

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Boulder, Colorado
for the fiscal year ended December 31, 2012

CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2012

Prepared by the Department of Finance

Contents printed on recycled paper.

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December 31, 2012

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

July 2, 2013

To: Members of the City Council,
City Manager Jane Brautigam and the Residents of the City of Boulder

Both the City of Boulder Charter and State law require that an audit of city financial records be conducted each year by an independent certified public accountant. Such an audit has been performed and this report is being published as part of the requirement for the fiscal year ended December 31, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

BKD, LLP has issued an unmodified (“clean”) opinion on the City of Boulder’s financial statements for the year ended December 31, 2012. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Boulder is located in north central Colorado, approximately 25 miles northwest of Denver via the Denver-Boulder Turnpike (U.S. 36). The city is located at the base of the foothills of the Front Range of the Rocky Mountains at an altitude of 5,354 feet. Nestled at the foot of the Rockies, Boulder has a special beauty that is complemented by its diverse culture. Boulder has a diverse economy that is supported by computer, aerospace, scientific and research firms, the University of Colorado, and several federal laboratories.

Superior educational and cultural resources make Boulder a fulfilling place to live, work, and play. The city encompasses approximately 25.4 square miles and is the county seat of Boulder County. The population of the city according to a 2012 estimate made by the City of Boulder is 99,070.

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

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

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

Certain parking facilities and services are provided through two legally separate entities, Downtown Commercial District and University Hill Commercial District. In addition, acquisition and construction of certain city properties and facilities is provided by Boulder Municipal Property Authority. These separate entities function, in essence, as separate departments of the City of Boulder and have therefore been included as an integral part of the City of Boulder's financial statements.

Budgetary Process

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

The city has implemented an annual budget process and adopts the coming year's budget by December 1, as provided by state law. The City of Boulder Charter established the time limits pertaining to the adoption of the budget. The budget process and schedule of development is designed to fit within the Charter mandate and to allow for active and early participation by the

City Council, with an emphasis on public input. The city's budget is developed throughout the year, but the bulk of the effort occurs during a nine month period beginning in February and ending in October. The budget and annual Appropriation Ordinances for the ensuing term are generally adopted in October during public hearings.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Original projections for sales and use tax revenues for 2012 expected a 4.5% increase from 2011. Actual sales and use tax revenues for the city increased by 3.97% over 2011. If Boulder Junction is excluded, actual sales and use tax revenue increased 3.00% over 2011. During 2012, retail receipts were up 3.71%, Business/Consumer Use Tax was up 2.33%, Construction Use Tax was up 5.27% and Motor Vehicle Use Tax was up 8.04%. Significant audit revenue collected during the months of October and December contributed to the 2.33% increase in Business/Consumer Use Tax. Construction Use Tax is up due to the Boulder Junction area and is considered one-time revenue. Excluding the Boulder Junction area would result in a 9.23% decrease in Construction Use Tax.

Sales and use tax revenues in 2012 made up approximately 43% of the General Fund, 97% of the Open Space and Mountain Parks Fund and 61% of the Transportation Fund total revenues.

The property tax base slightly increased in 2012. The assessed valuation for property within the City of Boulder increased from \$2.498 billion in 2011 to \$2.501 billion in 2012, or by 0.1%. The increase in 2012 will not recover the 2.65% decrease which occurred in 2011. Taxes levied against the 2012 assessed valuation will be collected in 2013. Much of the resulting decrease from 2011 will be offset by an increase in the property tax levy retained by the city. In November 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues for 2009 and beyond. This increase in retained taxes was limited to .5 mills per year until the full amount of the existing tax levy of 11.981 mills was restored and retained. During 2012, the remaining TABOR limitation was fully eliminated.

Projections for the Future

According to The Colorado Outlook Report, released March 18, 2013, economic growth is expected to be moderate, but downside risks remain, as noted by the Office of State Planning and Budgeting (OSPB).

The economy continues to live with the legacies of the debt-fueled boom and bust over the past decade that produced massive disruptions in fundamental economic activities. It is still not apparent that the nation as a whole has a strong foundation to support more robust growth. This is evident in the continued elevated level of unemployment and the uneven pattern of economic activity over the past couple years. Moreover, the recent growth is coincident with substantial monetary expansion by the Federal Reserve. The lack of a more robust foundation leaves the economy more vulnerable to negative forces and events as well as the eventual cessation of monetary easing.

The change in March 2013 year-to-date sales and use tax revenue, including use tax revenues from Boulder Junction Construction Projects, compared to March 2012 is as follows:

March YTD 2013 versus 2012		
Tax Category	% Change	% of Total
Retail Sales Tax	7.59%	79.29%
Business / Consumer Use Tax	23.95%	9.44%
Construction Use Tax	(17.76%)	8.43%
Motor Vehicle Use Tax	9.11%	2.84%
Total YTD Sales/Use Tax	6.19%	100.00%

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

- Retail Sales Tax – Actual retail receipts are up by 7.59%. A significant portion of this increase is due to business-to-business sales that are one-time related (not use tax) and will not reoccur on a monthly basis.
- Business/Consumer Use Tax – Revenues are up by 23.95%. Strength in business-to-business sales makes up the majority of this increase. There was also significant audit revenue collected during the months of January and February.
- Construction Use Tax – This category is down by 17.76% year-to-date as of March 2013. Excluding Boulder Junction construction projects, construction use tax is up by 30.77%. This increase is due primarily to construction use tax paid in February for large projects (CU and a large private sector multi-family development).
- Motor Vehicle Use Tax is up by 9.11%. Vehicles purchased by Boulder citizens, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city.

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

The actual percentages for 2011 and 2012, along with the 2013 sales tax projections for the City of Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

Forecast	2011 Actual	2012 Actual	2013 Projected
Base Sales/Use Tax - City of Boulder	5.73%	3.97%	3.40%
Denver-Boulder CPI-U	3.69%	1.94%	2.80%
Projected Statewide Retail Sales Trade Growth	7.70%	5.40%	4.30%
Projected Statewide Personal Income Growth	6.10%	4.50%	3.60%

THE IMPORTANCE OF SOUND FINANCIAL PLANNING, DOWNSIZING STRATEGY AND ACTIONS

The following narrative was extracted from the City Manager's message found in the 2013 Annual Budget, Volume I:

The budget continues to be guided by recommendations made by the Blue Ribbon Commissions (BRC) I and II. Major long-term recommendations included:

- Establish a long-term balanced revenue stream for the City of Boulder
- Enhance the city's budget process by using Priority Based Budgeting
- Update compensation policies
- Use efficiency studies to determine if current resources are being maximized
- Update and continue the use of cost recovery strategies
- Maintain current infrastructure
- Implement performance measures for city services

Each of these recommendations has been, or is being, implemented and has helped the city maintain the appropriate balance of revenues and expenditures. Current projections are the \$135 million structural gap (determined BRC I) between revenues and expenditures has been reduced to \$75 million annually by 2030. The analysis will be updated in 2014.

MAJOR INITIATIVES

Current economic conditions and the long-term structural budget problems require that the City of Boulder conduct business in a new way, evaluate what services and programs can be provided, continue to focus on being as efficient as possible and refine processes and systems to work with staffing levels that can be sustained over time. In order to address these economic and structural realities, a PBB approach was implemented as part of the 2011 budget process and was continued in 2012 and 2013. PBB will be increasingly useful to determine the set of services and programs that will be provided to the community.

The 2013 Capital Improvements Program (CIP) includes proposed funding of \$33.8 million for 61 projects. The entire six-year (2013-18) CIP includes proposed funding of \$217.8 million for 140 projects. When other funding is included, the six-year total is \$266.8. The increase was a voter approved measure which involved a bond issue of \$49.0 million, which occurred in March 2012. CIP funding varies year-to-year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Some of the most significant capital expenditures included within the six-year plan are as follow: (i) acquisition and development of open space lands totaling \$32.1 million; (ii) parks and recreation projects totaling \$13.1 million including development of new community parks, repairs and deficiency corrections, and renovation of existing facilities; (iii) \$39.0 million in transportation system improvements including improvements to 28th Street, 30th Street access improvements for the Boulder Transit Village Station and FasTracks commuter rail development; (iv) \$85.0 million for water utility fund capital projects including new construction for the Barker Dam, Carter Lake Pipeline and Carter Lake Hydroelectric (projects beginning in 2016 and continuing into 2018), (v) \$11.8 million for wastewater utility fund projects including wastewater treatment plant rehabilitation projects and expansion of the bio-solids digester at the wastewater treatment plant; (vi) \$25.0 million for stormwater and flood management utility fund projects including Fourmile Canyon Creek and Wonderland Creek flood mitigation projects.

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

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

OTHER FINANCIAL INFORMATION

Debt Ratings

During 2012, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited in the past for these high rating levels have been the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy and less reliance of the city's General Fund on sales taxes when compared with other Colorado municipalities.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its CAFR for the fiscal year ended December 31, 2011. This was the twenty-third consecutive year that the city has achieved this prestigious award and the thirty-first year in total. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2012 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The City of Boulder's most recent accomplishment is the Award for Outstanding Achievement for producing a Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2011. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

We are proud of this continuing commitment to provide complete and reliable information to the residents of the City of Boulder.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed in its preparation. We also thank the Mayor, City Council Members, City Council Audit Committee Members, and the City Manager for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cheryl Pattelli". The signature is fluid and cursive, with the first name "Cheryl" and last name "Pattelli" clearly distinguishable.

Cheryl Pattelli, CPA
Director of Fiscal Services

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boulder
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

At December 31, 2012

Mayor and City Council

Mayor:	Matthew Appelbaum
Deputy Mayor:	Lisa Morzel
Council Members:	Suzy Ageton KC Becker Macon Cowles Suzanne Jones George Karakehian Tim Plass Ken Wilson

Administrative

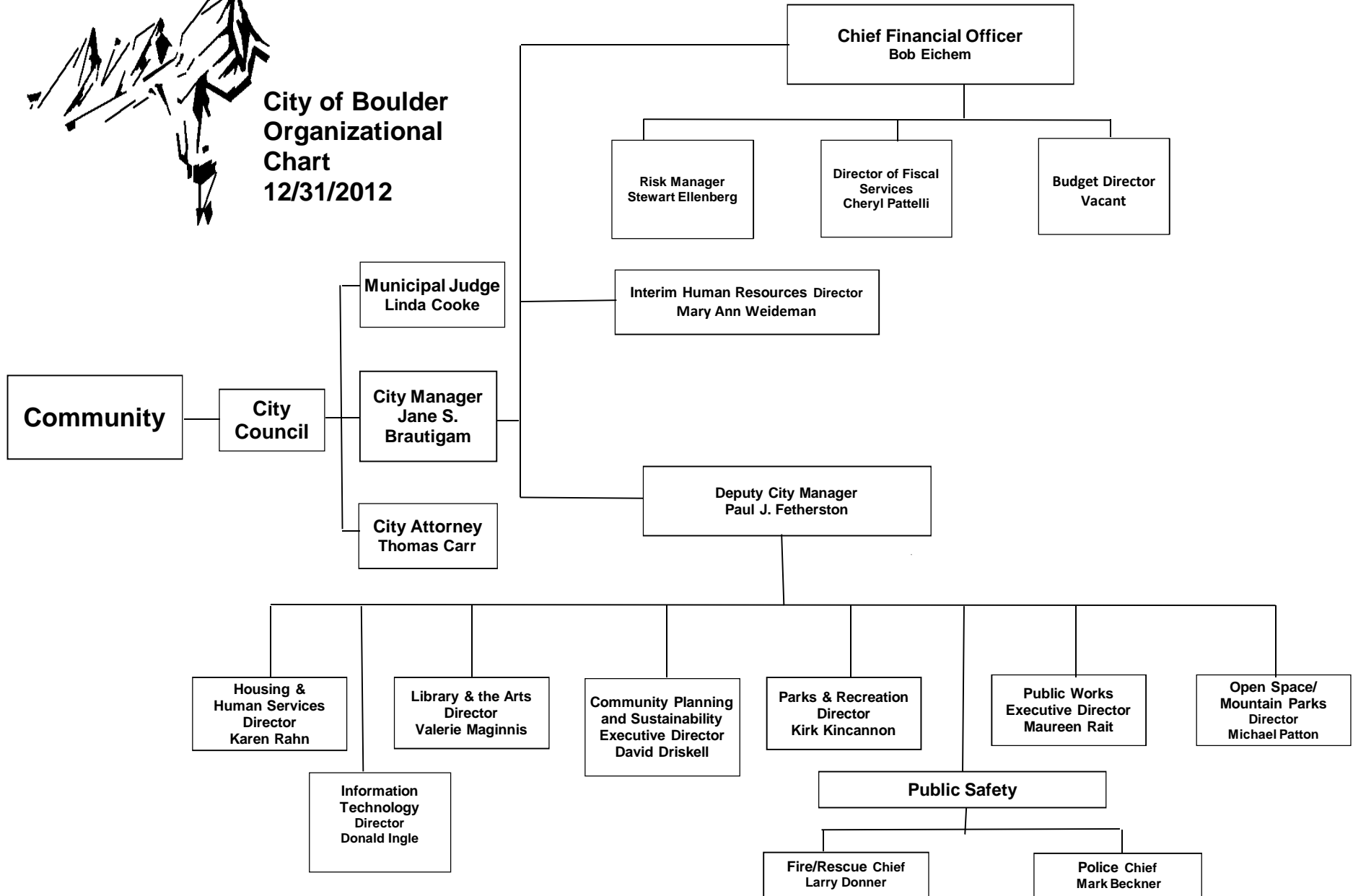
City Manager:	Jane Brautigam
Deputy City Manager:	Paul Fetherston
Chief Financial Officer:	Bob Eichem
Director of Fiscal Services:	Cheryl Pattelli
Controller:	Duane Hudson

Contributing Finance Staff

Financial Reporting Manager:	Sharon Danson
Financial Reporting Accountants:	Kim Carpentier Juciene Azevedo-Wilk Michael Skoff
Accounts Payable/Receivable:	Debbie Stringham Rehnay Bradford



**City of Boulder
Organizational
Chart
12/31/2012**



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Independent Auditor's Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boulder, Colorado (the city), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise city's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Open Space and Mountain Parks Fund, Transportation Fund and 2011 Capital Improvement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2013, on our consideration of the city's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BKD, LLP

Denver, Colorado
July 2, 2013

City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

December 31, 2012

This section of the City of Boulder's (the city) financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the city's financial statements, which follow this section. All amounts within this Comprehensive Annual Financial Report are expressed in thousands of dollars unless otherwise indicated.

Financial Highlights

- The assets of the city exceeded its liabilities at the close of 2012 by \$983.7 million (\$596.0 million in governmental activities net position and \$387.7 million in business-type activities net position). Of the governmental activities net position total, \$113.4 million, or 19%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$61.6 million, or 16%, of business-type activities net position are unrestricted.
- Total net position of the city increased \$55.0 million, or 6%, compared to 2011. Net position of the city's governmental activities increased \$60.6 million, which represents an increase of 11% from 2011. Net position of the city's business-type activities decreased \$5.6 million, or 1%, from 2011.
- Total revenues, excluding transfers and extraordinary items, increased \$22.3 million, or 9%, compared to 2011. Governmental activities revenues increased \$25.8 million, or 14%, to \$210.0 million, while revenues of business-type activities decreased \$3.5 million, or 6%, to \$59.2 million compared to 2011.
- The total expenses of all the city's programs, excluding transfers and extraordinary items, and indirect expenses allocated increased \$3.3 million, or 2%, to \$214.2 million compared to 2011. The expenses of governmental activities programs increased \$2.5 million, or 2%, to \$168.5 million, while the expenses of business-type activities increased \$0.8 million, or 2%, from 2011 to \$45.6 million.

As of December 31, 2012, the city's governmental funds reported a combined ending fund balance of \$154.4 million. Approximately 47%, or \$72.9 million, is unrestricted fund balance and, therefore, available for spending at the city's discretion within the purposes specified for the city's funds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

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

Table 1 - Net Position (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 257,795	\$ 186,355	\$ 75,285	\$ 81,719	\$ 333,080	\$ 268,074
Capital assets	513,907	478,204	419,022	428,938	932,929	907,142
Total assets	771,702	664,559	494,307	510,657	1,266,009	1,175,216
Noncurrent liabilities	123,691	76,861	98,760	108,963	222,451	185,824
Other liabilities	52,024	52,312	7,824	8,413	59,848	60,725
Total liabilities	175,715	129,173	106,584	117,376	282,299	246,549
Net position:						
Net investment in capital assets	401,272	418,691	325,883	325,861	727,155	744,552
Restricted	81,324	30,256	257	254	81,581	30,510
Unrestricted	113,391	86,439	61,583	67,166	174,974	153,605
Total net position	\$ 595,987	\$ 535,386	\$ 387,723	\$ 393,281	\$ 983,710	\$ 928,667

Table 1 presents an analysis of the city's net position as of December 31, 2012. The city's assets exceeded its liabilities by \$983.7 million at the close of the current fiscal year. By far the largest portion of the city's net position (74%) reflects its investment of \$727.2 million in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position, \$81.6 million (8%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$175.0 million (18%), may be used to meet the city's on-going obligations to the public and creditors. The unrestricted net position of the city's business-type activities in the amount of \$61.6 million are not available to fund the city's governmental activities.

At the end of the current fiscal year, the city is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. Net investment in capital assets decreased \$17.4 million, or 2%, compared to 2011. This decrease is partially the result of related debt of \$49 million that was issued in March 2012. This is discussed in the “Capital Assets” section below in more detail. Restricted net position increased \$51.0 million, or 167%, compared to 2011. This increase is primarily due to the new construction projects that have been undertaken and not completed in 2012. The \$21.3 million, or 14%, increase in unrestricted net position is a result of an increase in both unrestricted program and general revenues such as charges for services and taxes.

It is important to note that approximately \$40.5 million in governmental unrestricted net position arises from the net position of the city’s internal service funds, discussed above in “Overview of the Financial Statements – Proprietary Funds.” Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net position being allocated to unrestricted net position of governmental activities and unrestricted net position of business-type activities.

Analysis of Changes in Net Position

As can be seen from *Table 2*, the city’s net position increased by \$55.0 million during 2012. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$60.6 million during 2012, accounting for the total increase in the city’s net position. This increase was \$41.2 million more than the \$19.4 million increase in net position in 2011.

Revenues during 2012 increased by \$25.8 million compared to 2011. Charges for services grew \$18.8 million primarily due to an increase in developer payments made to the city in lieu of building affordable housing. Sales and use taxes increased \$4.8 million from 2011 primarily due to an increase in general retail sales activity resulting from the economic recovery. Property taxes increased by \$2.0 million partially due to the continued removal of property tax limitations as explained in Note D to the Financial Statements. Other taxes increased by \$1.8 million largely due to an increase in the \$1.9 increase in utility occupation taxes.

Expenses increased \$2.5 million in 2012 compared to 2011. General Government expenses fell by \$2.9 million, largely due to Education Excise tax projects in 2011 and none in 2012. Public safety expense increased by \$2.3 million due to unexpected overtime required during 2012 for fighting fires. Public Works increased by \$2.3 million primarily due to new construction projects started in 2012.

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

	Governmental Activities		Business-type		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 41,823	\$ 23,054	\$ 49,591	\$ 50,293	\$ 91,414	\$ 73,347
Operating grants and contributions	6,911	6,154	181	151	7,092	6,305
Capital grants and contributions	9,260	7,679	5,175	8,411	14,435	16,090
General revenue:						
Sales and use taxes	97,397	92,627	119	94	97,516	92,721
Property taxes	29,474	27,462	1,952	1,782	31,426	29,244
Other taxes	20,279	18,455	836	766	21,115	19,221
Interest and investment earnings	1,052	1,895	384	1,156	1,436	3,051
Miscellaneous revenue	1,645	6,418	974	64	2,619	6,482
Gain on sale of capital assets	2,173	456	-	-	2,173	456
Total revenues	210,014	184,200	59,212	62,717	269,226	246,917
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	16,625	19,509	-	-	16,625	19,509
Administrative Services	2,627	1,892	-	-	2,627	1,892
Public Safety	49,693	47,391	-	-	49,693	47,391
Public Works	33,110	30,844	-	-	33,110	30,844
Planning and Development Services	5,555	5,665	-	-	5,555	5,665
Culture and Recreation	28,112	28,140	-	-	28,112	28,140
Open Space and Mountain Parks	13,040	14,863	-	-	13,040	14,863
Housing and Human Services	14,431	13,060	-	-	14,431	13,060
Interest on long-term debt	2,984	2,290	-	-	2,984	2,290
Business-type activities:						
Water Utility	-	-	21,925	21,223	21,925	21,223
Wastewater Utility	-	-	13,776	13,948	13,776	13,948
Stormwater and Flood Management	-	-	4,523	4,790	4,523	4,790
Parking Services	-	-	7,303	6,570	7,303	6,570
Property and Facility Acquisition	-	-	479	724	479	724
Total expenses	166,177	163,654	48,006	47,255	214,183	210,909
Excess before extraordinary items and transfers:	43,837	20,546	11,206	15,462	55,043	36,008
Extraordinary items	-	35	-	24	-	59
Transfers	16,764	(1,208)	(16,764)	1,208	-	-
Increase (decrease) in net position	60,601	19,373	(5,558)	16,694	55,043	36,067
Net position, beginning of year	535,386	516,013	393,281	376,587	928,667	892,600
Net position, end of year	\$ 595,987	\$ 535,386	\$ 387,723	\$ 393,281	\$ 983,710	\$ 928,667

Charts 1 and *2* illustrate the city's governmental expenses and revenues by function and its revenues by source. As can be seen in *Chart 1*, Public Safety is the largest function based on expenses (30%), followed by Public Works (20%) and Culture and Recreation (17%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program, but are used to support program activities citywide and included in *Chart 2*. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (46%), followed by charges for services (20%) and property taxes (14%).

