,933**

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

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2017, are shown in **Tables 19** and **20.**

1. Governmental Activities.

Table 19

Governmental Activities

For the Year Ended December 31, 2017 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	$ 328,861	$ 118,767	$ (113)	$ -	$ 447,515
Construction in progress	97,785	57,970	-	(25,494)	130,261
Total capital assets not being depreciated	**426,646**	**176,737**	**(113)**	**(25,494)**	**577,776**
Capital assets being depreciated:					
Buildings and improvements	2,396,115	4,019	(25,024)	13,712	2,388,822
Equipment and other	322,575	29,380	(19,910)	1,577	333,622
Collections	44,481	5,974	(3,671)	60	46,844
Intangibles	36,661	23,534	(3,774)	2,111	58,532
Infrastructure	1,595,588	79,678	(4,700)	8,034	1,678,600
Total capital assets being depreciated	**4,395,420**	**142,585**	**(57,079)**	**25,494**	**4,506,420**
Less accumulated depreciation for:					
Buildings and improvements	(838,148)	(63,136)	1,983	18,680	(880,621)
Equipment and other	(236,296)	(25,190)	17,446	(8)	(244,048)
Collections	(22,370)	(5,724)	3,650	-	(24,444)
Intangibles	(31,660)	(5,905)	1,721	(18,672)	(54,516)
Infrastructure	(800,912)	(51,981)	4,700	-	(848,193)
Total accumulated depreciation	**(1,929,386)**	**(151,936)**	**29,500**	**-**	**(2,051,822)**
Total capital assets being depreciated, net	**2,466,034**	**(9,351)**	**(27,579)**	**25,494**	**2,454,598**
Governmental Activities Capital Assets, net	**$ 2,892,680**	**$ 167,386**	**$ (27,692)**	**$ -**	**$ 3,032,374**

2. Business-type Activities.

Table 20

Business-type Activities

For the Year Ended December 31, 2017 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	$ 326,042	$ 48	$ -	$ 464	$ 326,554
Construction in progress	204,880	380,837	(7,802)	(259,175)	318,740
Total capital assets not being depreciated	**530,922**	**380,885**	**(7,802)**	**(258,711)**	**645,294**
Capital assets being depreciated:					
Buildings and improvements	4,147,529	-	(16,532)	127,341	4,258,338
Improvements other than buildings	2,023,049	14,277	(8,314)	41,781	2,070,793
Machinery and equipment	830,782	7,284	(15,909)	84,175	906,332
Intangibles	28,767	-	(1,004)	5,414	33,177
Total capital assets being depreciated	**7,030,127**	**21,561**	**(41,759)**	**258,711**	**7,268,640**
Less accumulated depreciation for:					
Buildings and improvements	(1,188,193)	(133,798)	2,479	-	(1,319,512)
Improvements other than buildings	(1,449,406)	(32,317)	7,895	-	(1,473,828)
Machinery and equipment	(755,246)	(35,948)	15,533	-	(775,661)
Intangibles	(4,593)	(2,199)	1,000	-	(5,792)
Total accumulated depreciation	**(3,397,438)**	**(204,262)**	**26,907**	**-**	**(3,574,793)**
Total capital assets being depreciated, net	**3,632,689**	**(182,701)**	**(14,852)**	**258,711**	**3,693,847**
Business-type Activities Capital Assets, net	**$ 4,163,611**	**$ 198,184**	**$ (22,654)**	**$ -**	**$ 4,339,141**

Note: Interest costs of $11,473 were capitalized during 2017.

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

Table 21

Discretely Presented Component Units

For the Year Ended December 31, 2017 (dollars in thousands)

	January 1	Additions and Transfers	Deletions	December 31
Capital assets not being depreciated:				
Land and land rights	$ 23,421	$ -	$ -	$ 23,421
Construction in progress	282	2,779	(996)	2,065
Total capital assets not being depreciated	**23,703**	**2,779**	**(996)**	**25,486**
Capital assets being depreciated:				
Buildings and improvements	249,824	317	(403)	249,738
Machinery and equipment	27,647	1,416	(835)	28,228
Total capital assets being depreciated	**277,471**	**1,733**	**(1,238)**	**277,966**
Less accumulated depreciation for:				
Buildings and improvements	(70,440)	(11,757)	101	(82,096)
Machinery and equipment	(26,055)	(947)	2,782	(24,220)
Total accumulated depreciation	**(96,495)**	**(12,704)**	**2,883**	**(106,316)**
Total capital assets being depreciated, net	**180,976**	**(10,971)**	**1,645**	**171,650**
Discretely Presented Component Units Capital Assets, net	**$ 204,679**	**$ (8,192)**	**$ 649**	**$ 197,136** [1]

[1] Excludes net capital assets of $16,874 of Other Component Units.

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

Table 22

General government	$	24,256
Public safety		14,041
Public works, including depreciation of infrastructure		64,853
Human services		1,019
Health		524
Parks and recreation		16,751
Cultural activities		30,320
Community development		91
Capital assets held by internal service funds		81
Total	**$**	**151,936**

5. **Construction Commitments.** The City's governmental and business-type activities have entered into construction and professional services contracts having remaining commitments under contract as of December 31, 2017, as shown in **Table 23** (dollars in thousands).

Table 23

Governmental Activities:		
Winter Park Capital	$	1,292
Capital Improvements		69,025
Conservation Trust		3,595
Bond Projects		38,694
Other Capital Projects		42,230
Entertainment and Culture		1,112
Total Governmental Activities	**$**	**155,948**
Business-type Activities:		
Wastewater Management	$	81,200
Denver Airport System		126,076
Total Business-type Activities	**$**	**207,276**

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

6. **Tax Abatements.** The City negotiates property tax abatement agreements on an individual basis and has tax abatement agreements with 88 entities as of December 31, 2017.

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

If at any time after the City grants an incentive tax credit, the City, in its sole discretion determines that Taxpayer did not meet all requirements of sections 30-11-123 and 31-15-903, CRS, Chapter 53, Article XVI, DRMC or other incentive tax credit requirements of the City under section 53-544, DRMC in the tax year for which a credit was granted, Taxpayer agrees that City may issue to Taxpayer a Special Notice of Valuation, and assess and collect from Taxpayer, in the manner provided for in the Colorado Revised Statutes, taxes in the amount of the incentive tax credit for the subject tax year.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. Total tax abatements as of December 31, 2017 were $250,000.

DURA has entered into agreements with various redevelopers to reimburse developer expenditures for certain capital improvements using tax increment financing above a stated base, that is collected by the City and passed through to DURA. These reimbursements are conditional on the developer meeting specified obligations and will only be paid when enough tax increment revenue relating to the specific project is collected. As of December 31, 2017, the approved reimbursement obligations where tax increment revenue has already been collected and will be paid to various redevelopers was $17,575,000.

Note E – Lease Obligations

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

The City provided funding for the construction of parking facilities adjacent to the Denver Museum of Nature and Sciences (DMNS) the Denver Zoo, and the Denver Botanic Gardens (DBG) from proceeds of certificates of participation (COP) financings. Under separate agreements, the DMNS, the Denver Zoological Foundation Inc., and DBG agreed to increase their admission charges and provide a portion of their admission revenues to help make the COP lease payments. In 2017, the DMNS collected and remitted $606,000 to the City to be applied to the lease payments. The Zoo collected and remitted $642,000. DBG collected and deposited $307,000 with a trustee to be applied to lease payments.

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

Payments are due annually. The Airport entered into an Installment Purchase Agreement on January 5, 2017 with Santander for $4,100,000 to finance various capital equipment purchases at a rate of 1.19%. Payments are due annually. Assets under capital leases at December 31, 2017 totaled $2,400,000 net of accumulated depreciation of $3,500,000. The related net book values of plant and equipment under capital lease obligations as of December 31, 2017, are shown in **Table 24** (dollars in thousands).

Table 24

	Governmental Activities	Business-type Activities
Buildings	$ 296,139	$ -
Equipment	28,815	6,378
Intangibles	4,169	-
Land	16,667	-
Less accumulated depreciation	(138,190)	(3,854)
Net Book Value	**$ 207,600**	**$ 2,524**

Table 25 (dollars in thousands) is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of December 31, 2017.

Table 25

Year		Governmental Activities		Business-type Activities
2018	$	38,293	$	2,631
2019		43,372		1,873
2020		39,510		875
2021		37,830		912
2022		34,591		949
2023-2027		131,652		1,968
2028-2032		121,123		-
2032 - 2035		2,990		-
Total minimum lease payments		**449,361**		**9,208**
Less amounts representing interest		(89,142)		(702)
Present Value of Minimum Lease Payments	**$**	**360,219**	**$**	**8,506**

2. **Operating Leases.** The City is committed under various cancelable leases for property and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2017, were approximately $4,398,000, for governmental activities and $1,316,000 for business-type activities. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments should be approximately the same amount.

Note F – Rates and Charges

The Denver Airport System establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations, maintenance, and debt service related to the airfield and space utilized by the airlines. Any differences between amounts collected and actual costs allocated to the airline's leased space are credited or billed to the airlines. As of December 31, 2017, there was no liability due to the airlines.

For the years ended December 31, 2001 through 2005, 75.00% of net revenues (as defined by bond ordinance) remaining at the end of each year is to be credited in the following year to the passenger airlines signatory to use and lease agreements; and thereafter it is 50.00%, capped at $40,000,000. The net revenues credited to the airlines for the year ended December 31, 2017 were $40,000,000 and have been accrued as a liability at year end.

Note G – Long-Term Debt

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

   In March 2017, the city irrevocably placed $50,985,000 of existing cash resources in escrow for the sole purpose of satisfying scheduled payments of both interest and principal on the 2010D ($32,176,000) and 2011A bonds ($18,809,000). The escrow agent applied these cash resources to the purchase of essentially risk-free federal securities and there is no risk of the acquired securities being substituted for non-risk-free monetary assets. Prior to the in-substance legal defeasance, the principal amounts outstanding on the 2010D and 2011A bonds were $29,150,000 and $16,455,000 respectively. The principal amounts outstanding to be paid from the escrow as of December 31, 2017 was $26,350,000 for the 2010D bonds and $16,455,000 for the 2011A bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 15 to 20-year serial bonds, except for refunding issues. General obligation bonds outstanding, excluding unamortized premium of $11,228,000, at December 31, 2017, are $661,776,000. Interest rates vary from 2.30% to 5.65% with a net interest cost of 1.53% to 6.77%.

General obligation bonds have been issued by the Denver 14th Street GID; however, these bonds are solely the obligation of the District and not the primary government. As of December 31, 2017, there are bonds outstanding in the amount of $4,000,000 for the Denver 14th Street GID.

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

Table 26

	Governmental Activities			
	General Government		General Improvement District	
Year	**Principal** [1]	**Interest** [2]	**Principal**	**Interest**
2018	$ 57,045	$ 30,113	$ 160	$ 150
2019	42,895	27,663	200	112
2020	44,540	25,981	205	106
2021	46,315	24,162	205	100
2022	39,291	31,123	215	94
2023 - 2027	257,760	88,440	1,165	378
2028 - 2032	173,930	25,119	1,300	203
2033 - 2037	-	-	550	27
2037 - 2041	-	-	-	-
Total	**$ 661,776**	**$ 252,601**	**$ 4,000**	**$ 1,170**

[1]Does not include $5,774 and $1,989 of compound interest on the Series 2007 and 2014A mini-bonds respectively or unamortized premium of $11,228.

[2]Excludes Build America Bonds interest subsidy. The City is eligible to receive $60 million over the remaining life of its Direct Pay Build America Bonds to subsidize interest payments.

2. **Revenue Bonds.** The City and component units issue bonds and notes where income derived from acquired or constructed assets is pledged to pay debt service. Certain Airport system revenue bonds are subject to mandatory redemption requirements in 2015, and subsequent years. Revenue bonds outstanding, excluding unamortized premium (net of discount) of $208,538,000 and $32,708,000, for the primary government and the component unit DCCHA respectively, at December 31, 2017, are shown in **Table 27** (dollars in thousands).

Table 27

Purpose	**Net Interest Cost**	**Interest Rates**	**Amount**
Excise Tax Revenue	3.28% to 3.89%	1.54% to 5.00%	$ 351,475
Wastewater Management	2.41% to 3.39%	3.00% to 5.00%	147,880
Golf Enterprise	4.80%	4.75% to 5.00%	1,865
Denver Airport System			3,965,580
Total primary government			**4,466,800**
DCCHA component unit			271,795
Total			**$ 4,738,595**

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

Table 28

	Governmental Activities		Business-type Activities					
			Golf Enterprise		Wastewater Management		Denver Airport System	
	Principal [1]	Interest	Principal	Interest	Principal [2]	Interest	Principal [3]	Interest
2018	$ 22,090	$ 13,509	$ 590	$ 92	$ 5,065	$ 5,983	$ 186,140	$ 155,319
2019	21,440	13,168	620	62	5,285	5,761	195,100	148,771
2020	15,910	12,777	655	31	5,500	5,529	200,265	141,804
2021	14,260	12,432	-	-	5,745	5,288	210,375	134,262
2022	14,940	12,120	-	-	6,000	5,035	229,875	126,734
2023 - 2027	40,705	52,387	-	-	22,210	22,052	1,085,780	498,546
2028 - 2032	60,245	43,828	-	-	27,015	17,246	898,275	301,731
2033 - 2037	-	36,634	-	-	21,040	12,595	396,710	150,466
2038-2042	30,830	36,464	-	-	25,600	8,037	342,640	64,402
2043 - 2047	131,055	14,351	-	-	24,420	2,490	127,140	9,817
2048-2050	-	-	-	-	-	-	93,280	1,531
Total	**$ 351,475**	**$ 247,670**	**$ 1,865**	**$ 185**	**$ 147,880**	**$ 90,016**	**$ 3,965,580**	**$ 1,733,383**

[1]Does not include unamortized premium of $28,203.

[2]Does not include unamortized premium of $18,352.

[3]Does not include unamortized premium of $161,983.

Table 29

	Component Unit	
	DCCHA	
Year	**Principal** [1]	**Interest**
2018	$ -	$ 13,333
2019	2,130	13,333
2020	2,545	13,248
2021	2,985	13,146
2022	8,670	13,026
2023 - 2028	50,290	58,182
2028 - 2032	64,180	44,288
2033 - 2037	81,915	26,555
2038 - 2041	59,080	6,004
Total	**$ 271,795**	**$ 201,115**

[1]Does not include unamortized premium of $32,708.

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

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% lodger's tax and the 1.75% auto rental tax increases ("Excise Tax Increases") and authorized the issuance of up to $778 million of new excise tax revenue bonds supported by pledged portions of the lodger's, food and beverage, and 23 auto rental taxes for the purpose of financing tourism-related projects for the National Western Center and for improvements to the Colorado Convention Center.

In April 2016, the city issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016AB, in the amount of $397,310,000. The bonds were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements, as well as to advance refund all of the outstanding 2005A and 2009A bonds. Effective April 6, 2016, all of the outstanding 2005A and 2009A bonds were defeased and advance refunded resulting in a present value savings of $3,608,000 and a deferred loss of $17,517,000. The City pledged additional revenues to the repayment of the 2016A-B bonds that were not pledged to the repayment of the 2005A and 2009A bonds. The previously unpledged 3.25% and 3.5% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the 2016A-B bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of 2016A-B bonds.

The Series 2016A bonds are fixed rate bonds with final maturity in 2046; The Series 2016B bonds are fixed rate bonds with final maturity in 2032. The total principal and interest remaining to be paid on the bonds is $237,896,000, with annual combined debt service requirements ranging from $6,725,000 to $11,048,000. In 2017, debt service paid and net revenue available for debt service was $11,061,000 and $35,293,000, respectively

The City, through its Department of Aviation, has pledged future Airport System Net Revenues, as defined in the 1984 Airport System General Bond Ordinance as supplemented and amended and the 1990 Airport System Subordinate Bond Ordinance as supplemented and amended. The $3,965,580 of outstanding bonds were issued for the purpose of financing capital projects at the airport and for refinancing earlier bond issues and have maturities ranging from 2017 to 2043. The total principal and estimated interest remaining to be paid on the bonds is $5,698,963,000. Over the past 10 years, annual net revenues available for debt service have averaged $451,629,000. In 2017, debt service paid and net revenue available for debt service was $345,717,000 and $517,942,000, respectively.

On December 7, 2017, the Airport issued $254,200,000 of Series 2017A bonds (AMT) to refund all of the outstanding Series 2007A and Series 2007D Bonds, and $21,300,000 of Series 2017B Bonds (non-AMT) to refund all of the outstanding Series 2007C Bonds, each through a negotiated sale with Raymond James as the lead underwriter. Combined, these two transactions will result in a net present value savings of $47,000,000 through 2033. The difference between the reacquisition price of $326,800,000 and the net carrying amount of the old debt of $327,100,000 resulted in the recognition of a deferred gain on refunding in the amount of $300,000. The deferred gain on refunding is being amortized over the remaining life of the old debt.

On December 21, 2017, the City, for and on behalf of the Airport, issued $300,000,000, Airport System Subordinate Revenue Bonds Series 2017C - AMT (Series 2017C Bonds). The final maturity of the Series 2017C Bonds is November 15, 2050, with an initial term rate period ending on December 30, 2020. The Series 2017C Bonds bear interest at a variable rate with interest initially due on July 1, 2018, and on the first business date of the month thereafter. At the end of the initial term rate period, the Series 2017C Bonds are subject to mandatory redemption. The proceeds from the Series 2017C Bonds are available to fund Airport capital improvements and were used to pay for the issuance cost.

Included in the Airport System's revenue bonds are $34,900,000 of Series 1992F, G; $26,200,000 of Series 2002C, $55,200,000 of Series 2008B, $92,600,000 of Series 2008C1, $200,000,000 of Series 2008C2-C3, $104,655,000 of Series 2009C and $130,600,000 of Series 2007G1-G2 of Airport Revenue Bonds Series. These bonds are currently credit facility bonds, which bear interest at rates indexed to 1-month LIBOR and are subject to mandatory redemption when the credit facilities and reimbursement agreements supporting them expire and upon the occurrence of certain other events of default. These agreements will either be extended, replaced, or the bonds will be refunded prior to the expiration date.

The City, through its Wastewater Management Division, has pledged future income from its storm drainage and sanitary sewerage facilities, net of operating expenses, for debt service on $50,425,000 of Series 2012 Wastewater Revenue Bonds issued in January 2012 and for debt service on $115,000,000 of Series 2016 Wastewater Revenue bonds issued in November of 2016. The Series 2012 bonds were issued for the purpose of refunding the remaining $20,350,000 of Series 2002 Wastewater Revenue bonds outstanding and to finance improvements to the storm drainage facilities. The Series 2016 bonds were issued to finance capital improvement projects. The total principal and interest remaining to be paid on the bonds is $237,896,000, with annual requirements ranging from $6,725,000 to $11,048,000. Over the past 10 years, annual net revenues available for debt service have averaged $21,706,000. In 2017, debt service paid and net revenue available for debt service was $11,061,000 and $35,293,000 respectively.

The City, through its Golf Division, has pledged future income from its golf facilities, net of operating expenses, for debt service on $7,365,000 of Series 2005 Golf Enterprise Revenue Bonds issued in March 2006. The bonds were issued for the purpose of financing the construction of certain golf facilities of the City and are payable through 2020. The total principal and interest remaining to be paid on the bonds is $2,050,000, with annual requirements of approximately $684,000. Over the past 10 years annual net revenues available for debt service have averaged $1,608,000. In 2017, debt service paid and net revenue available for debt service was $685,000 and $1,940,000, respectively.

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

3. **Other Debt.** DURA component unit note payable and tax increment bonds, exclusive of unamortized premium of $25,641,000, at December 31, 2017, are comprised of the following individual issues shown in **Table 30** (dollars in thousands).

Table 30

Purpose	Interest Rates		Amount
Series 2010B-1	3.00% - 5.00%	$	56,125
Series 2013A-1	5.00%		115,785
Series 2014D-2	4.10% - 4.19%		49,290
Note payable			4,864
Total		**$**	**226,064**

[1]Fixed rate through 2016, then converts to variable

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

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

Table 31

	DURA				RiNo GID			
Year		**Principal**		**Interest**		**Principal**		**Interest**
2018	$	27,865	$	10,541	$	84	$	76
2019		26,390		9,207		87		72
2020		20,955		7,925		91		69
2021		20,410		6,918		94		66
2022		24,125		5,972		97		63
2023 - 2037		101,455		10,663		541		258
2028 - 2036		-		-		1,171		187
Total	**$**	**221,200**	**$**	**51,226**	**$**	**2,165**	**$**	**791**

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

4. **Indentures and Reporting Requirements.** The City is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, and maintenance of specified levels of bond reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The City is in compliance with all significant covenants.

5. **Notes payable.** The Airport System entered into Master Installment Purchase Agreements on October 26, 2006. These include an agreement with Koch Financial Corporation for $23,000,000 and an agreement with GE Capital Public Finance for $9,000,000. These transactions will finance capital equipment purchases at rates and terms of 4.34% and 4.16% based on a 30/360 calculation for 2007. The Airport System entered into a $20,500,000 Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.96% based on a 30/360 calculation for 2012. The payment schedules relating to the note requirements as of December 31, 2017, are shown in **Table 32** (dollars in thousands).

Table 32

	Denver International Airport	
Year	**Principal**	**Interest**
2018	$ 2,108	$ 155
2019	2,149	113
2020	2,192	71
2021	2,235	27
Total	**$ 8,684**	**$ 366**

6. **Changes in Long-term Liabilities.** Long-term liability activity for the year ended December 31, 2017, is shown in **Tables 33** and **34** (dollars in thousands).

Table 33

Governmental Activities	**January 1**	**Additions**	**Deletions**	**December 31**	**Due within one year**
Legal liability	$ 3,850	$ 14,165	$ 8,450	$ 9,565	$ -
Compensated absences:					
Classified service employees - 3,304	96,579	30,519	27,453	99,645	4,644
Career Service employees - 6,339	47,193	30,425	27,785	49,833	3,896
Net other postemployment benefit obligation	17,089	1,446	-	18,535	-
Net pension liability	1,128,204	176,563	92,871	1,211,896	-
Claims payable	27,813	7,574	9,105	26,282	9,149
General obligation bonds[1]	767,870	46,904	145,235	669,539	57,045
GID general obligation bonds	3,535	4,000	3,535	4,000	160
GID revenue note	2,309	-	144	2,165	84
Excise tax revenue bonds	374,960	-	23,485	351,475	22,090
Capitalized lease obligations	375,112	30,113	45,006	360,219	26,275
Unamortized premium	50,253	-	7,641	42,612	-
Intergovernmental agreement	1,968	-	658	1,310	694
Other governmental funds - note payable	1,431	-	1,431	-	-
Total Governmental Activities	**$ 2,898,166**	**$ 341,709**	**$ 392,799**	**$ 2,847,076**	**$ 124,037**

[1] Ending balance includes compound interest from the 2007 and 2014A mini-bonds of $7,764.

Table 34

	January 1	Additions	Deletions	December 31	Due within one year
Business-type Activities					
Wastewater Management:					
Revenue bonds	$ 152,860	$ -	$ 4,980	$ 147,880	$ 5,065
Unamortized premium	19,122	-	770	18,352	-
Net pension liability	34,306	186	-	34,492	-
Capitalized lease obligations	6,278	-	592	5,686	647
Compensated absences	3,323	104	117	3,310	823
Total Wastewater Management	**215,889**	**290**	**6,459**	**209,720**	**6,535**
Denver Airport System:					
Revenue bonds	3,890,895	575,505	500,820	3,965,580	186,140
Unamortized premium	144,853	39,799	22,669	161,983	-
Net pension liability	158,033	5,349	9,513	153,869	-
Notes payable	10,751	-	2,067	8,684	2,108
Capitalized lease obligations	3,994	-	1,485	2,509	1,485
Compensated absences	9,503	7,000	6,643	9,860	2,439
Total Denver Airport System	**4,218,029**	**627,653**	**543,197**	**4,302,485**	**192,172**
Nonmajor enterprise funds:					
Revenue bonds	2,430	-	565	1,865	590
Net pension liability	11,773	520	327	11,966	-
Capitalized lease obligations	708	-	397	311	311
Compensated absences	1,193	465	462	1,196	333
Total nonmajor enterprise funds	**16,104**	**985**	**1,751**	**15,338**	**1,234**
Total Business-type Activities	**$ 4,450,022**	**$ 628,928**	**$ 551,407**	**$ 4,527,543**	**$ 199,941**
Major Component Units:					
Revenue bonds[1]	$ 306,791	$ -	$ 2,288	$ 304,503	$ -
Increment bonds and notes payable[2]	588,989	197,315	346,757	439,547	34,949
Compensated absences	161	127	121	167	-
Total Major Component Units	**$ 895,941**	**$ 197,442**	**$ 349,166**	**$ 744,217**	**$ 34,949**

[1]Includes unamortized premium of $32,708.
[2]Includes unamortized premium of $25,641.

The legal liability, compensated absences, net other post-employment benefit (OPEB) obligation and other accrued liabilities in the governmental activities are generally liquidated by the General Fund. The other governmental funds include a note payable liquidated by the Community Development special revenue fund and a claims payable liquidated by the Workers' Compensation internal service fund. The amount available for long-term debt in the debt service funds and in the special revenue fund was $125,061,000.

7. **Swap Agreements.** Included in the City's governmental activities are three derivatives that are embedded in the City's certificated lease for the Webb Municipal Office Building. The intent of the three pay-fixed, receive-variable interest rate swaps is to protect against rising interest rates on the variable rate 2008A Certificates of Participation (COPs). In 2003, Civic Center Office Building, Inc., the lessor, entered into two swap agreements with JP Morgan, associated with the 2003C1 and 2003C2 COPs, and one swap agreement with Lehman Brothers that was associated with the 2003C3 COPs. In October 2008, due to the deteriorating credit rating of the insurer (AMBAC), the outstanding COPs were refunded by the Series 2008A1-A3 Refunding Certificates of Participation, terminating the three swaps. To maintain the interest rate hedge related to the lease payments, the derivative instruments with JP Morgan were amended and new swaps were entered into that were associated with the 2008A1 and 2008A2 COPs. The derivative instrument with Lehman Brothers was terminated and replaced with an agreement with Royal Bank of Canada (RBC). A new swap was initiated under the RBC agreement that

was associated with the 2008A3 COPs. At the time of termination of the 2003 swaps, the JP Morgan swaps had negative fair values, and no termination payments were made. In addition to a termination payment made to Lehman Brothers by the City, an up-front payment of $475,000 was received from RBC at the initiation of the 2008 replacement swap. These events resulted in off-market components of the swaps that are being treated as implied loans for accounting purposes and are being amortized through investment revenues over the life of the new hedges.

As of December 31, 2017, all three swaps are effective cash flow hedges and the fair values and changes in fair values are reported in the government-wide Statement of Net Position as deferred outflows of governmental activities. The combined fair market value of the three swaps as of December 31, 2017 was ($27,615,000). The year-end fair values were calculated using the mid-market LIBOR swap curves as of December 31, 2017. The fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2017. When the present value of payments to be made by the City exceeds the present value of payments to be received, the swap has a negative value to the City. When the present value of payments to be received by the City exceeds that of payments to be made, the swap has a positive value to the City.

Table 35 provides the swap associated debt rates as of December 31, 2017.

