



**CITY OF BOULDER  
CITY COUNCIL AGENDA ITEM**

**MEETING DATE: August 17, 2023**

**AGENDA TITLE: Consideration of a motion to adopt Resolution 1334 accepting the City of Boulder's 2022 Annual Comprehensive Financial Report and Independent Auditor's Report**

**PRESENTERS**

Nuria Rivera-Vandermyde, City Manager  
Kara Skinner, Chief Financial Officer  
Anne Penney, Controller  
Ron Gilbert, Assistant Controller

**EXECUTIVE SUMMARY**

This agenda item provides council the ability to consider a motion to adopt a resolution (Attachment A) accepting the City of Boulder's 2022 Annual Comprehensive Financial Report (ACFR) and Independent Auditor's Report. As described below, the auditors expressed a clean opinion on the ACFR indicating that the financial statements accurately reported the financial position and operations of the city for the year ended December 31, 2022. There were no audit findings noted in the independent auditor's report (Attachment B). In addition, City Council's Audit Committee met with the Auditors on July 26, 2023, and forwarded the ACFR on to the full City Council for consideration. For ease of review of auditor comments, a single document has been compiled listing the entire comments and managements responses.

**STAFF RECOMMENDATION**

**Suggested Motion Language:**

The 2023 City Council Audit Committee recommended that the 2022 Annual Comprehensive Financial Report be forwarded to the full City Council for official consideration and acceptance in the form of the following motion:

Motion to adopt a Resolution 1334 accepting the City of Boulder's 2022 Annual Comprehensive Financial Report and Independent Auditor's Report.

## **COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS**

- **Economic:** The city is required by Sections 12 and 105 of the City Charter and Chapter 2-2-7 B.R.C., 1981, the city's bond ordinances and many different governmental agencies to have an annual audit of the city's financial statements and various grant programs. This audit is a combined "single audit" designed to satisfy all of those requirements. Failure to have an audit would be a violation of these requirements and can negatively impact future interest rates on city borrowings, as well as grant eligibility of the city.
- **Environmental:** Each year, the Finance Department encourages individuals and entities to access the ACFR through the city's web site and provides hard copies of the report only as needed. Over the last few years, this effort has succeeded in reducing the number of hard copy reports printed, saving thousands of sheets of paper. In addition, the actual bound financial report is prepared using recycled paper to help minimize the impact on the environment. The audit was also completed remotely which decreased the carbon footprint for both staff and auditor. There are no other direct environmental implications of accepting the ACFR and the auditor's reports.
- **Social:** The users of the financial statements of the city have a variety of purposes and needs. These users include the public, legislative and oversight bodies, grantor agencies, investors and creditors, and management. Because of the specialized needs of these report users, the financial statements include a variety of financial information and extensive note disclosures. This detailed information is provided to increase transparency of the use and stewardship of the financial resources of the city.

## **OTHER IMPACTS**

- **Fiscal:** The CliftonLarsonAllen fee for the 2022 audit was \$89,219. The appropriation for these costs is included within the annual operating budget of the Finance Department.
- **Staff time:** Staff time for this process is included within the Finance Department's regular annual work plan.

## **BOARD AND COMMISSION FEEDBACK**

The auditors met with the City Council Audit Committee on July 26, 2023. Present were committee members Mark Wallach, Junie Joseph and University of Colorado Professor David Gross. The committee recommended that the 2022 Annual Comprehensive Financial Report and Independent Auditor's Reports be forwarded to full council for consideration and acceptance.

## **BACKGROUND**

Based on the city charter, City Council is required to appoint an independent auditor to perform a thorough and complete annual examination and audit of all the financial accounts of the city, as summarized in the ACFR. This independent auditor also reports and makes recommendations regarding the results of that examination, as communicated in the “Compliance Section” of the ACFR. The 2022 audit has been completed and the City Council Audit Committee met with the city’s independent auditors, CliftonLarsonAllen and city staff to discuss the ACFR and related audit reports.

This is the eighth year that CliftonLarsonAllen has performed the audit of the city. CliftonLarsonAllen was appointed by City Council on October 20, 2020, after a lengthy and detailed selection process, to perform the annual audit of the city records for the year ended December 31, 2020, with four optional renewals for subsequent years. The auditors expressed a clean opinion on the ACFR, indicating that the financial statements accurately reported the financial position and operations of the city for the year ended December 31, 2022. The auditors also issued reports on internal controls and compliance with laws and regulations as required by various grant programs. These reports are found in the “Compliance Section” of the ACFR, starting on page 301.

## **ANALYSIS**

The ACFR is prepared annually to meet certain legal and regulatory requirements including the City Charter and various State Statutes. In order to satisfy these requirements, the document becomes rather long and very detailed.

The ACFR for fiscal year ending December 31, 2022, is 313 pages long and broken into five distinct sections. The following provides a brief overview of the sections and identifies areas of interest within each section the user may wish to review.