Chart 1: 2012 Expenses and Program Revenues - Governmental Activities

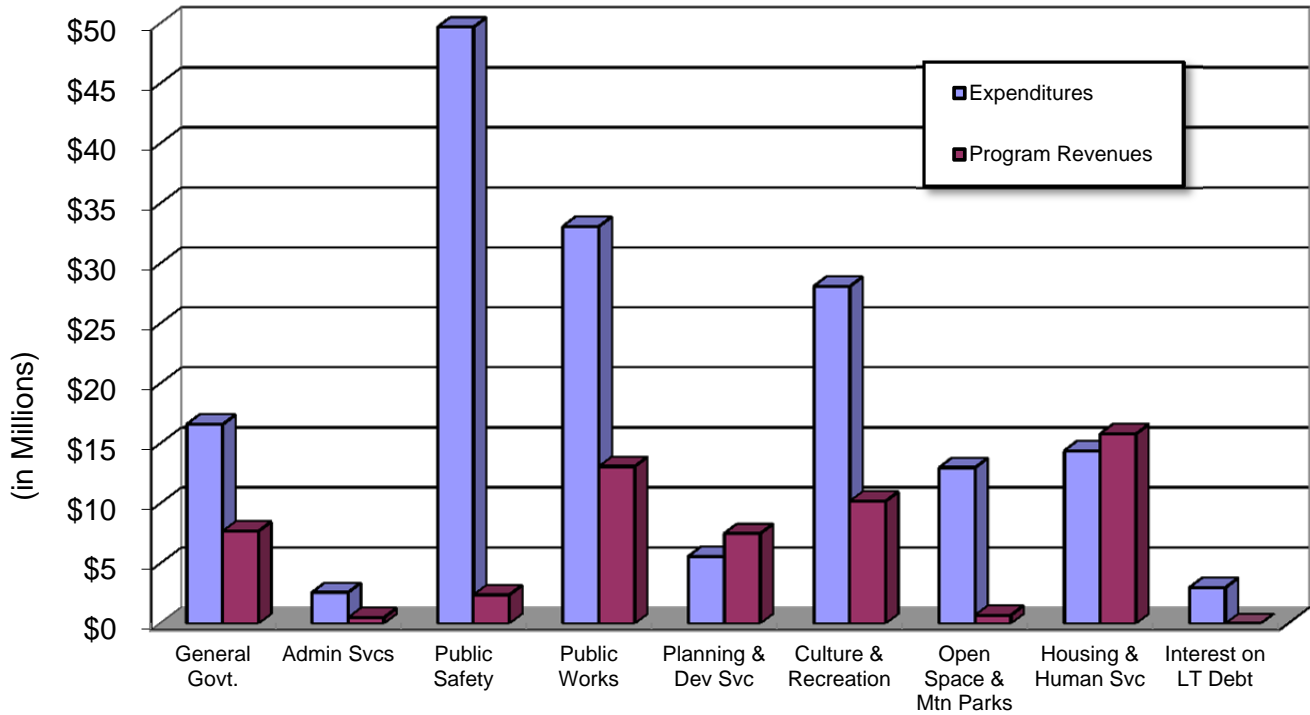
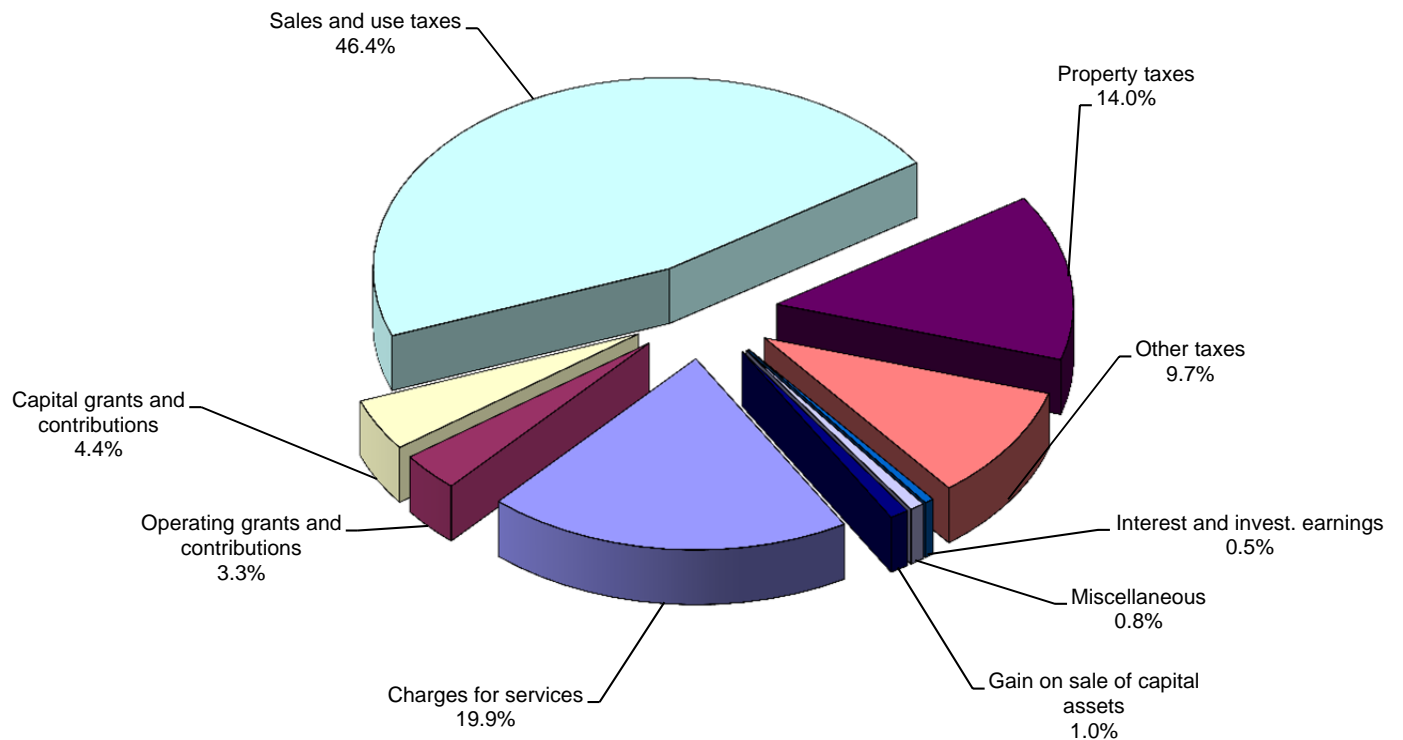


Chart 2: 2012 Revenues by Source - Governmental Activities



Business-type Activities

Net position in business-type activities decreased \$5.6 million for 2012. This decrease was \$22.3 million less than the \$16.7 million increase in net position in 2011.

Total business-type revenues decreased \$3.5 million, or 6%, compared to 2011. Charges for services declined \$0.7 million in 2012 because Boulder Municipal Property Authority (BMPA) collected less revenue than the prior year. A portion of BMPA bonds were paid off in 2011 and, therefore, not as much revenue was needed to cover existing bonds in 2012. Capital grants and contributions fell by \$3.2 million in 2012 since developers donated less infrastructure to the city in 2012 compared to 2011.

Expenses of business-type activities increased by \$0.8 million, or approximately 2% compared to 2011. Parking services rose by \$0.7 million due to significant maintenance projects in 2012.

As can be seen from *Charts 3 and 4*, the city's water utility and wastewater utility activities account for the majority of its business-type activities, representing 74% of total business-type activities expenses. Charges for services provide the largest share of revenues (84%), followed by capital grants and contributions (9%) and property taxes (3%).

Chart 3: 2012 Expenses and Program Revenues - Business-type Activities

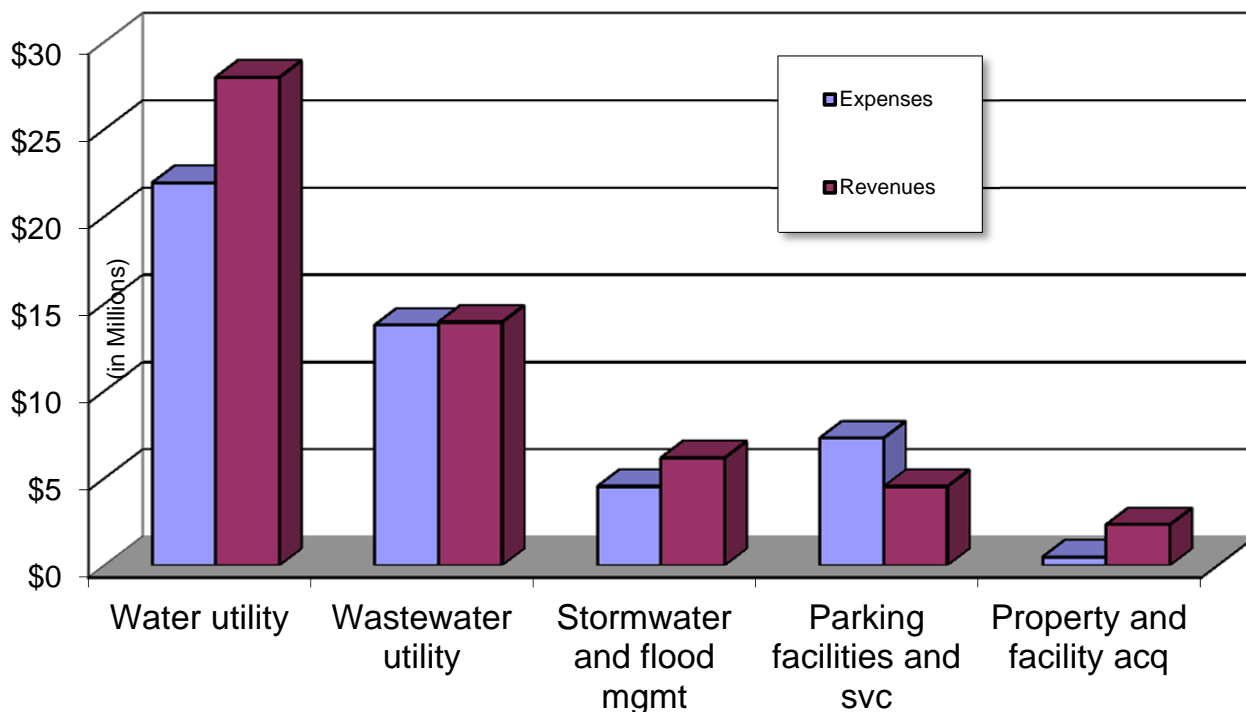
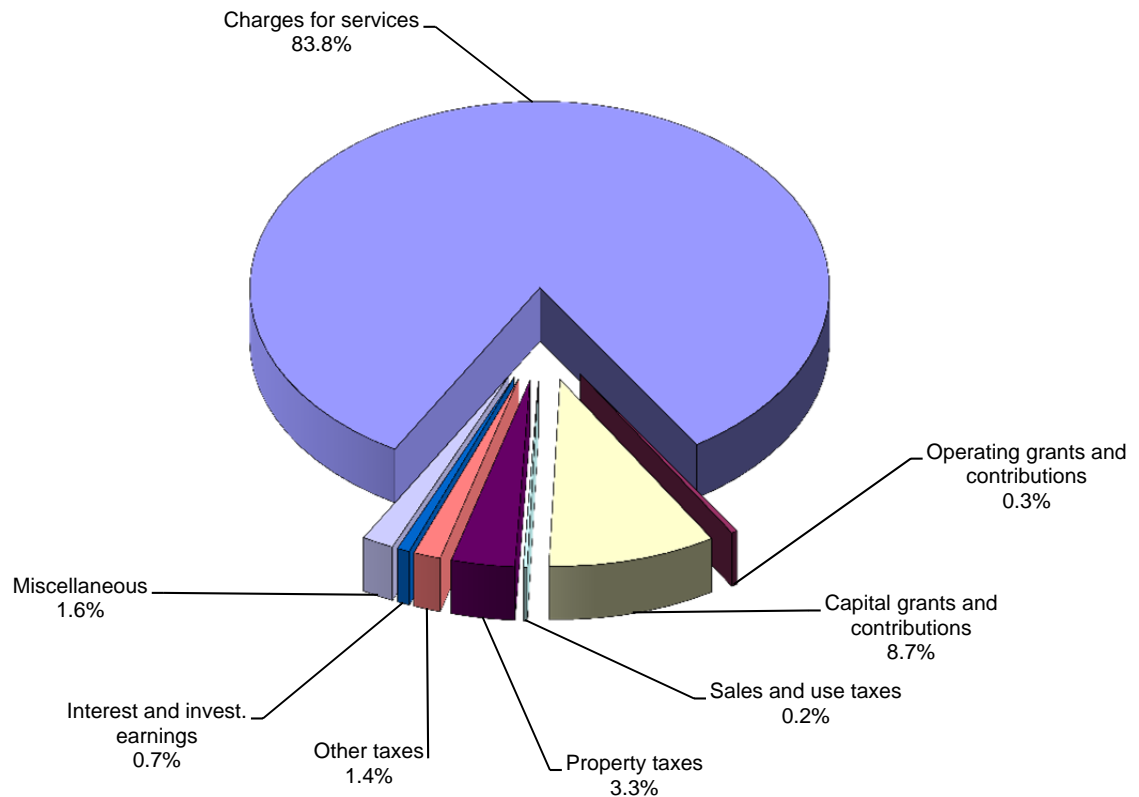


Chart 4: 2012 Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the city's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the city's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the city's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the city include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of December 31, 2012, the city's governmental funds reported combined ending fund balances of \$154.4 million, an increase of \$69.8 million, an 83% increase from prior year. The fund balance of the General Fund increased by \$4.3 million to \$38.2 million at December 31, 2012 year-end. In 2012, the .15 Cent Sales Tax Fund, previously a special revenue fund, was closed and \$2.2 million was transferred to the General Fund. This led to a portion of the growth in the General Fund fund balance. General Fund revenues grew by \$10.5 million, primarily because of overall improvements in the economy. Increased consumer spending led to the \$4.6 million rise in sales and use taxes. Higher assessed values, along with the removal of property

tax limitations as explained in Note D to the Financial Statements, caused general property tax revenue to increase by \$1.8 million. Occupation taxes grew \$2.0 million due to a voter initiated increase to explore the city's clean energy options. General Fund expenditures increased by \$7.7 million for a variety of reasons. Public Safety costs rose \$2.7 million because of the extra personnel costs needed to help fight the fires that broke out during 2012. Culture and Recreation increased \$1.0 million due to additional grants being awarded and higher maintenance and information technology charges. The increase in grant awards led to the \$2.2 million growth in Housing and Human Services expenditures.

Open Space and Mountain Parks Fund had a fund balance increase of \$5.6 million in 2012. Revenues increased slightly due to a \$1.2 million increase in sales and use tax revenues from recovering economic activity. Expenditures decreased by \$6.1 million because of two real estate acquisitions in 2011 totaling \$5.9 million and no major purchases in 2012.

The Transportation Fund's fund balance rose by \$1.4 million in 2012. Revenues increased by \$3.7 million, mainly because of the additional \$3.2 million of intergovernmental revenues collected from Colorado Department of Transportation (CDOT). Expenditures grew by \$3.8 million as a result of capital project expenditures funded through the increased CDOT collections.

The 2011 Capital Improvement Fund became a major fund in 2012 and its fund balance grew by \$46.3 million over 2011. This is largely due to \$54.8 million of bond proceeds followed by expenditures of \$9.5 million spent on voter approved capital projects.

Other governmental fund balances increased by \$12.2 million. The most significant portion of this increase is \$10.5 million received from developers for payments made in lieu of affordable housing.

Approximately \$72.9 million or 47% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either nonspendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This nonspendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - \$0.3 million; (2) limitations imposed on use of funds by external laws and regulations - \$6.7 million; (3) restrictions for debt service - \$1.3 million; (4) restrictions for capital projects - \$49.2 million; (5) restrictions for future development - \$22.2 million; (6) restricted for expenditure on lottery authorized parks and recreation projects - \$1.2 million and (7) restrictions placed on the funds by donors - \$0.6 million.

The General Fund is the primary operating fund of the city. At the end of 2012 the unrestricted fund balance of the General Fund was \$35.5 million, while total fund balance was \$38.3 million. Unrestricted fund balance includes fund balance committed by City Council, assigned by city management, and unassigned fund balance as disclosed in the Governmental Funds Balance Sheet. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures and transfers out. For 2012, unassigned fund balance of \$25.5 million represents 23% of total general fund expenditures and transfers out of \$110.4 million. For 2011, unassigned fund balance of \$20.2 million represents 18% of total general fund

expenditures and transfers out of \$109.2 million. General Fund unrestricted fund balance – including assigned and unassigned fund balance – as a percentage of total expenditures and transfers out was 32% and 26% for 2012 and 2011, respectively.

The Open Space and Mountain Parks Fund and the Transportation Fund are special revenue funds, with 100% of their fund balance either restricted or assigned. Special revenue funds do not have unassigned fund balances since the act of accounting for the revenues within a special revenue fund assigns them to that fund's purpose. The Open Space and Mountain Parks Fund revenues are derived from sales taxes approved by the voters and other restricted revenue sources. 100% of the fund balance for Open Space and Mountain Parks Fund is restricted for acquisition and maintenance of the city's open space. The total fund balance of Open Space and Mountain Parks Fund of \$18.6 million represents 83% of total expenditures and transfers out of \$22.4 million. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2012, the Transportation Fund restricted fund balance was \$1.2 million and \$8.6 million is assigned to the fund's purpose. The total Transportation Fund balance of \$9.8 million represents 36% of total expenditures and transfers out of \$27.0 million for 2012.

The 2011 Capital Improvement Fund is a capital project fund type. The fund balance is restricted to capital projects. Capital project funds do not have unassigned fund balances, similar to special revenue funds. The majority of 2011 Capital Improvement Fund revenues for 2012 were derived from a bond sale that occurred in March 2012. The total fund balance of the 2011 Capital Improvement Fund of \$46.3 million represents 487% of total expenditures and transfers out of \$9.5 million.

It should also be noted that for the 2012 budget year the City Council established a minimum target for unassigned General Fund balance of 10% of expenditures and transfers out, excluding expenditures funded by grants. City Council has approved a range of 10-15% for this target by policy. This minimum undesignated fund balance is available for emergency purposes, stabilization of funding of programs during periods of temporary revenue declines or temporary funding of programs to allow for controlled reductions in expenditures in periods of extended or permanent revenue reductions. This target was achieved for 2012. The target for 2011 was also 10%, and although City Council would like the target to increase, competing demands on the city's resources will probably keep the target at the current level for the near future.

Proprietary Funds

As already discussed, the city's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2012, the unrestricted net position of the Water Utility Fund were \$28.9 million, the Wastewater Utility Fund were \$9.5 million, the Stormwater and Flood Management Fund were \$15.0 million, the Boulder Municipal Property Authority were \$0.7 million, the Downtown Commercial District were \$4.0 million, the nonmajor enterprise funds were \$0.7 million. The total decrease in net position for the proprietary funds was \$5.6 million. Factors concerning these funds have already been addressed in the discussion of the city's business-type activities.

General Fund Budgetary Highlights

The city's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. The final budget for General Fund appropriations including transfers out for 2012 was \$15.0 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- \$1.4 million for additional costs related to the recycling center project at 6400 Arapahoe Road;
- \$2.2 million for the energy future study;
- \$0.8 million for the Transforming Boulder Business Initiative (TBBI) project which includes new software and implementing new policies and procedures required to successfully complete the full project;
- \$1.6 million to public safety for DNA lab construction, federal asset forfeiture, and additional grant money expenditures;
- \$0.5 million for economic vitality;
- \$0.5 million for additional grant money expenditures;
- \$2.7 million for affordable housing projects;
- \$0.8 million for encumbrance carryover;
- \$2.8 million for operating carryovers from various programs and departments; and
- Various smaller increases and changes accounted for the other budget amendments.

On a basis consistent with the adopted budget, actual revenues and transfers in were \$3.1 million, or 3%, more than the final budget. Actual expenditures and transfers out were \$9.6 million, or 8%, less than the final budget. The net effect of these differences was a favorable variance in actual revenues and expenditures to the fiscal year-end budgeted fund balance of \$12.7 million. The primary factors contributing to this favorable variance included the following:

- \$1.1 million more in intergovernmental and licenses, permits and fines than budgeted due to economic activity and significant construction projects;
- \$0.5 million more in accommodations taxes than budgeted due to a rate increase;
- \$0.7 million less in expenditures for outside consultants;
- \$2.2 million less in expenditures related to software consulting;
- \$4.6 million of unspent money related to the following projects or programs: TBBI (\$1.1 million), economic vitality rebates (\$0.8 million), 6400 Arapahoe project (\$0.3 million), affordable housing projects (\$2.0 million), and Education Access funding (\$0.4 million);
- \$0.5 million in carryover requests for equipment that was not used in 2012; and
- Various smaller variances in both revenue and expenditures.

Capital Assets and Debt Administration

Capital Assets

As can be seen from *Table 3*, the city's investment in capital assets for its governmental and business-type activities as of December 31, 2012 amounts to \$933.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, park facilities, transportation infrastructure, utility plant in service and undergrounds, water rights, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was \$25.8 million (3%) from 2011. Net capital assets of governmental activities increased \$35.7 million (7%) and those of business-type activities decreased \$9.9 million (2%).

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2012	2011	2012	2011	2012	2011
Land and easements	\$ 267,106	\$ 248,597	\$ 58,191	\$ 74,549	\$ 325,297	\$ 323,146
Buildings	54,189	45,676	28,510	29,764	82,699	75,440
Improvements other than buildings	41,827	43,688	3,344	3,654	45,171	47,342
Infrastructure	92,599	96,929	-	-	92,599	96,929
Utility plant in service and undergrounds	-	-	310,547	305,858	310,547	305,858
Machinery, equipment and vehicles	17,839	16,361	6,508	6,655	24,347	23,016
Construction-in-progress	40,347	26,953	11,922	8,459	52,269	35,412
Total	<u>\$ 513,907</u>	<u>\$ 478,204</u>	<u>\$ 419,022</u>	<u>\$ 428,939</u>	<u>\$ 932,929</u>	<u>\$ 907,143</u>

Some of the major capital asset activities during 2012 included the following:

Governmental activities:

- Construction-in-progress of several transportation infrastructure projects, including: Foothills Parkway Paths, Arapahoe Road paths and traffic signals, Pearl Parkway multi-use path, 28th Street-Baseline to Iris, and Broadway to Euclid multimodal – \$7.9 million;
- Completion of city buildings energy improvements – \$9.4 million;
- Construction in progress of energy performance projects – \$3.6 million;
- Land additions from Boulder Municipal Property Authority – \$17.3 million;
- Land acquisitions – Schnell Property @ 38474 Canyon Drive – \$1.2 million;
- Two irrigation Systems – \$.6 million;
- Completion of several transportation infrastructure projects, including Arapahoe multi-use path – Folsom to 30th Street – \$1.9 million;

- Valmont City Park, Palo East Park, Columbine Park, Urban Parks, Canyon Park, Park Shelter & Flatirons Golf Course improvements – \$4 million;
- Recreation facility renovations – \$0.8 million;
- Reservoir improvements – \$1.4 million;
- New vehicle purchases – \$4 million; and
- Recognition of \$17.5 million in depreciation expense.

Business-type activities:

- Waterline rehabilitation – \$2.6 million;
- Completion of Boulder Canyon Hydro Plant – \$3.6 million;
- Wastewater Biosolids Digester & Disinfection System – \$1.5 million;
- Automated meter reading project, \$0.6 million;
- Water Systems – pipelines, reservoir and lake dam – \$1.2 million;
- 810 Marine Street – \$0.3 million;
- New vehicle purchases – \$0.9 million; and
- Recognition of \$11.4 million in depreciation expense.

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

Debt Administration

Table 4 summarizes the city's bonded debt as of the end of 2012 and 2011. At December 31, 2012, the city had total bonded debt (including certificates of participation) of \$190.4 million. Of this amount, \$101.0 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$80.9 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). The remaining \$8.5 million relates to pension obligation bonds. The pension obligation bonds are not backed by either specified revenue sources or taxes. During 2012, the city issued one new bond for capital improvements and two refunding bonds as detailed out in Note O to the Financial Statements.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 87,242	\$ 41,746	\$ 13,751	\$ 15,350	\$ 100,993	\$ 57,096
Revenue bonds	2,733	4,054	78,176	84,861	80,909	88,915
Pension obligation bonds	8,531	8,881	-	-	8,531	8,881
Certificates of participation	-	-	-	575	-	575
Total bonded debt	<u>\$ 98,506</u>	<u>\$ 54,681</u>	<u>\$ 91,927</u>	<u>\$ 100,786</u>	<u>\$ 190,433</u>	<u>\$ 155,467</u>

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

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

Other Significant Matters

Governmental Activities

The city completed a \$9.6 million lease agreement with Suntrust Equipment Finance & Leasing Corporation on January 25, 2012 to refund the Phase II Energy Efficiency Project Lease balance of \$6.4 million and to fund Phase III of this project for \$3.2 million. The lease proceeds will be used to make various energy efficiency improvements to several different city buildings. There were \$2.6 million expenditures in 2012 on Phase III of Energy Efficiency Project Lease. These expenditures were for energy efficiency improvements to several city buildings.

The city issued \$49 million in General Obligation Bonds for Capital Improvement Projects on March 22, 2012. There was an additional \$5.8 million of bond premium collected on the bonds. An important requirement of the bonds is that at least \$46.6 million, or 85%, be spent in the next three years, or by March 2015. There were \$9.5 million of expenditures paid from the General Obligation Bonds proceeds. The primary expenditures were for Park and Recreation facility renovations, road reconstruction, and road pavement repair.

In 2011, there was an extraordinary expense for the voluntary cleanup at Valmont Butte Allied Piles Site. The city presented a voluntary clean-up plan to the Colorado Department of Public Health and Environment (CDPHE). This plan was approved under the Colorado Voluntary Cleanup Program (VCUP). As required by CDPHE, site remediation actions in the VCUP had to start by August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2012, the city has expended \$1.9 million on Valmont Butte Allied Piles Site cleanup with an additional \$0.6 million still held in a liability account for continued cleanup responsibilities. Additional information can be found in Note T to the Financial Statements.

Beginning in 2012, the city established the new Energy Strategy and Electric Utility Development Department in the General Fund to create both short- and long-term energy strategies and guide the city in the implementation of new methods of energy management. This includes pursuing the next steps in the analysis of potential municipalization of Boulder's electric distribution system. During 2012, the city incurred \$1.0 million of expenditures. This amount was from the initial \$1.9 million that the city had set aside for the initial phase of this study. In November 2011, voters approved a tax that that will continue to fund this initiative for five years.

Business-type Activities

On November 20, 2012, the city issued \$24.3 million in Water and Sewer Revenue Refunding Bonds to advance refund a portion of the Water and Sewer Revenue Bonds issued in late 2005. The remaining principal outstanding on the original bonds is \$6.2 million.

On November 28, 2012, the city issued \$7.3 million in Central Area General Improvement District (CAGID) General Obligation Refunding Bonds. These bonds advance refunded most of the CAGID bonds issued in 2003. The remaining principal outstanding on the original bonds is \$.6 million. More details on these refunding can be found in Footnote O – Long-term Debt.

Contacting the City's Financial Management

This financial report is designed to provide the public, taxpayers, customers, investors and creditors with a general overview of the city's finances and to show the city's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information, contact the Financial Reporting Manager of the City of Boulder Finance Department at 1777 Broadway, Boulder, Colorado, 80302.

BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Position

December 31, 2012

(Amounts in 000's)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,664	\$ 1,595	\$ 5,259
Investments	144,721	63,348	208,069
General property tax receivable	29,800	2,002	31,802
Sales tax receivable	11,483	-	11,483
Notes receivable	1,279	570	1,849
Other receivables (see Note H)	5,419	2,370	7,789
Restricted investments	50,873	4,269	55,142
Inventory of materials and supplies	53	204	257
Other assets	1,134	927	2,061
Prepaid net pension obligation	9,369	-	9,369
Capital assets (net of accumulated depreciation):			
Land and easements	267,106	58,191	325,297
Buildings	54,189	28,510	82,699
Improvements other than buildings	41,827	3,344	45,171
Infrastructure	92,599	-	92,599
Utility plant in service and undergrounds	-	310,547	310,547
Machinery, equipment and vehicles	17,839	6,508	24,347
Construction-in-progress	40,347	11,922	52,269
Total assets	<u>771,702</u>	<u>494,307</u>	<u>1,266,009</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	6,405	1,520	7,925
Contracts and retainage payable	1,953	721	2,674
Accrued liabilities	7,100	3,829	10,929
Internal balances	3,801	(3,801)	-
Other liabilities	2,065	735	2,800
Unearned revenue:			
General property taxes	29,800	2,002	31,802
Other	900	-	900
Deferred credit	-	2,818	2,818
Noncurrent liabilities:			
Due within one year	13,128	9,988	23,116
Due in more than one year	110,563	88,772	199,335
Total liabilities	<u>175,715</u>	<u>106,584</u>	<u>282,299</u>
Net position:			
Net investment in capital assets	401,272	325,883	727,155
Restricted for:			
Legally restricted	6,740	157	6,897
Debt service	1,325	-	1,325
Capital projects	49,157	100	49,257
Development	22,245	-	22,245
Lottery funds	1,161	-	1,161
Donor restrictions	596	-	596
Endowment	100	-	100
Unrestricted	113,391	61,583	174,974
Total net position	<u>\$ 595,987</u>	<u>\$ 387,723</u>	<u>\$ 983,710</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2012

(Amounts in 000's)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General Government	\$ 17,972	\$ (1,347)	\$ 7,593	\$ 59	\$ -
Administrative Services	9,360	(6,733)	548	-	-
Public Safety	47,079	2,614	1,629	799	-
Public Works	33,945	(835)	1,730	3,268	8,145
Planning & Development Services	4,322	1,233	7,473	-	-
Culture and Recreation	27,062	1,050	9,041	195	990
Open Space and Mountain Parks	12,267	773	506	44	125
Housing and Human Services	13,558	873	13,303	2,546	-
Interest on long-term debt	2,984	-	-	-	-
Total governmental activities	<u>168,549</u>	<u>(2,372)</u>	<u>41,823</u>	<u>6,911</u>	<u>9,260</u>
Business-type activities:					
Water utility	20,807	1,118	24,592	-	3,384
Wastewater utility	12,974	802	13,013	-	929
Stormwater and flood management	4,328	195	5,167	181	819
Parking facilities and services	7,046	257	4,483	-	43
Property and facility acquisition	479	-	2,336	-	-
Total business-type activities	<u>45,634</u>	<u>2,372</u>	<u>49,591</u>	<u>181</u>	<u>5,175</u>
Total government	<u>\$ 214,183</u>	<u>\$ -</u>	<u>\$ 91,414</u>	<u>\$ 7,092</u>	<u>\$ 14,435</u>

General revenues:

Taxes:

Sales and use taxes

General property taxes

Accommodation taxes

Franchise and occupation taxes

Specific Ownership & Tobacco taxes

Excise taxes

Interest and investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (8,973)	\$ -	\$ (8,973)
(2,079)	-	(2,079)
(47,265)	-	(47,265)
(19,967)	-	(19,967)
1,918	-	1,918
(17,886)	-	(17,886)
(12,365)	-	(12,365)
1,418	-	1,418
(2,984)	-	(2,984)
<u>(108,183)</u>	<u>-</u>	<u>(108,183)</u>
-	6,051	6,051
-	166	166
-	1,644	1,644
-	(2,777)	(2,777)
-	1,857	1,857
<u>-</u>	<u>6,941</u>	<u>6,941</u>
<u>(108,183)</u>	<u>6,941</u>	<u>(101,242)</u>
97,397	119	97,516
29,474	1,952	31,426
4,890	781	5,671
12,310	-	12,310
1,789	55	1,844
1,290	-	1,290
1,052	384	1,436
1,645	974	2,619
2,173	-	2,173
16,764	(16,764)	-
<u>168,784</u>	<u>(12,499)</u>	<u>156,285</u>
60,601	(5,558)	55,043
535,386	393,281	928,667
<u>\$ 595,987</u>	<u>\$ 387,723</u>	<u>\$ 983,710</u>

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2012

(Amounts in 000's)

<u>Assets</u>	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	2011 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and cash equivalents	\$ 873	\$ 385	\$ 235	\$ 11	\$ 1,010	\$ 2,514
Investments	34,010	15,324	9,342	439	40,092	99,207
Receivables:						
General property taxes	27,533	-	-	-	2,266	29,799
Sales and use taxes	5,682	2,953	2,009	-	839	11,483
Accounts	1,929	16	376	-	315	2,636
Notes	1,155	-	-	-	124	1,279
Accrued interest	122	52	32	108	133	447
Intergovernmental	505	-	1,539	1	35	2,080
Other	8	-	15	-	-	23
	<u>36,934</u>	<u>3,021</u>	<u>3,971</u>	<u>109</u>	<u>3,712</u>	<u>47,747</u>
Due from other funds	186	-	-	-	59	245
Inventory of materials and supplies	6	-	-	-	47	53
Restricted assets:						
Investments for special purposes	1,414	-	-	-	920	2,334
Investments for capital projects	745	-	-	46,228	-	46,973
Investments for debt service	-	687	-	-	-	687
Total restricted assets	<u>2,159</u>	<u>687</u>	<u>-</u>	<u>46,228</u>	<u>920</u>	<u>49,994</u>
Other assets	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170</u>
Total assets	\$ <u>74,338</u>	\$ <u>19,417</u>	\$ <u>13,548</u>	\$ <u>46,787</u>	\$ <u>45,840</u>	\$ <u>199,930</u>

The accompanying notes are an integral part of this statement.

<u>Liabilities and Fund Balances</u>	<u>General Fund</u>	<u>Open Space & Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>2011 Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	\$ 1,878	\$ 242	\$ 980	\$ 284	\$ 1,111	\$ 4,495
Contracts and retainage payable	117	-	573	124	79	893
Accrued salaries, wages and amounts withheld from employees	3,712	386	308	35	862	5,303
Due to other funds	59	163	-	-	-	222
Advances from other funds	2,036	-	-	-	-	2,036
Other liabilities	-	2	710	-	87	799
Deferred revenue:						
General property taxes	27,533	-	-	-	2,266	29,799
Other	748	-	1,207	-	31	1,986
Total liabilities	<u>36,083</u>	<u>793</u>	<u>3,778</u>	<u>443</u>	<u>4,436</u>	<u>45,533</u>
Fund balances:						
Nonspendable:						
Prepaid	170	-	-	-	-	170
Inventory	6	-	-	-	47	53
Endowment	100	-	-	-	-	100
Restricted for:						
Legally restricted	1,180	-	1,154	-	4,406	6,740
Debt service	433	649	-	-	243	1,325
Capital projects	744	-	-	46,344	2,069	49,157
Development	-	17,937	-	-	4,308	22,245
Lottery funds	-	-	-	-	1,161	1,161
Donor restrictions	135	38	-	-	423	596
Committed:						
Affordable housing	-	-	-	-	15,399	15,399
Assigned:						
Special purposes	8,596	-	8,616	-	13,348	30,560
Contractual obligations	1,420	-	-	-	-	1,420
Unassigned	25,471	-	-	-	-	25,471
Total fund balances	<u>38,255</u>	<u>18,624</u>	<u>9,770</u>	<u>46,344</u>	<u>41,404</u>	<u>154,397</u>
Total liabilities and fund balances	\$ <u>74,338</u>	\$ <u>19,417</u>	\$ <u>13,548</u>	\$ <u>46,787</u>	\$ <u>45,840</u>	\$ <u>199,930</u>

CITY OF BOULDER, COLORADO

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

December 31, 2012

(Amounts in 000's)

Total governmental fund balances	\$	154,397
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Capital assets - governmental funds	765,597	
Accumulated depreciation - governmental funds	<u>(313,186)</u>	
Net book value of capital assets in governmental funds		452,411

Other long-term assets (bond issuance costs) are reported as current period expenditures during the period incurred in the funds. The costs are deferred, net of amortization, in the government-wide statement of net position		760
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Accumulated difference between the actual pension contributions expensed in the governmental funds and the actuarially determined annual pension cost expensed in the government-wide statements.

Police prepaid net pension obligation	5,404	
Fire prepaid net pension obligation	<u>3,965</u>	9,369

Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		89,745
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Long-term liabilities, including bonds payable and bonds interest payable, are not due and payable in the current period and therefore are not reported in the funds.		(112,014)
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in fund balance.

Special assessments receivable	26	
Intergovernmental revenues	<u>1,293</u>	<u>1,319</u>

Net position of governmental activities	\$	<u><u>595,987</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2012

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	2011 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Sales and use taxes	\$ 46,314	\$ 25,029	\$ 16,854	\$ -	\$ 9,200	\$ 97,397
General property taxes	27,234	-	-	-	2,240	29,474
Accommodation taxes	4,890	-	-	-	-	4,890
Franchise taxes	10,460	-	-	-	1,850	12,310
Specific Ownership & Tobacco taxes	1,788	-	-	-	-	1,788
Excise taxes	361	-	-	-	929	1,290
Charges for services	4,264	132	-	-	22,634	27,030
Sale of goods	423	-	6	-	199	628
Licenses, permits and fines	6,339	63	-	-	5,516	11,918
Intergovernmental	3,132	222	10,254	-	2,812	16,420
Leases, rents and royalties	221	325	100	-	1,787	2,433
Interest and investment earnings	257	91	71	123	337	879
Other	875	53	392	-	472	1,792
Total revenues	<u>106,558</u>	<u>25,915</u>	<u>27,677</u>	<u>123</u>	<u>47,976</u>	<u>208,249</u>
Expenditures:						
Current:						
General Government	13,390	-	-	-	5,178	18,568
Administrative Services	9,149	-	-	-	-	9,149
Public Safety	47,744	81	-	-	-	47,825
Public Works	5,196	-	16,165	-	817	22,178
Planning & Development Services	43	-	-	-	4,327	4,370
Culture and Recreation	12,474	-	-	-	13,203	25,677
Open Space and Mountain Parks	186	11,734	-	-	135	12,055
Housing and Human Services	9,614	-	-	-	3,770	13,384
Capital outlay	1,467	2,158	9,084	9,500	6,902	29,111
Debt service payments:						
Principal	2,420	5,650	-	-	2,479	10,549
Interest	1,546	1,211	-	-	268	3,025
Total expenditures	<u>103,229</u>	<u>20,834</u>	<u>25,249</u>	<u>9,500</u>	<u>37,079</u>	<u>195,891</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,329</u>	<u>5,081</u>	<u>2,428</u>	<u>(9,377)</u>	<u>10,897</u>	<u>12,358</u>
Other financing sources (uses):						
Sale of capital assets	-	894	567	-	-	1,461
Base rentals to Boulder Municipal Property Authority Debt Service Fund	(601)	-	-	-	-	(601)
Proceeds from bonds payable	-	-	-	54,830	-	54,830
Transfers in	11,026	1,187	106	919	4,930	18,168
Transfers out	(7,184)	(1,558)	(1,740)	(43)	(5,853)	(16,378)
Total other financing sources (uses)	<u>3,241</u>	<u>523</u>	<u>(1,067)</u>	<u>55,706</u>	<u>(923)</u>	<u>57,480</u>
Net change in fund balances	6,570	5,604	1,361	46,329	9,974	69,838
Fund balances, beginning of year	<u>31,685</u>	<u>13,020</u>	<u>8,409</u>	<u>15</u>	<u>31,430</u>	<u>84,559</u>
Fund balances, end of year	<u>\$ 38,255</u>	<u>\$ 18,624</u>	<u>\$ 9,770</u>	<u>\$ 46,344</u>	<u>\$ 41,404</u>	<u>\$ 154,397</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

Net change in fund balances - total governmental funds	\$	69,838
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Amounts reported for governmental activities in the statement of activities
are different because:

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

Governmental funds capital asset additions	49,589	
Governmental funds CIP placed in service	(2,633)	
Governmental funds capital asset deletions	(3,945)	
Governmental funds capital asset depreciation expense	<u>(10,687)</u>	32,324

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(44,169)

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate an increase in deferred revenue between fiscal years. Examples are revenues from special assessments, property taxes and notes receivable.

Interest on notes receivable	(46)	
Special assessments - Public Works	13	
Intergovernmental revenue - Public Works	<u>772</u>	739

Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.

2,349

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

(480)

Change in net position of governmental activities	\$	<u><u>60,601</u></u>
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The accompanying notes are an integral part of this statement.

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CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
(Budgetary Basis)General FundYear ended December 31, 2012
(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 46,174	\$ 46,174	\$ 46,314	\$ 140
General property taxes	26,866	26,879	27,234	355
Accommodations taxes	4,274	4,402	4,890	488
Franchise taxes	8,312	10,285	10,460	175
Specific ownership & tobacco taxes	1,584	1,584	1,788	204
Excise taxes	100	100	361	261
Charges for services	3,727	3,931	4,264	333
Sale of goods	137	192	1,013	821
Licenses, permits and fines	5,824	5,824	6,339	515
Intergovernmental	1,503	2,554	3,157	603
Leases, rents and royalties	228	228	221	(7)
Interest and investment earnings	763	763	405	(358)
Other	429	1,318	851	(467)
Total revenues	<u>99,921</u>	<u>104,234</u>	<u>107,297</u>	<u>3,063</u>
Expenditures:				
Current:				
General Government	10,355	11,573	10,055	1,518
Administrative Services	9,415	11,597	9,357	2,240
Public Safety	46,369	48,398	47,764	634
Public Works	5,256	5,453	5,453	-
Planning & Development Services	43	43	43	-
Culture and Recreation	12,602	13,222	12,580	642
Open Space and Mountain Parks	186	186	187	(1)
Housing and Human Services	8,746	12,433	9,493	2,940
Others	2,424	7,414	5,284	2,130
Debt service payments:				
Principal	2,425	2,425	2,420	5
Interest	1,461	1,461	1,461	-
Total expenditures	<u>99,282</u>	<u>114,205</u>	<u>104,097</u>	<u>10,108</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>639</u>	<u>(9,971)</u>	<u>3,200</u>	<u>13,171</u>

The accompanying notes are an integral part of this statement.

(continued)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	16	16
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	(601)	(601)	(601)	-
Transfers in	13,902	15,175	17,385	2,210
Transfers out	(13,314)	(13,314)	(13,865)	(551)
Total other financing sources (uses)	(13)	1,260	2,935	1,675
Net change in fund balance	\$ 626	\$ (8,711)	6,135	\$ 14,846
Encumbrances, end of year			1,482	
Fund balance, beginning of year, basis of budgeting			34,176	
Fund balance, end of year, basis of budgeting			41,793	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(106)	
Accrued salaries, wages and amounts				
withheld from employees			(3,781)	
Due to other funds			(59)	
Due from other funds			(3)	
Notes receivable			1,115	
Advances from other funds			(1,011)	
Transfers			307	
Fund balance, end of year, GAAP basis			\$ 38,255	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 23,758	\$ 23,758	\$ 25,029	\$ 1,271
Charges for services	-	-	132	132
Licenses, permits and fines	-	-	63	63
Intergovernmental	-	82	222	140
Leases, rents and royalties	325	325	325	-
Interest and investment earnings	325	325	139	(186)
Other	-	1	53	52
Total revenues	<u>24,408</u>	<u>24,491</u>	<u>25,963</u>	<u>1,472</u>
Expenditures:				
Current:				
Public Safety	81	81	81	-
Open Space and Mountain Parks	16,391	20,293	12,291	8,002
Debt service payments:				
Principal	5,650	5,650	5,650	-
Interest	1,211	1,211	1,211	-
Total expenditures	<u>23,333</u>	<u>27,235</u>	<u>19,233</u>	<u>8,002</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1,075</u>	<u>(2,744)</u>	<u>6,730</u>	<u>9,474</u>
Other financing sources (uses):				
Sale of capital assets	-	894	894	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	(1,734)	(1,734)	(1,734)	-
Transfers in	1,187	1,187	1,187	-
Transfers out	(1,071)	(1,158)	(1,558)	(400)
Total other financing sources (uses)	<u>(1,618)</u>	<u>(811)</u>	<u>(1,211)</u>	<u>(400)</u>
Net change in fund balance	<u>\$ (543)</u>	<u>\$ (3,555)</u>	5,519	<u>\$ 9,074</u>
Encumbrances, end of year			180	
Fund balance, beginning of year, basis of budgeting			<u>13,226</u>	
Fund balance, end of year, basis of budgeting			18,925	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			90	
Accrued salaries, wages and amounts				
withheld from employees			<u>(391)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 18,624</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 16,155	\$ 16,155	\$ 16,854	\$ 699
Sale of goods	-	-	6	6
Intergovernmental	5,767	14,905	10,254	(4,651)
Leases, rents and royalties	97	97	100	3
Interest and investment earnings	80	80	58	(22)
Other	261	482	392	(90)
Total revenues	<u>22,360</u>	<u>31,719</u>	<u>27,664</u>	<u>(4,055)</u>
Expenditures:				
Current:				
Public Works	20,428	35,015	28,638	6,377
Total expenditures	<u>20,428</u>	<u>35,015</u>	<u>28,638</u>	<u>6,377</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1,932</u>	<u>(3,296)</u>	<u>(974)</u>	<u>2,322</u>
Other financing sources (uses):				
Sale of capital assets	393	393	567	174
Transfers in	-	2,724	106	(2,618)
Transfers out	<u>(1,740)</u>	<u>(1,740)</u>	<u>(1,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,347)</u>	<u>1,377</u>	<u>(1,067)</u>	<u>(2,444)</u>
Net change in fund balance	\$ <u>585</u>	\$ <u>(1,919)</u>	(2,041)	\$ <u>(122)</u>
Encumbrances, end of year			3,417	
Fund balance, beginning of year, basis of budgeting			<u>6,033</u>	
Fund balance, end of year, basis of budgeting			7,409	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			55	
Due from other funds			2,618	
Accrued salaries, wages and amounts				
withheld from employees			<u>(312)</u>	
Fund balance, end of year, GAAP basis			\$ <u>9,770</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)2011 Capital Improvement Fund

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
Interest and investment earnings	\$ -	\$ -	\$ 124	\$ 124
Other	-	-	(4)	(4)
Total revenues	-	-	120	120
Expenditures:				
Capital Outlay	-	55,733	13,540	42,193
Debt service payments:				
Real estate rentals & leases	-	-	4	(4)
Total expenditures	-	55,733	13,544	42,189
Excess (deficiency) of revenues				
over (under) expenditures	-	(55,733)	(13,424)	42,309
Other financing sources (uses):				
Proceeds from bonds	-	54,830	54,830	-
Transfers in	-	919	919	-
Transfers out	-	(3,191)	-	3,191
Total other financing sources (uses)	-	52,558	55,749	3,191
Net change in fund balance	\$ -	\$ (3,175)	42,325	\$ 45,500
Encumbrances, end of year			4,033	
Fund balance, beginning of year, basis of budgeting			3,178	
Fund balance, end of year, basis of budgeting			49,536	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			5	
Accrued salaries, wages and amounts				
withheld from employees			(6)	
Due to other funds			(3,191)	
Fund balance, end of year, GAAP basis			\$ 46,344	

The accompanying notes are an integral part of this statement.

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CITY OF BOULDER, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 791	\$ 318	\$ 360
Investments	31,490	12,655	14,342
Receivables:			
General property taxes	-	-	-
Accounts	328	128	198
Charges for services	620	453	214
Notes - current installments	-	-	-
Accrued interest	111	43	47
Intergovernmental	60	-	71
Other	-	-	-
Total receivables	1,119	624	530
Due from other funds	-	41	43
Advances to other funds	55	-	-
Inventory of materials and supplies	203	-	1
Other assets - prepaid expenses	-	-	-
Total current assets	33,658	13,638	15,276
Noncurrent assets:			
Advances to other funds	714	-	-
Notes receivable - less current installments	-	-	-
Restricted assets:			
Investments for bond reserves	2,935	670	325
Investments for capital projects	100	-	-
Total restricted assets	3,035	670	325
Other assets:			
Deferred charges	204	444	48
Capital assets:			
Land and easements	20,970	1,633	16,088
Buildings	1,382	2,192	764
Improvements other than buildings	79	392	965
Utility plant in service	272,496	129,589	-
Undergrounds - drainage facilities	-	-	69,208
Vehicles	-	-	-
Machinery and equipment	4,864	3,065	1,591
	299,791	136,871	88,616
Less accumulated depreciation	(97,813)	(49,775)	(19,514)
	201,978	87,096	69,102
Construction-in-progress	1,176	10,113	633
Total capital assets, net of accumulated depreciation	203,154	97,209	69,735
Total noncurrent assets	207,107	98,323	70,108
Total assets	240,765	111,961	85,384

The accompanying notes are an integral part of this statement.

<u>Boulder Municipal Property Authority</u>	<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ -	\$ 107	\$ 19	\$ 1,595	\$ 1,145
-	4,085	776	63,348	45,514
-	1,944	58	2,002	-
-	51	-	705	93
-	-	-	1,287	-
132	-	-	132	-
16	14	2	233	146
-	4	-	135	-
-	10	-	10	-
148	2,023	60	4,504	239
163	-	-	247	-
-	2	-	57	135
-	-	-	204	-
-	-	-	-	204
311	6,217	855	69,955	47,237
-	16	-	730	1,132
438	-	-	438	-
-	239	-	4,169	-
-	-	-	100	879
-	239	-	4,269	879
-	231	-	927	-
16,723	2,333	444	58,191	102
6,433	38,373	-	49,144	81,683
-	5,205	58	6,699	8,464
-	-	-	402,085	-
-	-	-	69,208	-
-	-	-	-	27,596
-	1,463	326	11,309	9,196
23,156	47,374	828	596,636	127,041
(2,931)	(19,316)	(187)	(189,536)	(69,616)
20,225	28,058	641	407,100	57,425
-	-	-	11,922	4,071
20,225	28,058	641	419,022	61,496
20,663	28,544	641	425,386	63,507
20,974	34,761	1,496	495,341	110,744

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Position (Continued)

Proprietary Funds

December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 839	\$ 567	\$ 68
Contracts and retainage payable	243	458	20
Accrued salaries, wages and amounts withheld from employees	359	256	83
Accrued interest	102	146	5
Accrued cleanup liability	-	-	-
Accrued claims liability	-	-	-
Due to other funds	-	43	41
Advances from other funds	-	-	-
Other liabilities	699	18	-
Deferred revenue:			
General property taxes	-	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	4,210	2,390	335
Lease purchase revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	62	72	25
Total current liabilities	<u>6,514</u>	<u>3,950</u>	<u>577</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,531	-
Accrued claims liability	-	-	-
Deferred credit - future water rights	2,818	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium and refunding bond charges)	-	-	-
Revenue bonds payable (net of premium and refunding bond charges)	28,487	40,964	1,790
Lease purchase revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	496	463	32
Retiree health care benefit	82	64	22
Total noncurrent liabilities	<u>31,883</u>	<u>44,022</u>	<u>1,844</u>
Total liabilities	<u>38,397</u>	<u>47,972</u>	<u>2,421</u>
Net position:			
Net investment in capital assets	173,391	54,527	67,936
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>28,877</u>	<u>9,462</u>	<u>15,027</u>
Total net position	<u>\$ 202,368</u>	<u>\$ 63,989</u>	<u>\$ 82,963</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 42	\$ 4	\$ 1,520	\$ 1,910
-	-	-	721	1,060
-	74	13	785	208
163	97	-	513	59
-	-	-	-	594
-	-	-	-	878
-	-	-	84	186
-	-	2	2	-
-	11	6	734	1,266
-	1,944	58	2,002	238
-	1,530	-	1,530	-
-	-	-	6,935	-
1,364	-	-	1,364	-
-	-	-	-	503
-	-	-	159	-
<u>1,527</u>	<u>3,698</u>	<u>83</u>	<u>16,349</u>	<u>6,902</u>
-	-	-	2,531	-
-	-	-	-	1,294
-	-	-	2,818	-
-	-	16	16	-
-	12,221	-	12,221	-
-	-	-	71,241	-
3,949	-	-	3,949	-
-	-	-	-	9,730
-	132	27	1,150	194
-	39	4	211	11
<u>3,949</u>	<u>12,392</u>	<u>47</u>	<u>94,137</u>	<u>11,229</u>
<u>5,476</u>	<u>16,090</u>	<u>130</u>	<u>110,486</u>	<u>18,131</u>
14,842	14,546	641	325,883	52,142
-	152	5	157	-
-	-	-	100	-
<u>656</u>	<u>3,973</u>	<u>720</u>	<u>58,715</u>	<u>40,471</u>
\$ <u>15,498</u>	\$ <u>18,671</u>	\$ <u>1,366</u>	384,855	\$ <u>92,613</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>2,868</u>
Net position of business-type activities				\$ <u><u>387,723</u></u>