Table 35

Swap	**2008A1**	**2008A2**	**2008A3**
Associated debt	**2008A1 COP**	**2008A2 COP**	**2008A3 COP**
Fixed payment to counterparty	3.400%	3.400%	3.130%
Variable payment from counterparty (68% LIBOR)	-(0.994%)	-(0.994%)	-(0.994%)
Net swap interest rate	2.406%	2.406%	2.136%
Variable-rate certificate coupon payment	1.780%	1.780%	1.780%
Net swap and certificate rate	**4.186%**	**4.186%**	**3.916%**

As rates vary, lease interest payments and net swap payments will vary. As of December 31, 2017, lease payment requirements of the related variable rate COPs and the net swap payments, assuming current rates remain the same, for their terms, are summarized in **Table 36** (dollars in thousands).

Table 36

Year	**Principal**	**Interest**	**Interest Rate Swaps Net**	**Total**
2018	$ 9,235	$ 3,766	$ 4,857	$ 17,858
2019	9,805	3,602	4,637	18,044
2020	10,410	3,427	4,404	18,241
2021	11,055	3,242	4,157	18,454
2022	11,735	3,045	3,895	18,675
2023-2027	70,170	11,823	14,976	96,969
2028-2031	89,175	4,554	5,567	99,294
Total	**$ 211,585**	**$ 33,459**	**$ 42,493**	**$ 287,535**

Table 37 (dollars in thousands) provides the fair values and the 2017 changes in fair value of the on-market and the implied loan portions of the swaps as of December 31, 2017, and the accounting classifications of the changes in fair value for the year then ended.

Table 37

Counterparty	Effective Date	Notional Amount	Termination Date	Associated Debt Series	Fair Values 12/31/2017	Change in Fair Value		Classification
2008A1 Swap Agreements								
JP Morgan Chase Bank	7/17/03	$ 67,650	12/1/29	2008A1 COP	$ (7,791)	$ (1,391)		Deferred outflow
							$ (246)	Investment revenue
2008A2 Swap Agreements								
JP Morgan Chase Bank	7/17/03	57,045	12/1/29	2008A2 COP	(6,568)	(1,172)		Deferred outflow
							(207)	Investment revenue
2008A3 Swap Agreements								
Royal Bank of Canada	10/1/08	86,890	12/1/31	2008A3 COP	(13,256)	(1,198)		Deferred outflow
							(21)	Investment revenue
Total		**$ 211,585**			**$ (27,615)**	**$ (3,761)**	**$ (474)**	

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

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

- **Credit risk –** All of the governmental activity swaps rely on the performance of the respective swap counterparties. The City is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the lessor. The City measures the extent of the risk based on the credit ratings of each counterparty and the fair value of the swap agreement. As of December 31, 2017, there was no risk of loss to the City, as the swap agreements had negative fair values. The credit ratings of the counterparties as of December 31, 2017 are shown in **Table 38**

Table 38

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	**Moody's**	**Fitch**
JP Morgan Chase Bank	A+	Aa3	AA-
Royal Bank of Canada	AA-	A1	AA

- **Termination risk –** Any party to these swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the lessor may terminate any of the swap agreements at any time at its sole discretion. If the swap had a negative fair value at the time of termination the City could be liable to the counterparty for a termination payment equal to the fair market value of the swap. If any of the swaps were terminated, the associated variable rate certificates would no longer have the benefit of the interest rate hedge.

- **Interest rate risk –** The City is exposed to interest rate risk on the swaps. In regards to the pay fixed, receive variable swaps, as the London Interbank Offered Rate (LIBOR) index rate decreases, the City's net payments on the swaps increase.

- **Basis risk –** The City pays interest at variable rates on the COPs associated with the swaps. Each of the swap agreements provide for the applicable counterparty to make variable rate payments based on the LIBOR index. To the extent that the variable rate paid on the certificates is different than the rate received from the counterparties based on LIBOR, there may be a net loss or benefit to the City.

The Airport System has entered into interest rate swap agreements in order to protect against rising interest rates. The 1998, 1999 and 2009A swap agreements are pay fixed, receive variable rate, cash flow hedges, with the variable payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport System's swap agreements are considered investment derivatives as defined by GASB 53. **Table 39** provides a profile of the terms of the Airport's swap agreements (all rates as of December 31, 2017).

Table 39

SWAP	1999, 2002 2009A	2005, 2006B	2006A, 2008A	1998	2008B
Associated Debt	**2002C, 2008B, 2009C**	**2016A, 2017A**	**2002C, 2007F-G, 2016B**	**2008C2-C3**	**2002C, 2008C1**
Payment to counterparty	7.313%	5.373%	4.009%	4.740%	4.760%
Payment from counterparty	2.904%	5.181%	1.095%	1.200%	1.286%
Net swap interest rate	4.409%	0.192%	2.914%	3.540%	3.474%
Associated bond interest rate	1.471%	5.000%	1.849%	1.720%	1.750%
Net swap and bond rate	**5.880%**	**5.192%**	**4.763%**	**5.260%**	**5.224%**

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2017, debt service requirements of the related variable rate debt and net swap payments for the Airport System's cash flow hedges (1998, 1999 and 2009A swap agreements), assuming current interest rates remain the same, for their terms, are reflected in **Table 40** (dollars in thousands).

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2017.

Table 40

Year	Principal	Interest	Interest Rate Swaps Net	Total
2018	$ 8,300	$ 6,383	$ 15,391	$ 30,074
2019	43,870	6,253	14,005	64,128
2020	47,140	5,561	11,252	63,953
2021	49,115	4,818	8,272	64,128
2022	54,485	4,047	5,045	63,577
2023-2027	121,910	11,644	6,486	140,040
2028-2032	75,180	2,887	-	78,067
Total	**$ 400,000**	**$ 41,593**	**$ 60,451**	**$ 503,967**

Table 41 (dollars in thousands) provides a summary of the Airport's interest rate swap transactions as of December 31, 2017.

Table 41

Counterparty	Effective Date	Notional Amount	Bond/Swap Termination Date	Associated Debt Series	Payable Swap Rate	Variable Receivable Swap Rate	Changes in Fair Value Classification	Changes in Fair Value Amount	Fair Values December 31
Hedging Derivatives									
1998 Swap Agreements									
Goldman Sachs Capital Markets, L	10/4/00	100.000	11/15/25	2008C2-C3	4.7600%	70% LIBOR + 0.10%	Deferred outflow	$(1,172)	$ (13,595)
							Investment income	(2,447)	
Societe Generale, New York Branch	10/4/00	100.000	11/15/25	2008C2-C3	4.7190%	70% LIBOR + 0.10%	Deferred outflow	(1,172)	(13,418)
							Investment income	(2,411)	
1999 Swap Agreements									
Goldman Sachs Capital Markets, L	10/4/01	100.000	11/1/22	[1]	5.6179%	SIFMA	Deferred outflow	(1,480)	(11,945)
							Investment income	(2,721)	
Merrill Lynch Capital Services, Inc.	10/4/01	50.000	11/1/22	[1]	5.5529%	SIFMA	Deferred outflow	(740)	(5,878)
							Investment income	(1,330)	
Investment Derivatives									
2002 Swap Agreements									
Goldman Sachs Capital Markets, L	4/15/02	100.000	11/1/22	[1]	SIFMA	76.33% LIBOR	Investment income	(624)	108
2005 Swap Agreements									
Royal Bank of Canada	11/15/06	49.578	11/15/25	2007D [3]	3.6560%	70% LIBOR	Investment income	(1,347)	(4,964)
JP Morgan Chase Bank, N.A.	11/15/06	49.578	11/15/25	2007D [3]	3.6874%	70% LIBOR	Investment income	(1,361)	(5,036)
Jackson Financial Products, LLC	11/15/06	99.156	11/15/25	2007D [3]	3.6560%	70% LIBOR	Investment income	(2,694)	(9,928)
Piper Jaffray Financial Products, Inc	11/15/06	49.578	11/15/25	2007D [3]	3.6560%	70% LIBOR	Investment income	(1,347)	(4,964)
2006A Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/07	139.450	11/15/25	2007F-G/2014A [2]	4.0085%	70% LIBOR	Investment income	(4,411)	(14,033)
GKB Financial Services Corp.	11/15/07	46.483	11/15/25	2007F-G/2014A [2]	4.0085%	70% LIBOR	Investment income	(1,470)	(4,677)
2006B Swap Agreements									
Royal Bank of Canada	11/15/06	49.578	11/15/25	[3]	SIFMA	4.0855%	Investment income	1,112	5,535
JP Morgan Chase Bank, N.A.	11/15/06	49.578	11/15/25	[3]	SIFMA	4.0855%	Investment income	1,120	5,527
Jackson Financial Products, LLC	11/15/06	99.156	11/15/25	[3]	SIFMA	4.0855%	Investment income	2,287	11,000
Piper Jaffray Financial Products, Inc	11/15/06	49.578	11/15/25	[3]	SIFMA	4.0855%	Investment income	1,109	5,516
2008A Swap Agreements									
Royal Bank of Canada	12/18/08	92.967	11/15/25	2007F-G [2, 4]	4.0085%	70% LIBOR	Investment income	(2,940)	(9,354)
2008B Swap Agreements									
Loop Financial Products I, LLC	1/8/09	100.000	11/15/25	2008C1 [2]	4.7600%	70% LIBOR + 0.10%	Investment income	(3,361)	(15,731)
2009A Swap Agreements									
Loop Financial Products I, LLC	1/12/10	50.000	11/15/22	[1]	5.6229%	SIFMA	Deferred outflow	(1,062)	(5,961)
							Investment income	(1,021)	
TOTAL									**$ (91,798)**

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

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

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

[4] Previously associated with 2014A. Swaps currently associated with Series 2016B.

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

Payments by the Airport System to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport System's Senior Bonds, and on parity with the Airport System's Subordinate Bonds. The year-end fair values were calculated using the mid-market LIBOR and BMA swap curves as of December 31, 2017. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2017. When the present value of payments to be made by the Airport System exceeds the present value of payments to be received, the swap has a negative value to the Airport System. When the present value of payments to be received by the Airport System exceeds that of payments to be made, the swap has a positive value to the Airport System.

The following risks are generally associated with swap agreements:

- **Credit Risk –**All of the Airport System's swap agreements rely upon the performance of swap counterparties. The Airport System is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport System. The Airport System measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport System delivers a surety policy or other credit support document guaranteeing its obligations under the swap agreement that is rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch, for any swap agreement, the counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch; or, under certain circumstances, provide collateral. The Airport System is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport System's Senior Bonds is below any two of BBB by Standard & Poor's, Baa2 by Moody's Investors Service or BBB by Fitch. As of December 31, 2017, the ratings of the Airport System's Senior Bonds were A+ by Standard & Poor's (with a stable outlook), A1 by Moody's Investors Service (with a stable outlook) and A+ by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport System. Failure of either the Airport System or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see termination risk below). The ratings of the counterparties, or their credit support providers, as of December 31, 2017, are shown in **Table 42.**

Table 42

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
Goldman Sachs Capital Markets, L.P. (Goldman Sachs Group, Inc.)	BBB+	A3	A
JP Morgan Chase Bank, N.A.	A+	Aa3	AA-
LOOP Financial Products, LLC (Deutsche Bank, AG, New York Branch)	A-	Baa2	BBB+
Merrill Lynch Capital Services, Inc. (Merrill Lynch & Co., Inc.)	NR	A3	A
Royal Bank of Canada	AA-	A1	AA
Societe Generale, New York Branch	A	A1	A+
Jackson Financial Products, LLC (Merrill Lynch & Co., Inc.)	NR	A3	A
GKB Financial Services Corporation II, Inc. (Societe Generale New York Branch)	A	A2	A+
Piper Jaffray Financial Products, Inc. (Morgan Stanley Capital Services, Inc.)	BBB+	A3	A

NR - no rating available.

As of December 31, 2017, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivative's fair value.

- **Termination Risk –** Any party to the Airport System's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport System may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk on preceding page). If, at the time of termination, the swap has a negative fair value, the Airport System could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport System's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport System is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.

- **Interest Rate Risk –** The Airport System is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport System's net payments on the swap agreements increase.

- **Basis Risk –** Each of the Airport System's swap agreements is associated with certain debt obligations or other swaps. The Airport System pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport System receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport System is based on an index different than that used to determine the variable payments received by the Airport System under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement.

8. **Synthetic Guaranteed Investment Contracts.** An option in the City's deferred compensation plan includes a custom stable value fund that includes synthetic guaranteed investment contracts (SGICs). The contracts provide a stable rate of return to the participants. The value of the underlying investments is $227,558,000 as of December 31, 2017.

Note H – Fund Balances

In accordance with GASB Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no restrictions otherwise exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

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

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

Table 43

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable				
Endowment	$ -	$ -	$ 3,000	$ 3,000
Prepaid items	2,979	-	17,479	20,458
Total Nonspendable	**2,979**	**-**	**20,479**	**23,458**
Restricted:				
General government	-	-	100,085	100,085
Public safety - administration	-	-	26,807	26,807
Public safety - fire	-	-	31	31
Public safety - police	-	-	288	288
Public safety - sheriff	-	-	6,839	6,839
Public works	-	-	169,875	169,875
Human services	-	75,582	-	75,582
Health	-	-	2,044	2,044
Parks & recreation	-	-	35,709	35,709
Cultural activities	-	-	110,388	110,388
Community development	-	-	36,312	36,312
Economic opportunity	-	-	810	810
Assets held for resale	-	-	730	730
Loans receivable	-	-	52,607	52,607
Long-term debt	19,909	-	125,040	144,949
Emergency use	51,386	-	40	51,426
Total Restricted	**71,295**	**75,582**	**667,605**	**814,482**
Committed:				
General government	22,613	-	-	22,613
Public safety - admin	985	-	-	985
Public safety - fire	585	-	-	585
Public safety - police	2,197	-	-	2,197
Public safety - sheriff	4,393	-	-	4,393
Public works	11,155	-	-	11,155
Human Services	2,073	-	-	2,073
Health	4,267	-	-	4,267
Parks & recreation	2,474	-	3,756	6,230
Cultural Activities	1,280	-	16,868	18,148
Community development	3,533	-	-	3,533
Economic opportunity	106	-	-	106
Total Committed	**55,661**	**-**	**20,624**	**76,285**
Assigned:				
General government	-	-	-	-
Public safety - admin	-	-	-	-
Public works	-	-	1,062	1,062
Parks & recreation	-	-	-	-
Cultural activities	-	-	-	-
Total Assigned	**-**	**-**	**1,062**	**1,062**
Unassigned	**264,124**	**-**	**-**	**264,124**
Total Fund Balances	**$ 394,059**	**$ 75,582**	**$ 709,770**	**$ 1,179,411**

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

  The City has two types of nonspendable fund balances: Prepaid items and an endowment. The prepaid items, which total $20,458,000 are in a nonspendable form and the endowment totaling $3,000,000 is in a permanent fund whose earnings are used for the maintenance of the residence known as Cableland.

- **Restricted Fund Balances –** Restricted fund balances represent amounts constrained by external parties, enabling legislation and/or constitutional provisions.
- **Committed Fund Balances –** Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of ordinance.
- **Assigned Fund Balances –** Assigned fund balances are constrained for specific purposes by City Council as authorized by the City's charter.
- **Unassigned Fund Balance –** Unassigned fund balance is the residual classification for the General Fund A negative unassigned fund balance occurs when expenditures exceed amounts that are nonspendable, restricted, committed, or assigned.

IV. Other Note Disclosures

Note A – Risk Management

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

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

With respect to matters expecting to be settled subsequent to 2017, the City Attorney estimates the amount of liability determined as probable and incurred but not reported claims and judgments at December 31, 2017, to be approximately $9,565,000. The City Attorney also estimates that pending cases having a reasonably possible likelihood of resulting in an additional liability aggregating approximately $115,000 at December 31, 2017.

Changes in the long-term legal liability during the past two years are shown in **Table 44** (dollars in thousands).

Table 44

	2017	2016
Beginning balance - January 1	$ 3,850	$ 5,215
Current year claims and changes in estimates	16,898	530
Claims settled	(11,183)	(1,895)
Ending balance - December 31	**$ 9,565**	**$ 3,850**

Pursuant to Colorado law, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the Board of County Commissioners must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City must continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are $350,000 per injury or $990,000 per occurrence. See **Note IV-D-5** regarding Denver Airport System related litigation.

Note B – Pollution Remediation

The City had four underground storage tanks that leaked, and were under remediation. Funds spent on remediation were partially reimbursed up to 50.00% of the cost by the Colorado Petroleum Storage Tank Trust. As of December 31, 2017, the underground storage tanks were fully remediated and no additional costs are anticipated to incur.

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

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

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

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

Note C – Workers' Compensation

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

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

The Department of Labor and Employment of the State of Colorado establishes the amount of funding required each year for the City to maintain its self-insured permit. The requirement is calculated using the average amount of claims paid over the previous three years plus the outstanding liability for claims as of the end of the previous year. This requirement at December 31, 2017, for 2018, was $17,182,000. The Workers' Compensation internal service fund has current assets and appropriations set aside in 2017 to satisfy this requirement. These funds may only be used for payment of workers' compensation benefits and administrative costs.

The City has purchased reinsurance coverage in order to reduce its risk. For the period from January 1, 2017 through December 31, 2017, the self-retention amount was $2,500,000 for all employees. The City had no settlements in the past three years that exceeded its self-retention levels.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, and includes an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, and other economic and social factors. The liability is reported in the Workers' Compensation internal service fund and was discounted for investment income. Changes in the liability during the past two years are shown in **Table 45** (dollars in thousands).

Table 45

	2017	2016
Beginning balance, undiscounted - January 1	$ 27,813	$ 29,449
Current year claims and changes in estimates	13,457	12,965
Claims paid	(9,105)	(8,309)
Ending balance undiscounted	**32,165**	**34,105**
Less discount	(5,883)	(6,292)
Ending balance - December 31	**$ 26,282**	**$ 27,813**

Note D – Contingencies

1. **Legal Debt Margin.** Per the City Charter, the City's indebtedness for general obligation bonds shall not exceed 3.00% of actual value as determined by the last final assessment of the taxable property within the City. At December 31, 2017, the City's general obligation debt outstanding was $661,776,000 and the City's legal debt margin was $3,526,264, or 2.6% of actual value of taxable property.

2. **Prior Years' Defeased Bonds.** At various dates in prior years, the City and certain component units have placed proceeds from bond issues and cash contributions in irrevocable refunding escrow accounts. The amounts deposited in the irrevocable escrow accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, would provide amounts sufficient for payment of all principal and interest of the bond issues on each remaining payment date. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the defeased bond issues appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. Defeased bonds principal outstanding at December 31, 2017, for the City, Denver International Airport, and the 14th Street GID was $177,085,000, $430,600,000, and $3,430,000, respectively.

3. **Grants and Other.** Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial to its financial position and activities.

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

Table 46 (dollars in thousands) lists Denver County electronic benefit transfers (EBT) authorizations, warrant expenditures, and total expenditures associated with the Human Services special revenue fund for the year ended December 31, 2017.

Table 46

Program	City EBT Authorizations	City Share of Authorizations	Expenditures by City Warrant	City Share of Authorizations Plus Expenditures by City Warrant	Total Expenditures
Adult Protective Services	$ -	$ -	$ 2,853	$ 2,853	$ 2,853
Aid to Needy & Disabled	3,362	672	-	672	3,362
Child Care	16,495	1,688	1,424	3,112	17,919
Child Support Enforcement[1]	(7)	(3)	14,232	14,230	14,225
Child Support IV-D Waiver	-	-	82	82	82
Child Welfare	23,753	4,909	37,698	42,607	61,451
Child Welfare 100 FTE	-	-	1,848	1,848	1,848
Child Welfare DDS Transition	-	-	10	10	10
Child Welfare Grants - IV-E Waiver	-	-	2,230	2,230	2,230
Child Welfare Pathway to Success	-	-	71	71	71
Colorado Works	18,186	3,621	9,066	12,687	27,252
Core Services	4,994	794	2,205	2,999	7,199
County Administration	-	-	22,558	22,558	22,558
County Initiative TANF	65	65	-	65	65
County Only Pass Thru	-	-	7,869	7,869	7,869
Federal Grants	-	-	6,249	6,249	6,249
Food Assistance Benefits	120,660	-	-	-	120,660
Food Assistance Job Search	-	-	1,435	1,435	1,435
Foster Care Adoption Recruitment	-	-	5	5	5
Home Care Allowance	836	42	-	42	836
Low Income Energy Assistance	3,781	-	251	251	4,032
Non-allocated Programs[2]	130	127	343	470	473
Old Age Pension	18,490	-	758	758	19,248
PSSF Caseworker Visitation	-	-	4	4	4
SSI - Home Care Allowance	930	47	-	47	930
TANF Collections-EBT	(438)	(88)	-	(88)	(438)
Title IV-B Sub Part 2 - PSSF	-	-	343	343	343
Title IV-E Independent Living	-	-	183	183	183
Total	**$ 211,237**	**$ 11,874**	**$ 111,717**	**$ 123,592**	**$ 322,954**

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

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

4. **Conduit Debt Obligations.** From time to time, the City issues industrial development revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds, and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial, and commercial facilities deemed to be in the public

interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2017, the aggregate principal amount payable for the bonds, excluding the Airport's Special Facility Revenue bonds, was approximately $31,503,000.

To finance the acquisition and construction of various facilities at Denver International Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds do not constitute a debt or pledge of the full faith and credit of the City or the Airport System, and accordingly, have not been reported in the accompanying financial statements. As of December 31, 2017, Airport Special Facility Revenue Bonds outstanding totaled $250,575,000.

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

   There is no noise penalty due for 2017.

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

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

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

   Effective October 1, 1997, the City renegotiated its contract with Waste Management of Colorado, Inc. (WMC), the current operator of DADS. As a result, the City assigned its responsibility for all closure and post-closure costs to WMC. To cover these costs, WMC has provided a performance bond of $3,000,000, provided a corporate guarantee from their parent company, Waste Management, Inc (WMI), and posted a financial assurance plan with the State of Colorado (including an insurance certificate of $25,663,000 as of April 2017). Due to this assignment of closure and post-closure costs to WMC, the City no longer recognizes the related closure and post-closure costs liability in its financial statements.

7. **Denver Urban Renewal Authority.** In connection with DURA's development of the Denver Dry Building, DURA has guaranteed certain loans made to the Denver Building Housing, Ltd. by the Bank of Denver with an outstanding balance of $2,429,000 at December 31, 2017. In addition, DURA has guaranteed all obligations of the Denver Dry Development Corporation as general partner, under the terms and conditions of the limited

partnership agreement of the Denver Building Housing, Ltd. No amounts have been recorded as a liability in the financial statements, as DURA management believes the possibility of having to make payments under these guarantees is remote.

8. **TABOR.** At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution limiting the ability of the State and local governments, such as the City, to increase revenues, debt and spending, and restricting property, income and other taxes. In addition, the amendment requires that the State and local governments obtain voter approval to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. The amendment excludes from its restrictions the borrowings and fiscal operations of “enterprises. Enterprises are defined to include government-owned businesses authorized to issue their own revenue bonds and receiving less than 10.00% of their revenues in grants from all Colorado State and local governments combined. The amendment also requires the establishment of an “Emergency Reserve” equal to 3.00% of fiscal year spending excluding debt service for all years subsequent to 1994. The City has established an emergency reserve of $51,386,000. The amendment is also applicable to several component units, which have established emergency reserves of $40,000.

    In November 2005, local voters approved Referred Measure 1B to allow the City to retain revenues collected, with the exception of property tax revenue, in excess of the limits established by the state amendment to the constitution for 10 fiscal years beginning with fiscal year 2005 and thereafter retain and spend any excess revenues up to the amount of the revenue cap as defined. For 2017, TABOR revenues exceeded the established limits by $358,303,000.

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

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

9. **National Western Center.** The National Western Center redevelopment requires the acquisition of 10 residential parcels and 28 commercial parcels. The City negotiates a purchase price with property owners and reimburses property owners for the reasonable cost of obtaining their own appraisal. As of December 31, 2017, there were pending legal cases with eight property owners that disputed the appraised amounts.

Note E – Deferred Compensation Plan

1. **Description of the Plan** The Deferred Compensation Plan (Plan) was adopted by the City to provide a means by which public employees could defer a portion of their current income and related income taxes to future years. Under Section 457 of the Internal Revenue Code, amounts deferred and income earned on those funds are not taxed until made available to the participant. The Plan’s publicly available financial report can be obtained by contacting the City of Denver Controller’s Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.

2. **Administration of the Plan** The Deferred Compensation Governing Committee of the City manages the Plan. The Committee has designated a third-party administrator for the Plan to account for all deferred compensation, withdrawals, interest income credited, and the individual balance for each participant. In addition, the administrators execute individual participant agreements and provide Plan information and counseling to all eligible employees.

3. **Investments.** Investments are recorded at fair value. In compliance with the City Charter, the Deferred Compensation Governing Committee has approved certain options for investment. All investments are transferred to a retirement trust investment fund offered by the Teachers Insurance and Annuity Association of America-College Retirement Equities Fund (TIAA-CREF). The Plan provides for self-directed investments by the participants.

4. **Contributions.** Participation in the Plan is voluntary and is open to all City employees. The City does not make any contributions. The maximum deferral in any one year is generally limited to 100.00% of a participant's pre-deferred taxable income or $18,000 for 2017. Those who are age 50 and older may save an additional $6,000 per year. However, special provisions, applicable during the last three taxable years before a participant attains normal retirement age under the Plan, or any year thereafter prior to the participants' separation from service, may increase the annual maximum up to $36,000 for 2017. Total contributions by employees were $35,374,000 for 2017.

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

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

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

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

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

Note F – Pension Plans

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

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

- Denver Old Hire Fire Pension Fund (FPPA Old Hire Fire)
- Denver Old Hire Police Pension Fund (FPPA Old Hire Police)

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

A summary of pension related items as of and for the year ended December 31, 2017, is presented in **Table 47** (dollars in thousands).

Table 47

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
DERP:				
Governmental Activities	$ 895,242	$ 205,729	$ -	$ 133,329
Business-type Activities	200,326	47,062	5,636	29,633
FPPA SWDB	13,797	77,321	1,108	21,556
PERA SDTF	1,358	463	-	278
PERA JDTF	14,835	5,500	473	2,192
Old hire Fire	174,539	33,792	-	18,196
Old hire Police	112,125	40,361	-	18,310
Total	**$ 1,412,222**	**$ 410,228**	**$ 7,217**	**$ 223,494**

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

The Denver Employees Retirement Plan (DERP)

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

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

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

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

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

Funding Policy. The City contributes 11.50% of covered payroll and employees make a pre-tax contribution of 8.00% in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the year ended December 31, 2017, were $64,404,000, which equaled the required contributions.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions At December 31, 2017, the City reported a liability of $1,095,568,000 for its proportionate share of the net pension liability related to DERP. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The City's proportion of the net pension liability was based on City contributions to DERP for the calendar year 2016 relative to the total contributions of participating employers to DERP.

At December 31, 2016, the City's proportion was 89.84%, which was an increase of 0.33% from its proportion measured as of December 31, 2015.

The components of the City's proportionate share of the net pension liability related to DERP as of December 31, 2017, are presented in **Table 48** (dollars in thousands).