### *Introductory Section:*

The Introductory Section includes the Letter of Transmittal starting on page 5 which is a very useful document to read. This letter provides general information on the city as well as information useful in assessing the current and future financial position of the city. On page 8 of the letter March 2023 sales and use tax information is included. Due to the timing of the required reporting deadline for the ACFR we are unable to include more current data. The most recent sales and use tax revenue report can be found here: <https://bouldercolorado.gov/revenue-reports>

### *Financial Section:*

The Financial Section includes the audit opinion, management’s discussion and analysis of the financial statements, the basic financial statements for the city, and the notes to the financial statements.

The Auditor’s Opinion found on pages 17 to 20 is a “clean” opinion, indicating that the financial statements included in the 2022 ACFR are properly and fairly presented in all material respects.

Management’s Discussion and Analysis, pages 21 to 33, provides a broad analysis of the city’s finances. It includes discussion and analysis of changes from 2021 to 2022 for the government wide financial statements, as well as General Fund budgetary highlights, changes in capital assets and the debt of the city, and various other significant matters.

The basic financial statements, pages 37 to 67, provide information on specific funds or groups of funds. Budget to actual reports for the four largest governmental funds (General Fund, Open Space Fund, Transportation Fund and the Boulder Municipal Property Authority) are presented on pages 46 to 50. Budget to actual reports for the other governmental funds are included in a subsequent section.

The Proprietary Fund financial statements, including the utility funds, Downtown Commercial District (formerly CAGID), and other non-major enterprise funds are presented on pages 52 to 63.

The Pension Trust Fund financial statements which include the “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan are presented on pages 66 to 67. Details by individual plan are included in Note V in the Notes to the Financial Statements, pages 125 to 139. Additional information is included as required supplementary information on pages 180 to 186.

The Notes to the Financial Statements, pages 71 to 177, contain detailed information on the various accounts, activities, and policies of the city. Of particular interest is Note A – Summary of Significant Accounting Policies. This note includes a wealth of information about the city’s reporting entity, why some organizations are included within the financial statements and others are not, various policies and practices used to account for city operations, and definitions for some of the accounting terms used within the report. The other notes provide additional disclosures about specific accounts or occurrences during the year. A table of contents for the notes is provided on page 70 for ease of reference.

*Combining and Individual Statements:*

This section provides detailed financial statements for funds not separately included within the Basic Financial Statements in the previous section. Balance sheets, operating statements and budget to actual statements are included on a fund by fund basis. Also included on pages 262 and 263 is a detailed schedule of the outstanding long-term debt of the city by governmental and business type activity.

*Statistical Section:*

The statistical section provides information on how the city’s financial position has changed over time, the city’s ability to generate its own revenues, the current debt burden and the ability to issue additional debt,

various demographic and economic information and operating information to help assess the size of city operations. A detailed table of contents on page 267 further explains the schedules included in this section.

Compliance Section:

The final section of the ACFR starting on page 301 presents information on the city's federal grants and awards and the state highway finance report. Included within this section are the auditors' reports on internal controls and compliance with the various grant requirements.

By reading the Letter of Transmittal, Management's Discussion and Analysis, and Note A of the Notes to the Financial Statements, the user will have a good overview of city operations for 2022 and a basic understanding of the statements. The user can then delve more deeply into specific funds or operations as desired.

As part of the year end process, an audit is performed on the ACFR and city financial operations. The 2022 audit has been completed and the City Council Audit Committee has met with the city's independent auditor CliftonLarsonAllen, and city staff to discuss the ACFR, including the auditor compliance reports and management responses.

Representatives of CliftonLarsonAllen presented their audit results to the City Council Audit Committee. As noted in Attachment B there were no findings noted in the December 31, 2022 audited financial statements.

After due discussion and consideration, the City Council Audit Committee forwarded the ACFR, including the compliance reports to the full City Council for consideration at the August 17, 2023, council meeting.

**ATTACHMENTS**

- |                     |  |
|---------------------|--|
| <b>ATTACHMENT A</b> | Proposed Resolution  |
| <b>ATTACHMENT B</b> | 2022 Independent Auditor's Report  |
| <b>ATTACHMENT C</b> | City of Boulder 5 Year Financial Summary   |
| <b>ATTACHMENT D</b> | 2022 Annual Comprehensive Financial Report<br>(Available in City Council Office, Central Records,<br>Central Library Reference Desk, and online at<br><a href="http://www.bouldercolorado.gov">www.bouldercolorado.gov</a> under Finance Department,<br>Financial Reporting) |

**RESOLUTION 1334****A RESOLUTION ACCEPTING THE CITY OF BOULDER'S 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORTS**

WHEREAS, Sections 12 and 105 of the Charter and Chapter 2-2-7 B.R.C., 1981, require the City Council, by resolution, to appoint an auditor, who is a certified public accountant licensed to practice in the State of Colorado and is well informed regarding governmental accounting and auditing; and

WHEREAS, the auditor is required to make a thorough and complete examination and audit of all the financial accounts of the City, report thereon and make recommendations regarding the results of that examination; and

WHEREAS, based upon review of the 2022 Annual Comprehensive Financial Report, Independent Auditor's Reports and discussions with city staff and CliftonLarsonAllen, the City's Independent Auditor, the City Council Audit Committee recommends that City Council officially accept the:

- 2022 Annual Comprehensive Financial Report, and
- 2022 Independent Auditor's Reports

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, HEREBY ACCEPTS THE 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORTS.**

APPROVED this 17th day of August, 2023.