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year ended December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Operating revenues:			
Charges for services	\$ 24,558	\$ 12,982	\$ 5,133
Leases, rents and royalties	-	-	-
Total operating revenues	<u>24,558</u>	<u>12,982</u>	<u>5,133</u>
Operating expenses:			
Personnel	6,419	4,581	1,565
Non-personnel	6,027	3,754	1,480
Depreciation and amortization	5,385	3,257	1,129
Total operating expenses	<u>17,831</u>	<u>11,592</u>	<u>4,174</u>
Operating income (loss)	<u>6,727</u>	<u>1,390</u>	<u>959</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	196	35	88
Leases, rents and royalties	32	31	35
Intergovernmental revenue	283	-	182
Sales and use tax	-	-	-
General property taxes	-	-	-
Accommodations taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(1,394)	(1,539)	(45)
Contribution expense - future water rights	(1,777)	-	-
Gain (loss) on sale of capital assets	201	79	(42)
Other, net	34	21	9
Total nonoperating revenues (expenses)	<u>(2,425)</u>	<u>(1,373)</u>	<u>227</u>
Income (loss) before capital contributions transfers and extraordinary item	4,302	17	1,186
Capital contributions	3,102	925	745
Transfers in	529	795	161
Transfers out	<u>(1,399)</u>	<u>(1,443)</u>	<u>(334)</u>
Changes in net position	6,534	294	1,758
Total net position, beginning of year	<u>195,834</u>	<u>63,695</u>	<u>81,205</u>
Total net position, end of year	\$ <u><u>202,368</u></u>	\$ <u><u>63,989</u></u>	\$ <u><u>82,963</u></u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 4,187	\$ 122	\$ 46,982	\$ 18,165
<u>2,336</u>	<u>-</u>	<u>-</u>	<u>2,336</u>	<u>-</u>
<u>2,336</u>	<u>4,187</u>	<u>122</u>	<u>49,318</u>	<u>18,165</u>
-	1,372	263	14,200	2,646
-	4,264	211	15,736	5,814
<u>144</u>	<u>1,531</u>	<u>39</u>	<u>11,485</u>	<u>6,795</u>
<u>144</u>	<u>7,167</u>	<u>513</u>	<u>41,421</u>	<u>15,255</u>
<u>2,192</u>	<u>(2,980)</u>	<u>(391)</u>	<u>7,897</u>	<u>2,910</u>
31	35	4	389	-
-	173	-	271	265
-	-	-	465	20
-	119	-	119	75
-	1,913	40	1,953	-
-	781	-	781	-
-	53	2	55	-
(335)	(474)	(1)	(3,788)	(376)
-	-	-	(1,777)	-
-	(234)	(55)	(51)	23
-	(10)	2	56	1,557
<u>(304)</u>	<u>2,356</u>	<u>(8)</u>	<u>(1,527)</u>	<u>1,564</u>
1,888	(624)	(399)	6,370	4,474
-	24	19	4,815	235
-	1,486	432	3,403	748
<u>(17,435)</u>	<u>(231)</u>	<u>(48)</u>	<u>(20,890)</u>	<u>(2,364)</u>
(15,547)	655	4	(6,302)	3,093
<u>31,045</u>	<u>18,016</u>	<u>1,362</u>		<u>89,520</u>
\$ <u>15,498</u>	\$ <u>18,671</u>	\$ <u>1,366</u>		\$ <u>92,613</u>

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

Change in net position of business-type activities \$ 744
(5,558)

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 24,525	\$ 13,041	\$ 4,944
Receipts from interfund services provided	-	-	-
Other receipts (payments)	34	21	9
Refundable deposits receipts (payments)	466	(33)	(2)
Payments to suppliers	(6,280)	(4,062)	(1,495)
Payments to employees	(6,366)	(4,590)	(1,569)
Payment for interfund services used	-	-	-
Net cash provided (used) by operating activities	12,379	4,377	1,887
Cash flows from noncapital financing activities:			
Payments (receipts) from (to) other funds on due from (due to) balances	(870)	1	(2)
Payments from (to) other funds on advances	53	-	-
Leases, rents and royalties	32	31	35
Intergovernmental revenue	373	-	148
Sales and use tax	-	-	-
General property taxes	-	-	-
Accommodations taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest on long-term debt	-	-	-
Transfers in	-	-	-
Transfers out	-	(648)	(173)
Net cash provided (used) by noncapital financing activities	(412)	(616)	8
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,530)	(7,121)	(237)
Proceeds from sale or transfer of property and equipment	300	142	139
Contractual payment - future water rights	(2,340)	-	-
Proceeds from issuance of capital lease	-	-	-
Proceeds on long-term bonds issued	-	30,915	-
Payment to refunded bond escrow agent	-	(30,618)	-
Cost of issuance paid	-	(330)	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,070)	(2,475)	(325)
Payments on lease purchase obligations	-	-	-
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,297)	(1,685)	(53)
Payment received on note receivable due from County for sale of land	-	-	-
Net cash provided (used) for capital related financing activities	(13,937)	(11,172)	(476)

The accompanying notes are an integral part of this statement.

<u>Boulder Municipal Property Authority</u>	<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 2,336	\$ 4,137	\$ 122	\$ 49,105	\$ 111
-	-	-	-	18,138
-	(25)	2	41	127
-	-	-	431	(738)
-	(4,269)	(162)	(16,268)	(4,968)
-	(1,356)	(253)	(14,134)	(2,441)
-	-	(48)	(48)	-
<u>2,336</u>	<u>(1,513)</u>	<u>(339)</u>	<u>19,127</u>	<u>10,229</u>
46	300	-	(525)	10
-	2	(2)	53	1,327
-	173	-	271	20
-	-	-	521	284
-	109	-	109	-
-	1,913	40	1,953	-
-	781	-	781	-
-	53	2	55	-
-	-	-	-	-
-	1,486	432	1,918	747
<u>(161)</u>	<u>(231)</u>	<u>(48)</u>	<u>(1,261)</u>	<u>(1,368)</u>
<u>(115)</u>	<u>4,586</u>	<u>424</u>	<u>3,875</u>	<u>1,020</u>
-	(36)	23	(13,901)	(10,989)
-	-	(55)	526	(202)
-	-	-	(2,340)	-
-	-	-	-	3,241
-	7,819	-	38,734	-
-	(7,856)	-	(38,474)	-
-	(161)	-	(491)	-
(2,001)	(1,390)	-	(10,261)	(346)
				(347)
(381)	(643)	(1)	(4,060)	-
<u>127</u>	<u>-</u>	<u>-</u>	<u>127</u>	<u>-</u>
<u>(2,255)</u>	<u>(2,267)</u>	<u>(33)</u>	<u>(30,140)</u>	<u>(8,643)</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows (Continued)

Proprietary Funds

Year ended December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from investing activities:			
Purchase of investment securities	\$ (14,885)	\$ (5,981)	\$ (6,931)
Proceeds from sale and maturities of investment securities	15,371	12,426	4,974
Interest on investments	267	95	120
Net cash provided (used) in investing activities	753	6,540	(1,837)
Net increase in cash and cash equivalents	(1,217)	(871)	(418)
Cash and cash equivalents, January 1	2,008	1,189	778
Cash and cash equivalents, December 31	\$ 791	\$ 318	\$ 360

The accompanying notes are an integral part of this statement.

<u>Boulder Municipal Property Authority</u>	<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ -	\$ (2,056)	\$ (440)	\$ (30,293)	\$ (23,222)
-	1,112	286	34,169	16,632
<u>34</u>	<u>51</u>	<u>77</u>	<u>644</u>	<u>2,490</u>
<u>34</u>	<u>(893)</u>	<u>(77)</u>	<u>4,520</u>	<u>(4,100)</u>
-	(87)	(25)	(2,618)	(1,494)
<u>-</u>	<u>194</u>	<u>44</u>	<u>4,213</u>	<u>2,639</u>
\$ <u><u>-</u></u>	\$ <u><u>107</u></u>	\$ <u><u>19</u></u>	\$ <u><u>1,595</u></u>	\$ <u><u>1,145</u></u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows (Continued)

Proprietary Funds

Year ended December 31, 2012

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 6,727	\$ 1,390	\$ 959
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of deferred charges	5,337	3,257	1,115
Other nonoperating revenues (expenses)	-	21	9
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	-	(39)	(189)
Intergovernmental receivables	-	-	-
Charges for services receivable	-	98	-
Inventory of materials and supplies	4	-	-
Other assets - prepaid expenses	47	-	14
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(255)	(308)	(19)
Accrued salaries, wages and amounts withheld from employees	-	(2)	-
Accrued claims liability	-	-	-
Other liabilities	-	-	-
Other liabilities - refundable deposits	466	(33)	(2)
Deferred revenue	-	-	-
Compensated absences	-	(7)	-
Retiree health care benefit	53	-	-
Total adjustments	5,652	2,987	928
Net cash provided (used) by operating activities	\$ 12,379	\$ 4,377	\$ 1,887
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions	\$ 3,102	\$ 925	\$ 745
Financed through accounts, contracts and retainage payable	243	458	20
Amortization of bond premium and issuance costs	115	171	14
Amortization of deferred loss on bond refundings	223	40	6
Increase (decrease) in fair value of investments	(181)	(142)	(68)
	\$ 3,502	\$ 1,452	\$ 717

The accompanying notes are an integral part of this statement.

<u>Boulder Municipal Property Authority</u>	<u>Downtown Commercial District</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ <u>2,192</u>	\$ <u>(2,980)</u>	\$ <u>(391)</u>	\$ <u>7,897</u>	\$ <u>2,910</u>
144	1,531	43	11,427	6,760
-	(37)	(2)	(9)	1,567
-	(50)	-	(278)	81
-	-	-	-	(11)
-	-	-	98	-
-	-	-	4	-
-	-	-	61	3
-	22	2	(558)	(1,838)
-	(15)	9	(8)	93
-	-	-	-	95
-	(15)	-	(15)	84
-	-	-	431	738
-	-	-	-	(238)
-	25	-	18	-
-	6	-	59	(15)
<u>144</u>	<u>1,467</u>	<u>52</u>	<u>11,230</u>	<u>7,319</u>
\$ <u><u>2,336</u></u>	\$ <u><u>(1,513)</u></u>	\$ <u><u>(339)</u></u>	\$ <u><u>19,127</u></u>	\$ <u><u>10,229</u></u>
\$ 17,274	\$ -	\$ -	\$ 22,046	\$ -
-	-	-	721	116
-	42	-	342	6
-	13	-	282	-
<u>-</u>	<u>13</u>	<u>(5)</u>	<u>(383)</u>	<u>(101)</u>
\$ <u><u>17,274</u></u>	\$ <u><u>68</u></u>	\$ <u><u>(5)</u></u>	\$ <u><u>23,008</u></u>	\$ <u><u>21</u></u>

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FIDUCIARY FUNDS

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

The City of Boulder has the following pension trust funds:

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

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

CITY OF BOULDER, COLORADO

Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2012

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$	8
Investments:		
U.S. Treasuries		281
U.S. Agencies & Instrumentalities		864
Mutual Funds		18,297
Equity Securities		4,594
Local Government Investment Pools		31
Money Market Funds		553
Real Estate Investment Trust		514
Corporate Bonds		343
Other		277
Time Deposits		16
Receivables:		
Accrued interest		9
Total assets		<u>25,787</u>

Liabilities:

Accounts and accrued liabilities:		
Accrued pensions payable		454
Total liabilities		<u>454</u>

Net position held in trust for pension benefits (a schedule of funding progress for each plan is presented in the Required Supplementary Information located after the Notes to the Financial Statements)

\$ 25,333

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended December 31, 2012

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	384
Employees		<u>19</u>
Total contributions		<u>403</u>

Investment earnings		2,962
Less investment expense		<u>(67)</u>
Net investment loss		<u>2,895</u>

Total additions		<u>3,298</u>
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Deductions:

Benefits		3,277
Administrative		<u>30</u>
Total deductions		<u>3,307</u>

Net decrease		(9)
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Net position held in trust for

pension benefits:

Beginning of year		<u>25,342</u>
End of year	\$	<u><u>25,333</u></u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Blended Component Units

Downtown Commercial District and University Hill Commercial District (the Districts) – These Districts provide parking facilities and services to citizens and are public subdivisions of the State of Colorado, administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Districts operate under a formal budget adopted in conjunction with the budget of the city. The Districts are reported as blended component unit Enterprise Funds (proprietary funds); no separate financial statements are issued. In 2007, the Central Area General Improvement District was renamed the Downtown Commercial District and the University Hill General Improvement District was renamed the University Hill Commercial District. The funds were renamed to more appropriately reflect the broad purpose that the operations had come to serve over the last few years.

Boulder Municipal Property Authority (the Authority) – The Authority is responsible for the acquisition and construction of certain city properties and facilities and is a nonprofit corporation and instrumentality of the city, administered by the city Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Authority operates under a formal budget adopted in conjunction with the budget of the city. The Authority's activities are reported as a blended component unit Enterprise Fund (a proprietary fund); no separate financial statements are issued.

Boulder Junction Access GIDs – In November 2010, two Access General Improvement Districts (GID) were established in the phase one area of Boulder Junction in order to implement the transit-oriented development goals of the City of Boulder. These services will be provided entirely to the primary government of the city. The two access districts were created to provide for shared, unbundled parking and for travel demand management programs. The Boulder Junction Access GID – Travel Demand Management (TDM) fund is accounted for as a special revenue fund while the Boulder Junction Access GID – Parking is accounted for as an enterprise fund. These are both reported as blended component units and do not issue separate financial statements.

Related Organizations

A related organization is an organization for which the city appoints a voting majority of the board but for which the city is not financially accountable, either because the city does not impose its will upon the organization or a financial benefit or burden relationship does not exist. These related organizations are not included within the city's financial reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Related Organizations (Continued)

The following two organizations have been identified as related organizations.

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

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the city and its blended component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

The city reports the following major governmental funds:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

2011 Capital Improvement Fund – This capital project fund accounts for the projects and improvements throughout the city approved by the voters in 2011. These improvements are funded by General Fund Bonds (Capital Improvement Projects) Series 2012.

The city reports the following major enterprise funds:

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

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

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

Boulder Municipal Property Authority – The Boulder Municipal Property Authority is responsible for the acquisition and construction of certain city properties and facilities. Funding is derived from the issuance of lease purchase revenue debt. Debt service is paid with income received from the city in the form of base rentals that is derived from the acquired or constructed assets. The city treats this fund as major for public interest purpose.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the city reports the following fund types:

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

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

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

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

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The city budgets revenues and expenditures/expenses for all funds except Fiduciary Funds and the Gifts and Contributions Fund. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. The Gifts and Contributions Fund does not have an adopted budget as control over expenditures is provided by the one grantor to the fund, the Library Foundation. All annual appropriations lapse at year ended December 31, 2012.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets (Continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Investments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Interfund Receivables/Payables

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

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

8. Inventories

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

9. Restricted Assets

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

10. Capital Assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, net of any related interest income, is included as part of the capitalized value of the assets constructed for business-type activities. Interest capitalized in 2012 totaled \$308,846.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the government-wide financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	10-50 years
Improvements other than buildings	20 years
Infrastructure	20-75 years
Utility plant in service	30-40 years
Undergrounds	30-75 years
Machinery, equipment and vehicles	3-20 years

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining life of the capital asset, as applicable.

Upon sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

11. Compensated Absences

Upon termination or retirement, all unused vacation pay, unused sick pay based on certain service requirements, an appreciation bonus dependent upon employee length of service, and compensation time per the police employees contract, must be paid to the employee. These compensated absences are recognized when earned in proprietary fund types and when due in governmental fund types. A liability for these amounts is reported in the government-wide financial statements when earned.

12. Long-Term Obligations

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Long-Term Obligations (Continued)

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

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

13. Fund Balances and Net Position

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

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

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

Committed – Any formal action, ordinance or resolution, of City Council, the highest level of decision making authority that places constraints on the use of funds to a specific purpose is categorized as committed fund equity.

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

Unassigned – This classification is for fund balance that does not meet the criteria for inclusion in one of the other four classifications.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Fund Balances and Net Position (Continued)

Order of spending: When expenditures are incurred that can use funds from more than one classification, the city will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned. The city has a target of maintaining a general fund emergency/stabilization reserve at a 10% minimum and a 15% maximum, as conditions allow.

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

In the proprietary funds financial statements, there are three categories used. These include net investment in capital assets; restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2012 totaled \$51,045,577 consisting of \$2,934,796 for the Water Utility Fund, \$670,138 for the Wastewater Utility Fund, \$324,984 for the Stormwater and Flood Management Fund, \$239,207 for the Downtown Commercial District Fund, \$46,227,952 for Capital Bond Proceeds, and \$648,500 for other governmental funds.

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

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

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The city includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

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

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and are not reported within the funds.” The details of this difference are as follows (amounts in 000’s):

	Governmental Fund Capital Assets	Internal Service Fund Capital Assets	Total Capital Assets - Governmental Activities
Land and easements	\$ 267,004	\$ 102	\$ 267,106
Buildings	24,650	81,683	106,333
Improvements other than buildings	58,151	8,464	66,615
Infrastructure	376,187	-	376,187
Machinery and equipment	3,329	36,792	40,121
Construction-in-progress	36,276	4,071	40,347
Total capital assets	765,597	131,112	896,709
Less accumulated depreciation	(313,186)	(69,616)	(382,802)
Capital assets, net	<u>\$ 452,411</u>	<u>\$ 61,496</u>	<u>\$ 513,907</u>

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

General obligation bonds	\$ 87,242
Taxable obligation bonds	8,531
Revenue bonds	2,733
Compensated absences, excluding internal service funds	10,913
Loans payable	250
Retiree health care benefits payable, excluding internal service funds	1,420
Interest payable, excluding internal service funds	925
Governmental fund long-term liabilities	<u>\$ 112,014</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

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

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

The details of the \$44,169 decrease are as follow (amounts in 000’s):

Debt issued or incurred:	
Issuance of General Obligation Bonds	\$ (54,830)
Increase in compensated absences	(128)
Increase in retiree health care benefit	(235)
Total debt issued or incurred	<u>(55,193)</u>
Principal repayments or reductions	
Repayments	10,550
Amortization of debt premium	608
Amortization of deferred loss on bond refundings	(153)
Total payments or reductions	<u>11,005</u>
Other long term liabilities	
Deferral of new cost of issuance	451
Amortization of cost of issuance	(119)
Less: change in accrued interest payable	(313)
Total other long term liabilities	<u>19</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities – debt and related items	<u><u>\$ (44,169)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE C – LEGAL COMPLIANCE – BUDGETS

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

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

- 1) \$1,177,015 increase in the General Fund due to projects that were started in 2011 with ongoing expenditures in 2012 for the recycling center at 6400 Arapahoe;
- 2) \$2,151,047 increase in the General Fund related to Boulder's Energy Future;
- 3) \$1,176,542 increase in the Open Space and Mountain Parks Fund for 2011 capital carryovers. These expenditures were for acquisitions that started in 2011 and completed in 2012;
- 4) \$1,224,000 increase in the Transportation Fund for the capital carryover from 2011. The baseline Underpass project began in 2011 and incurred expenditures in 2012;
- 5) \$1,300,339 increase in the Transportation Development Fund for the capital carryover from 2011. The expenditures in this fund were also part of the Baseline Underpass project, which began in 2011 and continued in 2012;
- 6) \$54,829,997 increase in the 2011 Capital Improvement Fund related to capital projects funded by the General Obligation Bonds issued in March 2012. Most of these capital projects involve road and bridge repairs;
- 7) \$1,460,000 increase in the Fleet Replacement Fund for the costs associated with snow equipment and loader purchasing.

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

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

- All fund types – adjustment to accrued salaries, wages and amounts withheld from employees adjustment to compensated absences, adjustment to accrued interest payable (certain debt).
- Proprietary fund types – depreciation and amortization of deferred charges, bond premiums and deferred refunding losses, capital assets reassigned to other funds.

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

- All fund types – encumbrances, payments on advances from other funds, intrafund transfers, adjustments to accrued interest payable (certain debt).
- Proprietary fund types – capital outlay including capital assets acquired through issuance of long-term lease purchase revenue notes, principal retirement, reduction in deferred credit, refunding of debt.

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

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

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

- Proprietary fund types – long-term debt proceeds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE D – LEGAL COMPLIANCE – TABOR

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

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

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

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

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

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

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

TABOR is very complex and open to interpretation. However, at December 31, 2012, the city believes it was in compliance with TABOR (see Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS

At December 31, 2012, the city had the following in cash and investments (in 000's):

Cash and deposits	\$ 5,267
Investments	<u>288,981</u>
Total	<u><u>\$ 294,248</u></u>

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

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 5,259
Investments	208,069
Restricted investments	<u>55,142</u>
	<u>268,470</u>
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	8
Investments	<u>25,770</u>
	<u>25,778</u>
Total	<u><u>\$ 294,248</u></u>

Deposits

Custodial Credit Risk – Deposits. For deposits, this is the risk that in the event of a bank failure, the city's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2012, all financial institutions holding deposits for the City of Boulder have been identified as eligible public depositories under PDPA by the State of Colorado Division of Banking. PDPA requires that any amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At December 31, 2012, the city had cash on hand of \$28,230. In addition, at December 31, 2012, the carrying amount of the city's deposits at JPMorgan Chase was \$5,238,859 while the bank statement balance was \$6,852,220. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and will remain in effect until December 31, 2012. The city's operating account falls under this coverage as it is a noninterest-bearing account. As of December 31, 2012, all of the city's deposits are fully insured by FDIC.

Investments – Citywide (excludes Fiduciary Funds)

As of December 31, 2012, the city had the following investments:

Investment Type	Fair Value (000's)
Local Government	
Investment Pools	\$ 30,353
Money Market Mutual Funds	880
U.S. Treasuries	25,111
U.S. Instrumentalities	196,877
Time Deposits	9,990
Total	<u>\$ 263,211</u>

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2012, the city held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
U.S. Instrumentalities			
FHLB	\$ 78,042	AA+	Aaa
FNMA	37,366	AA+	Aaa
FFCB	37,113	AA+	Aaa
FHLMC	44,356	AA+	Aaa
Local Government Investment Pools	30,353	AAAm	N/A

Interest Rate Risk – Investments. For investments, this is the risk that changes in interest rates will adversely affect fair market values. In accordance with Title 2, Chapter 10 of the Boulder Revised Code (1981) the weighted average maturity of the city's portfolio shall at no time exceed five years. As of December 31, 2012, the weighted average maturity of the city's pooled investment portfolio was 1.47 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	\$ 25,111	1.20
FHLB	78,042	1.40
FNMA	37,366	2.76
FFCB	37,113	0.75
FHLMC	44,356	1.50
Time Deposits	9,990	0.00
Local Government Investment Pools	30,353	1.61
Money Market Mutual Funds	880	0.00
Total fair value		
Portfolio weighted average maturity	\$ 263,211	1.47

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2012, the city is invested in Colorado Government Liquid Asset Trust Plus (COLOTRUST Plus), Colorado Government Liquid Asset Trust Prime (COLOTRUST Prime) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or U.S. Instrumentalities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool.

As of December 31, 2012, the city had \$879,627 in money market mutual funds invested in the Goldman Sachs Treasury Obligations Fund, held in trust accounts at Suntrust Bank Escrow Services. The fund's securities are valued using the amortized cost method as permitted by Rule 2a-7 under the Investment Company Act of 1940. Under Rule 2a-7, the fund may invest only in U.S. dollar-denominated securities that are determined to present minimal credit risk and meet certain other criteria, including conditions relating to maturity, portfolio diversification, liquidity and credit quality. The fund invests only in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations. The fund seeks to maintain a stable net asset value of \$1.00 per share.