Table 48

	Governmental Activities	Business-type Activities	Total
Total pension liability	$ 2,372,129	$ 530,806	$ 2,902,935
Plan fiduciary net positon	1,476,887	330,480	1,807,367
Net pension liability	**$ 895,242**	**$ 200,326**	**$ 1,095,568**

For the year ended December 31, 2017, the governmental activities and the business-type activities recognized pension expense of $133,329,000 and $29,633,000, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for DERP as of December 31, 2017, is presented in **Table 49** (dollars in thousands).

Table 49

	Governmental Activities		Business-type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 18,404	$ -	$ 4,118	$ -	$ 22,522	$ -
Changes of assumptions or other inputs	23,672	-	5,297	-	28,969	-
Net difference between projected and actual earnings on pension plan investments	100,998	-	22,600	-	123,598	-
Changes in proportion	10,575	-	2,723	5,636	13,298	5,636
Contributions subsequent to the measurement date	52,080	-	12,324	-	64,404	-
Total	**$ 205,729**	**$ -**	**$ 47,062**	**$ 5,636**	**$ 252,791**	**$ 5,636**

The $64,404,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 50** (dollars in thousands).

Table 50

Year	Governmental Activities	Business-type Activities	Total
2018	$ 65,381	$ 13,606	$ 78,987
2019	56,133	10,019	66,152
2020	32,214	5,495	37,709
2021	(79)	(18)	(97)
Thereafter	-	-	-
Total	**$ 153,649**	**$ 29,102**	**$ 182,751**

The total pension liability in the December 31, 2016 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 51.**

Table 51

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2016, these best estimates are summarized in **Table 52.**

Table 52

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U. S. Equities	22.50%	5.70%
Non - U. S. developed markets	15.50%	6.70%
Emerging markets	8.00%	11.60%
Total Public Equity	**46.00%**	
Core fixed income	11.50%	1.00%
Debt	2.50%	5.50%
Private debt	6.50%	7.50%
Total Fixed Income	**20.50%**	
Real estate	8.00%	6.00%
Absolute return	5.00%	3.10%
Energy MLP's	7.00%	9.00%
Private equity/other	13.50%	8.90%
Cash	0.00%	0.30%
Total Asset Class	**100.00%**	

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

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

Table 53

City's proportionate share of the net pension liability	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Governmental Activities	$ 1,141,878	$ 895,242	$ 685,640
Business-type activities	255,515	200,326	153,424
Total	**$ 1,397,393**	**$ 1,095,568**	**$ 839,064**

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

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

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

Funding Policy. Statute requires the City contribute 8.00% of base salary and employees make a pre-tax contribution of 9.00% for a total contribution rate of 17.00%. In 2014, employees elected to increase the member contribution rate to the plan beginning in 2015. Employee contribution rates will increase 0.50% annually through 2022 to a total of 12.00% of base salary. Employer contributions will remain at 8.00% resulting in a combined contribution rate of 20.00% in 2022. The City's contributions to the FPPA SWDB for the year ended December 31, 2017, were $15,934,000.

Pension Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a liability of $13,797,000 for its proportionate share of the net pension liability related to the FPPA SWDB plan. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension asset to December 31, 2016. The City's proportion of the net pension liability was based on City contributions to FPPA SWDB plan for the calendar year 2016 relative to the total contributions of participating employers to the FPPA SWDB plan.

At December 31, 2016, the City's proportion was 38.18%, which was a decrease of 1.63% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of $21,556,000. The components of the City's proportionate share of the net pension liability related to FPPA SWDB as of December 31, 2017, are presented in **Table 54** (dollars in thousands).

Table 54

		FPPA SWDB
Total pension liability	$	771,905
Plan fiduciary net positon		758,108
Net pension liability (asset)	**$**	**13,797**

A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for FPPA SWDB as of December 31, 2017, is presented in **Table 55** (dollars in thousands).

Table 55

	FPPA SWDB			
Sources		**Deferred Outflows of Resources**		**Deferred Inflows of Resources**
Difference between expected and actual experience	$	12,319	$	702
Changes of assumptions or other inputs		9,425		-
Net difference between projected and actual earnings on pension plan investments		37,242		-
Change in proportion		2,600		406
Contributions subsequent to the measurement date		15,934		-
Total	**$**	**77,520**	**$**	**1,108**

The $15,934,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 56** (dollars in thousands).

Table 56

Year		**FPPA SWDB**
2018	$	14,476
2019		14,476
2020		13,627
2021		5,699
2022		2,759
Thereafter		9,441
Total	**$**	**60,478**

The total pension liability in the December 31, 2016 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 57.**

Table 57

	FPPA SWDB
Investment rate of return	7.50%
Salary increases	4.00% - 14.00%
Inflation	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue-collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in **Table 58.**

Table 58

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	36.00%	9.25%
Equity long/short	10.00%	7.35%
Illiquid alternatives	23.00%	10.75%
Fixed income	15.00%	4.10%
Absolute return	10.00%	6.55%
Managed futures	4.00%	5.50%
Cash	2.00%	0.00%
Total Asset Class	**100.00%**	

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

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

Table 59

	1% Decrease 6.50%	Single Discount Rate Assumption 7.50%	1% Increase 8.50%
City's proportionate share of the net pension liability (asset)	$ 117,394	$ 13,797	$ (72,245)

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

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

Plan Description. County court judges and the District Attorney of the City are provided with pensions through the State Division Trust Fund (SDTF) or the Judicial Division Trust Fund (JDTF) —cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA provides retirement, disability, and survivor benefits that are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. Eligible employees are required to contribute 8.00% of their PERA-includable salary. The City contributes 19.13% of includable salaries to the SDTF and 16.34% of includable salaries to the JDTF. Employer contributions are recognized by the SDTF and the JDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the plans. The City's contributions to the SDTF for the year ended December 31, 2017, were $46,000. The City's contributions to the JDTF for the years ended December 31, 2017, were $468,000.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a liability of $1,358,000 and $14,835,000 for the SDTF and JDTF, respectively, for its proportionate share of the net pension liability related to the PERA plans. The net pension liabilities were measured as of December 31, 2016, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2016. The City's proportion of the net pension liabilities were based on City contributions to the SDTF and JDTF plan for the calendar year 2016 relative to the total contributions of participating employers to the SDTF and JDTF plans.

At December 31, 2016, the City's proportion of the SDTF was 0.007%, which equaled its proportion measured as of December 31, 2015.

At December 31, 2016, the City's proportion of the JDTF was 5.84% which was a decrease of 0.18% from its proportion measured as of December 31, 2015.

The components of the City's net pension liability related to PERA as of December 31, 2017, are presented in **Table 60** (dollars in thousands).

Table 60

		SDTF		JDTF
Total pension liability	$	2,366	$	31,693
Plan fiduciary net positon		1,008		16,858
Net pension liability	**$**	**1,358**	**$**	**14,835**

For the year ended December 31, 2017, the City recognized pension expense for the SDTF and JDTF of $278,000 and $2,192,000, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the SDTF and JDTF plans as of December 31, 2017, is presented in **Table 61** (dollars in thousands).

Table 61

	SDTF		JDTF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 13	$ -	$ 1,267	$ -	$ 1,280	$ -
Changes of assumptions or other inputs	346	-	3,039	-	3,385	-
Net difference between projected and actual					-	-
earnings on pension plan investments	45	-	726	-	771	-
Change in proportion	13	-	-	473	13	473
Contributions subsequent to the measurement date	46	-	468	-	514	-
Total	**$ 463**	**$ -**	**$ 5,500**	**$ 473**	**$ 5,963**	**$ 473**

The $46,000 and $468,000 reported by the SDTF and JDTF plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 62** (dollars in thousands).

Table 62

Year	SDTF	JDTF
2018	$ 224	$ 1,587
2019	176	1,427
2020	17	1,064
2021	-	481
2022	-	-
Thereafter	-	-
Total	**$ 417**	**$ 4,559**

The total pension liability in the December 31, 2015 actuarial valuation was determined using the actuarial assumptions and other inputs in **Table 63.**

Table 63

	SDTF	JDTF
Price inflation	2.40%	2.80%
Salary increases, including wage inflation	3.50% - 9.17%	4.40% - 5.40%
Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%	7.50%

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

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

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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

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

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

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The SDTF's and JDTF's long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

Investment rate of return assumption decreased from 7.50% per year, compounded annually, net of investment expenses, to 7.25% per year, compounded annually, net of investment expenses.

Price inflation assumptions decreased from 2.80% per year to 2.40% per year.

Real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.

Wage inflation assumption decreased from 3.90% per year to 3.50% per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF and JDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis on the long-term expected rate of return presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized for both the JDTF and SDTF in **Table 64.**

Table 64

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U. S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non U. S. equity - developed	18.55%	5.20%
Non U. S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non-US fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private cash equity	8.50%	6.60%
Cash	1.00%	0.20%
Total Asset Class	**100.00%**	

SDTF Discount Rate. The discount rate used to measure the total pension liability was 5.26%. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions is shown above In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate Employee contributions for future plan members were used to reduce the estimated amount of total service cost for future plan members not financed by their member contributions.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service cost for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payment have no impact on the Singe Equivalent Interest Rate (SEIR) determination process, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2039 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on pension plan investments was applied to periods through 2039 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2039 to develop the discount rate For the measurement date, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.26%.

As of the prior measurement date, the GASB Statement No. 67 projection test indicated that the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members Therefore, the long-term expected rate of return on plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. Table 65 presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.26%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.26%) or one percentage point higher (6.26%) than the current rate (dollars in thousands).

Table 65

	1% Decrease 4.26%	Current Discount Rate 5.26%	1% Increase 6.26%
City's proportionate share of the net pension liability	$ 1,682	$ 1,358	$ 1,092

JDTF Discount Rate. The discount rate used to measure the total pension liability was 5.18%. The projection of cash flows used to determine the discount rate applied the actuarial method and assumptions is shown above In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service cost for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service cost for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payment have no impact on the Singe Equivalent Interest Rate (SEIR) determination process, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the JDTF's fiduciary net position was projected to be depleted in 2036 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on pension plan investments was applied to periods through 2036 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2036 to develop the discount rate For the measurement date, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.18%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.50% and the municipal bond index rate of 3.57% were used in the discount rate determination resulting in a discount rate of 5.73%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. **Table 66** presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.18%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.18%) or one percentage point higher (6.18%) than the current rate (dollars in thousands).

Table 66

	1% Decrease 4.18%	Current Discount Rate 5.18%	1% Increase 6.18%
City's proportionate share of the net pension liability	$ 18,683	$ 14,835	$ 11,566

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

2. Agent Multiple-Employer Defined Benefit Plans

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

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

Funding Policy. The City is required to contribute to the Old Hire plans at an actuarially determined rate. Modification of the Old Hire plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65.00% of active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire and Police plans for the year ended December 31, 2017 were $16,355,000 and $7,988,000, respectively.

Plan Membership. The plan membership of the Old Hire plans as of December 31, 2016 is presented in **Table 67.**

Table 67

Members	Old Hire Fire	Old Hire Police	Total
Retirees and beneficiaries	$ 801	$ 1,052	$ 1,853
Inactive, non-retired beneficiaries	-	-	-
Active members	1	-	1.00
Total	**$ 802**	**$ 1,052**	**$ 1,854**

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2017, the City reported a liability of $174,539,000 and $112 125,000 for the Old Hire Fire and Old Hire Police plans, respectively, for the net pension liability related to the FPPA old hire plans. The net pension liabilities were measured as of December 31, 2016, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2016.

The components of the net pension liability of the City as of December 31, 2017, is presented in **Table 68** (dollars in thousands).

Table 68

		Old Hire Fire		Old Hire Police
Total pension liability	$	490,578	$	696,160
Fiduciary net position		316,039		584,035
Net Pension Liability	**$**	**174,539**	**$**	**112,125**

For the year ended December 31, 2017, the City recognized $18,196,000 and $18,310,000 of pension expense for the Old Hire Fire and Old Hire Police plans, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire and Old Hire Police plans as of December 31, 2017, is presented in **Table 69** (dollars in thousands).

Table 69

	Old Hire Fire		Old Hire Police		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -	$ -	$ -	$ -	$ -
Changes of assumptions or other inputs	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	17,437	-	32,373	-	49,810	-
Contributions subsequent to the measurement date	16,355	-	7,988	-	24,343	-
Total	**$ 33,792**	**$ -**	**$ 40,361**	**$ -**	**$ 74,153**	**$ -**

The $16,355,000 and $7,988,000 reported by the Old Hire Fire and Old Hire Police plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as presented in **Table 70** (dollars in thousands).

Table 70

Year		Old Hire Fire		Old Hire Police
2018	$	5,515	$	10,205
2019		5,516		10,206
2020		5,107		9,459
2021		1,299		2,503
2022		-		-
Thereafter		-		-
Total	**$**	**17,437**	**$**	**32,373**

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

Table 71

	Old Hire Fire Increase (Decrease)			Old Hire Police Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2017	$ 497,664	$ 329,239	$ **168,425**	$ 702,471	$ 605,939	$ **96,532**
Changes for the year:						
Service cost	-	-	-	-	-	-
Interest	35,748	-	**35,748**	50,590	-	**50,590**
Differences between expected and actual experience	-	-	-	(56,901)	-	**(56,901)**
Changes of assumptions	(42,834)	-	**(42,834)**	-	-	-
Contributions - employer	-	13,061	**(13,061)**	-	5,027	**(5,027)**
Contributions - employee	-	7	**(7)**	-	-	-
Net investment income	-	17,084	**(17,084)**	-	30,983	**(30,983)**
Benefit payments	-	(42,834)	**42,834**	-	(56,901)	**56,901**
Administrative expense	-	(518)	**518**	-	(1,013)	**1,013**
Other changes	-	-	-	-	-	-
Total Net Changes	**$ (7,086)**	**$ (13,200)**	**$ 6,114**	**$ (6,311)**	**$ (21,904)**	**$ 15,593**
Balances as of December 31, 2017	**$ 490,578**	**$ 316,039**	**$ 174,539**	**$ 696,160**	**$ 584,035**	**$ 112,125**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2016 are summarized in **Table 72.**

Table 72

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	36.00%	6.75%
Equity long/short	10.00%	4.85%
Illiquid alternatives	23.00%	8.25%
Fixed income	15.00%	0.50%
Absolute return	10.00%	4.05%
Managed futures	4.00%	3.00%
Cash	2.00%	0.00%
Total	**100.00%**	

The total pension liability in the December 31, 2015 actuarial valuation was determined using the actuarial assumptions and other inputs reflected in **Table 73.**

Table 73

	Old Hire Fire	Old Hire Police
Investment rate of return	7.50%	7.50%
Salary increases	N/A	N/A
Inflation	3.00%	3.00%

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

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

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

Table 74

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Old Hire Fire net pension liability	$ 218,497	$ 174,539	$ 136,673
Old Police Fire net pension liability	178,648	112,125	55,267
Total	**$ 397,145**	**$ 286,664**	**$ 191,940**

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

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

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

Denver Employees Retirement Plan
777 Pearl Street
Denver, Colorado 80203

Fire and Police Pension Association
5290 DTC Parkway, Suite 100
Greenwood Village, Colorado 80111

Note G – Other Postemployment Benefits

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

1. **DERP Participants' Plan Description.** The City acts in a cost-sharing multiple-employer capacity by providing health insurance to eligible DERP retirees and their qualified dependents through the City's group insurance plans. As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one

reaches Medicare age. As of the December 31, 2016 actuarial valuation, there are 8,422 active employees under age 65 covered under the health insurance plans. In addition, there are 1,107 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the DERP report.

2. **Funding Policy for DERP Participants' Plan.** DERP retirees are responsible for 100.00% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension (see **Note IV-H**) provides monthly health insurance premium reduction of $12.50 per year of service for retired participants under the age of 65 and $6.25 per year of service for retirees age 65 and older. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing.

   Contributions made by the City toward the implicit rate subsidy for DERP participants were $6,099,000, $5,208,000, and $5,658,000, for the years ended December 31, 2017, 2016, and 2015, respectively, based on pay-as-you-go financing.

   The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

3. **PERA Participants' Plan Description.** The City acts in cost sharing multiple employer capacity by providing county judges and the District Attorney access to the Health Care Trust Fund (HCTF), a healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. The report can be obtained at www.copera.org/investments/pera-financial-reports.

4. **Funding Policy for PERA Participants' Plan.** The City is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the CRS, as amended. For the years ending December 31, 2017, 2016, and 2015, respectively the City contributions to the HCTF were $6,000, $5,000 and $5,000, respectively, equal to their required contributions for each year.

5. **FPPA Participants' Plan Description.** The City acts in a single-employer capacity by providing access to health insurance to eligible FPPA retirees and their qualified dependents through the respective groups' insurance plans. Based on City practice, fire fighter retirees and police officer retirees are allowed to participate in the health insurance programs offered to active employees. Fire fighters and police officers hired prior to April 8, 1978, are eligible for this coverage with a minimum of 25 years of service; however, police officers are also eligible when they begin collecting their pension benefit should they not obtain 25

years of service. For FPPA employees hired after April 7, 1978, they must have elected to begin collecting their pension and be a minimum of 55 years of age with 5 years of service or attained age 50 with 30 years of service. Coverage ceases when one reaches Medicare age. As of the December 31, 2016 actuarial valuation, there are 2,361 active employees under age 65 covered under the health insurance plans. In addition, there are 228 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the FPPA report.

6. **Funding Policy for FPPA Participants' Plan.** FPPA retirees are responsible for 100.00% of the blended premium rate. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing.

7. **Annual Cost and Net Other Post Employment Benefit Obligation for FPPA Participants Plan.** The City's annual other postemployment benefit (OPEB) cost is calculated based on the Annual Required Contributions (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded Actuarial Accrued Liabilities (AAL) over a period of 30 years. **Table 75** (dollars in thousands) details the components of the City's annual OPEB cost for the year, the amount contributed, and changes in the City's net OPEB obligation.

Table 75

Employer's normal cost	$	1,844
Amortization of unfunded AAL		1,568
Interest on net OPEB obligation		684
Adjustment to ARC		(679)
Annual OPEB Cost		**3,417**
Employer contribution		1,971
Increase in net OPEB obligation		**1,446**
Net OPEB obligation - January 1		17,089
Net OPEB Obligation - December 31	**$**	**18,535**

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB Obligation for the year ended December 31, 2017, and the two preceding years are detailed in **Table 76** (dollars in thousands).

Table 76

Fiscal Year Ended		**Annual OPEB Cost**		**Contributions**	**% of Annual Cost OPEB Contributions**		**Net OPEB Obligations**
December 31, 2015	$	4,431	$	1,940	43.8%	$	15,639
December 31, 2016		3,284		1,834	55.8%		17,089
December 31, 2017		3,417		1,971	57.7%		18,535

8. Funded Status and Funding Progress for FPPA Participants Plan. The funded status for the year ended December 31, 2017, is presented in **Table 77** (dollars in thousands).

Table 77

		OPEB
Actuarial accrued liability (AAL)	$	41,045
Actuarial value of plan assets		-
Unfunded AAL (UAAL)	**$**	**41,045**
Funded ratio		0.00%
Covered payroll	$	219,076
UAAL as a % of covered payroll		18.7%

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

9. Actuarial Methods and Assumptions. Projections and benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historic pattern of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of calculations. **Table 78** details the actuarial methods and assumptions used.

Table 78

	OPEB
Actuarial valuation date	12/31/17
Actuarial cost method	Entry age normal
Amortization method	Level % of pay
Remaining amortization period	30 years, open
Actuarial assumptions:	
Investment rate of return	4.00%
Heathcare cost trend	Grading from 8.5% decreasing by .5% per year to 5% thereafter
General inflation	3% annually
Projected salary increases	4.00%

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

Year Ended December 31, 2017 (dollars in thousands)

	General Fund			
	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 863,507	$ 874,731	$ 893,206	$ 18,475
Licenses and permits	48,066	56,708	64,601	7,893
Intergovernmental revenues	35,764	37,395	35,500	(1,895)
Charges for services	207,138	207,479	194,569	(12,910)
Investment and interest income	10,100	10,268	9,185	(1,083)
Fines and forfeitures	56,286	51,440	49,710	(1,730)
Contributions	-	-	27	27
Other revenue	11,353	8,235	14,366	6,131
Total Revenues	**1,232,214**	**1,246,256**	**1,261,164**	**14,908**
Budget Basis Expenditures				
General government	341,922	301,259	277,555	23,704
Public safety	517,665	571,307	562,314	8,993
Public works	125,487	156,566	155,871	695
Human services	-	7,844	7,844	-
Health	47,124	47,148	46,201	947
Parks and recreation	68,996	72,181	68,087	4,094
Cultural activities	45,549	49,066	48,549	517
Community development	28,795	33,694	32,463	1,231
Economic Opportunity	5,821	187	187	-
Total Budget Basis Expenditures	**1,181,359**	**1,239,252**	**1,199,071**	**40,181**
Excess (deficiency) of revenues over budget basis expenditures	50,855	7,004	62,093	55,089
Other Financing Sources (Uses)				
Insurance recoveries	-	-	203	203
Transfers in	40,819	40,819	43,125	2,306
Transfers out	127,899	133,670	(112,742)	(246,412)
Total Other Financing Sources (Uses)	**168,718**	**174,489**	**(65,457)**	**(239,946)**
Excess (deficiency) of revenues and other financing sources over budget basis expenditures and other financing uses	**$ 219,573**	**$ 181,493**	(3,364)	**$ (184,857)**
Fund balances - January 1			397,423	
Fund Balance - December 31			**$ 394,059**	

See accompanying notes to required supplementary information.

Human Services Special Revenue Fund			
Budget			Variance with
Original	Final	Actual	Final Budget
$ 65,528	$ 65,528	$ 66,195	$ 667
-	-	-	-
138,765	138,765	95,134	(43,631)
284	284	489	205
-	-	-	-
-	-	-	-
-	-	86	86
-	284	273	(11)
204,577	**204,861**	**162,177**	**(42,684)**
-	-	-	-
-	-	-	-
-	-	-	-
196,470	195,793	165,686	30,107
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
196,470	**195,793**	**165,686**	**30,107**
8,107	9,068	(3,509)	(12,577)
-	-	-	-
7,300	7,300	7,050	(250)
(1,589)	(1,589)	(3,988)	(2,399)
5,711	**5,711**	**3,062**	**(2,649)**
$ 13,818	**$ 14,779**	(447)	**$ (15,226)**
		76,029	
		$ 75,582	

Notes to Required Supplementary Information Budgetary Comparison Schedule

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

1. Formal budgetary integration for expenditures is employed during the year for the general, special revenue, and capital projects funds except for certain special assessment projects and general improvement district funds. Formal budgetary integration is not employed for debt service funds, and certain special assessment projects and general improvement district funds included in capital projects and debt service funds, because effective budgetary control is alternatively achieved through bond and general obligation bond indenture provisions.

2. Budgets for appropriation in the General, Human Services special revenue, and capital projects funds are adopted on a basis consistent with GAAP. The General Fund and Human Services special revenue fund legally adopt budgets on an annual basis for expenditures. All other special revenue funds and the capital projects funds adopt budgets on a project length basis.

3. On or before July 1, heads of all City departments and agencies submit requests for appropriations to the budget officer who compiles the requests and submits a comprehensive budget request document to the Mayor. Thereafter, on or before September 15 of each year, the Mayor briefs the City Council on the tentative revenue and expenditure plans for the ensuing year. After receiving and considering City Council's recommendations, the Mayor prepares and submits to the City Council, on or before the third Monday in October of each year, a proposed budgetary report which includes all projected revenues and expenditures, the amount to be raised by taxation to pay interest on general obligation bonded indebtedness, and the amounts to be expended during the ensuing year for capital improvement projects identifying the sources of revenue for financing such projects . Upon receipt of the proposed budget, the City Council publishes a notice that the budget is open for inspection by the public and that a public hearing on the proposed budget will be held by no later than the fourth Monday in October. After the public hearing and consideration is given to the input by the public, the City Council, not later than the second Monday in November, adopts the budget by passage of an ordinance.

4. Authorization to transfer budgeted amounts between departments (appropriations) within any fund or revisions that alter the total expenditures of any fund must be approved by the City Council. Management can transfer budgeted amounts between line items within departments (appropriations). The legal level of budgetary control is established and maintained at the funded project level for special revenue and capital projects funds and at the department level for all other funds. Budgeted amounts are as originally adopted and as amended by the City Council throughout the year.

5. Unencumbered appropriations in the General Fund and Human Services special revenue fund lapse at year end. The unencumbered appropriations in the remaining special revenue funds and capital projects funds do not lapse at year end, but terminate upon expiration of the grant or project fiscal year or term.

Required Supplementary Information Other Postemployment Benefits - Implicit Rate Subsidy

December 31, 2017 (dollars in thousands)

Schedule of Funding Progress

Acturial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
FPPA						
December 31, 2015	$ -	$ 50,461	$ 50,461	0.0%	$ 209,829	24.0%
December 31, 2016	-	39,396	39,396	0.0%	210,650	18.7%
December 31, 2017	-	41,045	41,045	0.0%	219,076	18.7%

Schedule of Employer Contributions

	Employer Contributions	
	FPPA	
Year Ended	Annual Required Contribution	Percentage Contributed
December 31, 2015	$ 4,431	43.8%
December 31, 2016	3,284	55.8%
December 31, 2017	3,416	57.7%

Required Supplementary Information

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

December 31, 2017 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
DERP					
December 31, 2015	88.88%	$ 778,462	$ 557,646	139.60%	70.12%
December 31, 2016	89.51%	1,055,539	571,367	184.74%	62.26%
December 31, 2017	89.84%	1,095,568	574,914	190.56%	62.26%

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

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

Note: Changes in assumptions. The discount rate used to measure the total pension liability at December 31, 2015 was changed from 8% at the prior measurement date to 7.75%.

Required Supplementary Information
Schedule of City Contributions - DERP
December 31, 2017 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
DERP					
December 31, 2015	$ 64,443	$ 60,181	$ 4,262	$ 560,157	10.74%
December 31, 2016	59,159	64,345	(5,186)	574,914	11.19%
December 31, 2017	64,404	64,404	-	541,545	11.89%

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

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

Note: There were no benefit changes during the year.
As of October 1, 2015, the valuation interest was lowered from 8% to 7.75%. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Sourc: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24).

Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability - FPPA SWDB
December 31, 2017 (dollars in thousands)

	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FPPA SWDB					
December 31, 2015	39.51%	$ (44,591)	$ 230,820	19.32%	106.80%
December 31, 2016	39.81%	(701)	251,518	0.28%	100.10%
December 31, 2017	38.18%	13,797	257,016	5.37%	98.21%

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

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

Required Supplementary Information
Schedule of City Contributions - FPPA SWDB
December 31, 2017 (dollars in thousands)

FPPA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SWDB					
December 31, 2015	$ 20,121	$ 15,299	$ 4,822	$ 251,518	6.08%
December 31, 2016	20,561	15,648	4,913	257,016	6.09%
December 31, 2017	16,000	15,934	66	200,006	7.97%

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

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

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

Required Supplementary Information
Schedule of City's Contributions - FPPA Old Hire Fire and Police
December 31, 2017 (dollars in thousands)

FPPA	Actuarially determined Required Contributions	Contributions in Relation to Actuarially Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Old Hire Fire					
December 31, 2015	$ 13,061	$ 15,912	$ (2,851)	$ 139	11447.48%
December 31, 2016	13,053	13,061	(8)	90	14512.22%
December 31, 2017	16,355	16,355	-	n/a	n/a
Old Hire Police					
December 31, 2015	$ 16,262	$ 18,977	$ (2,715)	$ 102	18604.90%
December 31, 2016	5,027	5,027	-	n/a	n/a
December 31, 2017	7,988	7,988	-	n/a	n/a

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

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

Notes to Schedule

Valuation date: Actuarially determined contributions rates are calculated as of January 1 of even numbered years.
The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2012, determines the contribution amounts for 2013 and 2014.