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Mayor

ATTEST:

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City Clerk on behalf of the  
Chief Financial Officer and Record



CliftonLarsonAllen LLP  
 CLAAconnect.com

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Boulder, Colorado (the City) as of and for the year ended December 31, 2022, and have issued our report thereon dated June 16, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our statement of work dated January 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements.

As described in Note AC, the City changed accounting policies related to lessee and lessor leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*, in 2022. There was no net effect to beginning net position or fund balance.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Capital assets of the governmental and business-type activities are depreciated using the straight-line method over their estimated useful lives, which range from three to seventy-five years. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension and OPEB liabilities related to its pension and OPEB plans are based on actuarial assumptions and other inputs as described in Notes V and X to the financial statements. We evaluated the key factors and assumptions used to develop the net pension and OPEB liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

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City of Boulder, Colorado  
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- The City's claim liabilities are based on estimates of the ultimate cost of claims (including unallocated loss adjustment expenses) that have been reported but not settled. Also included are estimates for claims incurred but not reported. The total projected claims liabilities are estimates provided by actuaries for the property and casualty and workers' compensation insurance programs. Such estimates consider the City's historical claims experience, effects of inflation, recent claim settlement trends and other economic and social factors. We evaluated the key factors and assumptions used to develop the claims liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.
- The City's pollution remediation and landfill closure liabilities are based on estimates of the cost for the site closure, including landfill closure, postclosure care, and remediation costs. These estimates are based on a third-party consultant's site assessments and professional experience in this subject matter. We evaluated the key factors and assumptions used to develop the remediation and landfill closure liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.
- The City estimates a 10% salvage value on certain vehicles purchased prior to 2015. We evaluated the key factors and assumptions used to develop the 10% salvage value on certain vehicles purchased prior to 2015 in determining that it is reasonable in relation to the financial statements taken as a whole.
- The City's estimate of the lease related receivables and payables following the implementation of GASB Statement No. 87, *Leases*. We evaluated the key factors and assumptions used to develop the lease receivables and lease payables estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

#### Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

#### ***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.



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***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated June 16, 2023.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Supplementary information in relation to the financial statements as a whole***

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 16, 2023.

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City of Boulder, Colorado  
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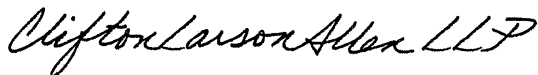
With respect to the combining and individual fund financial statements and schedules and the local highway finance report (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 16, 2023.

**Other information included in annual reports**

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

\* \* \*

This communication is intended solely for the information and use of the Honorable Mayor and Members of City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 16, 2023



**STANDARD**

**Contract Routing Cover Sheet**

Please print and attach to your document

You can view the status of your contract using the [Contract Tracking Status Page](#).

<b>Routing Number</b>	20230621-0493		
<b>Originating Dept</b>	Finance		
<b>Contact Person</b>	Anne Penney	<b>Phone Number</b>	3034411812
<b>Project Manager / Contract Administrator</b>	Anne Penney	<b>E-mail</b>	penneya@bouldercolorado.gov
<b>Counter Parties</b>	<del>None</del> CliftonLarsonAllen		
<b>Contract Title / Type</b>	Management Representation Letter - City of Boulder Audit		
<b>Number</b>			
<b>Description</b>	The City provides this to our external auditors prior to the issuance of the audit report. It must be signed and returned to them before they will issue their audit opinion. The representations are consistent with prior year. For FY 2022 we have an unmodified or clean opinion.		
<b>Special Instructions</b>	In order to issue the report to GFOA no later than 6/30 I need the signed rep letter returned no later than Tuesday, 6/27. Thank you.		
<b>Amount</b>	0	<b>Expense Type</b>	OUTGOING

• Dept. Head Signature Kara Skinner

**NOTE; Originating Department:** Identify with a check mark all areas document needs to be routed.

- Purchasing \_\_\_\_\_
- Budget \_\_\_\_\_
- Sales Tax \_\_\_\_\_
- ✓ CAO Laurel Witt
- ✓ City Manager Signature page is bookmarked
- ✓ Central Records \_\_\_\_\_

**THIS IS A RUSH. SEE "SPECIAL INSTRUCTIONS" BOX, ABOVE.**



# City of Boulder Finance

June 16, 2023

CliftonLarsonAllen LLP  
370 Interlocken Boulevard, Suite 500  
Broomfield, Colorado 80021

This representation letter is provided in connection with your audit of the financial statements of City of Boulder, Colorado (the City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of June 16, 2023, the following representations made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 10, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
8. We have not identified or been notified of any uncorrected financial statement misstatements.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
11. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
12. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
13. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
14. We have implemented GASB Statement No. 87, *Leases*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.
15. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
16. We believe that all material expenditures that have been deferred to future periods will be recoverable.
17. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

19. We have complied with all secondary reporting requirements under SEC Rule No. 240.15c2-12, as outlined in the covenants to our bond issues.
20. We understand TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time that the City is in compliance with TABOR.
21. We have informed all banking and savings and loan institutions that our deposits are subject to the respective Public Deposit Protection Act and have provided banking institutions with our assigned number.

#### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;

- b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
  6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
  7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
  8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
  9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
  10. We have a process to track the status of audit findings and recommendations.
  11. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to City of Boulder, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
  13. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
  14. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
  15. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the

event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Investments are properly valued.
22. Provisions for uncollectible receivables have been properly identified and recorded.
23. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
24. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
25. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
26. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
27. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
28. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
29. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.



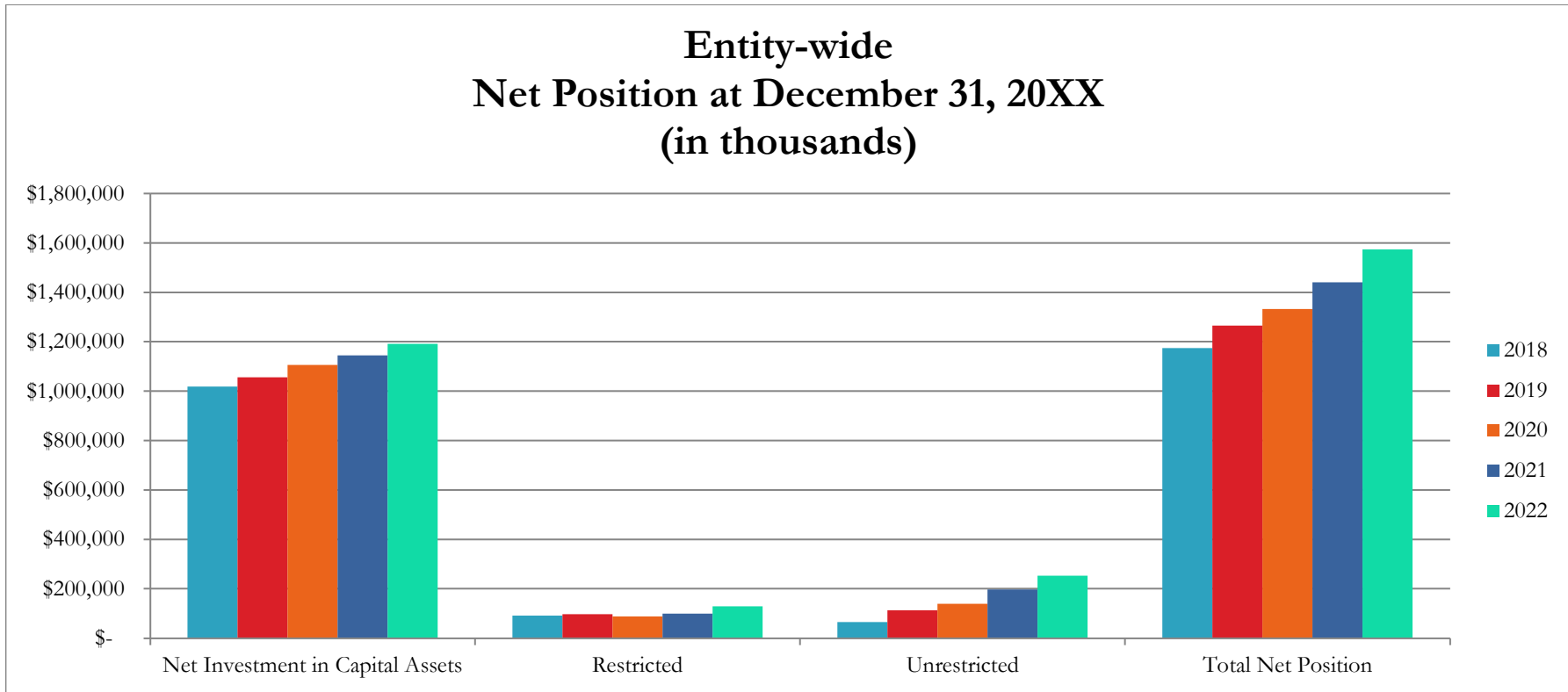
30. We acknowledge our responsibility for presenting the combining fund financials and statements and the local highway finance report (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
31. We acknowledge our responsibility for the preparation of the other information included in our annual report, which is comprised of the introductory and statistical sections (other information). The other information is consistent with the financial statements and does not contain any material misstatements. With regard to the other information that has not been provided to you, the final version of the documents will be provided to you when available, and prior to issuance of the annual report by the entity, so that you can complete your required procedures. We agree to correct material inconsistencies that you may identify.
32. In regards to the GASB Statement Nos 68/71, GASB Statement No. 75 preparation services, and data collection form preparation services (nonattest services) services performed by you, we have:
- a. Made all management judgments and decisions and assumed all management responsibilities.
  - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.
33. With respect to federal award programs:
- a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.
  - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance,

and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.

- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

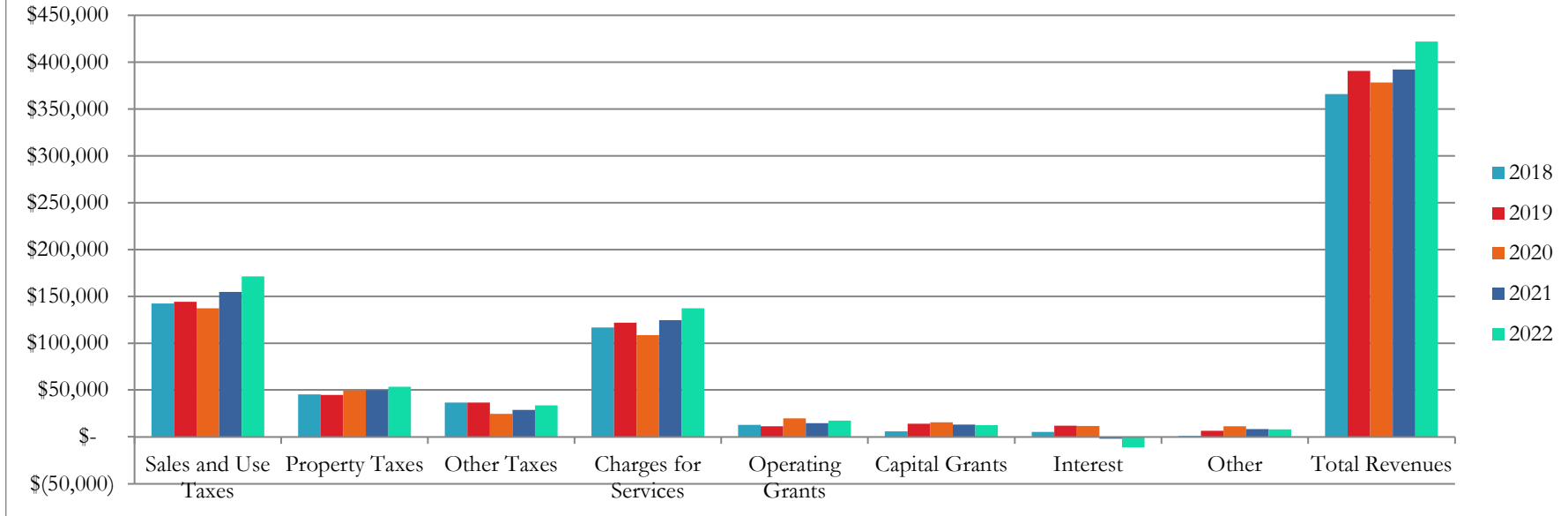




Entity-wide Net Position at December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
Net Investment in Capital Assets	\$ 1,018,331	\$ 1,055,749	\$ 1,105,488	\$ 1,144,165	\$ 1,190,868
Restricted	91,066	96,582	87,263	99,610	129,294
Unrestricted	65,283	112,844	139,551	196,462	253,076
<b>Total Net Position</b>	<b>\$ 1,174,680</b>	<b>\$ 1,265,175</b>	<b>\$ 1,332,302</b>	<b>\$ 1,440,237</b>	<b>\$ 1,573,238</b>