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

Concentration of Credit Risk – Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the city's investment in a single issuer. The Boulder Revised Code does not specifically address concentration of credit risk. 5% or more of the city's investments were held by the following issuers as of December 31, 2012:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 78,042	30%
Federal Farm Credit Bureau	37,113	14%
Federal National Mortgage Association	37,366	14%
Federal Home Loan Mortgage Corporation	44,356	17%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds

As of December 31, 2012, the Police and Fire Pension Funds had the following investments:

Investment Type	Fair Value (in 000's)	Maturities in Years				
		<1	1-2	3-5	5-10	>10
Local Government						
Investment Pools	\$ 31	\$ 31	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	281	20	16	134	-	111
U.S. Instrumentalities						
and Agencies	864	84	96	70	-	614
Time deposits	16	-	8	8	-	-
Corporate Bonds	343	-	-	222	121	-
Subtotal	<u>1,535</u>	<u>\$ 135</u>	<u>\$ 120</u>	<u>\$ 434</u>	<u>\$ 121</u>	<u>\$ 725</u>
Money Market Funds	553					
Mutual Funds	18,297					
Equities	4,594					
Real Estate Investment Trust	514					
Other	277					
Total	<u>\$ 25,770</u>					

Credit Risk – Pension Investments. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The “Old Hire” Police Pension Fund investment policy was revised on October 9, 2012 and adopted on December 10, 2012. The “Old Hire” Fire Pension Fund investment policy was revised on August 2012, and formally adopted on December 10, 2012. The “Old Hire” Police Pension Fund has a risk tolerance of no more than a 16.5% annual loss, with a statistical confidence level of 95%. The “Old Hire” Fire Pension Fund has a risk tolerance of no more than a 16.3% annual loss, with a statistical confidence level of 95%.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

At December 31, 2012 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
Local Government			
Investment Pools	\$ 31	AAAm	N/A
U.S. Instrumentalities	250	AA+	Aaa
Time Deposits	16	AA+	Aaa
Corporate Bond – AT&T	222	A	A2
Corporate Bond – John Deere	121	A-	A2

Concentration of Credit Risk – Pension Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the city's investment in a single issuer. The "Old Hire" Police Pension Fund investment policy states that equity holdings in any one company should not exceed more than 15% of the fair value of the Fund's assets and that not more than 25% should be invested in any one industry. Fixed Income Portfolio Securities, other than U.S. government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2012, no single issuer held more than 10% of either pension fund's portfolio.

In the revised investment policy, which was adopted on December 10, 2012, the "Old Hire" Police Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 16.5% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	31%	34%	37%
Domestic Small Cap Core	2%	5%	8%
International Equity	8%	11%	14%
Emerging Markets	0%	3%	6%
Domestic Fixed Income	17%	20%	23%
Global Fixed Income	2%	5%	8%
Floating Rate Corporate Loans	3%	6%	9%
High Yield	3%	6%	9%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

In the revised investment policy, which was adopted on December 10, 2012, the “Old Hire” Fire Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 16.3% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	23%	26%	29%
Domestic Mid Cap	2%	5%	8%
Domestic Small Cap	2%	5%	8%
International Equity	7%	10%	1%
Emerging Markets	0%	3%	6%
Domestic Fixed Income	24%	27%	30%
Global Fixed Income	1%	4%	7%
Floating Rate Corporate Loans	5%	8%	11%
High Yield	1%	4%	7%
REITs	0%	3%	6%
Commodities	2%	5%	8%

At December 31, 2012 the asset class allocations were within the maximum limits.

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

Interest Rate Risk – Pension Investments. This is the risk that changes in interest rates will adversely affect the portfolio’s fair market value. The “Old Hire” Police Pension Fund investment policy specifies a targeted rate of return of 7.5% for 2012, for its long-term account. The “Old Hire” Fire Pension Fund investment policy specifies a targeted rate of return of 7.50% for its long-term account.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

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

NOTE F – PROPERTY TAXES RECEIVABLE

Property taxes for the city are levied by the City Council and certified to Boulder County for collection by December 15 of each year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection.

Property taxes levied in 2012 for collection in 2013 of \$27,533,000 in the General Fund, \$27,000 in the Special Revenue Funds, \$2,239,000 in the Capital Projects Funds and \$2,002,000 in the Enterprise Funds, are included in receivables and deferred revenue at December 31, 2012. These taxes are classified as deferred revenues since they are not normally available to the city until mid-2013 and are budgeted for in 2013.

NOTE G – NOTES RECEIVABLE

The December 31, 2012 balance in “notes receivable” include several long-term notes receivable of various natures. The following summarizes the types of notes receivable and the amounts due within one year (amounts in 000’s):

Type of note receivable	Governmental Activities		Business-type Activities	
	Current	Noncurrent	Current	Noncurrent
Land Sale to Boulder County	\$ -	\$ -	\$ 132	\$ 438
City Manager Office	-	40	-	-
HHS Construction Loan	90	1,149	-	-
	<u>\$ 90</u>	<u>\$ 1,189</u>	<u>\$ 132</u>	<u>\$ 438</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE H – OTHER RECEIVABLES

The City of Boulder recognizes various receivables when earned. Revenues are recognized as appropriate based on the measurement focus and basis of accounting as discussed in Note A. An allowance for doubtful accounts is recognized as appropriate based upon management's estimate of the collectability of the various receivables. No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed. As of December 31, 2012, no allowance for doubtful accounts was recognized.

The December 31, 2012, balance in "other receivables" contains the following detail (amounts in 000's):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	\$ 2,723	\$ 705	\$ 3,428
Charges for services	-	1,287	1,287
Accrued interest	593	233	826
Intergovernmental	2,080	135	2,215
Other	23	10	33
	<u>\$ 5,419</u>	<u>\$ 2,370</u>	<u>\$ 7,789</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE I – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows (amounts in 000's):

Governmental Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 248,597	\$ 18,509	\$ -	\$ -	\$ 267,106
Construction in progress	26,953	27,173	(9,831)	(764)	40,347
Total capital assets, being depreciated, net	275,550	45,682	(9,831)	(764)	307,453
Capital assets being depreciated:					
Buildings	93,489	5,148	7,696	-	106,333
Improvements other than buildings	65,558	772	285	-	66,615
Infrastructure	373,266	1,126	1,805	-	376,187
Machinery and equipment	39,004	4,831	45	(3,749)	40,121
Total capital assets, being depreciated	571,317	11,877	9,831	(3,749)	589,256
Less accumulated depreciation for:					
Buildings	47,813	4,331	-	-	52,144
Improvements other than buildings	21,870	2,918	-	-	24,788
Infrastructure	276,337	7,251	-	-	283,588
Machinery and equipment	22,643	2,982	-	(3,343)	22,282
Total accumulated depreciation	368,663	17,482		(3,343)	382,802
Total capital assets, being depreciated, net	202,654	(5,605)	9,831	(406)	206,454
Governmental activities capital assets, net	\$ 478,204	\$ 40,077	\$ -	\$ (1,170)	\$ 513,907

During 2012, the city had intangible assets of \$9.3 million that are included in land and easements above.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE I – CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	\$ 74,549	\$ 917	\$ -	\$ (17,275)	\$ 58,191
Construction in progress	8,459	8,482	(4,692)	(327)	11,922
Total capital assets, not being depreciated	83,008	9,399	(4,692)	(17,602)	70,113
Capital assets being depreciated:					
Buildings	48,953	191	-	-	49,144
Improvements other than buildings	6,699	-	-	-	6,699
Utility plant in service and undergrounds	457,847	8,754	4,692	-	471,293
Machinery and equipment	11,986	949	-	(1,626)	11,309
Total capital assets, being depreciated	525,485	9,894	4,692	(1,626)	538,445
Less accumulated depreciation for:					
Buildings	19,189	1,445	-	-	20,634
Improvements other than buildings	3,046	310	-	-	3,356
Utility plant in service and undergrounds	151,989	8,732	-	-	160,721
Machinery and equipment	5,331	868	-	(1,374)	4,825
Total accumulated depreciation	179,555	11,355	-	(1,374)	189,536
Total capital assets, being depreciated, net	345,930	(1,461)	4,692	(252)	348,909
Business-type activities capital assets, net	\$ 428,938	\$ 7,938	\$ -	\$ (17,854)	\$ 419,022

In 2012, the total interest paid by the city was \$7,839,516, of which the city capitalized \$308,846 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE I – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 73
Administrative Services	730
Public Safety	108
Public Works	13,837
Culture and Recreation	2,354
Open Space and Mountain Parks	314
Housing & Human Services	65
Community Sustainability	1
Total depreciation expense – Governmental Activities	<u>\$ 17,482</u>
Business-type Activities:	
Water Utility	\$ 5,337
Wastewater Utility	3,232
Stormwater and Flood Management	1,115
Parking Facilities and Services	1,528
Property and Facility Acquisition	143
Total depreciation expense – Business-type Activities	<u>\$ 11,355</u>

NOTE J – RISK MANAGEMENT

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

The City Council has established a reserve policy for the Property and Casualty Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. As of December 31, 2012, the reserve exceeded this goal by \$2,211,844. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE J – RISK MANAGEMENT (CONTINUED)

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

Changes in the estimated claims payable for the Property and Casualty Insurance Fund during the years ended December 31, 2011 and 2012, were as follows (amounts in 000's):

	2011	2012
Estimated claims payable January 1	\$ 1,022	\$ 914
Current year claims and changes in estimates	39	164
Claim payments	(147)	(68)
Estimated claims payable December 31	<u>\$ 914</u>	<u>\$ 1,010</u>
Claims payable due within one year	<u>\$ 170</u>	<u>\$ 153</u>

Workers' Compensation Insurance – Through December 31, 1992, the city purchased Workers' Compensation Insurance through the Colorado Compensation Insurance Authority. The city received authorization to become self-insured effective January 1, 1993. In 1993, an Internal Service Fund was established to account for these insurance activities. The city hired a third-party administrator to handle claims and estimate reserves. Under the current structure, the city pays the first \$450,000 of each workers' compensation claim. The estimated reserves at December 31, 2012, have been established through the completion of an actuarial study and recorded as a liability in the Workers' Compensation Insurance Fund. Benefits are mandated by State Statute. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Workers' Compensation Insurance Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. As of December 31, 2012, the reserve exceeded this goal by \$664,333. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE J – RISK MANAGEMENT (CONTINUED)

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2011 and 2012, were as follows (amounts in 000's):

	2011	2012
Estimated claims payable January 1	\$ 938	\$ 1,100
Current year claims and changes in estimates	903	875
Claim payments	(741)	(813)
Estimated claims payable December 31	<u>\$ 1,100</u>	<u>\$ 1,162</u>
Claims payable due within one year	<u>\$ 704</u>	<u>\$ 725</u>

NOTE K – ACCRUED LIABILITIES

The December 31, 2012, balance in "accrued liabilities" contains the following detail (amounts in 000's):

Type of Accrued Liability	Governmental Activities	Business-type Activities	Total
Accrued salaries, wages and amounts withheld from employees	\$ 5,511	\$ 785	\$ 6,296
Accrued interest	995	513	1,508
Accrued liability – landfill cleanup	-	2,531	2,531
Accrued liability – cleanup costs	<u>594</u>	<u>-</u>	<u>594</u>
	<u>\$ 7,100</u>	<u>\$ 3,829</u>	<u>\$ 10,929</u>

NOTE L – PROPERTY TAX OVERCOLLECTION LIABILITY

The 2011 mill levy for the City of Boulder for taxes collected in 2012 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$4,000. The 2012 mill levy for taxes collected in 2013 was voluntarily reduced to compensate for this overcollection.

The balance of remaining overcollections are recorded as an "other liability" in the following funds:

Fund	Net Overcollection
University Hill General Improvement District	\$ 4,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE M – ACCRUED LIABILITY – LANDFILL CLEANUP

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE M – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)

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

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

Funds to pay any future costs associated with this will be allocated through the collection of wastewater user charges. The December 31, 2012, balance in the “accrued landfill cleanup liability” is \$2,531,000.

NOTE N – DEFERRED CREDIT – FUTURE WATER RIGHTS

Under a water allotment contract with the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict), the city has available 37/480 of the water units available through the Windy Gap Project (a water diversion project on the Colorado River). In 1991, the city sold 43 of its original 80 units to the City of Broomfield for a total of \$23,724,500. Under the sales agreement, the city received its final annual payment in 1993. The Raw Water Master Plan recommended that Windy Gap Project supplies be sold due to the high incremental cost of maintaining this portion of the raw water supply. When voting to approve the sales agreement, the City Council also moved that the proceeds be used for the acquisition of replacement water supplies capable of meeting multiple objectives, including diversification of municipal water supply sources, drought protection and maintaining instream flows.

Bonds issued by the Subdistrict in connection with construction of the project totaled \$119,280,000 after refunding in 1993. The bonds are not liabilities of the city since the city has an option annually to elect to either pay its share of the debt service and operating costs of the Subdistrict or to request the Subdistrict levy taxes directly through the County Assessor against property owners within the boundaries of the city to pay such costs and expenses. Under its contract, the city will never have ownership of the project, including the water rights.

The city’s commitment to pay the annual costs and expenses associated with the acquisition and maintenance of its future water rights continues to be for the original 80 units as follows:

2013	\$ 1,653,835
2014	1,653,250
2015	1,655,004
2016	1,697,958
2017	1,700,125

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE N – DEFERRED CREDIT – FUTURE WATER RIGHTS (CONTINUED)

A “deferred credit” with an original amount of \$10,504,192 at 7% interest was recorded in 1992 in the Water Utility Fund to cover the principal portion of the debt service costs for the 43 units sold to the City of Broomfield. The December 31, 2012 deferred credit balance was \$2,817,656.

NOTE O – LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2012 (amounts in 000’s):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 41,746	\$ 54,830	\$ (9,334)	\$ 87,242	\$ 9,240
Taxable obligation bonds	8,881	-	(350)	8,531	345
Revenue bonds	4,054	-	(1,321)	2,733	1,340
Total bonds payable	54,681	54,830	(11,005)	98,506	10,925
Loans payable	250	-	-	250	250
Capital lease purchase agreements	7,763	9,070	(6,600)	10,233	503
Compensated absences	10,968	678	(536)	11,110	572
Estimated claims payable (Note J)	2,014	1,042	(884)	2,172	878
Retiree health care benefit	1,185	235	-	1,420	-
Governmental activities long-term debt	<u>\$ 76,861</u>	<u>\$ 65,855</u>	<u>\$ (19,025)</u>	<u>\$ 123,691</u>	<u>\$ 13,128</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 15,350	\$ 7,550	\$ (9,149)	\$ 13,751	\$ 1,530
Revenue bonds	84,861	27,791	(34,476)	78,176	6,935
Total bonds payable	100,211	35,341	(43,625)	91,927	8,465
Certificates of participation	575	-	(575)	-	-
Lease purchase revenue notes	6,739	-	(1,426)	5,313	1,364
Compensated absences	1,256	121	(68)	1,309	159
Retiree health care benefit	182	29	-	211	-
Business-type activities long-term debt	<u>\$ 108,963</u>	<u>\$ 35,491</u>	<u>\$ (45,694)</u>	<u>\$ 98,760</u>	<u>\$ 9,988</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

The city issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the city. In addition, many of the general obligation bonds of the city have a pledge of specific revenues. See Note X for pledged revenue information.

2011 Bond Issuance

On March 22, 2012, the city issued General Fund Bonds for Capital Improvement Projects in the par amount of \$49,000,000 which included a \$5,829,997 premium to fund various capital projects. The bonds were purchased by J.P. Morgan Securities LLC at a net interest rate of 2.836%. The closing date was March 22, 2012. Bonds maturing on and after October 1, 2023 shall be callable for redemption at the option of the city, in whole or in part, and if in part in such order of maturities as the city shall determine and by lot within a maturity on October 1, 2022 and on any date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date. These bonds have a final maturity date of October 1, 2031.

2012 Bond Refunding

On November 28, 2012, the city issued \$7,275,000 in Central Area General Improvement District General Obligation Refunding Bonds (carrying value of \$7,275,000 which includes \$543,796 premium and \$269,120 deferred loss on refunding) with an average coupon rate of 2.73% to refund \$7,650,000 of outstanding 2003 Series Central Area General Improvement District General Obligation Bonds with an average coupon rate of 4.02%. Proceeds of \$7,818,796 plus prior debt service funds of \$285,000, less \$161,635 in underwriting fees and other closing costs were used to purchase U.S. Treasury securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2003 Series bonds. The 2003 Series bonds will be fully retired on August 15, 2013. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$269,120. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2023 using the effective interest method. The city completed the advance refunding to reduce its total debt services payments over the next 14 years by \$1,213,122 and to obtain a net present value benefit of \$832,428.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General obligation bonds outstanding at December 31, 2012, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.00%	\$ 64,515	\$ 75,115
Governmental activities – refunding	2.50% - 4.30%	17,265	35,800
Business-type activities	3.25% - 4.20%	615	12,500
Business-type activities – refunding	3.00% - 4.00%	12,725	15,005
		<u>\$ 95,120</u>	<u>\$ 138,420</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2013	\$ 9,240	\$ 3,033	\$ 1,530	\$ 344	\$ 14,147
2014	7,665	2,759	1,495	350	12,269
2015	7,925	2,485	1,540	311	12,261
2016	6,005	2,200	1,590	272	10,067
2017	6,225	1,987	1,645	221	10,078
2018-2022	17,415	7,192	4,720	497	29,824
2023-2027	14,415	4,353	820	25	19,613
2028-2030	12,890	1,281	-	-	14,171
Total liability	81,780	25,290	13,340	2,020	122,430
Plus bond premium	5,797	-	707	-	6,504
Less refunding bond charges	(335)	-	(296)	-	(631)
Net liability	<u>\$ 87,242</u>	<u>\$ 25,290</u>	<u>\$ 13,751</u>	<u>\$ 2,020</u>	<u>\$ 128,303</u>

Taxable Pension Obligation Bonds

The city also issues bonds where the city does not pledge any revenues nor has any obligation to levy any new or increased tax for the payment of debt service. These bonds are issued for the purpose of funding ongoing required pension obligations.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Taxable Pension Obligation Bonds (Continued)

Taxable pension obligation bonds outstanding at December 31, 2012, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.00% - 5.00%	<u>\$ 8,420</u>	<u>\$ 9,070</u>

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

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 345	\$ 341	\$ 686
2014	355	334	689
2015	360	327	687
2016	370	316	686
2017	380	305	685
2018-2022	2,130	1,303	3,433
2023-2027	2,610	828	3,438
2028-2030	<u>1,870</u>	<u>189</u>	<u>2,059</u>
Total liability	8,420	3,943	12,363
Plus bond premium	<u>111</u>	<u>-</u>	<u>111</u>
Total liability	<u>\$ 8,531</u>	<u>\$ 3,943</u>	<u>\$ 12,474</u>

Revenue Bonds

The city also issues bonds where the city pledges income derived from the acquired or constructed assets to pay debt service. See Note X for pledged revenue information. In addition, revenue bonds have been issued to refund other revenue bonds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

2012 Bond Refunding

On November 20, 2012, the city issued \$24,325,000 in Water and Sewer Revenue Refunding Bonds (carrying value of \$24,325,000 which includes \$6,589,785 premium and \$3,123,911 deferred loss on refunding) with an average coupon rate of 4.96% to refund \$27,055,000 of outstanding 2005C Series Water and Sewer Revenue Bonds with an average coupon rate of 4.70%. Proceeds of \$30,914,785 plus prior debt service funds of \$638,300, less \$329,564 in underwriting fees, other closing costs, and a \$638,300 deposit to the debt service reserve funds, were used to purchase U.S. Treasury securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005C Series bonds. The 2005C Series bonds were advance refunded and will be fully retired on December 1, 2015. The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,123,911. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2025 using the effective interest method. The city completed the advance refunding to reduce its total debt services payments over the next 14 years by \$3,247,120 and to obtain a net present value benefit of \$2,834,865.

Revenue bonds outstanding at December 31, 2012, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	3.00%	\$ 2,710	\$ 6,485
Business-type activities	2.00% - 5.00%	15,390	55,225
Business-type activities – refunding	2.00% - 4.125%	59,425	80,770
		<u>\$ 77,525</u>	<u>\$ 142,480</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

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

Year ending December 31	Governmental Activities		Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	Principal	Interest	
2013	\$ 1,340	\$ 81	\$ 6,935	\$ 3,037	\$ 11,393
2014	1,370	41	7,170	2,807	11,388
2015	-	-	7,420	2,547	9,967
2016	-	-	7,445	2,276	9,721
2017	-	-	6,860	1,988	8,848
2018-2022	-	-	25,835	5,882	31,717
2023-2027	-	-	11,260	1,429	12,689
2028-2030	-	-	1,890	127	2,017
Total liability	2,710	122	74,815	20,093	97,740
Plus bond premium	29	-	7,389	-	7,418
Less refunding bond charges	(6)	-	(4,028)	-	(4,034)
Total liability	<u>\$ 2,733</u>	<u>\$ 122</u>	<u>\$ 78,176</u>	<u>\$ 20,093</u>	<u>\$ 101,124</u>

Lease Purchase Revenue Notes

The Boulder Municipal Property Authority (BMPA) has issued notes where BMPA pledges income, received from the City of Boulder and derived from base rentals of open space and parks property, to pay debt service. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the city (Note A.1). Lease purchase revenue notes outstanding at December 31, 2012, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activity	4.75 - 7.00%	<u>\$ 5,313</u>	<u>\$ 13,884</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease Purchase Revenue Notes (Continued)

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

Year Ending December 31	Business-type Activities		Debt Requirements to Maturity
	Principal	Interest	
2013	\$ 1,364	\$ 276	\$ 1,640
2014	1,340	203	1,543
2015	1,006	135	1,141
2016	941	83	1,024
2017	374	35	409
2018-2020	288	24	312
Total liability	<u>\$ 5,313</u>	<u>\$ 756</u>	<u>\$ 6,069</u>

Loans Payable

Loan Payable to Boulder County – The County entered into a Purchase Agreement with Colorado Tennis Facilities, LLC on June 11, 2009. According to the terms of the agreement, the County is to purchase approximately 9.7 acres of land located at 6400 Arapahoe. The County assigned its rights to purchase the property to the city by way of an assignment of purchase agreement dated July 23, 2009, for the amount of \$5,440,000. The city purchased the property with proceeds obtained the sale of the General Obligation Waste Reduction Bonds Series 2009 detailed above.

Proceeds of \$4,940,000 from that bond sale were used to pay down the liability to Boulder County on December 16, 2009. The remaining \$250,000 due will be paid in September 1, 2013. Interest will accrue at 3% per annum beginning August 25, 2009.

Capital Lease Purchase Agreements

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

All American Investment Group, LLC - On October 25, 2010, the city entered into a capital lease agreement with All American Investment Group, LLC. On January 25, 2012, the city refinanced this lease which included a total of \$6,401,534 and an additional \$3,241,230 borrowed for a total lease obligation of \$9,642,764. The interest rate on this lease is fixed at 2.65%. The refinanced lease extended the life to 2027 with payments continuing to occur in January, April, July, and October. As a result of the refunding, the book value of the assets and liabilities were reduced by \$392,250.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Lease Purchase Agreements (Continued)

Capital lease purchase agreement obligations outstanding as of December 31, 2012 are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental activities	2.65 - 4.93%	<u>\$ 10,391</u>	<u>\$ 11,143</u>

Annual debt service requirements to maturity for capital lease payments are as follows (amounts in 000's):

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 503	\$ 349	\$ 852
2014	515	331	846
2015	547	313	860
2016	585	293	878
2017	632	272	904
2018-2022	4,007	981	4,988
2023-2026	<u>3,602</u>	<u>241</u>	<u>3,843</u>
Total liability	10,391	2,780	13,171
Less refunding charges	(158)	-	(158)
Total liability	<u>\$ 10,233</u>	<u>\$ 2,780</u>	<u>\$ 13,013</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Compensated Absences

The city has accrued, as a liability to current employees, the following amounts of accumulated unused vacation and sick pay, appreciation bonus and compensation time at December 31, 2012 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	\$ 1,539	\$ 755
Accrued sick pay	7,243	167
Accrued appreciation bonus	2,118	387
Accrued compensation time	210	-
	<u>\$ 11,110</u>	<u>\$ 1,309</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$572,265 of governmental activities and \$159,454 of business-type activities liabilities will be paid in 2013. Governmental liabilities relating to General, Library, Recreation Activity, Community Development and HOME Fund employees are liquidated out of the Compensated Absences Internal Service Fund. Liabilities relating to employees of all other governmental funds are liquidated out of the associated fund.

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the city to determine if any of the bond issues dated since January 1, 1986, had a liability for rebatable arbitrage at December 31, 2012. These calculations were made taking into consideration the investment instructions, the no arbitrage certificate and the relevant portions of the trust indenture for each of the bond issues.

Refunded Bonds

The city has, at various times in prior years, entered into advance refunding transactions whereby a portion of the proceeds of the refunding bonds were placed in irrevocable escrow accounts and invested in direct, noncallable governmental obligations that, together with the interest earned thereon, will provide amounts sufficient for future payment of all interest and principal on the old bonds. The likelihood of the earnings and principal maturities of the governmental obligations not being sufficient to pay the defeased bond issue appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. At December 31, 2012, there is \$34,705,000 of principal outstanding on defeased bonds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease of Criminal Justice Center

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

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

Lease of Public Library Space at the Meadows on the Parkway

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

NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

Due To/From Other Funds

The composition of interfund receivable and payable balances as of December 31, 2012 is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General	Property and Casualty Insurance Fund	\$ 41
General	Fleet Fund	145
Affordable Housing	General Fund	59
Wastewater Utility	Stormwater and Flood Management Utility	41
Stormwater and Flood Management Utility	Wastewater Utility	43
Boulder Municipal Property Authority	Open Space and Mountain Parks	163
		<u>\$ 492</u>

The more significant interfund receivable/payable balances are amounts due from Fleet Fund to General Fund to repay money used for the Valmont Butte remediation (see Note T) and from Open Space and Mountain Parks to Boulder Municipal Property Authority for accrued interest on debt. All balances will be repaid within one year.