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

Note: Changes in assumptions. The FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased to 5.0% for an overall nominal investment return of 7.5%, an explicit charge for administrative expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for rising longevity in the future to reflect current mortality studies, and the expected incidence of total disability was increased.

Changes in benefit terms: No changes to benefit provisions occurred since the prior valuation. However, the member contributions increased 0.50% of base salary.

Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability - PERA
December 31, 2017 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA SDTF					
December 31, 2015	0.007%	$ 674	$ 207	325.60%	59.80%
December 31, 2016	0.007%	755	221	341.63%	56.10%
December 31, 2017	0.007%	1,358	203	668.97%	42.60%
PERA JDTF					
December 31, 2015	6.400%	$ 8,854	$ 2,800	316.21%	66.90%
December 31, 2016	6.018%	11,066	2,986	370.60%	60.10%
December 31, 2017	5.840%	14,835	2,864	517.98%	53.20%

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

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

Required Supplementary Information
Schedule of City's Contributions - PERA

December 31, 2017 (dollars in thousands)

PERA	Statutorilly Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SDTF					
December 31, 2015	$ 36	$ 37	$ (1)	$ 221	16.74%
December 31, 2016	37	37	-	203	18.23%
December 31, 2017	46	46	-	314	14.65%
JDTF					
December 31, 2015	$ 488	$ 488	$ -	$ 2,986	16.34%
December 31, 2016	468	468	-	2,864	16.34%
December 31, 2017	468	468	-	2,841	16.47%

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

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

Note: Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:
- The following changes were made:
  - o Valuation of the full survivor benefit without any reduction for possible remarriage
  - o Reflection of the employer match on separation benefits for all eligible years
  - o Reflection of one year of service eligibility for survivor annuity benefit
  - o Refinement of the 18 month annual increase timing
  - o Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
  - o Recognition of merit salary increases in the first projection year
  - o Eliminiation of the assumption that 35% of future disabled members elect to receive a refund
  - o Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
  - o Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year

Required Supplementary Information

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

(dollars in thousands)

FPPA Old Hire Fire	2015	2016	2017
Total pension liability			
Service Cost	$ -	$ -	$ -
Interest	34,596	34,026	35,748
Changes of benefit terms	-	-	-
Differences between actual and expected experience	-	(699)	-
Changes of assumptions	-	32,102	-
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)
Net change in total pension liability	**(7,653)**	**23,295**	**(7,086)**
Total pension liability - beginning	**482,022**	**474,369**	**497,664**
Total pension liability - ending	**$ 474,369**	**$ 497,664**	**$ 490,578**
Plan fiduciary net position			
Contributions - employer	$ 13,944	$ 16,803	$ 13,061
Contributions - employee	7	7	8
Net investment income	23,465	6,174	17,084
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)
Administrative expense	(545)	(488)	(518)
Net change in plan fiduciary net position	**(5,378)**	**(19,638)**	**(13,199)**
Plan fiduciary net position - beginning	**354,255**	**348,877**	**329,238**
Plan fiduciary net position - ending	**$ 348,877**	**$ 329,239**	**$ 316,039**
Net Pension Liability	**$ 125,492**	**$ 168,425**	**$ 174,539**
Plan fiduciary net position as a percentage of the total pension liability	73.55%	66.16%	64.42%
Covered payroll	87	90	90
Net pension liability as a percentage of covered payroll	143734.99%	187436.70%	194240.85%

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

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

Required Supplementary Information

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

(dollars in thousands)

FPPA Old Hire Police	**2015**	**2016**	**2017**
Total pension liability			
Service Cost	$ -	$ -	$ -
Interest	49,249	48,801	50,590
Changes of benefit terms	-	-	-
Differences between actual and expected experience	-	(12,201)	-
Changes of assumptions	-	43,358	-
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)
Net change in total pension liability	**(5,888)**	**24,632**	**(6,311)**
Total pension liability - beginning	**683,727**	**677,839**	**702,471**
Total pension liability - ending	**$ 677,839**	**$ 702,471**	**$ 696,160**
Plan fiduciary net position			
Contributions - employer	$ 16,262	$ 18,089	$ 5,027
Contributions - employee	5	-	-
Net investment income	42,091	11,278	30,983
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)
Administrative expense	(977)	(910)	(1,013)
Net change in plan fiduciary net position	**2,244**	**(26,869)**	**(21,904)**
Plan fiduciary net position - beginning	**630,564**	**632,808**	**605,939**
Plan fiduciary net position - ending	**$ 632,808**	**$ 605,939**	**$ 584,035**
Net Pension Liability	**$ 45,031**	**$ 96,532**	**$ 112,125**
Plan fiduciary net position as a percentage of the total pension liability	93.36%	86.26%	83.89%
Covered payroll	90	n/a	n/a
Net pension liability as a percentage of covered payroll	50070.05%	n/a	n/a

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

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

Governmental

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Debt Service Funds

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

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

Capital Projects Funds

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

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

Permanent Fund

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

Governmental Individual Fund Schedules and Statements

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

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Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2017 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Assets					
Cash on hand	$ 7,932	$ -	$ -	$ -	$ 7,932
Cash and cash equivalents	109,123	120,141	479,763	692	709,719
Receivables (net of allowances for uncollectibles of $88,669):					
Taxes	55,616	143,394	76,714	-	275,724
Notes	52,608	-		-	52,608
Accounts	39,156	-	2,520	-	41,676
Accrued interest	234	658	1,965	61	2,918
Interfund receivable	181	-	-	-	181
Due from other governments	16,432	-	15,312	-	31,744
Prepaid items and other assets	166	-	17,313	-	17,479
Restricted assets:					
Cash and cash equivalents	229	331	-	3,000	3,560
Assets held for disposition	731	-	-	-	731
Total Assets	**$ 282,408**	**$ 264,524**	**$ 593,587**	**$ 3,753**	**$ 1,144,272**
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Vouchers payable	$ 25,847	$ -	$ 61,198	$ -	$ 87,045
Accrued liabilities	738	-	-	-	738
Due to taxing units	75	4	2	-	81
Interfund payable	4,347	-	2,059	-	6,406
Unearned revenue	4,605	-	34,872	-	39,477
Advances	7,291	-	-	-	7,291
Compensated absences	62	-		-	62
Total Liabilities	**42,965**	**4**	**98,131**	**-**	**141,100**
Deferred Inflows of Resources:					
Unavailable revenues - property tax	51,343	139,542	75,758	-	266,643
Unavailable revenues - long-term receivables	25,959	-	800	-	26,759
Total Deferred Inflows of Resources	**77,302**	**139,542**	**76,558**	**-**	**293,402**
Fund Balances:					
Nonspendable	166	-	17,313	3,000	20,479
Restricted	140,289	124,978	401,585	753	667,605
Committed	20,624	-	-	-	20,624
Assigned	1,062	-	-	-	1,062
Total Fund Balances	**162,141**	**124,978**	**418,898**	**3,753**	**709,770**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 282,408**	**$ 264,524**	**$ 593,587**	**$ 3,753**	**$ 1,144,272**

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

For the Year Ended December 31, 2017 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Revenues					
Taxes:					
Facilities development admission	$ -	$ -	$ 13,816	$ -	$ 13,816
Lodgers	30,896	49,905	-	-	80,801
Property	52,249	114,268	66,608	-	233,125
Sales and use	22,316	42,122	543	-	64,981
Specific ownership	57	-		-	57
Telephone	6,919	-	-	-	6,919
Special assessments			1,257	-	1,257
Licenses and permits	431	-	-	-	431
Intergovernmental revenues	60,278	-	55,933	-	116,211
Charges for services	71,090	-	89	-	71,179
Investment and interest income	3,008	1,824	5,891	261	10,984
Fines and forfeitures	1,688	-		-	1,688
Contributions	5,822	-	4,067	-	9,889
Other revenue	44,285	5,548	1,722	-	51,555
Total Revenues	**299,039**	**213,667**	**149,926**	**261**	**662,893**
Expenditures					
Current:					
General government	82,844	-	122,731	-	205,575
Public safety	75,714	-	-	-	75,714
Public works	9,918	-	129,330	-	139,248
Health	10,706	-	2,433	-	13,139
Parks and recreation	2,743	-	10,159	-	12,902
Cultural activities	71,328	-	10,197	-	81,525
Community development	14,241	-	5,176	-	19,417
Economic opportunity	6,873	-	-	-	6,873
Debt service:					
Principal retirement	21,956	123,259	3,864	-	149,079
Interest	10,179	53,032	1,716	-	64,927
Capital outlay	-	-	57,959	-	57,959
Total Expenditures	**306,502**	**176,291**	**343,565**	**-**	**826,358**
Excess (deficiency) of revenues over (under) expenditures	(7,463)	37,376	(193,639)	261	(163,465)
Other Financing Sources (Uses)					
Certificate of participation proceeds	1,055	-	-	-	1,055
Issuance of capital leases	-	-	13,551	-	13,551
General Improvement District Bond Proceeds	-	4,025			4,025
Capital Lease Refunding	15,507	-	-	-	15,507
Payment to escrow	(17,000)	(4,172)	-	-	(21,172)
Payment to component unit		(306)			(306)
Insurance recoveries	589	-	1	-	590
Transfers in	40,794	-	107,964	-	148,758
Transfers out	(18,440)	(50,963)	(11,135)	(198)	(80,736)
Total Other Financing Sources (Uses)	**22,505**	**(51,416)**	**110,381**	**(198)**	**81,272**
Net change in fund balances	15,042	(14,040)	(83,258)	63	(82,193)
Fund balances - January 1	147,099	139,018	502,156	3,690	791,963
Fund Balances - December 31	**$ 162,141**	**$ 124,978**	**$ 418,898**	**$ 3,753**	**$ 709,770**

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2017 (dollars in thousands)

	General Government	Public Safety	Health
Assets			
Cash on hand	$ 1,174	$ -	$ -
Cash and cash equivalents	33,774	14,657	-
Receivables (net of allowances for uncollectibles of $83,733)			
Taxes	4,273	43,063	-
Notes	10,540	-	-
Accounts	871	3,508	107
Accrued interest	78	10	-
Interfund receivable	-	-	-
Due from other governments	2,130	2,259	4,507
Prepaid items and other assets	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assets held for disposition	-	-	-
Total Assets	**52,840**	**63,497**	**4,614**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	6,383	2,838	1,712
Accrued liabilities	33	131	83
Due to taxing units	-	75	-
Interfund payable	1,942	-	1,154
Unearned revenue	1,899	1,568	574
Advances	-	7	-
Compensated absences	62	-	-
Total Liabilities	**10,319**	**4,619**	**3,523**
Deferred Inflows of Resources:			
Unavailable revenues - property tax	-	43,063	-
Unavailable revenues - long-term receivables	411	233	-
Total Deferred Inflows of Resources	**411**	**43,296**	**-**
Fund Balances:			
Nonspendable	-	-	-
Restricted	42,110	15,582	1,091
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	**42,110**	**15,582**	**1,091**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 52,840**	**$ 63,497**	**$ 4,614**

Culture and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
$ 6,758	$ -	$ -	$ -	$ -	$ 7,932
25,672	22,007	-	11,960	1,053	109,123
-	7,207	-	-	1,073	55,616
-	42,068	-	-	-	52,608
8,574	2	-	26,010	84	39,156
9	71	-	66	-	234
5	-	176	-	-	181
377	4,863	2,294	-	2	16,432
166	-	-	-	-	166
-	146	-	62	21	229
-	731	-	-	-	731
41,561	**77,095**	**2,470**	**38,098**	**2,233**	**282,408**
9,478	3,969	860	549	58	25,847
292	48	56	95	-	738
-	-	-	-	-	75
235	91	647	278	-	4,347
352	115	97	-	-	4,605
7,284	-	-	-	-	7,291
-	-	-	-	-	62
17,641	**4,223**	**1,660**	**922**	**58**	**42,965**
-	7,207	-	-	1,073	51,343
30	-	-	25,285	-	25,959
30	**7,207**	**-**	**25,285**	**1,073**	**77,302**
166	-	-	-	-	166
3,100	65,665	810	11,891	40	140,289
20,624	-	-	-	-	20,624
-	-	-	-	1,062	1,062
23,890	**65,665**	**810**	**11,891**	**1,102**	**162,141**
$ 41,561	**$ 77,095**	**$ 2,470**	**$ 38,098**	**$ 2,233**	**$ 282,408**

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

For the Year Ended December 31, 2017 (dollars in thousands)

	General Government	Public Safety	Health
Revenues			
Taxes:			
Lodgers	$ 30,896	$ -	$ -
Property	4,838	39,745	-
Sales and use	22,316	-	-
Specific ownership	-	-	-
Telephone	-	-	-
Licenses and permits	431	-	-
Intergovernmental revenues	9,490	23,616	10,296
Charges for services	4,974	10,024	15
Investment and interest income	445	-	-
Fines and forfeitures	1,204	484	-
Contributions	2,048	9	576
Other revenue	11,320	314	-
Total Revenues	**87,962**	**74,192**	**10,887**
Expenditures			
Current:			
General government	82,481	-	-
Public safety	162	74,936	-
Public works	618	-	-
Health	15	-	10,691
Parks and recreation	-	-	-
Cultural activities	-	-	-
Community development	98	-	-
Economic opportunity	-	-	-
Debt service:			
Principal retirement	-	75	-
Interest	-	-	-
Total Expenditures	**83,374**	**75,011**	**10,691**
Excess (deficiency) of revenues over (under) expenditures	4,588	(819)	196
Other Financing Sources (Uses)			
Issuance of capital leases	-	-	-
Capital lease refunding	-	-	-
Payment to escrow	-	-	-
Insurance recoveries	585	-	-
Transfers in	1,311	67	-
Transfers out	-	(91)	-
Total Other Financing Sources (Uses)	**1,896**	**(24)**	**-**
Net change in fund balances	6,484	(843)	196
Fund balances - January 1	35,626	16,425	895
Fund Balances - December 31	**$ 42,110**	**$ 15,582**	**$ 1,091**

Cultural and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
$ -	$ -	$ -	$ -	$ -	$ 30,896
-	6,735	-	-	931	52,249
-	-	-	-	-	22,316
-	-	-	-	57	57
-	-	-	6,919	-	6,919
-	-	-	-	-	431
539	9,185	6,886	266	-	60,278
52,085	2,609	28	1,355	-	71,090
26	958	-	1,572	7	3,008
-	-	-	-	-	1,688
2,235	319	635	-	-	5,822
27,038	155	44	5,169	245	44,285
81,923	**19,961**	**7,593**	**15,281**	**1,240**	**299,039**
56	4	-	303	-	82,844
-	-	-	-	616	75,714
-	-	-	9,300	-	9,918
-	-	-	-	-	10,706
2,714	-	-	29	-	2,743
71,328	-	-	-	-	71,328
-	14,143	-	-	-	14,241
-	-	6,873	-	-	6,873
5	4,293	-	17,583	-	21,956
-	-	-	10,179	-	10,179
74,103	**18,440**	**6,873**	**37,394**	**616**	**306,502**
7,820	1,521	720	(22,113)	624	(7,463)
-	-	-	1,055	-	1,055
-	-	-	15,507	-	15,507
-	-	-	(17,000)	-	(17,000)
4	-	-	-	-	589
2,716	9,438	-	27,262	-	40,794
(14,274)	-	-	(3,975)	(100)	(18,440)
(11,554)	**9,438**	**-**	**22,849**	**(100)**	**22,505**
(3,734)	10,959	720	736	524	15,042
27,624	54,706	90	11,155	578	147,099
$ 23,890	**$ 65,665**	**$ 810**	**$ 11,891**	**$ 1,102**	**$ 162,141**

Combining Balance Sheet - Nonmajor Debt Service Funds

December 31, 2017 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Assets					
Cash and cash equivalents	$ 31,609	$ 25,733	$ 62,799	$ -	$ 120,141
Receivables (net of allowances for uncollectibles of $670):					
Taxes	114,098	23,347	5,944	5	143,394
Accrued interest	-	233	425	-	658
Restricted assets:					
Cash and cash equivalents	-	-	-	331	331
Total Assets	**$ 145,707**	**$ 49,313**	**$ 69,168**	**$ 336**	**$ 264,524**
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Due to taxing unit	2	2	-	-	4
Total Liabilities Balance	**2**	**2**	**-**	**-**	**4**
Deferred Inflows of Resources:					
Unavailable revenues - property tax	115,851	23,691	-	-	139,542
Total of Deferred Inflows of Resources	**115,851**	**23,691**	**-**	**-**	**139,542**
Fund Balances:					
Restricted	29,854	25,620	69,168	336	124,978
Total Fund Balances	**29,854**	**25,620**	**69,168**	**336**	**124,978**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 145,707**	**$ 49,313**	**$ 69,168**	**$ 336**	**$ 264,524**

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

For the Year Ended December 31, 2017 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Revenues					
Taxes:					
Lodgers	$ -	$ -	$ 49,905	$ -	$ 49,905
Property	100,128	13,483	-	657	114,268
Sales and use	-	-	42,122	-	42,122
Investment and interest income	-	996	828	-	1,824
Other revenue	-	5,548	-	-	5,548
Total Revenues	**100,128**	**20,027**	**92,855**	**657**	**213,667**
Expenditures					
Principal retirement	99,630	-	23,485	144	123,259
Interest	-	38,684	14,146	202	53,032
Total Expenditures	**99,630**	**38,684**	**37,631**	**346**	**176,291**
Excess (deficiency) of revenues over (under) expenditures	498	(18,657)	55,224	311	37,376
Other Financing (Uses)					
General Improvement District Bond Proceeds	-	-	-	4,025	4,025
Payment to escrow	-	-	-	(4,172)	(4,172)
Payment to component unit	-	-	-	(306)	(306)
Transfers out	-	-	(48,124)	(2,839)	(50,963)
Total Other Financing (Uses)	**-**	**-**	**(48,124)**	**(3,292)**	**(51,416)**
Net change in fund balances	498	(18,657)	7,100	(2,981)	(14,040)
Fund balances - January 1	29,356	44,277	62,068	3,317	139,018
Fund Balances - December 31	**$ 29,854**	**$ 25,620**	**$ 69,168**	**$ 336**	**$ 124,978**

Combining Balance Sheet - Nonmajor Capital Projects Funds

December 31, 2017 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts
Assets			
Cash and cash equivalents	$ 7,243	$ 228,608	$ 14,303
Receivables (net of allowances for uncollectibles of $4,266):			
Taxes	-	74,571	-
Accounts	-	648	-
Accrued interest	101	976	203
Due from other governments	-	172	-
Prepaid items and other assets	-	-	-
Total Assets	**$ 7,344**	**$ 304,975**	**$ 14,506**
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	706	24,254	1,288
Due to taxing unit	-	2	-
Interfund payable	-	2,059	-
Unearned revenue	-	-	-
Total Liabilities	**706**	**26,315**	**1,288**
Deferred Inflow of Resources:			
Unavailable revenues - property tax	-	75,758	-
Unavailable revenues - long-term receivables	-	-	-
Total Deferred Inflows of Resources	**-**	**75,758**	**-**
Fund Balances:			
Nonspendable	-	-	-
Restricted	6,638	202,902	13,218
Committed	-	-	-
Total Fund Balances	**6,638**	**202,902**	**13,218**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 7,344**	**$ 304,975**	**$ 14,506**

Bond Projects	Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
$ 104,917	$ 99,706	$ 23,564	$ 1,410	$ 12	$ 479,763
-	-	990	1,153	-	76,714
-	1,872	-	-	-	2,520
452	124	103	6	-	1,965
-	15,140	-	-	-	15,312
-	17,313	-	-	-	17,313
$ 105,369	**$ 134,155**	**$ 24,657**	**$ 2,569**	**$ 12**	**$ 593,587**
6,565	27,815	550	20	-	61,198
-	-	-	-	-	2
-	-	-	-	-	2,059
-	33,719	-	1,153	-	34,872
6,565	**61,534**	**550**	**1,173**	**-**	**98,131**
-	-	-	-	-	75,758
-	800	-	-	-	800
-	**800**	**-**	**-**	**-**	**76,558**
-	17,313	-	-	-	17,313
98,804	54,508	24,107	1,396	12	401,585
-	-	-	-	-	-
98,804	**71,821**	**24,107**	**1,396**	**12**	**418,898**
$ 105,369	**$ 134,155**	**$ 24,657**	**$ 2,569**	**$ 12**	**$ 593,587**

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

For the Year Ended December 31, 2017 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts	Bond Projects
Revenues				
Taxes:				
Facilities development admission	$ -	$ -	$ -	$ -
Property	-	66,608	-	-
Sales and use	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental revenues	-	8,984	6,620	-
Charges for services	-	89	-	-
Investment and interest income	85	2,770	522	2,041
Contributions	-	-	-	-
Other revenue	-	11	3	39
Total Revenues	**85**	**78,462**	**7,145**	**2,080**
Expenditures				
Current:				
General government	-	35,159	-	84,248
Public works	-	80,648	-	15,624
Health	-	2,433	-	-
Parks and recreation	3,589	3,651	2,530	6
Cultural activities	22	991	-	1,327
Community development	-	5,176	-	-
Debt service:				
Principal retirement	-	3,864	-	-
Interest	-	1,716	-	-
Capital outlay	771	21,383	3,266	16,301
Total Expenditures	**4,382**	**155,021**	**5,796**	**117,506**
Excess (deficiency) of revenues over (under) expenditures	(4,297)	(76,559)	1,349	(115,426)
Other Financing Sources (Uses)				
Issuance of capital leases	-	13,551	-	-
Insurance recoveries	-	-	-	-
Transfers in	3,618	72,571	-	-
Transfers out	-	(957)	-	(5)
Total Other Financing Sources (Uses)	**3,618**	**85,165**	**-**	**(5)**
Net change in fund balances	(679)	8,606	1,349	(115,431)
Fund balances - January 1	7,317	194,296	11,869	214,235
Fund Balances - December 31	**$ 6,638**	**$ 202,902**	**$ 13,218**	**$ 98,804**

Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
$ -	$ 13,816	$ -	$ -	$ 13,816
-	-	-	-	66,608
543	-	-	-	543
156	-	1,101	-	1,257
40,329	-	-	-	55,933
-	-	-	-	89
234	223	16	-	5,891
4,067	-	-	-	4,067
1,669	-	-	-	1,722
46,998	**14,039**	**1,117**	**-**	**149,926**
3,324	-	-	-	122,731
31,849	-	1,209	-	129,330
-	-	-	-	2,433
383	-	-	-	10,159
3,465	4,392	-	-	10,197
-	-	-	-	5,176
-	-	-	-	3,864
-	-	-	-	1,716
16,150	-	-	88	57,959
55,171	**4,392**	**1,209**	**88**	**343,565**
(8,173)	9,647	(92)	(88)	(193,639)
-	-	-	-	13,551
-	-	1	-	1
31,675	-	-	100	107,964
(4,791)	(5,382)		-	(11,135)
26,884	**(5,382)**	**1**	**100**	**110,381**
18,711	4,265	(91)	12	(83,258)
53,110	19,842	1,487	-	502,156
$ 71,821	**$ 24,107**	**$ 1,396**	**$ 12**	**$ 418,898**

Schedule of Expenditures Compared with Authorizations - General Fund

For the Year Ended December 31, 2017 (dollars in thousands)

	2017 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
General Government			
Mayor's Office	$ 2,293	$ 2,254	$ 39
Civic Events	1,061	1,044	17
Office of Special Events	672	641	31
Education/Advocacy Initiatives	3,603	3,324	279
Public Defenders Office	1,367	1,347	20
City Council	6,155	5,502	653
Board of Ethics	139	137	2
Office of Human Resources	14,218	14,134	84
Career Service Authority Hearing Office	896	867	29
City Attorney	48,254	45,583	2,671
Clerk and Recorder	7,502	6,561	941
Board of Adjustment	353	337	16
Human Rights and Community Partnerships	2,594	2,558	36
General Services	50,939	47,437	3,502
Auditor	8,707	7,857	850
Department of Finance	63,106	54,476	8,630
Unemployment Insurance	10,072	10,072	-
Adams Mark Tax Increment	2,926	2,913	13
Annual Rental Payments	1,406	1,377	29
Historic Tax Rebates	300	300	-
Excise and Licenses	4,873	4,222	651
Technology Services	63,498	59,316	4,182
Office of Economic Development	6,325	5,296	1,029
Total General Government	**$ 301,259**	**$ 277,555**	**$ 23,704**
Public Safety			
Safety Administration	$ 21,488	$ 21,399	$ 89
Civil Service Commission	1,702	1,540	162
County Court	23,796	23,389	407
District Attorney	24,549	23,465	1,084
Emergency Management	827	823	4
Fire	134,013	133,697	316
Independent Monitor	1,566	1,548	18
Police	223,850	218,028	5,822
Undersheriff	139,516	138,425	1,091
Total Public Safety	**$ 571,307**	**$ 562,314**	**$ 8,993**

continued

Schedule of Expenditures Compared with Authorizations - General Fund - continued

For the Year Ended December 31, 2017 (dollars in thousands)

	2017 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Public Works	$ 156,566	$ 155,871	$ 695
Total Public Works	**$ 156,566**	**$ 155,871**	**$ 695**
Human Services	$ 7,844	$ 7,844	$ -
Total Human Services	**$ 7,844**	**$7,844**	**$ -**
Health			
Environmental Health	$ 13,287	$ 13,195	$ 92
City Payments to Health Authority	30,777	30,777	-
Clinic	2,927	2,077	850
Poison Center	157	152	5
Total Health	**$ 47,148**	**$ 46,201**	**$ 947**
Parks and Recreation	$ 72,181	$ 68,087	$ 4,094
Total Parks and Recreation	**$ 72,181**	**$ 68,087**	**$ 4,094**
Cultural Activities			
Arts and Venues	$ 2,447	$ 2,447	$ -
Denver Public Library	46,619	46,102	517
Total Cultural Activities	**$ 49,066**	**$ 48,549**	**$ 517**
Community Development	$ 33,694	$ 32,463	$ 1,231
Total Community Development	**$ 33,694**	**$ 32,463**	**$ 1,231**
Economic Development	$ 187	$ 187	$ -
Total Economic Development	**$ 187**	**$ 187**	**$ -**
Total	**$ 1,239,252**	**$ 1,199,071**	**$ 40,181**

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

For the Year Ended December 31, 2017 (dollars in thousands)