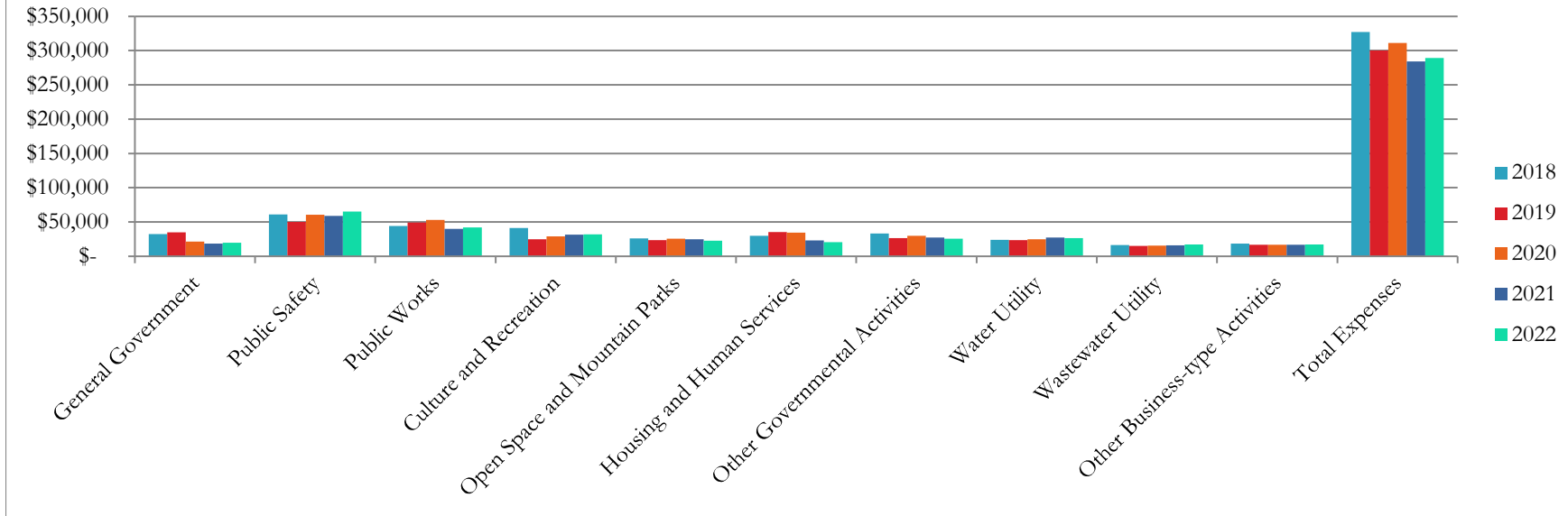
\*Amounts Not Restated

## Entity-wide Revenues by Source for the Year Ended December 31, 20XX (in thousands)

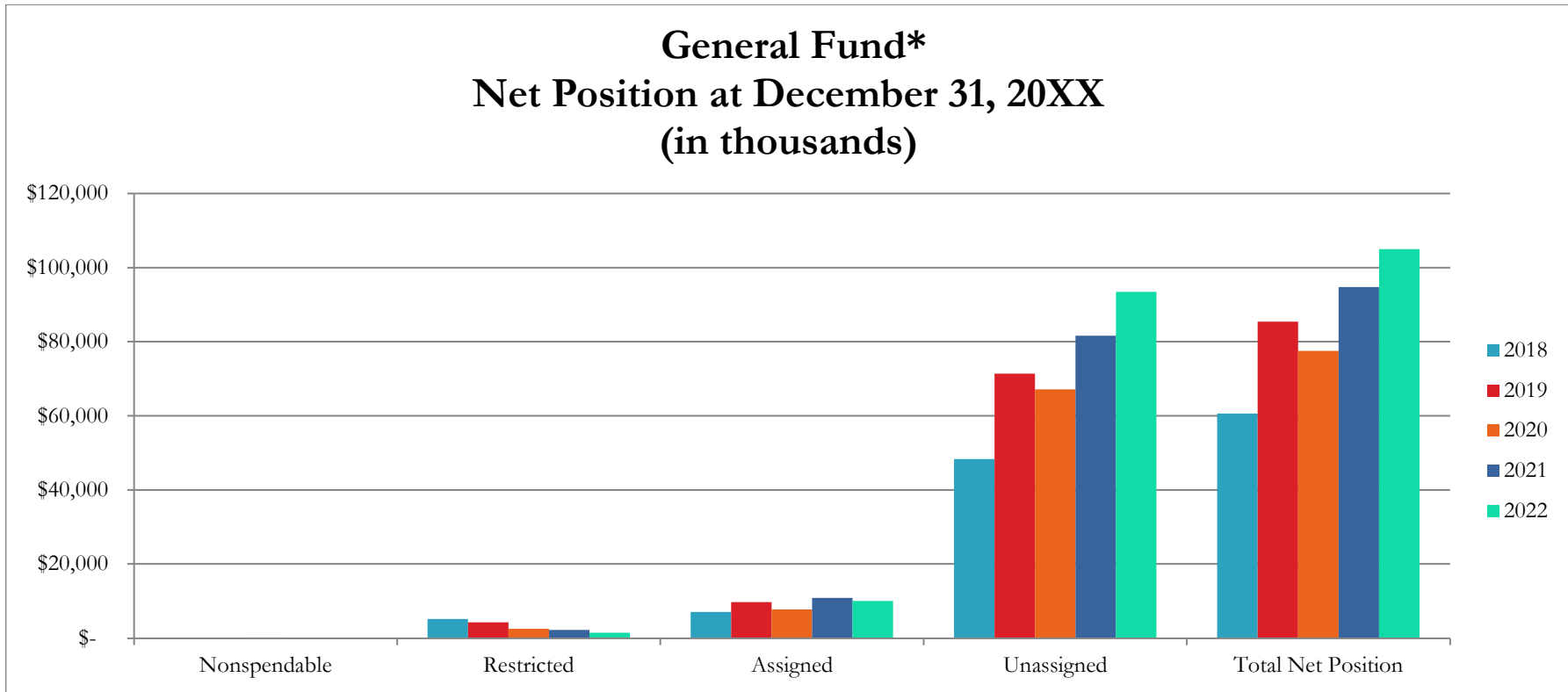


Entity-wide Revenues by Source for the Year Ended December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
Sales and Use Taxes	\$ 142,344	\$ 144,025	\$ 137,340	\$ 154,694	\$ 171,335
Property Taxes	45,254	44,746	49,469	49,803	53,398
Other Taxes	36,672	36,550	24,504	28,789	33,591
Charges for Services	116,723	121,939	108,626	124,689	137,289
Operating Grants	12,645	11,146	19,828	14,643	17,180
Capital Grants	5,921	13,924	15,571	13,108	12,444
Interest	5,310	11,816	11,609	(1,941)	(11,172)
Other	1,027	6,331	11,403	8,375	7,974
<b>Total Revenues</b>	<b>\$ 365,896</b>	<b>\$ 390,477</b>	<b>\$ 378,350</b>	<b>\$ 392,160</b>	<b>\$ 422,039</b>