Advances To/From Other Funds

The composition of interfund advances receivable and payable balances as of December 31, 2012, is as follows (amounts in 000's):

Payable Fund	Receivable Fund	Amount
General	Water Utility Fund	\$ 769
General	Fleet Fund	1,267
Boulder Junction Access GID	Downtown Commerical District	18
		<u>\$ 2,054</u>

The General Fund owes the Water Utility Fund \$768,877 at December 31, 2012, for funding the purchase of land from the Water Utility Fund for development of a new fire training center in 2009. This advance will be repaid over 15 years with 60 equal quarterly payments including 5% interest beginning in 2009.

The General Fund owes the Fleet Fund \$126,153 for funding assistance in the implementation of new parking technology and \$1,141,233 for the Valmont Butte Remediation at December 31, 2012. The parking technology advance will be repaid over 10 years with 40 equal quarterly payments including 5% interest beginning in 2008. The Valmont Butte Remediation advance will be repaid over 10 years with 40 equal quarterly payments beginning in 2012 with an interest rate of 0.75%.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

Advances To/From Other Funds (Continued)

The Boulder Junction General Improvement District owes the Downtown Commercial District \$18,238 at December 31, 2012. This advance will repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

Interfund Transactions

There are various types of interfund transactions which occur between funds. The following information describes the city's 2012 transfers (amounts in 000's). All funds made quarterly payments to the General Fund for indirect expenses, primarily administrative, such as legal, human resources, finance and information technologies.

TRANSFERS IN	TRANSFERS OUT						
	General Fund	Open Space & Mountain Parks	Transportation	Capital Improvement	Nonmajor Governmental	Water Utility	Wastewater Utility
General Fund	\$ -	\$ 1,071	\$ 1,309	\$ 3	\$ 5,433	\$ 1,181	\$ 871
Open Space & Mountain Parks	1,026	-	-	-	-	-	-
Transportation	106	-	-	-	-	-	-
Capital Improvement	281	400	-	-	238	-	-
Nonmajor Governmental	3,856	-	431	1	40	200	201
Water Utility	-	-	-	-	-	-	-
Wastewater Utility	-	-	-	-	-	-	-
Stormwater & Flood Management	-	-	-	-	-	-	-
Boulder Municipal Property Authority	-	-	-	-	-	-	-
Downtown Commercial District	1,400	-	-	-	-	-	-
Nonmajor Business-type	400	-	-	-	-	-	-
Internal Service Funds	115	87	-	-	142	18	371
Total before one way transfers	7,184	1,558	1,740	4	5,853	1,399	1,443
One way transfers - from enterprise to governmental funds	-	-	-	39	-	-	-
Total transfers	\$ 7,184	\$ 1,558	\$ 1,740	\$ 43	\$ 5,853	\$ 1,399	\$ 1,443

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

Interfund Transactions (Continued)

TRANSFERS IN	TRANSFERS OUT						TOTAL
	Stormwater & Flood Management	Downtown Commercial District	Boulder Municipal Property Authority	Nonmajor Business- type	Internal Service Funds		
General Fund	\$ 213	\$ 231	\$ -	\$ 48	\$ 666	\$ 11,026	
Open Space & Mountain Parks	-	-	161	-	-	1,187	
Transportation	-	-	-	-	-	106	
Capital Improvement	-	-	-	-	-	919	
Nonmajor Governmental	121	-	-	-	80	4,930	
Water Utility	-	-	-	-	529	529	
Wastewater Utility	-	-	-	-	795	795	
Stormwater & Flood Management	-	-	-	-	161	161	
Boulder Municipal Property Authority	-	-	-	-	-	-	
Downtown Commercial District	-	-	-	-	86	1,486	
Nonmajor Business-type	-	-	-	-	32	432	
Internal Service Funds	-	-	-	-	15	748	
Total before one way transfers	334	231	161	48	2,364	22,319	
One way transfers - from enterprise to governmental funds	-	-	17,274	-	-	17,313	
Total transfers	\$ 334	\$ 231	\$ 17,435	\$ 48	\$ 2,364	\$ 39,632	

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2012, Boulder Housing Partners received grant funding of \$716,358. These grants were awarded to Boulder Housing Partners in a competitive application process. In addition to the grant funding above, Boulder Housing Partners received other operating assistance and support in 2012 totaling \$42,026.

During 2012, Boulder Housing Partners participated in the city's employee benefit plans including health care, dental, life, and vision insurance options, etc. for the benefit of its employees. Boulder Housing Partners reimbursed the city for the full cost of these benefits. There was no receivable from Boulder Housing Partners at December 31, 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE R – REVOLVING LOAN PROGRAM

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

NOTE S – RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS

TABOR Emergency Reserves: At December 31, 2012, net assets for Business-type Activities of \$152,000 and \$5,000, respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

Restricted Net Position and Similar Fund Balance Restrictions: Restricted net position and fund balances have been classified into the following broad categories. Net position identified as Legally Restricted are restricted by external sources such as grantors and tax ballot language. Net position identified as Debt Service are restricted by bond ordinances for future debt service. Net position restricted for Capital Projects include financing proceeds and other revenues restricted for capital acquisition projects. Development restrictions are largely revenues, such as impact fees or special tax proceeds limited to specific operations or purposes, such as acquisition, development and maintenance of parks and open space lands and trails. Lottery Funds are restricted by state statute for specific projects as defined within the Colorado Constitution Article XXVII for parks, recreation and open space projects. Donor Restrictions are limitations placed upon the use of proceeds by the original donor.

NOTE T – COMMITMENTS AND CONTINGENCIES

1. Litigation

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

1. Litigation (Continued)

Valmont Butte Allied Piles Site (VCUP) – The city presented a voluntary cleanup plan to the Colorado Department of Public Health and Environment (CDPHE). This plan was approved under the Colorado Voluntary Cleanup Program. As required by CDPHE, site remediation actions in the VCUP started by August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2012, the city has expended \$1.9 million on Valmont Butte cleanup with an additional \$0.6 million still held in a liability account for continued cleanup responsibilities.

2. Boulder Shelter for the Homeless

The city entered into an agreement in 2002 with Boulder Shelter for the Homeless, Inc. (Shelter) whereby the city has agreed to provide funding to the Shelter for the construction of a new building. Funding consists of \$645,000 (plus interest) payable upon presentation of payment requests, and \$1,260,000 to be paid in ten annual installments. As of December 31, 2012, the city has paid \$1,957,662 to the Shelter under this agreement. The 2012 payment was the final payment against this agreement and the city has no further obligation in this matter.

3. Single Audit

The city follows the single audit concept under the provisions of the Single Audit Act of 1984, as amended in 1996. A single audit appendix is a part of the comprehensive annual financial report. Under the single audit concept, one audit is performed which satisfies the requirements of all Federal agencies. The city has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. The city's management believes disallowances, if any, will be immaterial.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

4. Construction Commitments

At December 31, 2012, city funds were obligated under contractual commitments for various construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	\$ 3,826
Capital Development	267
Lottery	321
Planning & Development Services	138
Affordable Housing	2
Community Housing Assistance Program	59
.25 Cent Sales Tax	179
Library	45
Climate Action Plan	776
Open Space	735
Airport	146
Transportation	14,455
Transportation Development	393
Permanent Parks and Recreation	1,187
2012 Capital Improvement	6,003
Total Governmental Funds	<u>\$ 28,532</u>
Water Utility	\$ 6,952
Wastewater Utility	7,947
Stormwater & Flood Management	920
CAGID	657
Total Enterprise Fund	<u>\$ 16,476</u>
Telecommunications	\$ 176
Property and Casualty Insurance	13
Workers' Compensation Insurance	149
Fleet	5,211
Computer Replacement	513
Equipment Replacement	302
Facility Renovation and Replacement	5,456
Total Internal Service Funds	<u>\$ 11,820</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS

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

Number of Active Full-time Employees	Plan	Employee Contributions		City Contributions	
		Dollars	Percentage	Dollars	Percentage
1,235	PERA	\$ 4,911	8.000%	\$ 8,410	13.700%
1	Old Hire Police	3	2.000%	222	
1	Old Hire Fire	16	7.833%	162	
	Police and Fire Money Purchase –				
172	Police employees	780	6.200%	1,737	13.800%
	Police and Fire Money Purchase –				
	Fire employees – International				
104	Association of Firefighters	639	8.000%	1,038	13.000%
7	ICMA 401(a)	73	8.000%	125	13.700%
2	ICMA 457	5	8.000%	4	10.000%
	Totals	<u>\$ 6,427</u>		<u>\$ 11,698</u>	

Covered employees should refer to pension plan documents and legislation for detail plan descriptions and benefits.

City Administered Pension Plans

Of the above pension plans, the city administers two defined benefit single employer pension plans, the "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan. Although a small amount of the assets of these two plans are pooled for investment purposes, each of these two plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Membership of each plan consisted of the following at January 1, 2012, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees receiving benefits	28	25
Beneficiaries receiving benefits	13	14
Disabled receiving benefits	4	4
Terminated plan members entitled but not yet receiving benefits	7	5
Active plan members	1	2
Total	<u>53</u>	<u>50</u>

The city's annual pension costs and net pension obligation for the two plans for the year ended December 31, 2012 are as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Annual required contributions (ARC)	\$ 220	\$ 157
Interest on net pension obligation (NPO)	(418)	(311)
Adjustment to ARC	676	540
Annual Pension Cost	478	386
City contributions	(222)	(162)
Increase (decrease) in NPO	256	224
Net pension obligation (prepaid) beginning of year	(5,660)	(4,189)
Net pension obligation (prepaid) end of year	<u>\$ (5,404)</u>	<u>\$ (3,965)</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Three Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>City Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Prepaid)</u>
"Old Hire" Police Defined Benefit Plan				
2012	\$ 220	\$ 222	101%	\$ (5,404)
2011	344	192	56%	(5,660)
2010	642	5,985	932%	(5,812)
"Old Hire" Fire Defined Benefit Plan				
2012	\$ 157	\$ 162	103%	\$ (3,965)
2011	231	64	28%	(4,189)
2010	478	3,874	810%	(4,335)

The "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan financial statements as of December 31, 2012, are included in the City of Boulder Comprehensive Annual Financial Report under the heading of Fiduciary Fund Types; no separate financial statements are issued. This information by plan follows.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Plan net assets as of December 31, 2012, are as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Assets:		
Equity in pooled cash and cash equivalents	\$ 4	\$ 4
Investments		
U.S. Treasuries	262	19
U.S. Instrumentalities	740	124
Mutual Funds	6,700	11,597
Equity Securities	4,594	-
Local Government Investment Pools	16	15
Money Market Funds	296	257
Real Estate Investment Trust	514	-
Corporate Bonds	343	-
Other	277	-
Time Deposits	8	8
Accrued Interest	8	1
Total assets	<u>13,762</u>	<u>12,025</u>
Liabilities:		
Accrued pensions payable	84	370
Total liabilities	<u>84</u>	<u>370</u>
Net position held in trust for pension benefits	<u>\$ 13,678</u>	<u>\$ 11,655</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

The changes in plan net position for December 31, 2012, were as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Additions:		
Pension contributions:		
City of Boulder	\$ 222	\$ 162
Employees	3	16
Total contributions	225	178
Investment earnings (loss)	1,462	1,500
Less investment expense	(51)	(16)
Net investment income (loss)	1,411	1,484
Total additions (reductions)	1,636	1,662
Deductions:		
Benefits	1,403	1,874
Administrative	13	17
Total deductions	1,416	1,891
Net increase (decrease)	220	(229)
Net position held in trust for pension benefits:		
Beginning of year	13,458	11,884
End of year	\$ 13,678	\$ 11,655

1. "Old Hire" Police Defined Benefit Plan

Plan Description – Full-time police officers hired prior to April 8, 1978, are members of the City of Boulder "Old Hire" Police Defined Benefit Plan (Plan), a single-employer defined benefit pension plan. The Plan covers two groups – "Employees" and "Former Members".

Former Members – This group includes employees whose employment with the employer terminated prior to January 1, 1987. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

Employees – The City of Boulder “Old Hire” Police Defined Benefit Plan and Trust Agreement (Plan Document) was established by the City Council on November 3, 1987 by Ordinance 5086. This Plan Document was effective retroactive to January 1, 1987, and superseded and replaced the retirement benefits that had previously been provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. The provisions of this Plan Document apply solely to employees whose employment with the employer terminates on or after January 1, 1987.

Benefits – For members retiring or terminating after January 1, 1996, the retirement pension is equal to 2.56% of final salary times full years of participation up to 25 years, plus .5% of final salary for each full year of participation service over 25 years up to 27 years, providing a maximum pension of 65%. The Plan permits early retirement after 10 years of credited service with reduced benefits. Members may elect to receive their pension benefits in the form of joint, survivor annuities, or a lump-sum payment calculated on the basis of the UP-1984 Mortality table. This election can be made prior to retirement in order to provide a pension payable to the surviving spouse or beneficiary if the member dies after reaching normal retirement age and before retirement. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

The minimum monthly benefits for *Former Members* are: \$875 for those receiving a disability retirement and \$515 for those receiving a beneficiary retirement.

Deferred Retirement Option Plan (DROP) Program – During 1999, a DROP provision, retroactive to January 1, 1998, was added to the Plan. This enables an active member, who is eligible to retire, to elect to have their employee contributions, annual pension benefits and interest thereon, directed to a separate account for up to five years prior to retirement. The city’s share of pension contributions is excluded from the employee’s DROP account but continues to be allocated to the Plan. The annual pension benefit is initially calculated as of the date of the election of the DROP. The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2012, there were no police employees who elected the DROP.

Death and Disability Benefits – *Employees and Former Members* - Effective January 1, 2007, the widow of a participant who commenced employment prior to January 1, 1980, is eligible for a benefit of the greater of (a) one-third of the monthly salary paid by the city to a first class firefighter at the date of the participant’s death; (b) one-third of the monthly salary paid by the city to a first class firefighter at the date of the participant’s termination or (c) one-half of the Normal Retirement Pension received by the participant at the date of such participant’s death. In no event shall the amount be less than the Board established minimum widow benefit which is currently \$515 per month. Benefits for disability retirees who retired prior to January 1, 1987, are eligible for a minimum benefit of \$875 per month. Dependent children of the employee are eligible for \$30 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Plan Document, the contribution requirements of the plan members and the city are established and may be amended by the Boulder Police Officers Association collective bargaining agreement in effect for the payroll period concerned. Contributions of 2.0% of covered payroll are currently required from both the city and employees. The city must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2012, the city contributed \$221,807 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

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

An actuarial study was prepared at January 1, 2012. It is the “Old Hire” Police Defined Benefit Plan Board of Trustees’ policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

The significant actuarial assumptions used in the valuation as of January 1, 2012, included the following:

- Actuarial Cost Method – entry age normal actuarial cost method.
- Actuarial Value of Assets – Determined by calculating an expected value equal to the prior year’s market value of assets, plus cash flows of contributions and benefit payments for the year and assuming a 7.50% interest return. The difference between this expected value and the actuarial market value is recognized over three years. The resulting value is limited to between 80% and 120% of the market value of assets.
- Annual Required Contribution – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 16 years.
- Investment Earnings – 7.5% compounded annually, net of expenses.
- Cost of Living Adjustments – None assumed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

- Retirement – Participants are assumed to retire upon age 50 with 20 years of service, or upon attainment of 25 years of service, if earlier.
- Retiree Mortality – Sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiation First Class Firefighter Salary is used to calculate death benefits. For 2012, this is projected to be \$2,802 per pay period.
- Marriage Rates – 90% active participants are assumed to be married. Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

The significant changes in actuarial assumptions and methods as of January 1, 2010 included the following:

- First Class Firefighter Salary was increased from \$2,666 to \$2,802 per pay period to reflect the current highest negotiated rate.

Funded Status and Funding Progress – As of January 1, 2012, the most recent actuarial valuation date, the plan was 87.5% funded. The actuarial accrued liability for benefits was \$16,057,253 and the actuarial value of assets was \$14,051,067, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,006,186. The covered payroll (annual payroll of active employees covered by the plan) was \$130,326 and the ratio of the UAAL to the covered payroll was 1,539.4%. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$5,469,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

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

2. “Old Hire” Fire Defined Benefit Plan

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

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

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

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

The minimum benefits for *Former Members* are: \$875 per month for those receiving a normal or disability retirement and \$515 per month for those receiving a beneficiary retirement.

Any pension benefit increase shall not negatively impact the actuarial soundness of the fund.

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

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2012, three members have elected the DROP option. For Note U purposes (unless otherwise stated), these employees are shown as active members and included in covered payroll.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

Death and Disability Benefits

Employees and Former Members – Effective January 1, 2007, the widow of a retiree who retired prior to January 1, 1990, is eligible for a benefit of the lesser of (a) one-third of the monthly salary paid by the city to a first class firefighter at the date of the member’s death or (b) one-third of the monthly salary paid by the city to a first class firefighter at the date of the employee’s termination or (c) the Board established minimum widow benefit which is currently \$515 per month. Benefits for normal or disability retirees who retired prior to January 1, 2000, are eligible for a minimum benefit of \$875 per month. Dependent children of the employee are eligible for \$30 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

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

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

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the “Old Hire” Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the city are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. Contribution rates during 2012 were 2.451% and 7.833% of covered payroll for the city and employees, respectively. City contributions must be at least equal to employee contributions. The city must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2012, the city contributed \$161,800 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits - An actuarial study was prepared at January 1, 2012. It is the Fire Pension Board policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

The significant actuarial assumptions used in the valuation as of January 1, 2012 included the following:

- Actuarial Cost Method – Entry age normal actuarial cost method.
- Actuarial Value of Assets – Market value.
- Annual Required Contribution – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 12 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

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

- Investment Earnings – 7.5% compounded annually, net of expenses.
- Cost of Living Adjustments – None assumed.
- Retirement – Not Applicable – All participants are retired.
- Retiree Mortality – Sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- First Class Firefighter Salary – The highest negotiation First Class Firefighter Salary is used to calculate death benefits. For 2011, this is projected to be \$2,802 per pay period.
- Inflation rate – Not specified by actuarial.
- Marriage Rates – Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.

The significant changes in actuarial assumptions and methods as of January 1, 2012 included the following:

- First Class Firefighter Salary was increased from \$2,666 to \$2,802 to reflect the current highest negotiated rate.

Funded Status and Funding Progress – As of January 1, 2012, the most recent actuarial valuation date, the plan was 90.4% funded. The actuarial accrued liability for benefits was \$13,142,256 and the actuarial value of assets was \$11,884,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,258,256. The covered payroll (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was not applicable since all participants were retired as of January 1, 2012. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and \$3,531,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA)

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

Funding Policy – The City of Boulder is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the City of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the City of Boulder is 10.0% of covered salary. A portion of the City of Boulder's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (HCTF) (see Note V - Postemployment Healthcare Benefits). The City of Boulder is also required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll for the calendar year 2012 (2.20% of total payroll for the calendar year 2011, 2.20% of total payroll for the calendar year 2010). Additionally, the City of Boulder is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.50% of total payroll for the calendar year 2012 (1.50% of total payroll for the calendar year 2011 and 1.50% of total payroll for the calendar year 2010).

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

For the years ending December 31, 2012, 2011, and 2010, the City of Boulder's contributions to the LGDTF, including the amounts allocated to the HCTF, were \$8,425,590, \$8,027,409, and \$8,100,438, respectively, equal to their required contributions for each year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

4. Police and Fire Money Purchase Pension Plan

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

The Boulder Police Benevolent Association negotiated an economic agreement with the city which is in effect through December 31, 2014. The city's contribution requirement for the year ended December 31, 2012, was 13.8% of covered payroll. The employee contributions were 6.2% of covered payroll.

The International Association of Firefighters, Local #900, negotiated an economic agreement with the city, which was in effect through December 31, 2013. The city's contribution requirement for the year ended December 31, 2012, was 13% of covered payroll. The employee contributions were 8% of covered payroll.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

5. Fire and Police Pension Association (FPPA)

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The city pays the 2.6% for all affected police officers and firefighters. In 2012, 2011, and 2010, the city paid \$297,687, \$280,671, and \$259,175, respectively, equal to their required contributions for each year.

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

NOTE V – DEFERRED COMPENSATION PLANS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

Public Employees Retirement Association (PERA) Health Care Trust Fund

Plan Description – The City of Boulder contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

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

The City of Boulder's contributions to HCTF for the years ending December 31, 2012, 2011, and 2010 were \$627,054; \$597,661, and \$603,098, respectively, equal to their required contributions for each year.

City of Boulder Retiree Health Care Benefit Plan

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

City of Boulder Retiree Health Care Benefit Plan (Continued)

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

Annual required contribution (ARC)	\$	602
Interest on prior year net OPEB obligation		51
Adjustment to ARC		(51)
Annual OPEB cost		602
Contributions made		337
Increase in net OPEB obligation		265
Net OPEB obligation – beginning of year		1,367
Net OPEB obligation – end of year	\$	1,632

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the three preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 642	54.2%	\$ 1,102
2011	\$ 602	56.0%	\$ 1,367
2012	\$ 602	56.0%	\$ 1,632

Funded Status and Funding Progress – As of January 1, 2011, the most recent actuarial evaluation date, the actuarial accrued liability for benefits was \$6,747,489, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$82,956,844, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.1%.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

City of Boulder Retiree Health Care Benefit Plan (Continued)

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

An actuarial study was prepared at January 1, 2011. It is the plan's policy to have an actuarial study prepared every two years.

The significant actuarial assumptions used in the valuation as of January 1, 2011, included the following:

- Discount Rate – 3.75% per annum.
- Inflation – 2.5% per annum.
- Wage Growth – 3.0% per annum.
- Administrative Expense – Claims expense is included in the premiums charged by the city's health insurance carrier. No other OPEB program expenses are included in this valuation.
- Mortality –
 - Healthy Lives – RP-2000 Combined Healthy Mortality Table projected to 2020 using Scale AA.
 - Disabled Lives – RP-2000 Disabled Mortality Table projected to 2020 using Scale AA, set forward 15 years.
- Retirement – Age and service eligibility requirements for PERA (Management and BMEA) and city provided pensions (Fire and Police).
- Election of Retirement Coverage – All current retired participants are assumed to continue. 25% of future eligible retired participants are assumed to participate upon retirement.
- Health Care Cost Trend – Using the Getzen Model, the trend rate starts at 9.0% for 2011 and trends downward to a rate of 4.4% in 2083.
- Amortization Period – The unfunded actuarial accrued liability is amortized over 30 years using an open level percent of pay method.

The significant changes in actuarial assumptions and methods as of January 1, 2011 included the following:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

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

City of Boulder Retiree Health Care Benefit Plan (Continued)

- The mortality assumption for healthy lives was updated to the RP-2000 Combined Healthy Mortality Table projected to 2020 using Scale AA to better reflect anticipated mortality improvement.
- The mortality assumption for disabled lives was updated to the RP-2000 Disabled Mortality Table projected to 2020 using Scale AA to better reflect anticipated mortality improvement.
- The discount rate was changed to 3.75% from 4.5%.
- The inflation assumption was changed to 2.5% from 3.3%.
- The wage growth assumption was changed to 3.0% from 3.3%.
- The future retiree election assumption was changed to 25%.

NOTE X – PLEDGED REVENUES

Water and Sewer Revenues Pledged

The city has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$72,715,000 in outstanding water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from water and sewer customer net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require approximately 50% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2012 is \$92,593,050. Principal and interest paid for the current year and total customer net revenues were \$9,823,092 and \$17,887,000, respectively.

Stormwater and Flood Management Revenues Pledged

The city has pledged future stormwater and flood management fund revenues, net of specified operating expenses, to repay \$2,100,000 in outstanding stormwater and flood management revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from stormwater and flood management fund revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 42% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2012 is \$2,314,500. Principal and interest paid for the current year and total customer net revenues were \$387,800 and \$2,225,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE X – PLEDGED REVENUES (CONTINUED)

Open Space Sales Tax Revenues Pledged

The city has pledged future sales and use tax revenues generated by the .88% sales and use tax levies of the Open Space Fund to repay \$25,865,000 in outstanding open space bonds. Proceeds from the bonds provided financing for the acquisition of open space land or refunded other bonds issued for that purpose. The \$25,865,000 in bonds are payable from the Open Space Fund sales tax revenues and \$23,155,000 of those bonds are also backed with a pledge of the full faith and credit of the city. These bonds mature through 2019; the year .48% of the total .88% sales tax levy expires. Annual principal and interest payments on the bonds are expected to require less than 39% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2012 is \$29,502,319. Principal and interest paid for the current year and total pledged sales tax revenues were \$6,861,412 and \$23,757,606, respectively.