		2017 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Grants - Currently Active				
13001	Federal	$ 1,187	$ 1,187	$ -
13007	Community Service	1,183	1,183	-
13009	Emergency Shelter	494	494	-
13012	Emergency Shelter Plus Care	4,195	4,195	-
13017	Child Care	2,619	2,619	-
13017	Homeless Vets Reintegration and Training			-
13501	State Grants	278	278	
13601	Human Services Privately Funded	61	61	-
State/County Welfare				
13005	Child Welfare	43,016	37,728	5,288
13008	County Public Welfare	97,838	83,828	14,010
13301	Prenatal Fees Incentive	62	62	-
13303	Aid to the Needy Disabled	1,001	566	435
13304	Board for Developmentally Disabled	14,582	10,052	4,530
13305	General Assistance	1,692	1,649	43
13306	Local Funded Community Service	6,549	6,242	307
13501	Human Services State Funded	4,113	4,113	-
City and Other Projects				
13502	Integrated Care Management Incentive	244	244	-
13701	Americorps Donations			-
13703	Drug Strategy Donations			-
13704	Homeless Services Donations	4,078	4,078	-
13706	DHS Volunteer Services	28	28	-
13802	Family Crisis Project			-
13808	Energy Assistance	70	70	-
13811	Assistance Incentive Program	203	203	-
13812	Homeless Services Donations	9,200	5,488	3,712
13813	Rebate Programs	3,100	1,318	1,782
Total		**$ 195,793**	**$ 165,686**	**$ 30,107**

Comparative Balance Sheets - General Fund

December 31, 2017 and 2016 (dollars in thousands)

	Totals December 31	
	2017	2016
Assets		
Cash on hand	$ 921	$ 1,156
Cash and cash equivalents	286,222	274,060
Receivables (net of allowances for uncollectibles of $73,718 and $67,797)	-	
Taxes	203,890	189,709
Notes	2,822	2,589
Accounts	19,877	24,642
Accrued interest	2,025	1,902
Interfund receivable	13,530	11,608
Prepaid items and other assets	2,983	7,215
Restricted assets:		
Cash and cash equivalents	71,295	68,115
Total Assets	**$ 603,565**	**$ 580,996**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Vouchers payable	$ 42,799	$ 27,539
Accrued liabilities	19,609	19,620
Due to taxing units	501	528
Interfund payable	1,763	24
Unearned revenue	1,542	1,138
Advances	218	1,075
Total Liabilities	**66,432**	**49,924**
Deferred Inflows of Resources:		
Unavailable revenues - property tax	130,327	120,019
Unavailable revenues - long-term receivables	12,747	13,630
Total Deferred Inflows of Resources	**143,074**	**133,649**
Fund Balance:		
Nonspendable	2,979	7,215
Restricted	71,295	68,114
Committed	55,661	50,964
Unassigned	264,124	271,130
Total Fund Balance	**394,059**	**397,423**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 603,565**	**$ 580,996**

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

For the Years Ended December 31, 2017 and 2016 (dollars in thousands)

	Totals December 31 2017	Totals December 31 2016
Revenues		
Taxes:		
Lodgers	$ 32,146	$ 24,969
Motor vehicle ownership	30,793	26,787
Occupational privilege	50,955	49,864
Property	120,328	116,009
Sales and use	656,531	613,617
Telephone	2,453	2,671
Licenses and permits	64,601	59,593
Intergovernmental revenues	35,500	34,414
Charges for services	194,569	193,659
Investment and interest income	9,185	8,308
Fines and forfeitures	49,710	48,893
Contributions	27	-
Other revenue	14,366	10,666
Total Revenues	**1,261,164**	**1,189,450**
Expenditures		
Current:		
General government	276,941	259,959
Public safety	561,995	539,428
Public works	151,959	135,073
Human Services	7,844	3,857
Health	46,201	49,194
Parks and recreation	68,087	64,534
Cultural activities	48,444	45,416
Community development	32,463	29,464
Economic opportunity	187	558
Principal retirement	4,199	5,010
Interest	751	894
Total Expenditures	**1,199,071**	**1,133,387**
Excess of revenues over expenditures	62,093	56,063
Other Financing Sources (Uses)		
Sale of capital assets	3,957	-
Issuance of capital leases	-	373
Insurance recoveries	203	191
Transfers in	43,125	51,333
Transfers out	(112,742)	(104,737)
Total Other Financing Sources (Uses)	**(65,457)**	**(52,840)**
Net change in fund balance	(3,364)	3,223
Fund balances - January 1	397,423	394,200
Fund Balance - December 31	**$ 394,059**	**$ 397,423**

Proprietary Funds

Proprietary Funds

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

Enterprise Funds

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

Internal Service Funds

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

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 20,366	$ 4,036	$ 24,402
Receivables:			
Accounts	2,506	117	2,623
Accrued interest	82	18	100
Inventories	-	155	155
Interfund receivable	1,914	-	1,914
Restricted assets:			
Cash and cash equivalents	6,347	-	6,347
Accounts receivable	572	-	572
Accrued interest receivable	26	-	26
Total Current Assets	**31,813**	**4,326**	**36,139**
Capital assets:			
Land	3,168	1,131	4,299
Construction in progress	4,767	1,235	6,002
Buildings and improvements	665	11,684	12,349
Improvements other than buildings	-	16,804	16,804
Machinery and equipment	199	5,967	6,166
Accumulated depreciation	(783)	(21,713)	(22,496)
Net capital assets	8,016	15,108	23,124
Total Noncurrent Assets	**8,016**	**15,108**	**23,124**
Total Assets	**39,829**	**19,434**	**59,263**
Deferred Outflows of Resources			
Deferred outflows on pensions	1,531	1,328	2,859
Total Deferred Outflows of Resources	**1,531**	**1,328**	**2,859**
Liabilities			
Current liabilities:			
Vouchers payable	548	1,369	1,917
Revenue bonds payable	-	590	590
Accrued liabilities	38	174	212
Unearned revenue	-	552	552
Interfund payable	418	12	430
Capital lease obligations	-	311	311
Compensated absences	228	105	333
Restricted liabilities:			
Vouchers payable	709	-	709
Total Current Liabilities	**1,941**	**3,113**	**5,054**
Noncurrent liabilities:			
Revenue bonds payable, net	-	1,275	1,275
Net pension liability	6,561	5,405	11,966
Compensated absences	366	497	863
Total Noncurrent Liabilities	**6,927**	**7,177**	**14,104**
Total Liabilities	**8,868**	**10,290**	**19,158**
Deferred Inflows of Resources			
Items related to pension plans	169	-	169
	169	**-**	**169**
Net Position			
Net investment in capital assets	8,016	12,932	20,948
Restricted for capital projects	6,236	-	6,236
Unrestricted	18,071	(2,460)	15,611
Total Net Position	**$ 32,323**	**$ 10,472**	**$ 42,795**

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

For the Year Ended December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Operating Revenues			
Charges for services	$ 12,355	$ 11,851	$ 24,206
Other revenue	2,345	112	2,457
Total Operating Revenues	**14,700**	**11,963**	**26,663**
Operating Expenses			
Personnel services	4,743	5,780	10,523
Contractual services	4,332	1,032	5,364
Supplies and materials	119	1,152	1,271
Depreciation	21	1,143	1,164
Other operating expenses	1,661	2,276	3,937
Total Operating Expenses	**10,876**	**11,383**	**22,259**
Operating income (loss)	3,824	580	4,404
Nonoperating Revenues (Expenses)			
Disposition of assets	34	-	34
Investment and interest income	266	25	291
Interest expense	-	(120)	(120)
Net Nonoperating Revenues (Expenses)	**300**	**(95)**	**205**
Income (loss) before transfers	4,124	485	4,609
Transfers out	(295)	-	(295)
Change in Net Position	3,829	485	4,314
Net position - January 1	28,494	9,987	38,481
Net Position - December 31	**$ 32,323**	**$ 10,472**	**$ 42,795**

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Environmental Services	Golf Course	Total
Cash Flows From Operating Activities			
Receipts from customers	$ 11,526	$ 12,031	$ 23,557
Payments to suppliers	(4,653)	(3,404)	(8,057)
Payments to employees	(4,260)	(5,790)	(10,050)
Other receipts	2,345	112	2,457
Net Cash Provided by Operating Activities	**4,958**	**2,949**	**7,907**
Cash Flows From Noncapital Financing Activities			
Transfers (out)	(295)	-	(295)
Net Cash Provided by Noncapital Financing Activities	**(295)**	**-**	**(295)**
Cash Flows From Capital and Related Financing Activities			
Principal payments	-	(962)	(962)
Interest paid on capital debt	-	(120)	(120)
Acquisition of capital assets	(4,740)	(1,225)	(5,965)
Disposition of Assets	34	-	34
Net Cash (Used) in Capital and Related Financing Activities	**(4,706)**	**(2,307)**	**(7,013)**
Cash Flows from Investing Activities			
Interest received	266	22	288
Net increase in cash and cash equivalents	223	664	887
Cash and cash equivalents - January 1	26,490	3,371	29,861
Cash and Cash Equivalents - December 31	**$ 26,713**	**$ 4,035**	**$ 30,748**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income (loss)	$ 3,824	$ 580	$ 4,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	21	1,143	1,164
Accounts receivable	(415)	96	(319)
Interfund receivable	1,075	-	1,075
Inventories	-	46	46
Vouchers payable	(250)	484	234
Unearned revenue	-	84	84
Accrued liabilities	(81)	(49)	(130)
Interfund payable	37	2	39
Deferred outflows of resources	493	285	778
Deferred inflows of resources	169	-	169
Net pension liability	85	278	363
Net Cash Provided by Operating Activities	**$ 4,958**	**$ 2,949**	**$ 7,907**

Combining Statement of Net Position - Internal Service Funds

December 31, 2017 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 8,837	$ 40,579	$ 49,416
Receivables:			
Accounts	-	3,092	3,092
Accrued interest	-	266	266
Inventories	119	-	119
Interfund receivable	58	-	58
Total Current Assets	**9,014**	**43,937**	**52,951**
Capital Assets:			
Buildings and improvements	3,627	-	3,627
Machinery and equipment	1,677	-	1,677
Accumulated depreciation	(5,261)	-	(5,261)
Net capital assets	43	-	43
Total Assets	**9,057**	**43,937**	**52,994**
Liabilities			
Current Liabilities:			
Vouchers payable	58	798	856
Accrued liabilities	9	28	37
Interfund payable	2	53	55
Compensated absences	-	112	112
Claims reserve	-	9,149	9,149
Total Current Liabilities	**69**	**10,140**	**10,209**
Noncurrent Liabilities:			
Compensated absences	131	123	254
Claims reserve	-	17,133	17,133
Total noncurrent liabilities	131	17,256	17,387
Total Liabilities	**200**	**27,396**	**27,596**
Net Position			
Net investment in capital assets	43	-	43
Unrestricted	8,814	16,541	25,355
Total Net Position	**$ 8,857**	**$ 16,541**	**$ 25,398**

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

For the Year Ended December 31, 2017 (dollars in thousands)

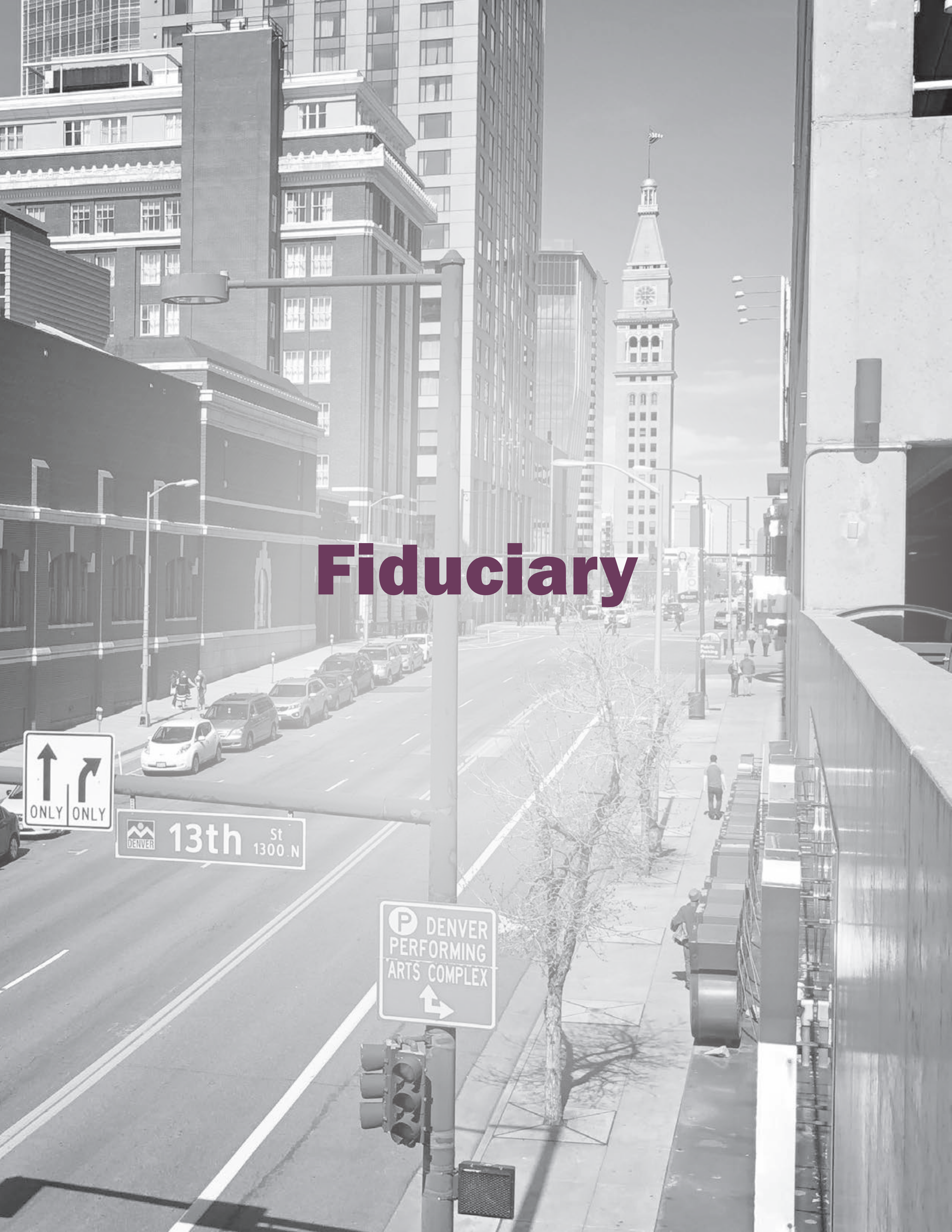
	Asphalt Plant	Workers' Compensation	Total
Operating Revenues			
Charges for services	$ 9,169	$ 12,000	$ 21,169
Other revenue	1	2,417	2,418
Change in claims reserve	-	1,531	1,531
Total Operating Revenues	**9,170**	**15,948**	**25,118**
Operating Expenses			
Personnel services	633	1,637	2,270
Contractual services	405	135	540
Supplies and materials	6,041	586	6,627
Depreciation	81	-	81
Claims payments	-	9,105	9,105
Other operating expenses	108	1,129	1,237
Total Operating Expenses	**7,268**	**12,592**	**19,860**
Operating income (loss)	1,902	3,356	5,258
Nonoperating Revenues (Expenses)			
Investment and interest income	-	1,358	1,358
Transfers Out	-	(415)	(415)
Net Nonoperating Revenues (Expenses)	**-**	**943**	**943**
Change in net position	1,902	4,299	6,201
Net position - January 1	6,955	12,242	19,197
Net Position - December 31	**$ 8,857**	**$ 16,541**	**$ 25,398**

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended December 31, 2017 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Cash Flows From Operating Activities			
Receipts from customers	$ 9,138	$ 11,041	$ 20,179
Payments to suppliers	(6,600)	(1,721)	(8,321)
Payments to employees	(625)	(1,622)	(2,247)
Other receipts	1	2,417	2,418
Claims paid	-	(9,105)	(9,105)
Net Cash Provided by Operating Activities	**1,914**	**1,010**	**2,924**
Cash Flows From Noncapital Financing Activities			
Transfers out	-	(415)	(415)
Net Cash (Used) by Noncapital Financing Activities	-	(415)	(415)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(35)	-	(35)
Net Cash Used by Capital and Related Financing Activities	**(35)**	**-**	**(35)**
Cash Flows from Investing Activities			
Interest received	-	1,431	1,431
Net increase (decrease) in cash and cash equivalents	1,879	2,026	3,905
Cash and cash equivalents - January 1	6,958	38,553	45,511
Cash and Cash Equivalents - December 31	**$ 8,837**	**$ 40,579**	**$ 49,416**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ 1,902	$ 3,356	$ 5,258
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	-	-	-
Depreciation	81	-	81
Changes in Assets and Liabilities			
Accounts receivable	-	(959)	(959)
Interfund receivable	(31)	-	(31)
Inventories	(61)	-	(61)
Vouchers payable	14	148	162
Accrued liabilities	8	15	23
Interfund payable	1	(19)	(18)
Claims reserved	-	(1,531)	(1,531)
Net Cash Provided by Operating Activities	**$ 1,914**	**$ 1,010**	**$ 2,924**

Fiduciary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DENVER
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Fiduciary Funds

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

Pension, Health, and Other Employee Benefits Trust Funds

- Pension Benefits Trust Funds - Denver Employees Retirement Plan - to account for the pension assets of the Denver Employees Retirement Plan.

- Health Benefits Trust Funds - Denver Employees Retirement Plan - to account for the health benefits assets of the Denver Employees Retirement Plan.

- Deferred Compensation - to account for City employees' voluntary deferrals of current income to future years and the investment income earned.

Agency Funds

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

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

December 31, 2017 (dollars in thousands)

	Pension Benefits Trust Fund	Health Benefits Trust Fund	Other Employee Benefit Trust Fund	
	Denver Employees Retirement Plan	**Denver Employees Retirement Plan**	**Deferred Compensation Plan**	**Total**
Assets				
Current assets:				
Cash and cash equivalents	$ 41,234	$ 1,421	$ -	$ 42,655
Securities lending collateral	126,168	4,240	-	130,408
Receivables:				
Accounts	318	10	-	328
Accrued interest	1,509	51	-	1,560
Investments:				
U.S. Government obligations	125,513	4,218	-	129,731
Domestic stocks and bonds	806,108	27,092	-	833,200
International stocks	527,226	17,719	-	544,945
Mutual funds	-	-	474,226	474,226
Alternative investments	168,469	5,662	-	174,131
Real estate	454,654	15,280	-	469,934
Other	99,306	3,338	241,988	344,632
Total Investments	2,181,276	73,309	716,214	2,970,799
Prepaid and other assets	4	-	-	4
Total Current Assets	**2,350,509**	**79,031**	**716,214**	**3,145,754**
Capital assets, net of accumulated depreciation	3,766	126	-	3,892
Total Assets	**2,354,275**	**79,157**	**716,214**	**3,149,646**
Liabilities				
Vouchers payable	2,258	76	-	2,334
Securities lending obligations	126,591	4,254	-	130,845
Total Liabilities	**128,849**	**4,330**	**-**	**133,179**
Net Position Held in Trust for Pension and Other Employee Benefit Trust Funds	**$ 2,225,426**		**$ 716,214**	
Net Position Held in Trust for OPEB Benefits		**$ 74,827**		
Net Position Held in Trust for Benefits				**$ 3,016,467**

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

December 31, 2017 (dollars in thousands)

	Pension Benefits Trust Fund	Health Benefits Trust Fund	Other Employee Benefit Trust Fund	
	Denver Employees Retirement Plan	Denver Employees Retirement Plan	Deferred Compensation Plan	Total
Additions				
Contributions:				
City and County of Denver	$ 65,273	$ 4,090	$ -	$ 69,363
Denver Health and Hospital Authority	6,458	277	-	6,735
Plan members	50,600	3,006	35,374	88,980
Total Contributions	**122,331**	**7,373**	**35,374**	**165,078**
Investment earnings:				
Net appreciation in fair value of investments	272,955	9,393	-	282,348
Interest and dividends	43,600	1,495	83,712	128,807
Total Investment Earnings	**316,555**	**10,888**	**83,712**	**411,155**
Less investment expense	(14,294)	(489)	-	(14,783)
Net Investment Earnings	**302,261**	**10,399**	**83,712**	**396,372**
Securities lending earnings	2,150	74	-	2,224
Securities lending expenses:				
Borrower rebates	(1,242)	(43)	-	(1,285)
Agent fees	(227)	(8)	-	(235)
Net Earnings from Securities Lending	**681**	**23**	**-**	**704**
Total Net Investment Earnings	**302,942**	**10,422**	**83,712**	**397,076**
Total Additions	**425,273**	**17,795**	**119,086**	**562,154**
Deductions				
Benefits	204,064	13,049	40,647	257,760
Refunds of contributions	3,548	122	-	3,670
Administrative expenses	3,900	134	581	4,615
Total Deductions	**211,512**	**13,305**	**41,228**	**266,045**
Change in net position	213,761	4,490	77,858	296,109
Net Position - January 1	2,011,665	70,337	638,356	2,720,358
Net Position - December 31	**$ 2,225,426**	**$ 74,827**	**$ 716,214**	**$ 3,016,467**

Combining Statement of Changes in Assets and Liabilities - Agency Funds

December 31, 2017 (dollars in thousands)

	Balance January 1	Additions	Deductions	Balance December 31
Agency				
Assets				
Cash on hand	$ 4,072	$ 4,243	$ 5,024	$ 3,291
Cash and cash equivalents	42,573	501,757	502,837	41,493
Receivables (net of allowances for uncollectibles of $5,726):				
Taxes	885,958	1,017,268	902,510	1,000,716
Accounts	7	3,719	3,712	14
Total Assets	**$ 932,610**	**$ 1,526,987**	**$ 1,414,083**	**$ 1,045,514**
Liabilities				
Vouchers payable	$ 13,889	$ 95,731	$ 94,122	$ 15,498
Other accrued liabilities	13,628	240,375	250,537	3,466
Due to taxing units	905,093	1,040,044	918,587	1,026,550
Total Liabilities	**$ 932,610**	**$ 1,376,150**	**$ 1,263,246**	**$ 1,045,514**

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Component Units

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Combining Statement of Net Position - Nonmajor Component Units

December 31, 2017 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc.
Assets						
Cash and cash equivalents	$ 76	$ 1,476	$ 73	$ 408	$ 173	$ 22,459
Receivables (net of allowances):						
Taxes	107	4,600	-	608	-	-
Accounts	-	32	-	-	-	5
Other	-	-	-	-	-	-
Prepaid items and other assets	2	1	-	9	-	21
Restricted Assets:						
Cash and cash equivalents	-	274	-	-	-	-
Capital Assets:						
Buildings and improvements	-	17,110	-	3,106	-	26
Machinery and equipment	-	352	-	-	-	30
Accumulated depreciation	-	(5,400)	-	(955)	-	(47)
Net Capital Assets	**-**	**12,062**	**-**	**2,151**	**-**	**9**
Total Assets	**185**	**18,445**	**73**	**3,176**	**173**	**22,494**
Deferred Outflows of Resources						
Deferred amount on refundings	-	1,584	-	-	-	-
Total Deferred Outflows of Resources	**-**	**1,584**			**-**	**-**
Liabilities						
Vouchers payable	14	289	-	19	3	3,598
Accrued liabilities	-	115	-	-	-	8,472
Unearned revenue	-	-	-	-	-	-
Due to other governments	-	58	-	-	-	-
Noncurrent liabilities:						
Due within one year	-	755	-	-	-	-
Due in more than one year	-	14,290	-	-	-	-
Total Liabilities	**14**	**15,507**	**-**	**19**	**3**	**12,070**
Deferred Inflows of Resources						
Property tax	107	4,600	-	608	-	-
Total Deferred Inflows of Resources	**107**	**4,600**	**-**	**608**	**-**	**-**
Net Position						
Net investment in capital assets	-	(1,400)	-	2,151	-	-
Restricted for:						
Emergency use	4	96	-	14	-	-
Expendable	-	-	-	-	46	-
Unrestricted	60	1,226	73	384	124	10,424
Total Net Position (Deficit)	**$ 64**	**$ (78)**	**$ 73**	**$ 2,549**	**$ 170**	**$ 10,424**

Downtown Denver BID	Federal Boulevard BID	Old South Gaylord BID	RiNO Bid	Santa Fe BID	West Colfax BID	Total
$ 2,220	$ 30	$ 69	$ 33	$ 151	$ 203	$ 27,371
6,124	-	-	-	-	161	11,600
345	-	-	50	-	-	432
-	-	-	88	3	11	102
32	2	-	-	-	-	67
-	-	-	-	-	5	279
-	-	19	-	-	652	20,913
3,519	-	-	-	-	-	3,901
(1,348)	-	(19)	-		(171)	(7,940)
2,171	**-**	**-**	**-**	**-**	**481**	**16,874**
10,892	**32**	**69**	**171**	**154**	**861**	**56,725**
-	-	-	-	-	-	1,584
-	**-**	**-**	**-**	**-**	**-**	**1,584**
807	2	-	64	5	13	4,814
-	-	10	-	-	-	8,597
7	-	-	-	-	-	7
-	-	-	-	-	-	58
-	-	-	-	-	-	755
-		-	-	-	-	14,290
814	**2**	**10**	**64**	**5**	**13**	**28,521**
6,124	-	-	-	-	161	11,600
6,124	**-**	**-**	**-**	**-**	**161**	**11,600**
2,171	-	-	-	-	481	3,403
194	-	-	-	-	4	312
-	-	-	-	-	-	46
1,589	30	59	107	149	202	14,427
$ 3,954	**$ 30**	**$ 59**	**$ 107**	**$ 149**	**$ 687**	**$ 18,188**

Combining Statement of Activities - Nonmajor Component Units

For the Year Ended December 31, 2017 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc.
Expenses	$ 96	$ 4,479	$ 14	$ 615	$ 84	$ 18,773
Program Revenues						
Charges for services	-	387	-	-	-	-
Operating grants and contributions	-	-	-	-	-	15
Total Program Revenues	**-**	**387**	**-**	**-**	**-**	**15**
Net expenses	(96)	(4,092)	(14)	(615)	(84)	(18,758)
General Revenues						
Taxes:						
Property	89	3,800	15	425	118	-
Specific ownership	7	287	-	32	-	-
Investment and interest income	-	6	-	2	-	-
Other revenues	12	-	-	8	12	20,372
Total General Revenues	**108**	**4,093**	**15**	**467**	**130**	**20,372**
Change in net position	12	1	1	(148)	46	1,614
Net position - January 1	52	(79)	72	2,697	124	8,810
Net Position (Deficit) - December 31	**$ 64**	**$ (78)**	**$ 73**	**$ 2,549**	**$ 170**	**$ 10,424**

	Downtown Denver BID	Federal BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Total
	$ 8,072	$ 53	$ 33	$ 665	$ 100	$ 275	33,259
	-	-	-	50	3	-	440
	-	-	-	-	-	91	106
	-	**-**	**-**	**50**	**3**	**91**	**546**
	(8,072)	(53)	(33)	(615)	(97)	(184)	(32,713)
	5,768	54	55	551	105	160	11,140
	-	-	-	41	-	-	367
	-	-	-	-	-	-	8
	4,491	-	-	20	57	-	24,972
	10,259	**54**	**55**	**612**	**162**	**160**	**36,487**
	2,187	1	22	(3)	65	(24)	3,774
	1,767	29	37	110	84	711	**14,414**
	$ 3,954	**$ 30**	**$ 59**	**$ 107**	**$ 149**	**$ 687**	**$ 18,188**