## Entity-wide Expenses by Function for the Year Ended December 31, 20XX (in thousands)



Entity-wide Expenses by Function for the Year Ended December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
General Government	\$ 32,376	\$ 34,882	\$ 21,302	\$ 18,336	\$ 19,718
Public Safety	60,970	50,216	60,699	58,827	65,023
Public Works	44,305	49,277	53,167	40,121	42,098
Culture and Recreation	41,175	24,657	29,004	31,575	32,035
Open Space and Mountain Parks	26,200	23,440	25,702	24,699	22,916
Housing and Human Services	30,078	35,506	34,321	22,971	20,458
Other Governmental Activities	33,067	26,654	29,744	27,420	25,808
Water Utility	24,118	23,575	24,809	27,297	26,358
Wastewater Utility	16,270	15,030	15,644	15,976	17,299
Other Business-type Activities	18,425	16,745	16,831	17,003	17,325
<b>Total Expenses</b>	<b>\$ 326,984</b>	<b>\$ 299,982</b>	<b>\$ 311,223</b>	<b>\$ 284,225</b>	<b>\$ 289,038</b>

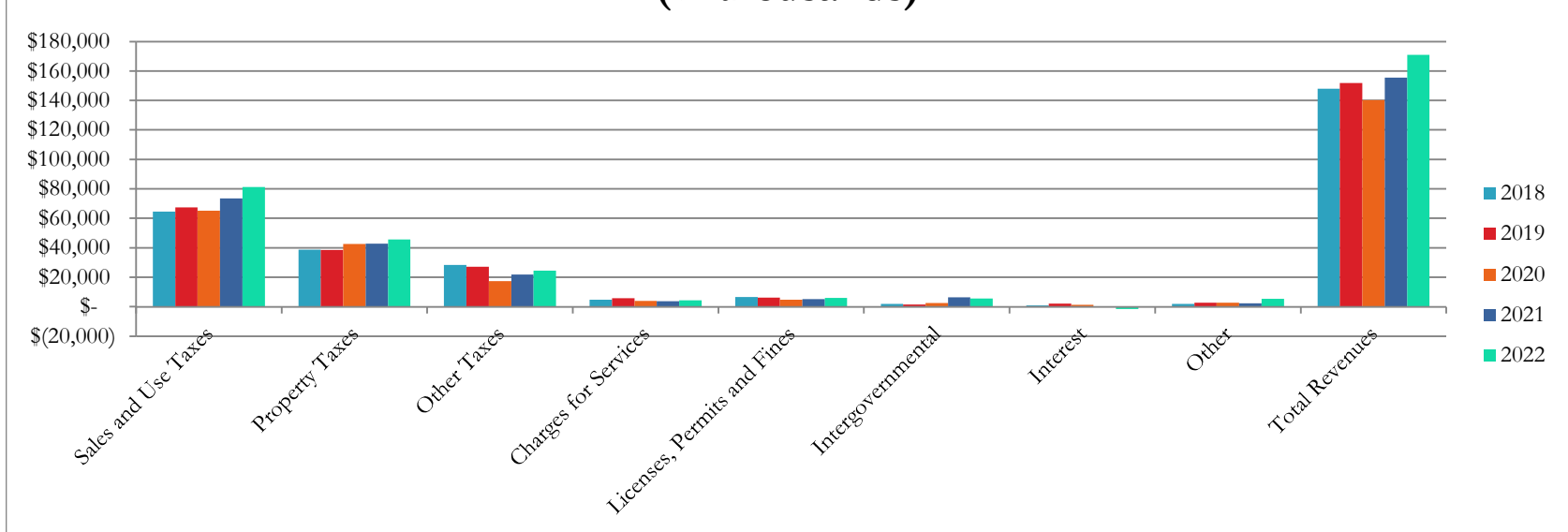


General Fund Net Position at December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
Nonspendable	\$ 48	\$ 92	\$ 150	\$ 107	\$ 71
Restricted	5,192	4,283	2,485	2,202	1,442
Assigned	7,049	9,686	7,744	10,849	10,011
Unassigned	48,326	71,350	67,150	81,584	93,466
<b>Total Net Position</b>	<b>\$ 60,615</b>	<b>\$ 85,411</b>	<b>\$ 77,529</b>	<b>\$ 94,742</b>	<b>\$ 104,990</b>

\* - General Fund includes Core General Fund, Community Housing Assistance Fund (CHAP) & Governmental Capital Fund