25 Cent Parks Acquisition and Recreation Sales Tax Revenues Pledged

The city has pledged future sales and use tax revenues of the .25 Cent Sales Tax Fund to repay \$6,205,000 in outstanding bonds. Proceeds from the bonds provided financing to refund the Parks Acquisition Bonds, Series 1999, which refunded the Parks Acquisition Bonds, Series 1996 used to acquire and develop park lands. The bonds are payable from the sales tax revenues of the .25 Cent Sales Tax Fund and are also backed with a pledge of the full faith and credit of the city. These bonds mature through 2015, the year the .25% sales tax levy expires. Annual principal and interest payments on the bonds are expected to require less than 40% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2012 is \$6,580,900. Principal and interest paid for the current year and total pledged sales tax revenues were \$2,194,650 and \$6,745,754, respectively.

15 Cent Parks Acquisition and Recreation Sales Tax Revenues Pledged

The city has pledged future sales and use tax revenues of the .15 Cent Sales Tax Debt Service Fund. Proceeds from the bonds provided financing to refund the City of Boulder, Colorado, Parks, Recreation and Municipal Capital Improvement Bonds, Series 1993. The bonds were payable from the sales tax revenues of the .15 Cent Sales Tax Debt Service Fund and are also backed with a pledge of the full faith and credit of the city. These bonds matured and the .15% sales tax levy expired in 2012. Principal and interest paid for the current year and total pledged sales tax revenues were \$552,790 and \$1,241,000, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE X – PLEDGED REVENUES (CONTINUED)

Downtown Commercial District Revenues Pledged

The city has pledged a portion of future sales tax revenues to repay \$7,890,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9th Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

In addition, the city has pledged future net revenue derived by CAGID from the operation of its properties to repay \$5,450,000 in other general obligation bonds outstanding. These bonds are payable from the net operating revenues generated by operations of the District's parking structures.

Both the TIF bonds and the other general obligation bonds are backed with a pledge of the full faith and credit of CAGID. These bonds mature through 2023. Annual principal and interest payments on the outstanding bonds are expected to require less than 39% of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2012 is \$15,359,236. Principal and interest paid for the current year and total pledged revenues were \$2,031,751 and \$4,306,153, respectively.

Boulder Municipal Property Authority Revenues Pledged

The Boulder Municipal Property Authority (BMPA) pledged as security for certificates of participation and lease purchase notes (debt) the base rental revenues received from the city's various funds and operations. As of December 31, 2012, BMPA currently has \$5,313,659 in outstanding debt used primarily to provide funding for acquisition of land for Parks and Open Space purposes. The city appropriates each year, from various revenue sources, base rental expenses in amounts sufficient to cover the principal and interest requirements on BMPA's debt. In accordance with state statutes, the appropriation by the city is subject to annual renewal at discretion of the City Council. BMPA has pledged, as the sole security for the bonds, the annual base rental revenues received from the city. Total principal and interest remaining on the debt is \$6,069,129 with annual requirements ranging from \$1,639,906 in 2013 to \$69,366 in 2020. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$4,304,843 over the last 12 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$2,381,691 and \$2,381,691, respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2012

NOTE X – PLEDGED REVENUES (CONTINUED)

Trash Tax Revenues

On August 16, 1994, the city passed the 1994 Ordinance approving the 1994 Election Question which authorized the city to raise its trash tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the city approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the city under TABOR to issue not to exceed \$6,000,000 of bonds payable from the city's trash tax revenues and additionally secured by the full faith and credit of the city, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2012, there are currently \$5,250,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2012 is \$7,197,400. The bond ordinance requires quarterly transfers of trash haulers tax to cover the current year's debt service. For the current year, principal and interest paid and total pledged revenues were \$438,287 and \$438,287, respectively.

General Fund Bonds (Capital Improvement Projects)

The city has pledged any and all legally available funds and revenues of the General Fund of the city, up to the full amount of principal of, interest on and premium, if any, due in each year, for the punctual payment of the principal of, interest on and premium, if any, due in connection with the maturity of or redemption of the Series 2012 Bonds as the same respectively became due and payable. These bonds were issued March 22, 2012 in the amount of \$49,000,000 with a net premium of \$5,829,997. As of December 31, 2012, \$47,170,000 in bonds remains outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2102 is \$66,621,950. Principal and interest paid for the current year and total General Fund revenues were \$2,754,893 and \$2,754,893, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Police Pension Fund

Fiscal Year (1)	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (2) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2008	1/1/2008	\$ 13,254,129	\$ 17,462,836	\$ 4,208,707	75.9%	\$ 184,130	2285.7%
2010	1/1/2010	10,394,413	16,663,370	6,268,957	62.4%	124,228	5046.3%
2012	1/1/2012	14,051,067	16,057,253	2,006,186	87.5%	130,326	1539.4%

(1) The Board of Trustees' policy is to have actuarial studies performed bi-annually. Prior to 2002, the Aggregate Actuarial Cost Method was used. Beginning January 1, 2002, the Entry Age Actuarial method is being used.

(2) In October 2010, the City of Boulder issued pension obligation bonds and invested \$5,469,000 of the proceeds into the Police Pension Fund, in addition to the regular annual contribution. This contribution will be reflected in the next actuarial evaluation scheduled for January 1, 2012.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Fire Pension Fund

Fiscal Year (1)	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (2) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2008	1/1/2008	\$ 11,814,000	\$ 13,870,522	\$ 2,056,522	85.2%	\$ 161,644	1272.3%
2010	1/1/2010	9,493,000	13,681,074	4,188,074	69.4%	-	NA
2012	1/1/2012	11,884,000	13,142,256	1,258,256	90.4%	-	NA

- (1) The Board of Trustees' policy is to have actuarial studies performed biannually. Prior to 2002, the Aggregate Actuarial Cost Method was used. Beginning January 1, 2002, the Entry Age Actuarial method is being used.
- (2) In October 2010, the City of Boulder issued pension obligation bonds and invested \$3,531,000 of the proceeds into the Fire Pension Fund, in addition to the regular annual contribution. This contribution will be reflected in the next actuarial evaluation scheduled for January 1, 2012.
- (3) As of January 1, 2010, there are no active participants in the plan. Therefore, there is no covered payroll.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions -
Police and Fire Pension Funds

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

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

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

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

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Boulder Retiree Health Care Benefit Plan

Fiscal Year (1)	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2007	1/1/2007	\$ -	\$ 7,294,969	\$ 7,294,969	-	\$ 74,959,860	9.7%
2009	1/1/2009	\$ -	\$ 7,616,068	\$ 7,616,068	-	\$ 85,687,119	8.9%
2011	1/1/2011	\$ -	\$ 6,747,489	\$ 6,747,489	-	\$ 82,956,844	8.1%

- (1) The City implemented GASB 45 beginning in fiscal year ended December 31, 2007. Actuarial information is not available for prior periods. Actuarial studies are performed bi-annually.

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**COMBINING and INDIVIDUAL
STATEMENTS**

GENERAL FUND DETAILS

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

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

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

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

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Combining General Fund

December 31, 2012

(Amounts in 000's)

<u>Assets</u>	<u>Core General Fund</u>	<u>Library Fund</u>	<u>Community Hsg Asst Prgm Fund</u>	<u>Total General Fund</u>
Equity in pooled cash and cash equivalents	\$ 752	\$ 39	\$ 82	\$ 873
Investments	29,271	1,462	3,277	34,010
Receivables:				
General property taxes	24,718	828	1,987	27,533
Sales and use taxes	5,682	-	-	5,682
Accounts	1,919	-	10	1,929
Notes	40	-	1,115	1,155
Accrued interest	106	5	11	122
Intergovernmental	505	-	-	505
Other	8	-	-	8
	<u>32,978</u>	<u>833</u>	<u>3,123</u>	<u>36,934</u>
Due from other funds	186	-	-	186
Inventory of materials and supplies	6	-	-	6
Restricted assets:				
Investments for special purposes	1,414	-	-	1,414
Investments for capital projects	<u>745</u>	<u>-</u>	<u>-</u>	<u>745</u>
Total restricted assets	<u>2,159</u>	<u>-</u>	<u>-</u>	<u>2,159</u>
Other assets	<u>170</u>	<u>-</u>	<u>-</u>	<u>170</u>
Total assets	\$ <u><u>65,522</u></u>	\$ <u><u>2,334</u></u>	\$ <u><u>6,482</u></u>	\$ <u><u>74,338</u></u>

<u>Liabilities and Fund Balance</u>	<u>Core General Fund</u>	<u>Library Fund</u>	<u>Community Hsg Asst Prgm Fund</u>	<u>Total General Fund</u>
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 1,801	\$ 63	\$ 14	\$ 1,878
Contracts and retainage payable	117	-	-	117
Accrued salaries, wages and amounts withheld from employees	3,435	251	26	3,712
Due to other funds	-	-	59	59
Advances from other funds	2,036	-	-	2,036
Deferred revenue:				
General property taxes	24,718	828	1,987	27,533
Other	748	-	-	748
Total liabilities	<u>32,855</u>	<u>1,142</u>	<u>2,086</u>	<u>36,083</u>
Fund balances:				
Nonspendable:				
Prepaid	170	-	-	170
Inventory	6	-	-	6
Endowment	100	-	-	100
Restricted:				
Legally restricted	1,180	-	-	1,180
Debt service	433	-	-	433
Capital projects	744	-	-	744
Donor restrictions	135	-	-	135
Assigned:				
Special purposes	3,008	1,192	4,396	8,596
Contractual obligations	1,420	-	-	1,420
Unassigned	25,471	-	-	25,471
Total fund balances	<u>32,667</u>	<u>1,192</u>	<u>4,396</u>	<u>38,255</u>
Total liabilities and fund balances	\$ <u>65,522</u>	\$ <u>2,334</u>	\$ <u>6,482</u>	\$ <u>74,338</u>

CITY OF BOULDER, COLORADO

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

General Fund

Year ended December 31, 2012
(Amounts in 000's)

	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Eliminations	Total General Fund
Revenues:					
Taxes:					
Sales and use taxes	\$ 46,314	\$ -	\$ -	\$ -	\$ 46,314
General property taxes	24,452	819	1,963	-	27,234
Accommodations taxes	4,890	-	-	-	4,890
Franchise taxes	10,460	-	-	-	10,460
Specific ownership & tobacco taxes	1,788	-	-	-	1,788
Excise taxes	227	-	134	-	361
Charges for services	4,100	164	-	-	4,264
Sale of goods	68	-	355	-	423
Licenses, permits and fines	6,339	-	-	-	6,339
Intergovernmental	3,132	-	-	-	3,132
Leases, rents and royalties	216	5	-	-	221
Interest and investment earnings	180	12	65	-	257
Other	766	107	2	-	875
Total revenues	<u>102,932</u>	<u>1,107</u>	<u>2,519</u>	<u>-</u>	<u>106,558</u>
Expenditures:					
Current:					
General Government	13,390	-	-	-	13,390
Administrative Services	9,149	-	-	-	9,149
Public Safety	47,744	-	-	-	47,744
Public Works	5,196	-	-	-	5,196
Planning & Development Services	43	-	-	-	43
Culture and Recreation	5,280	7,194	-	-	12,474
Open Space and Mountain Parks	186	-	-	-	186
Housing and Human Services	6,959	-	2,655	-	9,614
Capital outlay	1,467	-	-	-	1,467
Debt service payments:					
Principal	2,420	-	-	-	2,420
Interest	1,546	-	-	-	1,546
Total expenditures	<u>93,380</u>	<u>7,194</u>	<u>2,655</u>	<u>-</u>	<u>103,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,552</u>	<u>(6,087)</u>	<u>(136)</u>	<u>-</u>	<u>3,329</u>
Other financing sources (uses):					
Base rentals to Boulder Municipal Property Authority Debt Service Fund	(601)	-	-	-	(601)
Transfers in	11,066	6,298	-	(6,338)	11,026
Transfers out	(13,476)	(1)	(45)	6,338	(7,184)
Total other financing sources (uses)	<u>(3,011)</u>	<u>6,297</u>	<u>(45)</u>	<u>-</u>	<u>3,241</u>
Net change in fund balance	6,541	210	(181)	-	6,570
Fund balance, beginning of year	<u>26,126</u>	<u>982</u>	<u>4,577</u>	<u>-</u>	<u>31,685</u>
Fund balance, end of year, basis of budgeting	<u>\$ 32,667</u>	<u>\$ 1,192</u>	<u>\$ 4,396</u>	<u>\$ -</u>	<u>\$ 38,255</u>

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CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 46,174	\$ 46,174	\$ 46,314	\$ 140
General property taxes	24,137	24,150	24,452	302
Accommodations taxes	4,274	4,402	4,890	488
Franchise taxes	8,312	10,285	10,460	175
Specific ownership & tobacco taxes	1,584	1,584	1,788	204
Excise taxes	-	-	227	227
Charges for services	3,612	3,798	4,100	302
Sale of goods	65	120	69	(51)
Licenses, permits and fines	5,824	5,824	6,339	515
Intergovernmental	1,503	2,554	3,157	603
Leases, rents and royalties	219	219	216	(3)
Interest and investment earnings	650	650	312	(338)
Other	347	1,206	741	(465)
Total revenues	<u>96,701</u>	<u>100,966</u>	<u>103,065</u>	<u>2,099</u>
Expenditures:				
Current:				
General Government	10,355	11,573	10,055	1,518
Administrative Services	9,415	11,597	9,357	2,240
Public Safety	46,369	48,398	47,764	634
Public Works	5,256	5,453	5,453	-
Planning & Development Services	43	43	43	-
Culture and Recreation	5,282	5,548	5,326	222
Open Space and Mountain Parks	186	186	187	(1)
Housing and Human Services	6,596	7,521	6,983	538
Others	2,424	7,414	5,284	2,130
Debt service payments:				
Principal	2,425	2,425	2,420	5
Interest	1,461	1,461	1,461	-
Total expenditures	<u>89,812</u>	<u>101,619</u>	<u>94,333</u>	<u>7,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,889</u>	<u>(653)</u>	<u>8,732</u>	<u>9,385</u>

(continued)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	16	16
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	(601)	(601)	(601)	-
Transfers in	7,604	8,877	11,087	2,210
Transfers out	(13,269)	(13,269)	(13,820)	(551)
Total other financing sources (uses)	<u>(6,266)</u>	<u>(4,993)</u>	<u>(3,318)</u>	<u>1,675</u>
Net change in fund balance	\$ <u>623</u>	\$ <u>(5,646)</u>	5,414	\$ <u>11,060</u>
Encumbrances, end of year			1,421	
Fund balance, beginning of year, basis of budgeting			<u>30,174</u>	
Fund balance, end of year, basis of budgeting			37,009	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			(132)	
Accrued salaries, wages and amounts				
withheld from employees			(3,503)	
Due from other funds			(3)	
Advances from other funds			(1,011)	
Transfers			<u>307</u>	
Fund balance, end of year, GAAP basis			\$ <u>32,667</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 802	\$ 802	\$ 819	\$ 17
Charges for services	115	133	164	31
Leases, rents and royalties	9	9	5	(4)
Interest and investment earnings	15	15	18	3
Other	82	112	108	(4)
Total revenues	1,023	1,071	1,114	43
Expenditures:				
Current:				
Culture and Recreation	7,320	7,674	7,254	420
Total expenditures	7,320	7,674	7,254	420
Excess (deficiency) of revenues over (under) expenditures	(6,297)	(6,603)	(6,140)	463
Other financing sources (uses):				
Transfers in	6,298	6,298	6,298	-
Transfers out	(1)	(1)	(1)	-
Total other financing sources (uses)	6,297	6,297	6,297	-
Net change in fund balance	\$ -	\$ (306)	157	\$ 463
Encumbrances, end of year			61	
Fund balance, beginning of year, basis of budgeting			1,219	
Fund balance, end of year, basis of budgeting			1,437	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			7	
Accrued salaries, wages and amounts withheld from employees			(252)	
Fund balance, end of year, GAAP basis			\$ 1,192	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 1,927	\$ 1,927	\$ 1,963	\$ 36
Excise taxes	100	100	134	34
Sale of goods and capital assets	72	72	944	872
Interest and investment earnings	98	98	75	(23)
Other	-	-	2	2
Total revenues	<u>2,197</u>	<u>2,197</u>	<u>3,118</u>	<u>921</u>
Expenditures:				
Current:				
Housing and Human Services	<u>2,150</u>	<u>4,912</u>	<u>2,510</u>	<u>2,402</u>
Total expenditures	<u>2,150</u>	<u>4,912</u>	<u>2,510</u>	<u>2,402</u>
Excess (deficiency) of revenues over (under) expenditures	47	(2,715)	608	3,323
Other financing sources (uses):				
Transfers out	<u>(44)</u>	<u>(44)</u>	<u>(44)</u>	<u>-</u>
Total other financing sources (uses)	<u>(44)</u>	<u>(44)</u>	<u>(44)</u>	<u>-</u>
Net change in fund balance	\$ <u>3</u>	\$ <u>(2,759)</u>	564	\$ <u>3,323</u>
Fund balance, beginning of year, basis of budgeting			<u>2,783</u>	
Fund balance, end of year, basis of budgeting			<u>3,347</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			19	
Notes receivable			1,115	
Due to other funds			(59)	
Accrued salaries, wages and amounts withheld from employees			<u>(26)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>4,396</u></u>	

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NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

.15 Cent Sales Tax Fund – to account for earmarked sales tax authorized by the voters in 1992 for parks and recreation and general municipal purposes. The .15 cent sales tax fund was closed to the general fund in 2012.

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

Recreation Activity Fund – to account for revenues and expenditures related to the provision of recreation, reservoir and golf course services/programs.

Climate Action Plan Tax Fund – to account for revenues and expenditures related to programs implemented to increase energy efficiency, increase renewable energy use, reduce emissions from motor vehicles and take other steps toward the goal of meeting the Kyoto Protocol.

Airport Fund – to account for the operations of the city-owned municipal airport. Financing is provided by grants, rents and leases.

Transportation Development Fund – to account for development excise taxes to be utilized for the construction of transportation capital improvements related to new development and growth.

Transit Pass General Improvement District – to account for earmarked property tax authorized by the voters in 2000 to fund bus transit passes for participating neighborhoods.

BJAGID – TDM – to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its Transportation Demand Management goals.

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

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

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

NONMAJOR DEBT SERVICE FUNDS

The Debt Service Funds are established to accumulate monies for payment of general long-term debt principal and interest. The City of Boulder has the following nonmajor debt service funds:

.15 Cent Sales Tax Debt Service Fund – Financing is provided by earmarked sales tax.

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

(Amounts in 000's)

<u>Assets</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 913	\$ 6	\$ 91	\$ 1,010
Investments	36,234	236	3,622	40,092
Receivables:				
General property taxes	27	-	2,239	2,266
Sales and use taxes	839	-	-	839
Accounts	257	-	58	315
Notes	124	-	-	124
Accrued interest	121	1	11	133
Intergovernmental	35	-	-	35
	<u>1,403</u>	<u>1</u>	<u>2,308</u>	<u>3,712</u>
Due from other funds	59	-	-	59
Inventory of materials and supplies	47	-	-	47
Restricted assets:				
Investments for special purposes	920	-	-	920
Total restricted assets	<u>920</u>	<u>-</u>	<u>-</u>	<u>920</u>
Total assets	\$ <u>39,576</u>	\$ <u>243</u>	\$ <u>6,021</u>	\$ <u>45,840</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 1,001	\$ -	\$ 110	\$ 1,111
Contracts and retainage payable	11	-	68	79
Accrued salaries, wages and amounts withheld from employees	817	-	45	862
Other liabilities	87	-	-	87
Deferred revenue:				
General property taxes	27	-	2,239	2,266
Other	31	-	-	31
Total liabilities	<u>1,974</u>	<u>-</u>	<u>2,462</u>	<u>4,436</u>
Fund balances:				
Nonspendable:				
Inventory	47	-	-	47
Restricted:				
Legally restricted	4,406	-	-	4,406
Debt service	-	243	-	243
Capital projects	-	-	2,069	2,069
Development	4,308	-	-	4,308
Lottery funds	1,161	-	-	1,161
Donor restrictions	423	-	-	423
Committed:				
Affordable housing	15,399	-	-	15,399
Assigned:				
Special purposes	11,858	-	1,490	13,348
Total fund balances	<u>37,602</u>	<u>243</u>	<u>3,559</u>	<u>41,404</u>
Total liabilities and fund balances	\$ <u>39,576</u>	\$ <u>243</u>	\$ <u>6,021</u>	\$ <u>45,840</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2012

(Amounts in 000's)

	Special Revenue	Debt Service	Capital Project	Total
Revenues:				
Taxes:				
Sales and use taxes	\$ 7,041	\$ 1,504	\$ 655	\$ 9,200
General property taxes	27	-	2,213	2,240
Franchise taxes	1,850	-	-	1,850
Excise taxes	672	-	257	929
Charges for services	22,564	-	70	22,634
Sale of goods	199	-	-	199
License, permits and fines	5,512	-	4	5,516
Intergovernmental	2,812	-	-	2,812
Leases, rents and royalties	1,787	-	-	1,787
Interest and investment earnings	277	14	46	337
Other	383	-	89	472
Total revenues	<u>43,124</u>	<u>1,518</u>	<u>3,334</u>	<u>47,976</u>
Expenditures:				
Current:				
General Government	5,178	-	-	5,178
Public Works	817	-	-	817
Planning & Development Services	4,327	-	-	4,327
Culture and Recreation	13,203	-	-	13,203
Open Space and Mountain Parks	135	-	-	135
Housing and Human Services	3,770	-	-	3,770
Capital outlay	3,525	-	3,377	6,902
Debt service payments:				
Principal	1,950	529	-	2,479
Interest	245	23	-	268
Total expenditures	<u>33,150</u>	<u>552</u>	<u>3,377</u>	<u>37,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,974</u>	<u>966</u>	<u>(43)</u>	<u>10,897</u>
Other financing sources (uses):				
Transfers in	4,707	-	223	4,930
Transfers out	<u>(4,250)</u>	<u>(1,256)</u>	<u>(347)</u>	<u>(5,853)</u>
Total other financing sources (uses)	<u>457</u>	<u>(1,256)</u>	<u>(124)</u>	<u>(923)</u>
Net change in fund balances	10,431	(290)	(167)	9,974
Fund balances, beginning of year	<u>27,171</u>	<u>533</u>	<u>3,726</u>	<u>31,430</u>
Fund balances, end of year	<u>\$ 37,602</u>	<u>\$ 243</u>	<u>\$ 3,559</u>	<u>\$ 41,404</u>

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2012

(Amounts in 000's)

<u>Assets</u>	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund	.15 Cent Sales Tax Fund	.25 Cent Sales Tax Fund	Recreation Activity Fund
Equity in pooled cash and cash equivalents	\$ 155	\$ 29	\$ 185	\$ 372	\$ -	\$ 62	\$ 39
Investments	6,173	1,168	7,353	14,814	-	2,484	1,370
Receivables:							
General property taxes	-	-	-	-	-	-	-
Sales and use taxes	-	-	-	-	-	839	-
Accounts	-	-	40	-	-	-	9
Notes	-	-	-	124	-	-	-
Accrued interest	20	4	24	48	-	9	5
Intergovernmental	-	-	2	-	-	-	-
	<u>20</u>	<u>4</u>	<u>66</u>	<u>172</u>	<u>-</u>	<u>848</u>	<u>14</u>
Due from other funds	-	-	-	59	-	-	-
Inventory of materials and supplies	-	-	-	-	-	-	47
Restricted assets:							
Investments for special purposes	-	-	11	-	-	288	49
Total restricted assets	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>288</u>	<u>49</u>
Total assets	<u>\$ 6,348</u>	<u>\$ 1,201</u>	<u>\$ 7,615</u>	<u>\$ 15,417</u>	<u>\$ -</u>	<u>\$ 3,682</u>	<u>\$ 1,519</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts and accrued liabilities:							
Vouchers and accounts payable	\$ -	\$ 37	\$ 76	\$ 3	\$ -	\$ 94	\$ 135
Contracts and retainage payable	10	1	-	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	-	2	335	15	-	98	322
Other liabilities	-	-	72	-	-	11	-
Deferred revenue:							
General property taxes	-	-	-	-	-	-	-
Other	-	-	2	-	-	-	24
Total liabilities	<u>10</u>	<u>40</u>	<u>485</u>	<u>18</u>	<u>-</u>	<u>203</u>	<u>481</u>
Fund balances:							
Nonspendable:							
Inventory	-	-	-	-	-	-	47
Restricted:							
Legally restricted	-	-	11	-	-	3,191	-
Development	4,308	-	-	-	-	-	-
Lottery Funds	-	1,161	-	-	-	-	-
Donor restrictions	-	-	-	-	-	288	49
Committed:							
Affordable housing	-	-	-	15,399	-	-	-
Assigned:							
Special purposes	<u>2,030</u>	<u>-</u>	<u>7,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942</u>
Total fund balances	<u>6,338</u>	<u>1,161</u>	<u>7,130</u>	<u>15,399</u>	<u>-</u>	<u>3,479</u>	<u>1,038</u>
Total liabilities and fund balances	<u>\$ 6,348</u>	<u>\$ 1,201</u>	<u>\$ 7,615</u>	<u>\$ 15,417</u>	<u>\$ -</u>	<u>\$ 3,682</u>	<u>\$ 1,519</u>