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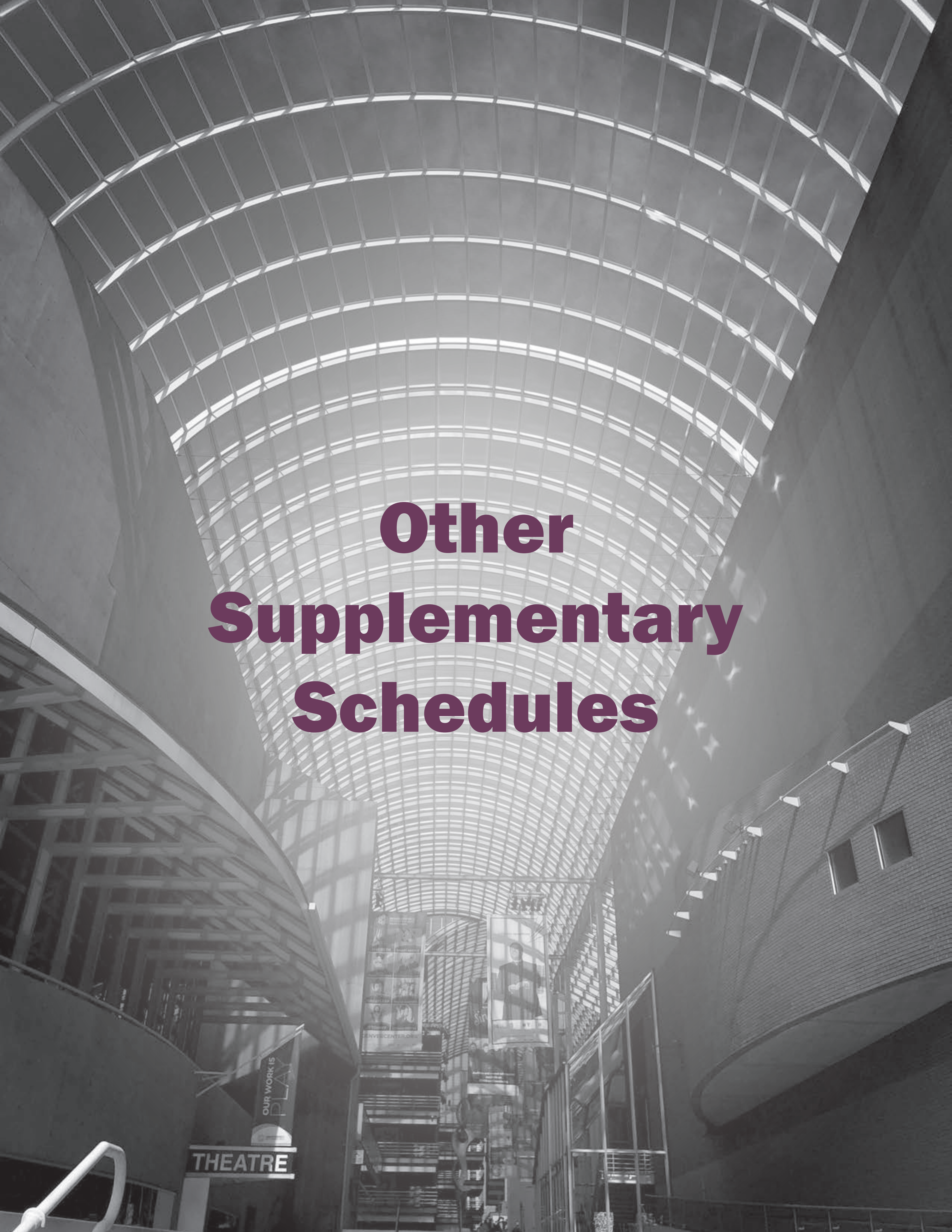
Other Supplementary Schedules



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Combined Schedule of Bonds Payable and Escrows

December 31, 2017 (dollars in thousands)

	Amount Issued	Maturity	Interest Rate [5]	Amount Outstanding	1st Optional Call Date
Denver Airport System					
1992F-G Credit Facility Bonds	$ 36,900	2031	1.464%	$ 34,900	9/25/2017
Escrow - LOI	n/a	2024-2025	6.125%	40,080	5/15/2017
2002C Credit Facility Bonds	30,300	2031	1.464%	26,200	9/25/2017
2007A Airport System Revenue	188,350	2023-2030	5.00%	-	11/15/2017
2007C Airport System Revenue	34,635	2017-2033	5.00%	-	11/15/2017
2007D Airport System Revenue	147,815	2017-2023	5.25%-5.50%	-	11/15/2017
2007F1-F2 Airport System Revenue[2]	104,000	2025	1.50-1.60%	75,550	1/2/2017
2007G1-G2 Credit Facility Bonds[3]	135,600	2031	1.852%	130,600	12/1/2023
2008A1 Airport System Revenue	221,215	2017	5.00%	-	Not callable
2008B Airport System Revenue[1]	81,800	2031	1.734%	55,200	1/2/2017
2008C1-C3 Airport System Revenue[1]	292,600	2031	1.683-1.734%	292,600	1/2/2017
2009A Airport System Revenue	170,190	2017-2036	5.00-5.25%	150,480	11/15/2019
2009B Credit Facility Bonds	65,290	2039	6.414%	65,290	1/2/2017
2009C Airport System Revenue[1]	104,655	2031	1.315%	104,655	1/2/2017
2010A Airport System Revenue	171,360	2017-2032	4.00%-5.00%	160,690	11/15/2020
2011A Airport System Revenue	349,730	2017-2023	4.00%-5.25%	232,165	11/15/2021
2011B Airport System Revenue	198,370	2017-2024	4.00%-5.00%	15,070	11/15/2021
2012A Airport System Revenue	315,780	2017-2043	3.00-5.00%	271,015	11/15/2022
2012B Airport System Revenue	510,140	2017-2043	4.00-5.00%	498,115	11/15/2022
2012C Airport System Revenue	30,285	2026	3.592%	30,285	1/2/2017
2013A Airport System Revenue	326,260	2017-2043	4.00-5.50%	313,580	11/15/2023
2013B Airport System Revenue	393,655	2017-2043	3.00%-5.25%	381,635	11/15/2023
2015A Airport System Revenue	195,940	2017-2021 and 2023-	2.20%	174,870	11/15/2017
2016A Airport System Revenue	256,810	2017-2032	5.00%	232,275	11/15/2026
2016B Airport System Revenue	108,735	2017-2031	1.812%	104,820	5/15/2019
2017A Airport System Revenue	225,220	2018-2030	5.00%	254,225	11/15/2027
2017B Airport System Revenue	21,175	2033	5.00%	21,280	11/15/2027
2017C Airport System Revenue	300,000	2021-2050	6.13%	300,000	n/a
Total Denver Airport System				**3,965,580**	
Unamortized premium net of discount				161,983	
Net Denver Airport System				**4,127,563**	
Wastewater Management					
2012 Wastewater Revenue Bonds	50,425	2017-2032	3.00-4.00%	34,865	n/a
2016 Wastewater Revenue Bonds	115,000	2017-2046	4.00-5.00%	113,015	11/1/2026
Unamortized premium				18,352	
Total Wastewater Management				**166,232**	
Golf Enterprise					
2005 Golf Enterprise Revenue Bonds	7,365	2017-2020	4.70-5.00%	1,865	9/1/2017
Total Golf Enterprise				**1,865**	

continued

Combined Schedule of Bonds Payable and Escrows - continued

December 31, 2017 (dollars in thousands)

	Amount Issued	Maturity	Interest Rate [5]	Amount Outstanding	1st Optional Call Date
General Obligation					
2006 Justice System Facilities Bonds	8,861	2022	4.75%	8,861 [4]	Not callable
2008 Justice System Facilities	174,135	2017-2025	3.75-5.25%	94,615	8/1/2018
2009A Better Denver/Zoo Bonds	104,500	2017-2025	4.00-5.25%	66,350	8/1/2019
2010B Better Denver Bonds	312,055	2017-2030	3.78-5.65%	305,835	8/1/2020
2013A Better Denver Bonds	120,925	2017-2030	3.00-5.00%	56,010	8/1/2023
2013B1 GO Refunding Bonds	48,020	2017-2025	2.30%	39,385	8/1/2023
2013B2 GO Refunding Bonds	89,415	2017-2025	2.38%	78,720	8/1/2023
2014 Better Denver (mini-bonds)	12,000	2023, 2028	4.39-4.89%	12,000	Not callable
Total Primary Government				**661,776**	
Unamortized premium				11,228	
Net Primary Government				**673,004**	
14th Street GID	4,000	2034	7.00%	3,430	12/1/2020
Total General Obligation				**676,434**	
Excise Tax Revenue Bonds					
2016A Dedicated Tax Refunding and Improvement	242,500	2021-2046	2.00-5.00%	242,500	8/1/2026
2016B Dedicated Tax Refunding and Improvement	154,810	2017-2032	1.54%-3.818%	108,975	8/1/2026
Total Excise Tax Revenue Bonds				**351,475**	
Unamortized premium				28,203	
Net Excise Tax Revenue Bonds				**379,678**	
Total General Long-Term Debt				**1,056,112**	
Total Bonds Payable				**$ 5,351,772**	

[1] Variable rate issue - weekly interest rate reset

[2] Auction rate securities - 7 day auction

[3] Variable rate issue - daily interest rate reset

[4] Amounts do not include $5,774 and $1,989 of compound interest on the Series 2007 and 2014A mini-bonds, respectively.

[5] Variable rate issues reflect rate in effect as of December 31, 2017.

Financial Planning 02/01

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

Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT		City or County:	Denver
		YEAR ENDING : December 2017	
This Information From The Records Of (example - City of _ or County of _):	Prepared By:	Lindsay Schwerman	
	Phone:	(720)913-5528	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	108,033,206
3. Other local imposts (from page 2)	1,801,683
4. Miscellaneous local receipts (from page 2)	0
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	109,834,889
B. Private Contributions	
C. Receipts from State government (from page 2)	29,925,545
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	139,760,435

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	64,047,003
2. Maintenance:	8,908,566
3. Road and street services:	
a. Traffic control operations	14,574,863
b. Snow and ice removal	6,974,597
c. Other	14,273,898
d. Total (a. through c.)	35,823,358
4. General administration & miscellaneous	6,271,798
5. Highway law enforcement and safety	24,709,711
6. Total (1 through 5)	139,760,435
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	139,760,435

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		139,760,435	139,760,435		(0)

Notes and Comments:

- II.A.2 ("General fund appropriations") have been added to the extent that they are calculated to support highway expenditures
- IV. Until 2006 we reported debt only for street-related special assessment districts. That amount is now negligible. General Obligation debt related to highways cannot be separated from debt for other purposes.
- V.A&D. The City and County of Denver has no comprehensive, separate Road and Street "Fund." We have funds for various capital outlays; General Fund appropriations and other specified revenues support non-capital expenditures on roads and streets.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado	YEAR ENDING (mm/yy): December 2017

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,801,683	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	1,801,683	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	29,925,545	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	29,925,545	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		1,106,905	1,106,905
b. Engineering Costs		12,932,237	12,932,237
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		6,615,472	6,615,472
(3). System Preservation		38,982,074	38,982,074
(4). System Enhancement & Operation		4,410,315	4,410,315
(5). Total Construction (1) + (2) + (3) + (4)	0	50,007,861	50,007,861
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	64,047,003	64,047,003
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

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Statistical

Contents

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

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Net Position by Component

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$ 1,238,768	$ 1,188,810	$ 1,211,215	$ 1,247,292	$ 1,315,237	$ 1,366,632	$ 1,420,817	$ 1,509,354	$ 1,572,753	$ 1,730,520
Restricted	340,270	257,699	551,602	552,799	457,614	481,937	524,017	649,483	918,405	792,057
Unrestricted	22,243	119,307	(138,547)	(88,897)	9,411	81,589	138,255	(504,190)	(759,893)	(706,069)
Total governmental activities net position	**$ 1,601,281**	**$ 1,565,816**	**$ 1,624,270**	**$ 1,711,194**	**$ 1,782,262**	**$ 1,930,158**	**$ 2,083,089**	**$ 1,654,647**	**$ 1,731,265**	**$ 1,816,508**
Business-type activities										
Net investment in capital assets	$ 262,385	$ 212,129	$ 114,343	$ 91,524	$ (13,036)	$ (192,372)	$ (193,351)	$ (81,930)	$ 175,636	$ 701,234
Restricted	681,263	661,383	669,517	627,377	656,174	671,317	667,801	675,863	622,880	493,837
Unrestricted	421,159	431,497	316,116	377,121	507,873	677,576	846,056	752,775	707,076	553,533
Total business-type activities net position	**$ 1,364,807**	**$ 1,305,009**	**$ 1,099,976**	**$ 1,096,022**	**$ 1,151,011**	**$ 1,156,521**	**$ 1,320,506**	**$ 1,346,708**	**$ 1,505,592**	**$ 1,748,604**
Primary government										
Net investment in capital assets	$ 1,501,153	$ 1,400,939	$ 1,325,558	$ 1,338,816	$ 1,302,201	$ 1,174,260	$ 1,227,466	$ 1,427,424	$ 1,748,389	$ 2,431,754
Restricted	1,021,533	919,082	853,977	1,180,176	1,113,788	1,153,254	1,191,818	1,325,346	1,541,285	1,285,894
Unrestricted	443,402	550,804	544,711	288,224	517,284	759,165	984,311	248,585	(52,817)	(152,536)
Total primary government net position	**$ 2,966,088**	**$ 2,870,825**	**$ 2,724,246**	**$ 2,807,216**	**$ 2,933,273**	**$ 3,086,679**	**$ 3,403,595**	**$ 3,001,355**	**$ 3,236,857**	**$ 3,565,112**

Primary Government Net Position

Changes in Net Position

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 257,780	$ 243,518	$ 249,106	$ 244,430	$ 247,659	$ 262,466	$ 319,464	$ 340,401	$ 405,900	$ 445,601
Public safety	536,382	506,887	526,007	531,109	570,111	563,658	592,270	588,597	688,287	707,981
Public works	134,698	159,657	144,211	149,160	195,168	164,837	193,207	190,577	216,587	254,381
Human services	139,895	128,946	119,530	114,252	111,067	114,624	114,727	125,195	145,594	167,131
Health	52,332	52,961	53,499	52,286	53,755	54,453	59,216	64,687	65,265	62,351
Parks and recreation	105,232	100,253	67,709	57,702	80,480	89,305	80,199	68,650	93,842	100,294
Cultural activities	62,499	63,646	100,190	127,606	110,885	123,248	128,799	131,835	130,536	157,531
Community development	39,945	40,480	47,501	46,571	40,262	35,142	39,598	45,355	48,766	52,832
Economic opportunity	31,647	31,803	25,905	23,036	21,481	21,218	21,091	20,027	14,830	11,746
Interest on long-term debt	76,073	62,670	70,453	77,263	74,901	70,030	66,306	63,267	62,566	63,952
Total governmental activities	**1,436,483**	**1,390,821**	**1,404,111**	**1,423,415**	**1,505,769**	**1,498,981**	**1,614,877**	**1,638,591**	**1,872,173**	**2,023,800**
Business-type activities:										
Wastewater management	75,122	80,865	84,752	97,773	99,179	105,679	102,688	111,941	114,740	124,046
Denver airport system	780,501	787,914	830,243	783,249	763,249	801,786	773,345	769,896	811,094	825,110
Environmental services	6,336	5,904	6,087	6,757	7,001	9,354	8,174	9,967	11,837	10,880
Golf course	8,252	7,884	7,935	8,757	8,943	10,474	12,254	10,766	11,146	11,507
Total business-type activities	**870,211**	**882,567**	**929,017**	**896,536**	**878,372**	**927,293**	**896,461**	**902,570**	**948,817**	**971,543**
Total Primary Government Expenses	**$ 2,306,694**	**$ 2,273,388**	**$ 2,333,128**	**$ 2,319,951**	**$ 2,384,141**	**$ 2,426,274**	**$ 2,511,338**	**$ 2,541,161**	**$ 2,820,990**	**$ 2,995,343**
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 76,106	$ 82,719	$ 79,636	$ 78,018	$ 75,761	$ 87,988	$ 97,289	$ 99,302	$ 99,847	$ 97,788
Public safety	67,396	71,786	76,695	87,212	90,528	87,996	86,010	93,230	95,497	97,339
Public works	50,812	49,240	53,643	55,831	60,227	68,666	71,653	77,308	75,580	79,397
Community development	19,288	11,639	13,630	15,298	23,466	25,615	25,741	41,312	34,264	39,905
Other activities	47,862	67,138	49,841	69,337	74,844	76,577	86,043	91,608	95,337	92,573
Operating grants and contributions:										
General government	19,356	17,613	20,277	20,673	33,960	26,716	23,694	37,017	23,475	25,288
Public safety	69,663	24,713	29,792	28,817	30,634	29,023	26,861	26,914	26,398	24,327
Public works	29,902	23,633	23,067	19,256	62,269	19,370	20,654	20,825	23,358	21,992
Human services	82,004	80,428	72,644	77,417	73,133	68,244	76,207	73,768	86,469	95,221
Community development	19,282	19,419	16,562	29,258	26,617	15,800	17,064	7	6	283
Other activities	27,653	26,641	47,884	20,192	26,706	20,259	22,767	22,006	19,935	27,174
Capital grants and contributions:										
Public works	8,822	14,624	23,422	25,333	30,777	29,408	35,699	9,701	36,527	65,555
Other activities	7,997	6,701	14,334	15,491	2,780	40,104	18,780	28,597	31,691	24,877
Total governmental activities program revenues	**526,143**	**496,294**	**521,427**	**542,133**	**611,702**	**595,766**	**608,462**	**621,595**	**648,384**	**691,719**

continued

Changes in Net Position - continued

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Wastewater management	76,590	75,512	75,363	89,744	106,167	115,872	120,806	126,260	133,375	150,122
Denver airport system	649,933	663,355	703,997	705,979	730,145	661,637	711,490	793,543	876,643	906,750
Other activities	15,936	15,448	16,765	17,026	18,471	18,108	20,627	26,339	22,131	26,663
Operating grants and contributions:										
Denver airport system	-	-	-	400	675	103,513	121,690	19,220	686	873
Capital grants and contributions:										
Wastewater enterprises	7,690	15,018	13,984	11,652	6,890	7,289	8,379	9,564	25,142	21,296
Denver airport system	14,392	38,621	30,600	34,702	22,996	31,412	20,533	20,483	3,553	55,879
Other activities	-	-	-	-	-	-	-	-	280	-
Total business-type activities program revenues	**764,541**	**807,954**	**840,709**	**859,503**	**885,344**	**937,831**	**1,003,525**	**995,409**	**1,061,810**	**1,161,583**
Total Primary Government Program Revenues	**$ 1,290,684**	**$ 1,304,248**	**$ 1,362,136**	**$ 1,401,636**	**$ 1,497,046**	**$ 1,533,597**	**$ 1,611,987**	**$ 1,617,004**	**$ 1,710,194**	**$ 1,853,302**
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	$ 274,809	$ 259,963	$ 295,381	$ 288,106	$ 287,062	$ 331,914	$ 347,079	$ 349,176	$ 399,859	$ 419,648
Sales and use	468,137	421,838	447,071	481,023	494,495	539,348	615,735	638,276	674,398	718,577
Other	136,211	118,165	124,855	132,259	140,123	146,875	165,584	180,745	187,427	217,940
Investment and interest income	34,340	11,826	21,730	24,196	11,259	2,525	14,928	15,503	19,151	20,642
Other revenue	38,157	48,201	59,419	42,378	31,921	35,368	25,511	48,550	24,128	39,465
Transfers	265	(931)	275	244	275	275	575	2,275	(1,676)	1,052
Capital asset transfers	-	-	-	-	-	-	(10,066)	-	(2,880)	-
Total governmental activities	**951,919**	**859,062**	**948,731**	**968,206**	**965,135**	**1,056,305**	**1,159,346**	**1,234,525**	**1,300,407**	**1,417,324**
Business-type activities:										
Investment and interest income	90,279	15,828	50,424	33,323	48,275	24,357	45,205	41,593	40,414	49,083
Other revenue	6	56	102	-	17	948	2,225	13,666	921	4,941
Transfers	(265)	931	(275)	(244)	(275)	(275)	(575)	(2,275)	1,676	(1,052)
Capital asset transfers	-	-	-	-	-	-	10,066	-	2,880	-
Total business-type activities	**90,020**	**16,815**	**50,251**	**33,079**	**48,017**	**25,030**	**56,921**	**52,984**	**45,891**	**52,972**
Total General Revenues and Other Changes in Net Position	**$ 1,041,939**	**$ 875,877**	**$ 998,982**	**$ 1,001,285**	**$ 1,013,152**	**$ 1,081,335**	**$ 1,216,267**	**$ 1,287,509**	**$ 1,346,298**	**$ 1,470,296**
Changes in Net Position										
Governmental activities	$ 41,579	$ (35,465)	$ 66,047	$ 86,924	$ 71,068	$ 153,090	$ 152,931	$ 217,529	$ 76,618	$ 85,243
Business activities	(18,650)	(59,798)	(38,057)	(3,954)	54,989	35,568	163,985	145,823	158,884	243,012
Total Primary Government	**$ 22,929**	**$ (95,263)**	**$ 27,990**	**$ 82,970**	**$ 126,057**	**$ 188,658**	**$ 316,916**	**$ 363,352**	**$ 235,502**	**$ 328,255**

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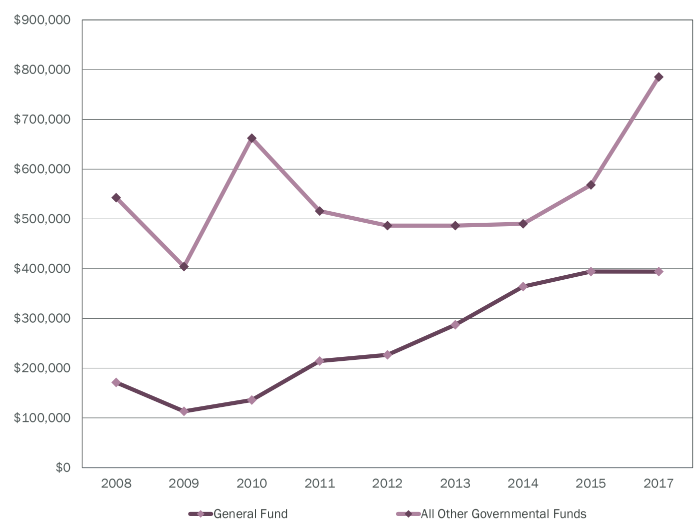
Fund Balances of Governmental Funds

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	$ 21,887	$ 20,230	$ 20,475							
Unreserved	149,562	92,990	115,586							
Nonspendable				$ 330	$ 159	$ 268	$ 425	$ 2,890	$ 7,215	$ 2,979
Restricted				54,049	56,566	62,443	65,439	65,713	68,114	71,295
Committed				12,039	15,084	23,594	30,388	32,121	50,964	55,661
Assigned				-	-	-	-	-	-	-
Unassigned				147,892	155,039	201,030	267,764	293,476	271,130	264,124
Total General Fund	**$ 171,449**	**$ 113,220**	**$ 136,061**	**$ 214,310**	**$ 226,848**	**$ 287,335**	**$ 364,016**	**$ 394,200**	**$ 397,423**	**$ 394,059**
All other governmental funds										
Reserved	$ 183,353	$ 193,214	$ 198,463							
Unreserved:										
Special revenue funds	97,139	92,739	93,112							
Capital projects funds	258,295	114,590	367,142							
Permanent funds	3,936	3,527	3,605							
Nonspendable				$ 3,030	$ 5,729	$ 6,515	$ 3,038	$ 8,218	$ 9,395	$ 20,479
Restricted				479,270	395,160	413,008	455,110	528,071	833,997	743,187
Committed				2,616	27,786	37,804	3,966	2,262	24,041	20,624
Assigned				30,966	32,760	29,043	28,076	30,040	559	1,062
Unassigned				-	(38)	-	-	(372)	-	-
Total all other governmental funds	**$ 542,723**	**$ 404,070**	**$ 662,322**	**$ 515,882**	**$ 461,397**	**$ 486,370**	**$ 490,190**	**$ 568,219**	**$ 867,992**	**$ 785,352**