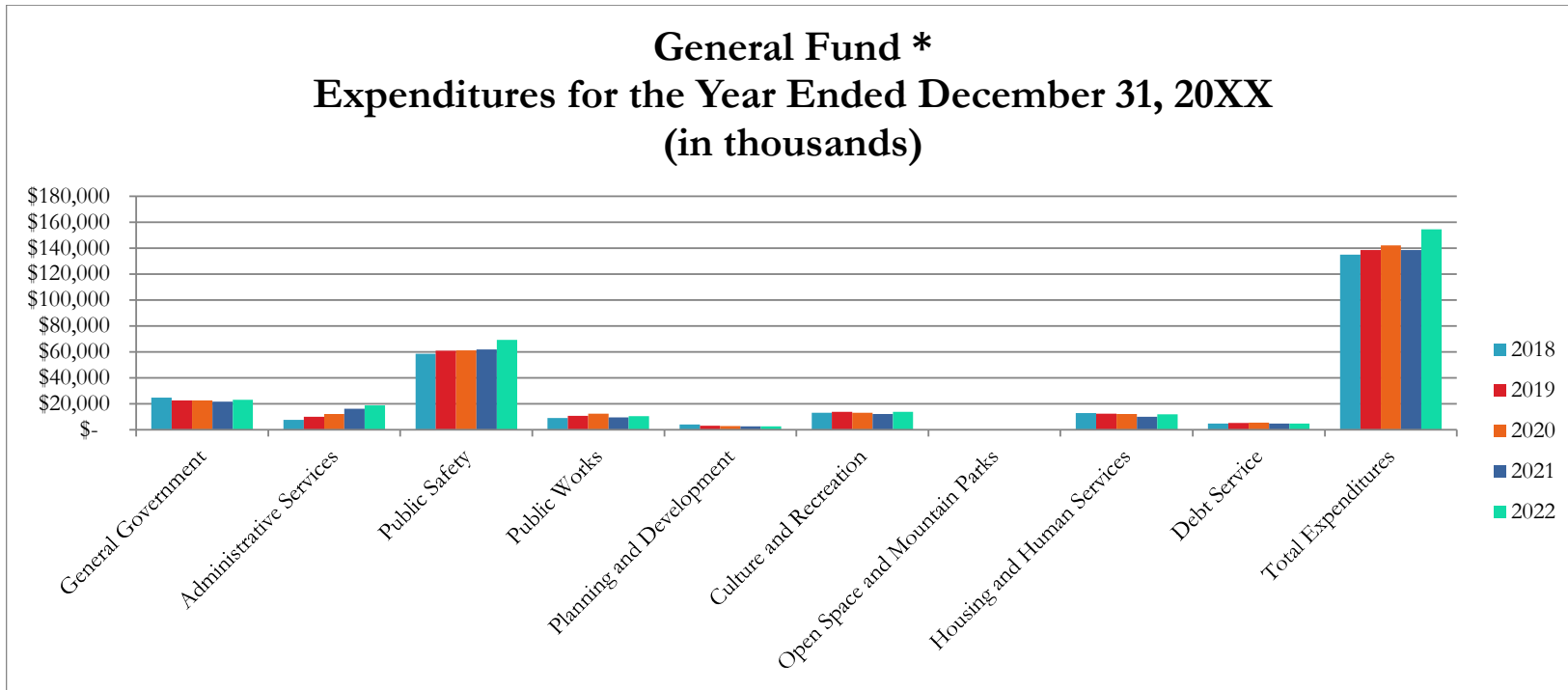


### General Fund \* Revenues for the Year Ended December 31, 20XX (in thousands)



General Fund Revenues for the Year Ended December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
Sales and Use Taxes	\$ 64,573	\$ 67,476	\$ 65,098	\$ 73,447	\$ 81,136
Property Taxes	38,789	38,564	42,573	42,776	45,627
Other Taxes	28,272	27,141	17,467	21,876	24,594
Charges for Services	4,869	5,836	3,879	3,665	4,319
Licenses, Permits and Fines	6,694	6,235	4,748	5,276	5,905
Intergovernmental	1,941	1,495	2,545	6,474	5,566
Interest	925	2,186	1,341	(309)	(1,565)
Other	1,978	2,804	2,640	2,357	5,335
<b>Total Revenues</b>	<b>\$ 148,041</b>	<b>\$ 151,737</b>	<b>\$ 140,291</b>	<b>\$ 155,562</b>	<b>\$ 170,917</b>

\* - General Fund includes Core General Fund, Community Housing Assistance Fund (CHAP) & Governmental Capital Fund



General Fund Expenditures for the Year Ended December 31, 20XX (in thousands)					
	2018	2019	2020	2021	2022
General Government	\$ 24,745	\$ 22,580	\$ 22,661	\$ 21,654	\$ 23,019
Administrative Services	7,678	9,905	12,140	16,105	18,826
Public Safety	58,619	60,983	61,225	61,945	69,312
Public Works	9,081	10,765	12,410	9,552	10,521
Planning and Development	4,033	3,102	2,899	2,506	2,521
Culture and Recreation	13,098	13,832	12,975	12,035	13,837
Open Space and Mountain Parks	82	116	299	4	8
Housing and Human Services	12,903	12,215	12,205	10,023	11,767
Debt Service	4,800	5,111	5,388	4,710	4,792
<b>Total Expenditures</b>	<b>\$ 135,039</b>	<b>\$ 138,609</b>	<b>\$ 142,202</b>	<b>\$ 138,534</b>	<b>\$ 154,603</b>

\* - General Fund includes Core General Fund, Community Housing Assistance Fund (CHAP) & Governmental Capital Fund