Fund Balances of Governmental Funds



Changes in Fund Balances of Governmental Funds

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property taxes	$ 274,809	$ 259,963	$ 295,381	$ 288,106	$ 287,062	$ 331,914	$ 347,079	$ 349,176	$ 399,859	$ 419,648
Sales and use taxes	468,137	421,838	447,071	481,023	494,495	539,348	608,307	640,251	676,916	721,512
Other taxes	136,211	118,165	124,855	132,259	140,123	146,875	165,584	180,745	187,427	217,940
Special assessments	1,394	1,342	1,397	1,429	1,422	1,702	1,913	1,575	1,282	1,257
Licenses and permits	29,364	24,555	29,907	31,094	35,393	44,415	49,963	61,530	61,235	65,032
Intergovernmental revenues	247,386	208,031	213,568	227,776	236,892	206,878	218,206	213,643	223,296	246,845
Charges for services	189,494	190,940	196,642	200,728	219,691	225,169	237,077	265,105	267,170	266,237
Investment and interest income	34,340	11,826	21,225	23,680	10,738	2,003	14,413	14,998	18,661	20,169
Fines and forfeitures	41,473	44,863	47,628	58,075	55,964	57,469	54,472	53,540	49,433	51,398
Contributions	9,022	5,741	5,961	8,661	6,515	7,086	5,578	4,657	6,709	10,002
Other revenue	40,167	50,664	53,840	64,905	51,030	55,664	54,660	65,103	62,289	66,194
Total revenues	**1,471,797**	**1,337,928**	**1,437,475**	**1,517,736**	**1,539,325**	**1,618,523**	**1,757,252**	**1,850,323**	**1,954,277**	**2,086,234**
Expenditures										
General government	255,008	249,526	243,697	239,138	242,091	258,408	304,479	332,024	374,605	482,516
Public safety	534,984	488,380	499,293	514,421	545,395	552,663	574,812	607,077	606,983	637,709
Public works	125,668	168,048	149,812	155,204	207,205	170,129	221,813	192,462	188,078	291,207
Health	52,191	52,734	53,035	52,415	52,848	54,205	59,469	64,036	61,822	59,340
Human services	139,013	128,592	119,083	114,004	110,784	114,079	113,799	123,095	135,733	164,669
Parks and recreation	100,928	100,182	58,212	63,895	61,761	66,992	70,301	73,222	75,752	80,989
Cultural activities	40,826	71,143	77,547	80,599	87,984	98,038	107,138	110,427	115,446	129,969
Community development	37,808	41,251	50,240	49,882	40,505	35,030	39,469	44,791	46,968	51,880
Economic opportunity	31,486	31,885	25,860	22,939	21,482	21,321	21,085	19,813	14,588	11,288
Principal retirement	70,807	65,590	70,387	81,269	87,393	99,525	95,885	104,667	107,346	157,533
Interest	82,598	61,351	60,773	79,425	75,351	72,842	69,427	64,622	60,908	66,056
Bond issuance costs	833	3,272	3,041	289	-	-	500	491	2,073	-
Capital outlay	210,430	192,232	142,706	155,267	93,934	45,877	32,697	35,194	99,506	57,959
Total Expenditures	**1,682,580**	**1,654,186**	**1,553,686**	**1,608,747**	**1,626,733**	**1,589,109**	**1,710,874**	**1,771,921**	**1,889,808**	**2,191,115**
Deficiency of revenues under expenditures	(210,783)	(316,258)	(116,211)	(91,011)	(87,408)	29,414	46,378	78,402	64,469	(104,881)

continued

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

Changes in Fund Balances of Governmental Funds, continued

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

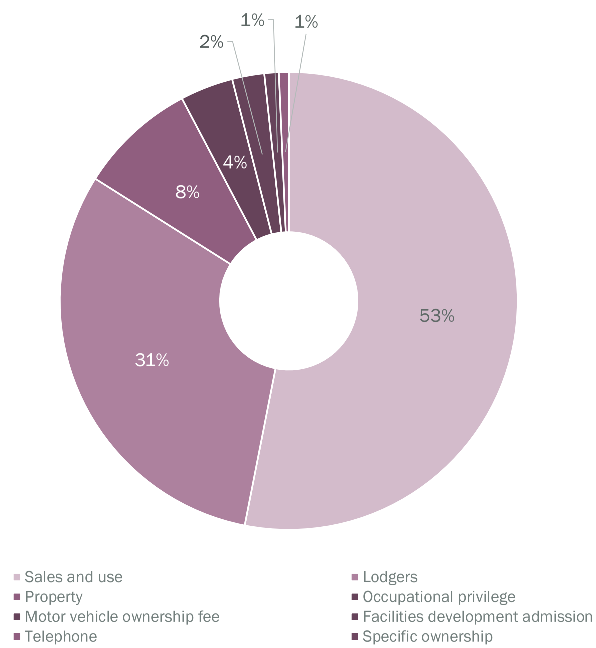
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses)										
Sale of capital assets	2,526	146	8,490	617	5	128	1,784	296	1,081	3,957
GID general obligation bonds issued	-	-	4,000	-	-	-	-	-	-	-
General obligation bonds issued	174,135	121,130	394,615	16,455	-	-	-	-	-	-
Excise tax revenue bonds issued	-	107,570	-	-	-	-	-	-	-	-
Issuance of certificate of participatio	-	-	-	-	-	-	-	22,470	-	1,055
Issuance of capital leases	20,780	13,972	40,174	4,590	52,743	34,030	19,905	485	373	13,551
Capital leases restructured	260,000	1,307	-	-	-	-	-	-	-	15,507
Payment to escrow	(250,290)	(178,024)	(129,779)	-	(13,729)	(256,518)	-	-	(193,979)	(21,478)
Commercial paper issued	38,000	37,000	70,000	-	-	-	-	-	-	-
Bond premium (discount)	17,407	16,123	8,856	1,006	-	19,659	-	-	30,857	-
Bond proceeds - refunding	-	-	-	-	-	-	-	-	193,140	-
Note proceeds	-	-	-	-	-	-	-	1,422	3,000	4,025
Issuance of bonds	-	-	-	-	-	48,660	12,000	-	204,170	-
Issuance of bonds - refunding	-	-	-	-	-	209,700	-	-	-	-
Proceeds from sale of registered coupons	11,610	-	-	-	-	-	-	-	-	-
Insurance recoveries	86	1,083	673	484	1,240	749	500	1,266	1,561	793
Repayment of developer advance	-	-	-	-	-	-	-	-	-	-
Transfers in	111,590	114,285	101,174	73,294	87,479	108,121	112,670	206,427	182,897	198,933
Transfers out	(111,375)	(115,216)	(100,899)	(73,626)	(89,002)	(108,483)	(112,736)	(202,555)	(184,573)	(197,466)
Total other financing sources (uses)	**274,469**	**119,376**	**397,304**	**22,820**	**45,461**	**56,046**	**34,123**	**29,811**	**238,527**	**18,877**
Net change in fund balances	**$ 63,686**	**$ (196,882)**	**$ 281,093**	**$ (68,191)**	**$ (41,947)**	**$ 85,460**	**$ 80,501**	**$ 108,213**	**$ 302,996**	**$ (86,004)**
Debt service as a percentage of noncapital expenditures	10.8%	9.3%	9.7%	11.6%	11.2%	11.7%	10.4%	10.6%	9.7%	11.6%

Governmental Activities Tax Revenues by Source

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

Taxes	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Facilities development admission	$ 10,016	$ 7,082	$ 7,160	$ 8,325	$ 8,986	$ 8,721	$ 9,262	$ 12,569	$ 12,401	$ 13,816
Lodgers	53,773	43,982	49,136	55,620	57,956	63,482	75,579	82,376	88,872	112,947
Motor vehicle ownership fee	19,514	17,907	17,004	17,140	19,784	21,000	23,944	26,647	26,787	30,793
Occupational privilege	43,040	39,551	41,818	41,141	43,227	44,515	46,438	48,293	49,864	50,955
Property	274,809	259,963	295,381	288,106	287,062	331,914	347,079	349,176	399,859	419,648
Sales and use	468,137	421,838	447,071	481,023	494,495	539,348	608,307	640,251	676,916	721,512
Specific ownership	54	47	84	162	191	193	213	232	57	57
Telephone	9,814	9,596	9,653	9,871	9,979	8,964	10,148	10,628	9,446	9,372
Total primary government taxes	**$ 879,157**	**$ 799,966**	**$ 867,307**	**$ 901,388**	**$ 921,680**	**$ 1,018,137**	**$ 1,120,970**	**$ 1,170,172**	**$ 1,264,202**	**$ 1,359,100**

2017 Tax Revenues by Source

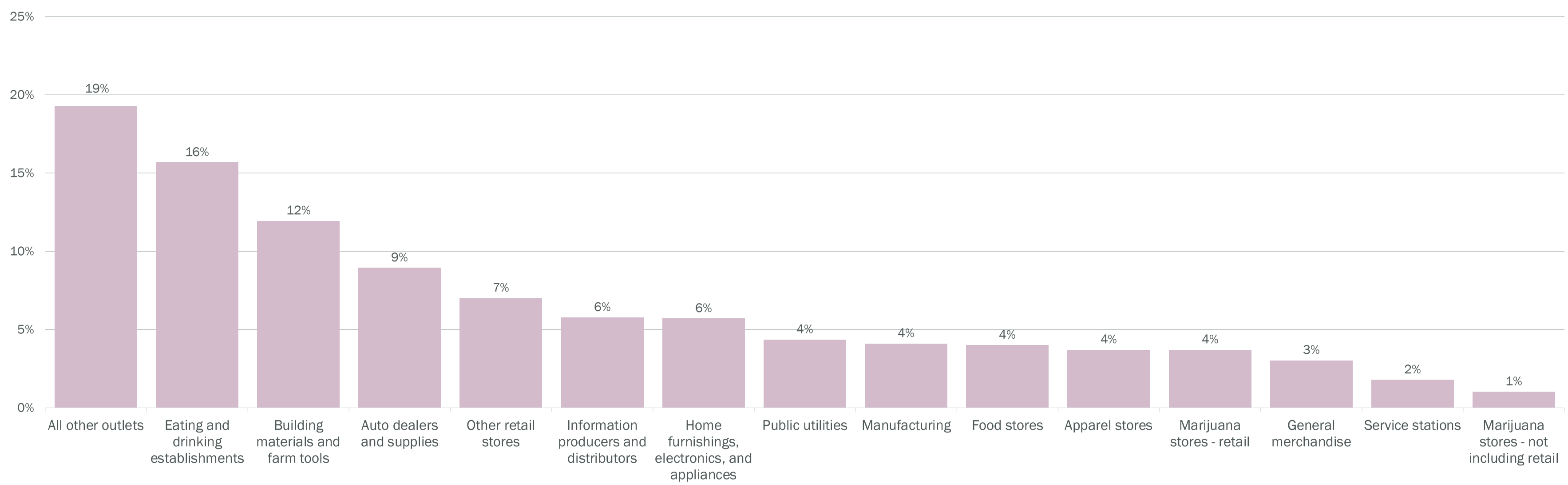


Sales Tax by Category

Last Ten Calendar Years (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Apparel stores	$ 17,691	$ 16,241	$ 18,356	$ 20,237	$ 21,796	$ 22,778	$ 24,111	$ 25,523	$ 26,029	$ 26,758
General merchandise	16,953	14,699	16,921	16,825	17,161	17,704	18,276	18,527	22,189	21,894
Food stores	17,961	17,795	18,790	19,467	20,269	21,399	23,698	24,994	27,972	28,833
Eating and drinking establishments	67,878	64,798	68,520	75,531	77,886	85,211	94,439	101,242	106,903	113,091
Home furnishings, electronics and appliances	22,461	19,105	20,413	21,827	22,584	24,410	26,138	28,026	38,112	41,147
Building materials and farm tools	37,741	31,258	30,962	33,700	36,837	44,188	52,708	55,122	78,695	86,174
Auto dealers and supplies	39,584	33,927	35,853	41,544	44,371	50,021	55,414	62,000	62,801	64,529
Service stations	10,719	14,792	20,345	16,798	15,100	14,396	15,027	15,058	13,333	12,879
Public utilities	30,145	26,118	28,783	30,333	28,164	30,944	32,931	31,106	30,285	31,366
Manufacturing	34,947	29,666	31,526	35,073	36,415	40,651	46,870	46,166	38,616	29,579
Information producers and distributors	41,431	36,154	37,531	40,445	38,576	37,877	38,213	37,036	40,450	41,637
Marijuana stores - retail	n/a	n/a	n/a	n/a	n/a	n/a	10,761	15,636	20,611	26,723
Marijuana stores - not including retail	n/a	n/a	n/a	n/a	n/a	n/a	6,451	6,996	7,730	7,430
Other retail stores	40,913	29,743	34,631	47,463	51,512	52,656	55,634	55,530	45,338	50,577
All other outlets	89,713	87,542	84,440	81,780	83,824	97,113	107,636	117,289	117,852	138,895
Total	**$ 468,137**	**$ 421,838**	**$ 447,071**	**$ 481,023**	**$ 494,495**	**$ 539,348**	**$ 608,307**	**$ 640,251**	**$ 676,916**	**$ 721,512**
City direct sales tax rate	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.65%	3.65%

2017 Sales Tax by Category



Note: The 2017 tax rate for retail marijuana is 7.12%

Source: Denver Controller's Office

Assessed Value and Estimated Actual Value of Taxable Property

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant property	$ 210,633	$ 231,563	$ 218,132	$ 194,051	$ 193,826	$ 212,668	$ 181,758	$ 219,528	$ 186,774	$ 259,521
Residential property	4,510,588	4,545,672	4,598,108	4,325,747	4,345,018	4,469,706	4,567,603	5,919,659	6,059,029	7,211,589
Commercial property	4,383,397	5,452,125	5,426,538	4,655,265	4,567,479	4,886,510	4,909,533	6,445,053	6,521,348	8,084,596
Industrial property	125,108	144,380	142,372	147,433	120,329	124,503	122,425	150,606	143,930	179,325
Agricultural property	56	44	44	120	55	69	69	79	138	92
Oil and gas property	3,286	4,020	63	-	-	-	-	-	-	-
Personal property	792,393	813,037	739,224	726,354	722,513	741,538	765,486	825,798	827,331	887,721
State assessed property	837,783	821,502	835,603	888,485	808,218	829,207	838,378	824,187	920,535	925,503
Total taxable assessed value	**$ 10,863,244**	**$ 12,012,343**	**$ 11,960,084**	**$ 10,937,455**	**$ 10,757,438**	**$ 11,264,201**	**$ 11,385,252**	**$ 14,384,910**	**$ 14,659,085**	**$ 17,548,347**
Total direct tax rate	26.535	25.308	26.043	28.419	32.926	33.119	33.055	30.119	30.531	28.333
Estimated actual taxable value	**$ 78,563,808**	**$ 82,844,303**	**$ 83,151,295**	**$ 77,142,543**	**$ 76,697,449**	**$ 79,581,379**	**$ 80,891,083**	**$ 100,203,607**	**$ 105,772,919**	**$ 134,744,419**
Assessed value as a percentage of estimated actual value	13.8%	14.5%	14.4%	14.2%	14.0%	14.2%	14.1%	14.4%	13.9%	13.0%

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

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

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

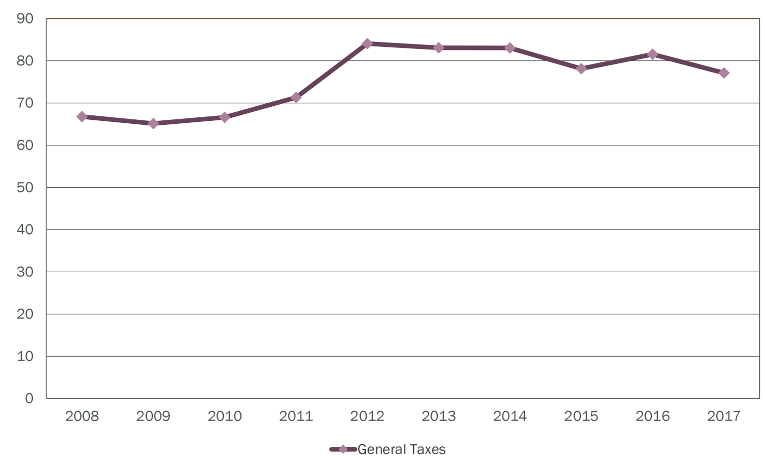
Source: Abstract of Assessment documents

Direct and Overlapping Property Tax Rates

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rates										
General fund	6.389	5.867	8.455	9.805	13.362	13.185	13.156	11.331	11.276	9.944
Bond principal	4.470	4.470	4.470	3.980	4.170	4.330	4.100	5.433	7.433	7.000
Bond interest	3.110	3.110	3.110	3.600	3.780	4.103	4.333	3.000	1.000	1.433
Social services	3.698	3.394	3.556	4.101	4.520	4.480	4.470	3.849	3.835	3.380
Developmentally disabled	1.011	1.013	1.019	1.030	1.033	1.021	1.016	1.012	1.010	1.010
Fire pension	1.371	1.258	1.317	1.519	1.587	1.572	1.568	1.350	1.345	1.185
Police pension	1.636	1.502	1.572	1.812	1.893	1.875	1.870	1.610	1.604	1.413
Capital improvement	2	2	-	-	-	-	-	-	-	-
Capital maintenance	3	3	2.544	2.572	2.581	2.553	2.542	2.534	2.528	2.526
Affordable housing	-	-	-	-	-	-	-	-	0.500	0.442
Total County Direct Rates	**26.535**	**25.308**	**26.043**	**28.419**	**32.926**	**33.119**	**33.055**	**30.119**	**30.531**	**28.333**
School District #1										
General fund	33.464	32.912	33.172	34.307	39.575	38.853	38.780	37.147	41.013	38.594
Bond redemption	6.193	6.350	6.800	7.958	10.913	10.446	10.519	10.250	9.383	9.650
Total School District #1	**39.657**	**39.262**	**39.972**	**42.265**	**50.488**	**49.299**	**49.299**	**47.397**	**50.396**	**48.244**
Urban Drainage & Flood Control District	**0.591**	**0.569**	**0.576**	**0.623**	**0.657**	**0.672**	**0.700**	**0.611**	**0.620**	**0.557**
Total General Taxes	**66.783**	**65.139**	**66.591**	**71.307**	**84.071**	**83.090**	**83.054**	**78.127**	**81.547**	**77.134**

Mill Levy - Total General Taxes



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

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

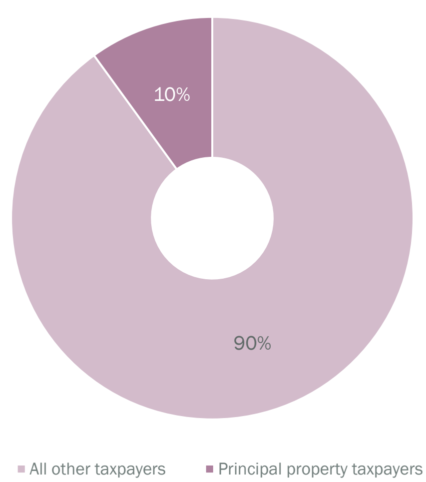
Source: Abstract of Assessment documents

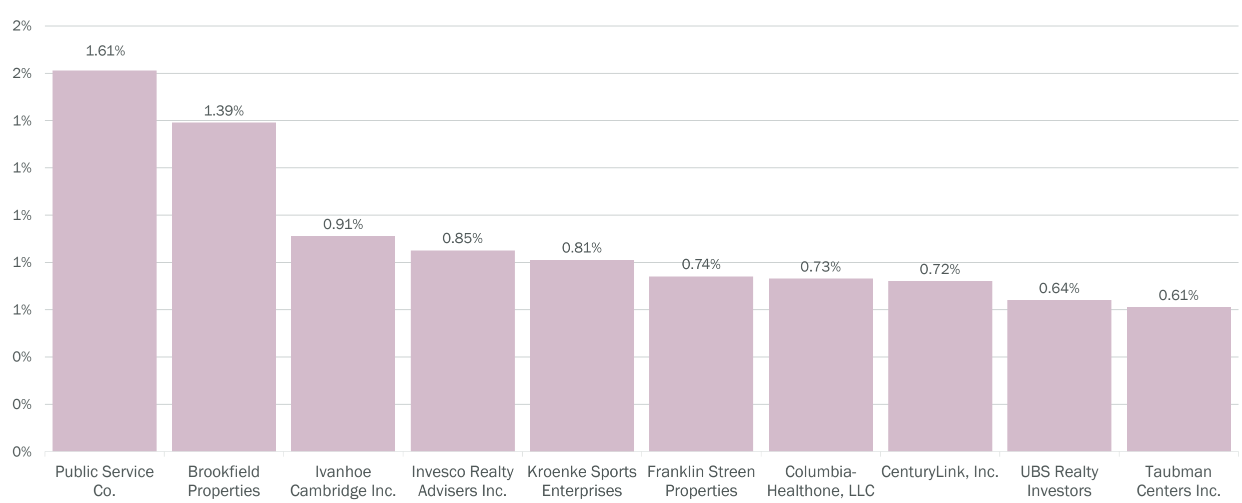
Principal Property Taxpayers

Current Year and Nine Years Ago (dollars in thousands)

Taxpayer	2017 Taxable Assessed	2017 Rank	2017 Percentage of Total	2008 Taxable Assessed	2008 Rank	2008 Percentage of Total
Public Service Co.	$ 281,847	1	1.61%	$ 164,862	2	1.52%
Brookfield Properties	244,372	2	1.39%			
CenturyLink, Inc.	148,688	4	0.85%	198,396	1	1.83%
Beacon Capital Partners	126,543	8	0.72%			
Invesco Realty Advisers Inc.	159,599	3	0.91%			
Franklin Streen Properties	130,296	6	0.74%			
Taubman Centers Inc.	111,836	9	0.64%			
Columbia-Healthone, LLC	108,776	10	0.61%	74,173	6	0.68%
UBS Realty Investors	128,054	7	0.73%			
Ivanhoe Cambridge Inc.	141,701	5	0.81%			
Republic Plaza Properties				71,621	8	0.66%
Callahan Capital Partners				96,813	4	0.89%
Maguire Properties - Denver Center LLC				63,074	9	0.58%
Frontier Airlines				78,783	5	0.73%
Skywest Airlines				56,395	10	0.52%
United Airlines, Inc.				125,728	3	1.16%
Temple Hoyne Buell Foundation				73,060	7	0.67%
Totals	**$ 1,581,712**		**9.01%**	**$ 1,002,905**		**9.24%**

2017 Principal Property Taxpayers





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

Source: Denver County Assessor

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Property Tax Levies and Collections

Last Ten Fiscal Years (dollars in thousands)

General Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 65,079	510	$ 63,315	98.07%	413	$ 64,238	98.71%	63
2009	66,126	441	64,579	98.33%	(588)	64,432	97.44%	
2010	68,934	473	67,649	98.82%	(195)	67,927	98.54%	
2011	73,181	494	71,281	98.08%	(264)	71,511	97.72%	
2012	106,177	358	105,134	99.35%	20	105,512	99.37%	
2013	109,268	469	107,758	99.05%	(104)	108,123	98.95%	
2014	109,682	580	108,074	99.06%	-	108,654	99.06%	
2015	118,856	631	116,532	98.58%	-	117,163	98.58%	
2016	120,180	586	118,973	99.48%	-	119,559	99.48%	
2017	130,549	2,043	n/a	1.56%	n/a	-	0.00%	

Affordable Housing

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2016	$ 6,730	33	$ -	0.49%	n/a	-	0.00%	
2017	$ 7,326	114	n/a	1.56%	n/a	-	0.00%	

Bond Principal Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 45,532	357	$ 44,298	98.07%	289	$ 44,944	98.71%	44
2009	50,381	336	49,202	98.33%	(448)	49,090	97.44%	
2010	49,908	343	48,978	98.82%	(141)	49,180	98.54%	
2011	40,599	274	39,546	98.08%	(147)	39,673	97.72%	
2012	41,730	141	41,320	99.36%	8	41,469	99.37%	
2013	45,268	194	44,643	99.05%	(44)	44,793	98.95%	
2014	43,121	228	42,512	99.12%	-	42,740	99.12%	
2015	71,837	381	70,525	98.70%	-	70,906	98.70%	
2016	100,054	487	99,052	99.48%	-	99,539	99.48%	
2017	116,028	1,813	n/a	1.56%	n/a	-	0.00%	

Bond Interest Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 31,679	248	$ 30,820	98.07%	201	31,269	98.71%	31
2009	35,052	234	34,232	98.33%	(311)	34,155	97.44%	
2010	34,724	238	34,077	98.82%	(98)	34,217	98.54%	
2011	36,723	248	35,770	98.08%	(133)	35,885	97.72%	
2012	37,827	128	37,455	99.35%	8	37,591	99.38%	
2013	42,895	184	42,302	99.05%	(41)	42,445	98.95%	
2014	45,572	241	44,928	99.12%	-	45,169	99.12%	
2015	39,667	211	38,942	98.70%	-	39,153	98.70%	
2016	13,461	65	13,326	99.48%	-	13,391	99.48%	
2017	23,753	371	n/a	1.56%	n/a	-	0.00%	

continued

Property Tax Levies and Collections, continued

Last Ten Fiscal Years (dollars in thousands)

Human Services Fund

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 47,966	376	$ 46,666	98.07%	305	$ 47,347	98.71%	46
2009	49,671	331	48,508	98.33%	(441)	48,398	97.44%	-
2010	51,081	351	50,128	98.82%	(145)	50,334	98.54%	
2011	52,340	354	50,981	98.08%	(189)	51,146	97.72%	
2012	56,335	187	55,778	99.34%	12	55,977	99.36%	
2013	58,308	247	57,501	99.04%	(55)	57,693	98.95%	
2014	58,530	305	57,706	99.11%	-	58,011	99.11%	
2015	65,295	341	64,097	98.69%	-	64,438	98.69%	
2016	66,205	317	65,548	99.49%	-	65,865	98.96%	
2017	73,507	1,187	n/a	1.56%	n/a	-	0.00%	

Capital Improvement and Maintenance Funds

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 49,403	386	$ 48,065	98.07%	314	$ 48,765	98.71%	48
2009	52,905	353	51,668	98.33%	(471)	51,550	97.44%	
2010	53,872	370	52,868	98.82%	(153)	53,085	98.54%	
2011	53,075	359	51,697	98.08%	(192)	51,864	97.72%	
2012	53,369	180	52,844	99.35%	11	53,035	99.37%	
2013	55,183	237	54,420	99.05%	(53)	54,604	98.95%	
2014	55,322	292	54,526	99.09%	-	54,818	99.09%	
2015	64,472	342	63,255	98.64%	-	63,597	98.64%	
2016	65,381	318	64,891	99.48%	-	65,044	99.48%	
2017	75,897	1,187	n/a	1.56%	n/a	-	0.00%	

Total

	Taxes levied	Prepaid amounts collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years [1]	Total collections to date: Amount	Total collections to date: Percentage of levy	Cancellations [2]
2008	$ 239,659	1,877	$ 233,164	98.07%	1,522	$ 236,563	98.71%	232
2009	254,135	1,695	248,189	98.33%	(2,259)	247,625	97.44%	
2010	258,518	1,775	253,699	98.82%	(732)	254,743	98.54%	
2011	255,918	1,729	249,275	98.08%	(925)	250,079	97.72%	
2012	295,438	994	292,531	99.35%	59	293,584	99.37%	
2013	310,922	1,331	306,624	99.05%	(297)	307,658	98.95%	
2014	312,228	1,646	307,746	99.09%	-	309,392	99.09%	
2015	360,128	1,906	353,351	98.65%	-	355,257	98.65%	
2016	365,281	1,773	361,790	99.49%	-	363,398	99.48%	
2017	419,733	6,665	n/a	1.59%	n/a	-	0.00%	

[1] Net of adjustments based upon the appeals process.

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

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

Source: Denver Controller's Office

Ratios of Outstanding Debt by Type

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General obligation bonds	$ 551,679	$ 616,209	$ 969,229	$ 941,484	$ 895,649	$ 903,939	$ 867,646	$ 815,676	$ 761,406	$ 661,776
Commercial paper notes	38,000	22,000	-	-	-	-	-	-	-	-
Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Excise tax revenue bonds	290,930	278,450	266,640	249,140	230,650	211,325	191,150	171,365	374,960	351,475
Capital leases	435,306	436,546	444,591	429,279	447,679	413,417	406,490	403,555	375,112	360,219
Unamortized premium	46,672	55,827	56,644	48,876	40,927	47,108	37,948	31,080	50,253	42,612
Line of credit	770	-	-	-	-	-	-	-	-	-
Note payable	14,532	14,656	11,777	8,640	13,804	7,856	7,456	1,431	1,431	-
Business-Type Activities										
Revenue bonds	4,130,135	4,164,880	4,002,585	3,803,945	3,950,425	4,491,390	4,330,935	4,156,170	4,046,185	4,115,325
Unamortized (discount)/premium	63,637	59,312	61,066	70,089	173,057	177,856	158,108	133,495	163,975	180,335
Capital leases	-	617	487	430	9,769	8,785	9,345	8,179	10,980	8,506
Notes payable	63,648	94,961	36,428	24,466	35,169	25,804	20,987	17,077	10,751	8,684
Total primary government	**$ 5,635,309**	**$ 5,743,458**	**$ 5,849,447**	**$ 5,576,349**	**$ 5,797,129**	**$ 6,287,480**	**$ 6,030,065**	**$ 5,738,028**	**$ 5,795,053**	**$ 5,728,932**
Percentage of personal income	17.07%	17.35%	18.33%	15.81%	15.55%	16.37%	n/a	n/a	n/a	n/a

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

Ratios of General Bonded Debt Outstanding

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General obligation bonds	$ 551,679	$ 616,209	$ 969,229	$ 941,484	$ 895,649	$ 903,939	$ 867,646	$ 815,676	$ 761,406	$ 661,776
Less amounts available in debt service fund	(21,751)	(26,436)	(34,280)	(38,943)	(32,777)	(26,513)	(64,755)	(84,239)	(129,356)	(145,707)
Total	**$ 529,928**	**$ 589,773**	**$ 934,949**	**$ 902,541**	**$ 862,872**	**$ 877,426**	**$ 802,891**	**$ 731,437**	**$ 632,050**	**$ 516,069**
Percentage of estimated actual taxable value of property	0.67%	0.71%	1.12%	1.17%	1.13%	1.10%	0.99%	0.73%	0.60%	0.38%
Per Capita	$ 895	$ 996	$ 1,579	$ 1,524	$ 1,457	$ 1,482	$ 1,356	$ 1,235	$ 1,068	$ 862

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

Direct and Overlapping Governmental Activities Debt

December 31, 2017 (dollars in thousands)

	Debt Outstanding	Percentage Applicable	City and County of Denver Share of Debt
Direct Debt			
General Obligation bonds	$ 661,776 [1]		
General Improvement District bonds	3,430		
Capital leases	360,219		
Housing and Urban Development notes	-		
Intergovernmental agreement	1,310		
Total Net Direct Debt	**1,026,735**		
Overlapping Debt			
Regional Transportation District	3,456,591	28.8% [2]	$ 995,498
Metro Wastewater Reclamation District	562,640	43.0% [3]	241,935
School District #1	2,682,582	100.0%	2,682,582
Total Overlapping Debt	**6,701,813**		**3,920,016**
Total Net Direct and Overlapping Debt	**$ 7,728,548**		**$ 4,946,751**

[1] Does not include $16,478 unamortized premium.

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

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

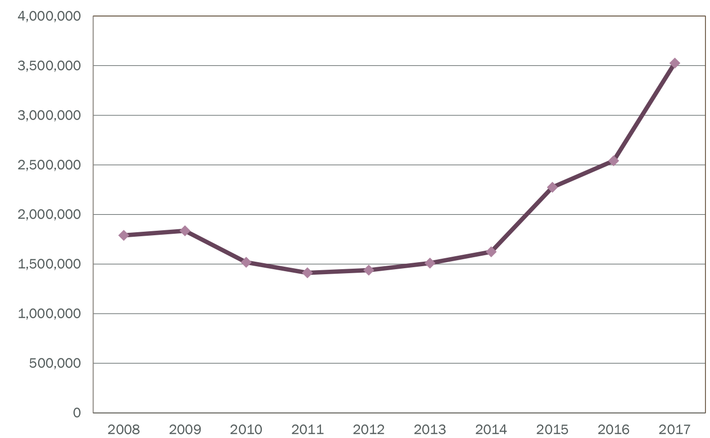
Legal Debt Margin Information
Last Ten Fiscal Years (dollars in thousands)

Calculation of Legal Debt Margin for Fiscal Year 2017

Total Estimated Actual Valuation	**$ 134,744,419**
Maximum general obligation debt, limited to 3% of total valuation	$ 4,042,333
Outstanding bonds chargeable to limit	661,776
Less amount reserved for long-term debt	145,707
Net chargeable to bond limit	**516,069**
Legal Debt Margin – December 31	**$ 3,526,264**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	$ 2,356,914	$ 2,485,329	$ 2,494,539	$ 2,314,276	$ 2,300,923	$ 2,387,441	$ 2,426,732	$ 3,006,108	$ 3,173,188	$ 4,042,333
Total net debt application to limit	567,928	649,694	976,103	902,541	862,872	877,426	802,891	731,437	632,050	516,069
Legal debt margin	**$ 1,788,986**	**$ 1,835,635**	**$ 1,518,436**	**$ 1,411,735**	**$ 1,438,051**	**$ 1,510,015**	**$ 1,623,841**	**$ 2,274,671**	**$ 2,541,138**	**$ 3,526,264**
Total net debt applicable to the limit as a percentage of debt limit	**24.10%**	**26.14%**	**39.13%**	**39.00%**	**37.50%**	**36.75%**	**33.09%**	**24.33% #**	**19.92% #**	**12.77%**

Legal Debt Margin



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

National Western Center and Convention Center Excise Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pledged 3.0% lodger's tax revenues	$ 15,006	$ 12,279	$ 13,703	$ 15,553	$ 16,173	$ 17,726	$ 21,092	$ 22,989	$ 24,802	$ 31,519
Pledged 0.5% food and beverage tax revenues	10,720	10,141	11,116	12,243	12,840	13,564	15,202	16,350	17,164	18,619
Pledged 2.0% short-term auto rental tax revenues	7,721	6,874	7,707	8,058	8,595	9,425	10,894	11,614	12,468	12,515
Other sources	849	415	402	287	324	263	381	541	961	720
Total pledged excise tax base	**$ 34,296**	**$ 29,709**	**$ 32,928**	**$ 36,141**	**$ 37,932**	**$ 40,978**	**$ 47,569**	**$ 51,494**	**$ 55,395**	**$ 63,373**
Debt service (2009B Bonds)	7,380	7,341	4,198	8,648	8,644	8,647	8,655	n/a	n/a	n/a
Pledged excise tax base remaining after payment of 2009B Bonds debt service	**$ 26,916**	**$ 22,368**	**$ 28,730**	**$ 27,493**	**$ 29,288**	**$ 32,331**	**$ 38,914**	**$ -**	**$ -**	**$ -**
Pledged 1.75% short-term auto rental increase	6,756	6,015	6,745	7,051	7,521	8,247	9,532	10,163	10,910	10,962
Pledged 1.75% lodgers' tax increase	8,754	7,162	7,993	9,072	9,434	10,340	12,303	13,410	14,468	18,386
Available for Series 2005A and 2009A Bonds debt service	**$ 42,426**	**$ 35,545**	**$ 43,468**	**$ 43,616**	**$ 46,243**	**$ 50,918**	**$ 60,749**	**$ 23,573**	**$ 25,378**	**$ 29,348**
Debt service (2005A and 2009A Bonds)	16,365	17,394	19,828	19,913	19,887	19,868	19,824	27,165	4,726	-
Additional pledged 3.25% lodger's tax revenues	-	-	-	-	-	-	-	-	24,969	32,146
Additional pledged 3.50% short-term auto rental revenues	-	-	-	-	-	-	-	-	21,820	21,793
Available for Series 2016A and 2016B Bonds debt service	-	-	-	-	-	-	-	-	122,836	146,567
Debt service (2016A and 2016B Bonds)	-	-	-	-	-	-	-	-	26,916	11,061

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

Note: Lodger's Tax for 2017 includes a one-time legal settlement from online travel companies of $9,989,000.

Wastewater Management Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net pledged revenues	$ 16,013	$ 9,260	$ 8,722	$ 10,202	$ 24,562	$ 28,016	$ 36,635	$ 33,363	$ 35,293	$ 46,666
Combined average debt service requirements[1]	$ 2,387	$ 2,471	$ 2,484	$ 2,484	$ 3,223	$ 3,164	$ 3,099	$ 3,027	$ 8,299	$ 7,930
Debt service coverage ratio	6.71	3.75	3.51	4.11	7.62	8.85	11.82	11.02	4.25	5.88
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

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

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

Golf Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net pledged revenues	$ 1,114	$ 1,775	$ 2,034	$ 1,551	$ 1,996	$ 907 [1]	$ 1,264 [2]	$ 912	$ 1,940	$ 1,653
Rate maintenance account	$ 240	$ 240	$ 240	$ 240	$ 240	$ 240	$ 240	$ 240	$ 240	$ 240
Available fund balance	$ 12,883	$ 13,362	$ 14,238	$ 14,468	$ 15,325	$ 14,253	$ 12,933	$ 9,791	$ 9,987	$ 12,932
Annual debt service requirement	$ 682	$ 682	$ 686	$ 685	$ 685	$ 682	$ 686	$ 684	$ 685	$ 685
Service coverage ratio	1.99	2.95	3.31	2.61	3.26	1.68	2.19	1.68	3.18	2.76
Required coverage	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35

***Golf bonds were issued in 2006**

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

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

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

Denver International Airport Fund Pledged-Revenue Coverage

Last Ten Fiscal Years (dollars in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross Revenues	$ 635,607	$ 631,592	$ 668,885	$ 702,157	$ 713,279	$ 743,101	$ 803,620	$ 808,614	$ 863,126	$ 895,857
Operation and maintenance expenses	305,382	309,270	302,881	312,278	318,394	349,987	355,769	377,199	417,140	425,005
Net revenues	**330,225**	**322,322**	**366,004**	**389,879**	**394,885**	**393,114**	**447,851**	**431,415**	**445,986**	**470,852**
Other available funds	53,575	49,288	57,449	57,528	51,685	50,409	54,834	50,320	51,574	47,090
Total amount available for debt service	**$ 383,800**	**$ 371,610**	**$ 423,453**	**$ 447,407**	**$ 446,570**	**$ 443,523**	**$ 502,685**	**$ 481,735**	**$ 497,560**	**517,942**
Debt service requirements per general and supplemental bond ordinances	$ 240,028	$ 237,905	$ 253,244	$ 235,356	$ 247,563	$ 242,816	$ 219,334	$ 201,279	$ 294,914	$ 282,251
Debt service coverage	1.60	1.56	1.67	1.90	1.80	1.83	2.29	2.39	1.69	1.84
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

Source: Denver International Airport Financial Statements

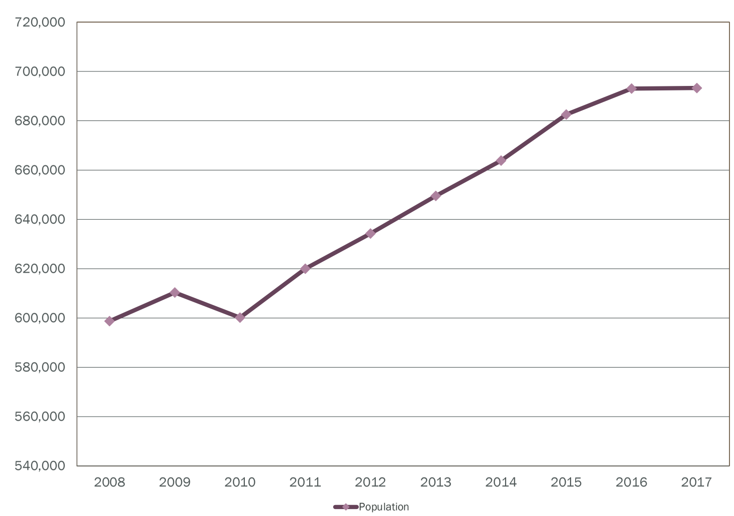
Demographic and Economic Statistics

Last Ten Calendar Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	598,707	610,345	600,158	619,968	634,265	649,495	663,862	682,545	693,060	693,292
Personal income (expressed in millions)	$ 31,308	$ 31,512	$ 30,515	$ 33,811	$ 35,721	$ 36,999	$ 41,743	$ 46,617	$ 46,612	n/a
Per capita personal income	$ 52,788	$ 51,630	$ 50,845	$ 54,537	$ 56,318	$ 56,967	$ 62,880	$ 68,299	$ 67,256	n/a
School enrollment	75,269	78,352	79,423	81,870	84,424	87,398	90,150	91,429	92,331	92,686
Unemployment rate	5.30%	9.00%	10.00%	9.20%	8.20%	7.00%	4.30%	3.70%	3.00%	3.00%

(data source: https://www.census.gov/quickfacts/fact/table/denvercitycolorado/PST045216)

City and County of Denver Population



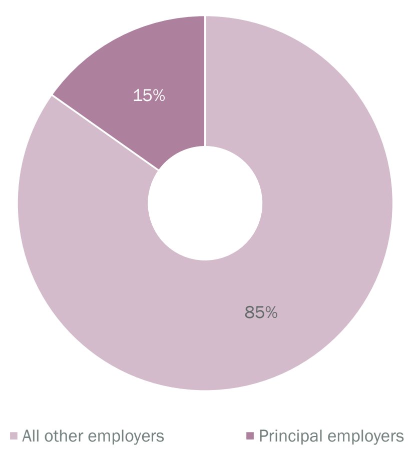
Source: Denver Public Schools
U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
U.S. Census Bureau
U.S. Department of Commerce

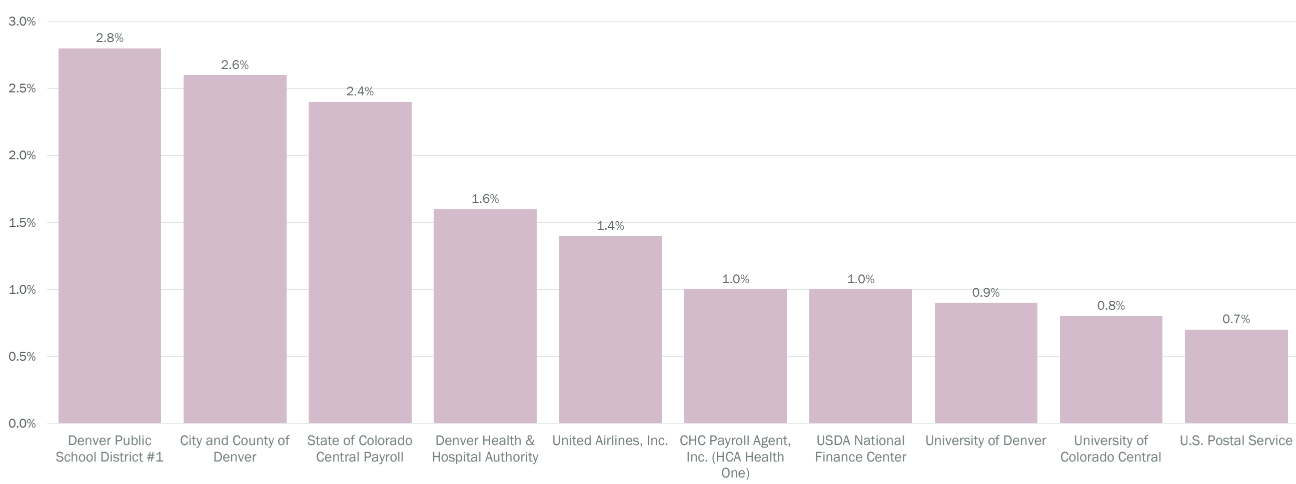
Principal Employers

Current Year and Nine Years Ago

	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	12,387	1	2.8%	9,672	3	2.6%
City and County of Denver	11,190	2	2.6%	10,598	1	2.9%
State of Colorado Central Payroll	10,548	3	2.4%	9,082	4	2.5%
Denver Health & Hospital Authority	6,842	4	1.6%	4,305	7	1.2%
United Airlines, Inc.	6,000	5	1.4%	5,473	5	1.5%
CHC Payroll Agent, Inc. (HCA Health One)	4,303	6	1.0%			
USDA National Finance Center	4,240	7	1.0%	9,942	2	2.7%
University of Denver	4,009	8	0.9%			
University of Colorado Central	3,399	9	0.8%	5,087	6	1.4%
U.S. Postal Service	3,225	10	0.7%	3,750	9	1.0%
Qwest Corporation				4,050	8	1.1%
Frontier Airlines				3,433	10	0.9%
Total	**66,143**		**15.2%**	**65,392**		**17.8%**

2017 Principal Employers





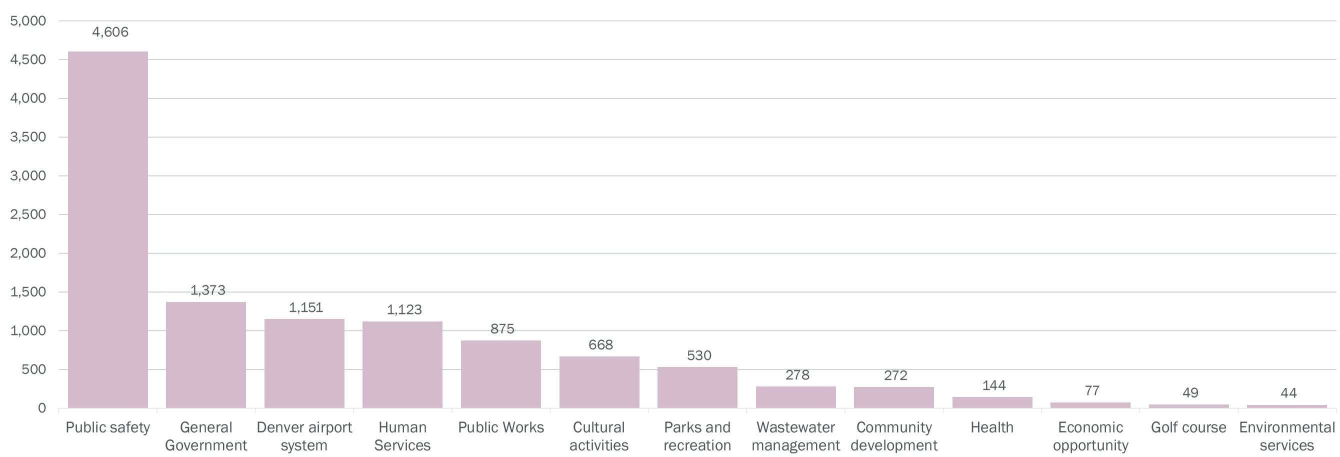
Source: Based on 2017 and 2007 Occupational Privilege Tax Remitters.

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	1,329	1,194	1,212	1,155	1,179	1,190	1,282	1,290	1,336	1,373
Public safety	4,327	4,211	4,167	4,109	4,095	4,192	4,256	4,324	4,375	4,606
Public Works	822	795	784	751	736	754	754	794	844	875
Human Services	1,050	890	892	894	890	884	941	1,022	1,087	1,123
Health	126	114	122	109	111	124	131	136	145	144
Parks and recreation	542	446	449	431	431	449	450	450	458	530
Cultural activities	563	512	520	517	570	628	642	665	658	668
Community development	215	191	190	185	179	176	200	219	239	272
Economic opportunity	249	211	212	198	183	182	186	176	80	77
Wastewater management	271	258	246	234	251	248	252	259	276	278
Denver airport system	1,030	1,001	972	983	1,001	1,035	1,097	1,125	1,190	1,151
Environmental services	26	30	31	38	43	43	46	44	44	44
Golf course	48	42	39	36	35	41	44	45	49	49
Total	**10,598**	**9,895**	**9,836**	**9,640**	**9,704**	**9,946**	**10,281**	**10,549**	**10,781**	**11,190**

2017 Full-Time City Employees by Function



Source: Denver Controller's Office

Operating Indicators by Function

Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	70,883	68,803	56,497	51,390	54,545	50,878	52,517	52,912	51,340	49,797
Traffic violations	132,659	114,879	144,370	126,849	118,644	109,342	98,434	86,427	73,011	67,312
Fire										
Emergency responses	85,098	81,326	80,463	89,211	101,530	105,290	112,370	107,076	114,224	116,061
Fires extinguished	684	609	995	2,071	2,248	1,985	1,986	1,792	2,010	2,250
Inspections	31,819	31,360	29,969	39,955	30,226	31,818	34,044	36,897	33,825	34,670
Sheriff										
Average daily population	2,273	2,164	2,082	2,111	2,144	2,270	2,049	2,004	2,221	2,187
Number of jails	2	2	2	2	2	2	2	2	2	2
Public works										
Parking tickets issued	618,556	622,811	652,094	644,712	646,150	677,369	640,126	653,491	642,320	574,400
Recyclables collected (tons)	28,067	29,092	31,116	31,042	31,600	33,193	34,350	37,318	38,325	40,810
Refuse collected (tons)	219,675	221,797	216,382	213,411	213,411	205,985	208,222	207,132	196,870	184,395
Other public works										
Alleys paved (square yards)	167,400	154,824	77,662	57,475	41,545	7,750	14,358	19,860	15,867	21,408
Potholes repaired (tons of asphalt)	4,346	4,249	3,819	4,237	4,364	3,358	4,666	5,025	3,374	3,306
Street resurfacing (square yards)	1,808,286	1,473,894	2,015,914	2,181,463	2,013,962	2,553,301	2,563,000	2,721,030	2,778,788	3,027,270
Human services										
Family Medicaid Application for Denver clients	14,513	14,461	9,045	9,049	7,061	29,025 [1]	77,219 [1]	38,061 [1]	38,273 [1]	38,118
New child welfare case involvements	2,656	1,589	1,240	1,187	1,305	974	824	1,231	1,769	1,920
Community development										
Permits issued	45,999	41,474	41,000	51,549	55,463	55,252	67,818	75,717	64,624	75,665
Economic opportunity										
Low income affordable housing units created	45	182	250	452	503	568	557	749	579	1,438
Percent of job seekers entering employment	68.40%	56.90%	57.00%	50.54%	51.15%	55.83%	59.51%	65.30%	56.83%	59.60%
Library										
Total volumes borrowed	9,776,905	9,681,013	9,292,314	8,915,628	9,552,145	9,811,501	9,067,577	9,097,572	9,556,962	9,675,656
Volumes in collection	2,398,677	2,165,258	2,265,420	2,288,437	2,227,910	1,982,000	2,049,703	1,922,628	2,111,879	2,072,239
Denver airport system										
Passenger air traffic	51,245,000	50,168,000	50,240,000	52,800,000	53,156,278	52,556,359	53,472,514	54,014,502	58,266,515	61,379,396
Excise and Licenses										
Number of business license transactions	17,895	16,776	17,100	17,360	16,248	15,085	17,230	22,207	24,168	24,573

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

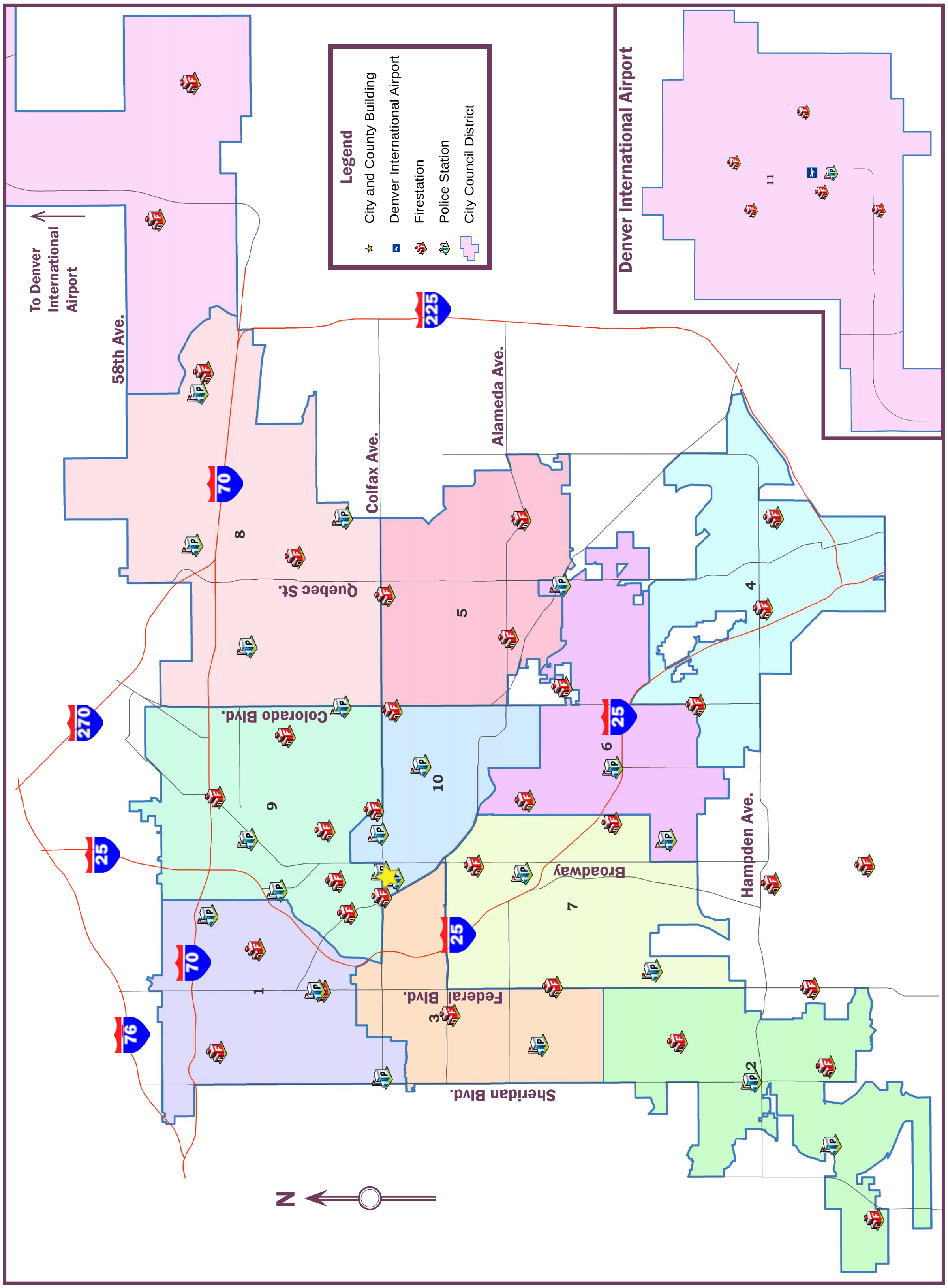
Sources: Denver Department of Aviation; Denver Department of Community Planning and Development; Denver Department of Excise and Licenses; Denver Department of Finance; Department of Human Services; Denver Department of Public Works; Denver Department of Safety; Denver Office of Economic Development;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

Capital Asset Statistics
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Number of engines/trucks	39/23	39/23	39/23	40/22	41/22	40/22	41/23	44/23	42/23	42/23
Number of stations	33	33	34	34	34	34	34	37	38	38
Police										
Number of patrol marked/unmarked vehicles	313/101	311/101	269/98	325/115	329/111	392/207	414/213	417/209	430/265	399/219
Number of stations	6	6	6	6	6	6	6	6	6	6
Public works										
Bridges (major/minor)	290/179	292/181	293/181	294/181	294/181	297/182	297/182	297/184	297/187	297/190
Alleys										
paved	4573	4,758	4,834	4,934	5,116	5,125	5,142	5,169	5,190	5,217
unpaved	563	375	297	192	148	102	100	73	73	46
Streets (centerline miles)	2005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,010	2,010
Traffic signals	1259	1,257	1,249	1,267	1,263	1,267	1,272	1,285	1,295	1,306
Parks and recreation										
Acreage owned	20,036	20,038	20,095	20,097	20,106	20,106	20,106	20,361	20,374	20,374
Golf courses	8	8	8	8	8	8	8	8	8	8
Mountain acreage	14141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141
Number of parks (includes mountain parks)	312	312	317	318	319	332	325	332	336	336
Parkways (miles)	60	60	60	60	60	60	60	60	60	60
Athletic fields/lighted	303/27	303/33	309/33	315/47	318/47	324/45	329/50	330/50	328/52	324/52
Recreation centers	30	30	31	31	31	30	30	30	30	31
Swimming pools	28	28	28	29	29	29	29	29	29	31
Tennis courts/lighted	155/88	155/88	155/88	155/88	152/88	148/88	146/88	146/88	148/88	147/90
Cultural activities										
Concert venues	7	7	7	7	7	7	7	7	7	7
Public libraries	23	23	23	24	24	24	25	26	26	26
Wastewater										
Sanitary sewers (miles)	1461	1,464	1,464	1,483	1,504	1,504	1,506	1,514	1,523	1,533
Storm sewers (miles)	694	742	742	782	793	802	805	812	821	823
Denver airport system										
Acreage	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800
Number of runways	6	6	6	6	6	6	6	6	6	6
Seating Capacities										
Boettcher Concert Hall	2,679	2,679	2,709	2,709	2,709	2,709	2,679	2,679	2,679	2,679
Colorado Convention Center	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Denver Coliseum	11,500	11,500	10,474	10,474	10,474	10,474	10,000	10,000	10,000	10,000
Ellie Caulkins Opera House	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,255	2,255	2,225
Red Rocks Amphitheater	9,450	9,450	9,450	9,450	9,450	9,450	9,525	9,525	9,525	9,525
Temple Hoyne Buell Theatre	2,844	2,844	2,846	2,846	2,846	2,846	2,884	2,884	2,884	2,884
McNichols Civic Center Building	-	-	-	-	-	-	2,000	1,900	1,900	1,900

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

The City and County of Denver



Source: Denver Geographic Information Systems

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DENVER
THE MILE HIGH CITY

Department of Finance
Controller's Office

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