(continued)

Climate Action Plan Tax Fund	Airport Fund	Trans- portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID - TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ 27	\$ 9	\$ 35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 913
1,078	366	1,406	7	15	-	-	-	36,234
-	-	-	9	18	-	-	-	27
-	-	-	-	-	-	-	-	839
155	53	-	-	-	-	-	-	257
-	-	-	-	-	-	-	-	124
3	1	5	-	-	2	-	-	121
-	5	-	-	-	-	25	3	35
158	59	5	9	18	2	25	3	1,403
-	-	-	-	-	-	-	-	59
-	-	-	-	-	-	-	-	47
-	-	-	-	-	572	-	-	920
-	-	-	-	-	572	-	-	920
\$ 1,263	\$ 434	\$ 1,446	\$ 16	\$ 33	\$ 574	\$ 25	\$ 3	\$ 39,576
\$ 427	\$ 25	\$ 187	\$ -	\$ -	\$ 1	\$ 16	\$ -	\$ 1,001
-	-	-	-	-	-	-	-	11
24	8	1	-	-	-	9	3	817
-	4	-	-	-	-	-	-	87
-	-	-	9	18	-	-	-	27
-	5	-	-	-	-	-	-	31
451	42	188	9	18	1	25	3	1,974
-	-	-	-	-	-	-	-	47
812	392	-	-	-	-	-	-	4,406
-	-	-	-	-	-	-	-	4,308
-	-	-	-	-	-	-	-	1,161
-	-	-	-	-	86	-	-	423
-	-	-	-	-	-	-	-	15,399
-	-	1,258	7	15	487	-	-	11,858
812	392	1,258	7	15	573	-	-	37,602
\$ 1,263	\$ 434	\$ 1,446	\$ 16	\$ 33	\$ 574	\$ 25	\$ 3	\$ 39,576

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended December 31, 2012

(Amounts in 000's)

	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Excise taxes	88	-	-	-
Charges for services	634	-	2,133	12,777
Sale of goods	-	-	5	-
Licenses, permits and fines	-	-	5,335	-
Intergovernmental	-	980	15	-
Leases, rents and royalties	-	-	-	156
Interest and investment earnings	33	6	46	136
Other	-	-	27	50
Total revenues	<u>755</u>	<u>986</u>	<u>7,561</u>	<u>13,119</u>
Expenditures:				
Current:				
General Government	-	-	2,727	-
Public Works	12	-	-	-
Planning & Development Services	-	-	4,327	-
Culture and Recreation	-	177	-	-
Open Space and Mountain Parks	-	135	-	-
Housing and Human Services	-	-	-	2,175
Capital Outlay	354	751	34	-
Debt service payments:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>366</u>	<u>1,063</u>	<u>7,088</u>	<u>2,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>389</u>	<u>(77)</u>	<u>473</u>	<u>10,944</u>
Other financing sources (uses):				
Transfers in	-	-	2,737	325
Transfers out	(22)	-	(1,521)	(44)
Total other financing sources (uses)	<u>(22)</u>	<u>-</u>	<u>1,216</u>	<u>281</u>
Net change in fund balances	<u>367</u>	<u>(77)</u>	<u>1,689</u>	<u>11,225</u>
Fund balances, beginning of year	<u>5,971</u>	<u>1,238</u>	<u>5,441</u>	<u>4,174</u>
Fund balances, end of year	<u>\$ 6,338</u>	<u>\$ 1,161</u>	<u>\$ 7,130</u>	<u>\$ 15,399</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(continued)Nonmajor Special Revenue Funds

Year ended December 31, 2012

(Amounts in 000's)

	.15 Cent Sales Tax Fund	.25 Cent Sales Tax Fund	Recreation Activity Fund	Climate Action Plan Tax Fund
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ 7,041	\$ -	\$ -
General property taxes	-	-	-	-
Franchise taxes	-	-	-	1,850
Excise taxes	-	-	-	-
Charges for services	-	26	6,989	-
Sale of goods	-	-	194	-
Licenses, permits and fines	-	20	157	-
Intergovernmental	-	4	39	51
Leases, rents and royalties	-	17	1,189	-
Interest and investment earnings	-	24	13	3
Other	-	33	174	11
Total revenues	-	7,165	8,755	1,915
Expenditures:				
Current:				
General Government	-	-	-	2,447
Public Works	-	404	-	-
Planning & Development Services	-	-	-	-
Culture and Recreation	-	3,188	9,764	-
Open Space and Mountain Parks	-	-	-	-
Housing and Human Services	-	-	-	-
Capital Outlay	-	633	5	-
Debt service payments:				
Principal	-	1,950	-	-
Interest	-	245	-	-
Total expenditures	-	6,420	9,769	2,447
Excess (deficiency) of revenues over (under) expenditures	-	745	(1,014)	(532)
Other financing sources (uses):				
Transfers in	-	-	1,641	-
Transfers out	(2,222)	(268)	(19)	-
Total other financing sources (uses)	(2,222)	(268)	1,622	-
Net change in fund balances	(2,222)	477	608	(532)
Fund balances, beginning of year	2,222	3,002	430	1,344
Fund balances, end of year	\$ -	\$ 3,479	\$ 1,038	\$ 812

Airport Fund	Trans- portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID- TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,041
-	-	9	18	-	-	-	27
-	-	-	-	-	-	-	1,850
-	584	-	-	-	-	-	672
5	-	-	-	-	-	-	22,564
-	-	-	-	-	-	-	199
-	-	-	-	-	-	-	5,512
59	31	-	-	-	573	1,060	2,812
425	-	-	-	-	-	-	1,787
2	11	-	-	3	-	-	277
-	-	-	1	86	1	-	383
<u>491</u>	<u>626</u>	<u>9</u>	<u>19</u>	<u>89</u>	<u>573</u>	<u>1,060</u>	<u>43,124</u>
-	-	-	4	-	-	-	5,178
331	57	13	-	-	-	-	817
-	-	-	-	-	-	-	4,327
-	-	-	-	74	-	-	13,203
-	-	-	-	-	-	-	135
-	-	-	-	-	545	1,049	3,770
56	1,692	-	-	-	-	-	3,525
-	-	-	-	-	-	-	1,950
-	-	-	-	-	-	-	245
<u>387</u>	<u>1,749</u>	<u>13</u>	<u>4</u>	<u>74</u>	<u>545</u>	<u>1,049</u>	<u>33,150</u>
<u>104</u>	<u>(1,123)</u>	<u>(4)</u>	<u>15</u>	<u>15</u>	<u>28</u>	<u>11</u>	<u>9,974</u>
-	-	4	-	-	-	-	4,707
(99)	(16)	-	-	-	(28)	(11)	(4,250)
(99)	(16)	4	-	-	(28)	(11)	457
5	(1,139)	-	15	15	-	-	10,431
<u>387</u>	<u>2,397</u>	<u>7</u>	<u>-</u>	<u>558</u>	<u>-</u>	<u>-</u>	<u>27,171</u>
\$ <u>392</u>	\$ <u>1,258</u>	\$ <u>7</u>	\$ <u>15</u>	\$ <u>573</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>37,602</u>

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Excise taxes	\$ 135	\$ 135	\$ 86	\$ (49)
Charges for services	72	72	634	562
Interest and investment earnings	97	97	61	(36)
Total revenues	<u>304</u>	<u>304</u>	<u>781</u>	<u>477</u>
Expenditures:				
Current:				
Public Works	110	585	367	218
Total expenditures	<u>110</u>	<u>585</u>	<u>367</u>	<u>218</u>
Excess (deficiency) of revenues over (under) expenditures	194	(281)	414	695
Other financing sources (uses):				
Transfers out	(22)	(22)	(22)	-
Total other financing sources (uses)	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	<u>-</u>
Net change in fund balance	\$ <u>172</u>	\$ <u>(303)</u>	392	\$ <u>695</u>
Encumbrances, end of year			2	
Fund balance, beginning of year, basis of budgeting			5,907	
Fund balance, end of year, basis of budgeting			<u>6,301</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			37	
Fund balance, end of year, GAAP basis			\$ <u>6,338</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 860	\$ 860	\$ 980	\$ 120
Interest and investment earnings	2	2	13	11
Total revenues	<u>862</u>	<u>862</u>	<u>993</u>	<u>131</u>
Expenditures:				
Current:				
Culture and Recreation	575	1,241	538	703
Open Space and Mountain Parks	425	777	633	144
Total expenditures	<u>1,000</u>	<u>2,018</u>	<u>1,171</u>	<u>847</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(138)</u>	\$ <u>(1,156)</u>	(178)	\$ <u>978</u>
Encumbrances, end of year			107	
Fund balance, beginning of year, basis of budgeting			<u>1,228</u>	
Fund balance, end of year, basis of budgeting			<u>1,157</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			6	
Accrued salaries, wages and amounts withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>1,161</u></u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 1,723	\$ 1,723	\$ 2,133	\$ 410
Sale of goods	4	4	5	1
Licenses, permits and fines	3,792	3,837	5,335	1,498
Intergovernmental	-	24	15	(9)
Interest and investment earnings	154	154	64	(90)
Other	-	-	27	27
Total revenues	5,673	5,742	7,579	1,837
Expenditures:				
Current:				
Planning & Development Services	4,619	4,895	4,561	334
Others	2,956	3,162	2,766	396
Debt service payments:				
Real Estate Rentals & Leases	-	-	3	(3)
Total expenditures	7,575	8,057	7,330	727
Excess (deficiency) of revenues over (under) expenditures	(1,902)	(2,315)	249	2,564
Other financing sources (uses):				
Transfers in	2,737	2,737	2,737	-
Transfers out	(1,379)	(1,521)	(1,521)	-
Total other financing sources (uses)	1,358	1,216	1,216	-
Net change in fund balance	\$ (544)	\$ (1,099)	1,465	\$ 2,564
Encumbrances, end of year			276	
Fund balance, beginning of year, basis of budgeting			5,686	
Fund balance, end of year, basis of budgeting			7,427	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			43	
Accrued salaries, wages and amounts withheld from employees			(340)	
Fund balance, end of year, GAAP basis			\$ 7,130	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 1,002	\$ 6,379	\$ 12,777	\$ 6,398
Leases, rents and royalties	-	-	156	156
Interest and investment earnings	50	50	95	45
Other	156	156	50	(106)
Total revenues	<u>1,208</u>	<u>6,585</u>	<u>13,078</u>	<u>6,493</u>
Expenditures:				
Current:				
Housing and Human Services	1,485	10,791	2,155	8,636
Total expenditures	<u>1,485</u>	<u>10,791</u>	<u>2,155</u>	<u>8,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(277)</u>	<u>(4,206)</u>	<u>10,923</u>	<u>15,129</u>
Other financing sources (uses):				
Transfers in	325	325	325	-
Transfers out	(44)	(44)	(44)	-
Total other financing sources (uses)	<u>281</u>	<u>281</u>	<u>281</u>	<u>-</u>
Net change in fund balance	<u>\$ 4</u>	<u>\$ (3,925)</u>	11,204	<u>\$ 15,129</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>3,939</u>	
Fund balance, end of year, basis of budgeting			15,143	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			88	
Notes receivable			124	
Due from other funds			59	
Accrued salaries, wages and amounts withheld from employees			<u>(15)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 15,399</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis).15 Cent Sales Tax Fund

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General Government	-	-	-	-
Culture and Recreation	-	-	-	-
Housing and Human Services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers out	-	-	(2,222)	(2,222)
Total other financing sources (uses)	-	-	(2,222)	(2,222)
Net change in fund balance	\$ -	\$ -	(2,222)	\$ (2,222)
Fund balance, beginning of year, basis of budgeting			2,222	
Fund balance, end of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			\$ -	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis).25 Cent Sales Tax Fund

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 6,746	\$ 6,745	\$ 7,041	\$ 296
Charges for services	25	25	26	1
Licenses, permits and fines	-	-	20	20
Intergovernmental	-	6	4	(2)
Leases, rents and royalties	-	-	17	17
Interest and investment earnings	15	15	34	19
Other	75	82	34	(48)
Total revenues	<u>6,861</u>	<u>6,873</u>	<u>7,176</u>	<u>303</u>
Expenditures:				
Current:				
Public Works	450	450	450	-
Culture and Recreation	4,262	5,916	4,152	1,764
Debt service payments:				
Principal	1,950	1,950	1,950	-
Interest	245	245	245	-
Total expenditures	<u>6,907</u>	<u>8,561</u>	<u>6,797</u>	<u>1,764</u>
Excess (deficiency) of revenues over (under) expenditures	(46)	(1,688)	379	2,067
Other financing sources (uses):				
Transfers out	(268)	(268)	(268)	-
Total other financing sources (uses)	<u>(268)</u>	<u>(268)</u>	<u>(268)</u>	<u>-</u>
Net change in fund balance	\$ <u>(314)</u>	\$ <u>(1,956)</u>	111	\$ <u>2,067</u>
Encumbrances, end of year			371	
Fund balance, beginning of year, basis of budgeting			<u>3,084</u>	
Fund balance, end of year, basis of budgeting			3,566	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			13	
Accrued salaries, wages and amounts withheld from employees			<u>(100)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,479</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 6,475	\$ 6,475	\$ 6,989	\$ 514
Sale of goods	166	166	194	28
Licenses, permits and fines	191	191	157	(34)
Intergovernmental	-	36	39	3
Leases, rents and royalties	1,240	1,240	1,189	(51)
Interest and investment earnings	8	22	13	(9)
Other	3	76	174	98
Total revenues	8,083	8,206	8,755	549
Expenditures:				
Current:				
Culture and Recreation	9,578	9,947	9,737	210
Total expenditures	9,578	9,947	9,737	210
Excess (deficiency) of revenues over (under) expenditures	(1,495)	(1,741)	(982)	759
Other financing sources (uses):				
Transfers in	1,641	1,641	1,641	-
Transfers out	(5)	(19)	(19)	-
Total other financing sources (uses)	1,636	1,622	1,622	-
Net change in fund balance	\$ 141	\$ (119)	640	\$ 759
Fund balance, beginning of year, basis of budgeting			716	
Fund balance, end of year, basis of budgeting			1,356	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			8	
Accrued salaries, wages and amounts withheld from employees			(326)	
Fund balance, end of year, GAAP basis			\$ 1,038	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Franchise taxes	\$ 1,780	\$ 1,780	\$ 1,850	\$ 70
Intergovernmental	-	51	51	-
Interest and investment earnings	15	15	11	(4)
Other	-	-	11	11
Total revenues	1,795	1,846	1,923	77
Expenditures:				
Current:				
General Government	1,795	3,109	2,616	493
Total expenditures	1,795	3,109	2,616	493
Net change in fund balance	\$ -	\$ (1,263)	(693)	\$ 570
Encumbrances, end of year			169	
Fund balance, beginning of year, basis of budgeting			1,355	
Fund balance, end of year, basis of budgeting			831	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			5	
Accrued salaries, wages and amounts withheld from employees			(24)	
Fund balance, end of year, GAAP basis			\$ 812	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 4	\$ 4	\$ 5	\$ 1
Intergovernmental	-	319	59	(260)
Leases, rents and royalties	410	410	425	15
Interest and investment earnings	11	11	6	(5)
Total revenues	425	744	495	(249)
Expenditures:				
Current:				
Public Works	349	708	390	318
Total expenditures	349	708	390	318
Excess (deficiency) of revenues over (under) expenditures	76	36	105	69
Other financing sources (uses):				
Transfers out	(99)	(99)	(99)	-
Total other financing sources (uses)	(99)	(99)	(99)	-
Net change in fund balance	\$ <u>(23)</u>	\$ <u>(63)</u>	6	\$ <u>69</u>
Encumbrances, end of year			3	
Fund balance, beginning of year, basis of budgeting			390	
Fund balance, end of year, basis of budgeting			399	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			(8)	
Fund balance, end of year, GAAP basis			\$ <u>392</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Excise taxes	\$ 600	\$ 600	\$ 584	\$ (16)
Intergovernmental	-	-	31	31
Interest and investment earnings	20	20	23	3
Other	100	100	-	(100)
Total revenues	<u>720</u>	<u>720</u>	<u>638</u>	<u>(82)</u>
Expenditures:				
Current:				
Public Works	699	2,500	1,823	677
Total expenditures	<u>699</u>	<u>2,500</u>	<u>1,823</u>	<u>677</u>
Excess (deficiency) of revenues over (under) expenditures	21	(1,780)	(1,185)	595
Other financing sources (uses):				
Transfers out	(16)	(16)	(16)	-
Total other financing sources (uses)	<u>(16)</u>	<u>(16)</u>	<u>(16)</u>	<u>-</u>
Net change in fund balance	\$ <u>5</u>	\$ <u>(1,796)</u>	(1,201)	\$ <u>595</u>
Encumbrances, end of year			70	
Fund balance, beginning of year, basis of budgeting			<u>2,383</u>	
Fund balance, end of year, basis of budgeting			1,252	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			7	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,258</u>	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)Transit Pass General Improvement District

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
General property taxes	\$ 10	\$ 10	\$ 9	\$ (1)
Total revenues	10	10	9	(1)
Expenditures:				
Current:				
Public Works	14	14	13	1
Total expenditures	14	14	13	1
Excess (deficiency) of revenues				
over (under) expenditures	(4)	(4)	(4)	-
Other financing sources (uses):				
Transfers in	4	4	4	-
Total other financing sources (uses)	4	4	4	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year, basis of budgeting			7	
Fund balance, end of year, basis of budgeting			7	
Fund balance, end of year, GAAP basis			\$ 7	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 49	\$ 49	\$ 18	\$ (31)
Specific ownership & tobacco taxes	-	-	1	1
Total revenues	<u>49</u>	<u>49</u>	<u>19</u>	<u>(30)</u>
Expenditures:				
Current:				
Public Works	<u>33</u>	<u>33</u>	<u>4</u>	<u>29</u>
Total expenditures	<u>33</u>	<u>33</u>	<u>4</u>	<u>29</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16</u>	<u>16</u>	<u>15</u>	<u>(1)</u>
Net change in fund balance	\$ <u><u>16</u></u>	\$ <u><u>16</u></u>	15	\$ <u><u>(1)</u></u>
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			<u>15</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>15</u></u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 811	\$ 1,380	\$ 574	\$ (806)
Total revenues	811	1,380	574	(806)
Expenditures:				
Current:				
Housing and Human Services	783	1,352	546	806
Total expenditures	783	1,352	546	806
Excess (deficiency) of revenues				
over (under) expenditures	28	28	28	-
Other financing sources (uses):				
Transfers out	(28)	(28)	(28)	-
Total other financing sources (uses)	(28)	(28)	(28)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			\$ -	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,133	\$ 2,927	\$ 1,060	\$ (1,867)
Total revenues	<u>1,133</u>	<u>2,927</u>	<u>1,060</u>	<u>(1,867)</u>
Expenditures:				
Current:				
Housing and Human Services	1,122	2,916	1,049	1,867
Total expenditures	<u>1,122</u>	<u>2,916</u>	<u>1,049</u>	<u>1,867</u>
Excess (deficiency) of revenues				
over (under) expenditures	11	11	11	-
Other financing sources (uses):				
Transfers out	(11)	(11)	(11)	-
Total other financing sources (uses)	<u>(11)</u>	<u>(11)</u>	<u>(11)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

CITY OF BOULDER, COLORADO

Balance Sheet

Nonmajor Debt Service Fund

December 31, 2012

(Amounts in 000's)

		<u>.15 Cent Sales Tax Debt Service Fund</u>
<u>Assets</u>		
Equity in pooled cash and cash equivalents	\$	6
Investments		236
Receivables:		
Accrued interest		<u>1</u>
Total assets	\$	<u><u>243</u></u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Total liabilities	\$	<u>-</u>
Fund balance:		
Restricted		
Debt service		<u>243</u>
Total fund balance		<u><u>243</u></u>
 Total liabilities and fund balance	\$	<u><u>243</u></u>

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Fund

Year ended December 31, 2012

(Amounts in 000's)

		<u>.15 Cent Sales Tax Debt Service Fund</u>
Revenues:		
Sales and use taxes	\$	1,504
Interest and investment earnings		<u>14</u>
Total revenues		<u>1,518</u>
Expenditures:		
Debt service payments:		
Principal		529
Interest		<u>23</u>
Total expenditures		<u>552</u>
Excess (deficiency) of revenues over (under) expenditures		966
Other financing sources (uses):		
Transfers out		<u>(1,256)</u>
Total other financing sources (uses)		<u>(1,256)</u>
Net change in fund balance		(290)
Fund balance, beginning of year		<u>533</u>
Fund balance, end of year	\$	<u><u>243</u></u>

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis).15 Cent Sales Tax Debt Service Fund

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ 1,241	\$ 1,504	\$ 263
Interest and investment earnings	-	15	16	1
Total revenues	-	1,256	1,520	264
Expenditures:				
Debt service payments:				
Principal	530	530	530	-
Interest	23	23	23	-
Total expenditures	553	553	553	-
Excess (deficiency) of revenues over (under) expenditures	(553)	703	967	264
Other financing sources (uses):				
Transfers out	-	(1,256)	(1,256)	-
Total other financing sources (uses)	-	(1,256)	(1,256)	-
Net change in fund balance	\$ (553)	\$ (553)	(289)	\$ 264
Fund balance, beginning of year, basis of budgeting			530	
Fund balance, end of year, basis of budgeting			241	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Fund balance, end of year, GAAP basis			\$ 243	

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2012

(Amounts in 000's)

<u>Assets</u>	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	Total
Equity in pooled cash and cash equivalents	\$ 56	\$ 1	\$ 34	\$ 91
Investments	2,214	49	1,359	3,622
Receivables:				
General property taxes	2,239	-	-	2,239
Accrued interest	7	-	4	11
Accounts	-	-	58	58
Total receivables	<u>2,246</u>	<u>-</u>	<u>62</u>	<u>2,308</u>
Total assets	\$ <u>4,516</u>	\$ <u>50</u>	\$ <u>1,455</u>	\$ <u>6,021</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 100	\$ -	\$ 10	\$ 110
Contracts and retainage payable	68	-	-	68
Accrued salaries, wages and amounts withheld from employees	40	-	5	45
Deferred revenue:				
General property taxes	<u>2,239</u>	<u>-</u>	<u>-</u>	<u>2,239</u>
Total liabilities	<u>2,447</u>	<u>-</u>	<u>15</u>	<u>2,462</u>
Fund balances:				
Restricted:				
Capital projects	2,069	-	-	2,069
Assigned:				
Special purposes	<u>-</u>	<u>50</u>	<u>1,440</u>	<u>1,490</u>
Total fund balances	<u>2,069</u>	<u>50</u>	<u>1,440</u>	<u>3,559</u>
Total liabilities and fund balances	\$ <u>4,516</u>	\$ <u>50</u>	\$ <u>1,455</u>	\$ <u>6,021</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended December 31, 2012

(Amounts in 000's)

	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	Total
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ 655	\$ 655
General property taxes	2,213	-	-	2,213
Excise taxes	255	-	2	257
Charges for services	-	-	70	70
Licenses, permits and fines	4	-	-	4
Interest and investment earnings	35	-	11	46
Other	16	-	73	89
Total revenues	<u>2,523</u>	<u>-</u>	<u>811</u>	<u>3,334</u>
Expenditures:				
Capital outlay	<u>2,748</u>	<u>86</u>	<u>543</u>	<u>3,377</u>
Total expenditures	<u>2,748</u>	<u>86</u>	<u>543</u>	<u>3,377</u>
Excess (deficiency) of revenues over (under) expenditures	(225)	(86)	268	(43)
Other financing sources (uses):				
Transfers in	-	-	223	223
Transfers out	<u>(109)</u>	<u>(238)</u>	<u>-</u>	<u>(347)</u>
Total other financing sources (uses)	<u>(109)</u>	<u>(238)</u>	<u>223</u>	<u>(124)</u>
Net change in fund balances	<u>(334)</u>	<u>(324)</u>	<u>491</u>	<u>(167)</u>
Fund balances, beginning of year	<u>2,403</u>	<u>374</u>	<u>949</u>	<u>3,726</u>
Fund balances, end of year	\$ <u><u>2,069</u></u>	\$ <u><u>50</u></u>	\$ <u><u>1,440</u></u>	\$ <u><u>3,559</u></u>

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ 2,168	\$ 2,168	\$ 2,213	\$ 45
Excise taxes	404	404	170	(234)
Other taxes	-	-	85	85
Licenses, permits and fines	-	-	4	4
Interest and investment earnings	14	14	24	10
Other	7	7	16	9
Total revenues	<u>2,593</u>	<u>2,593</u>	<u>2,512</u>	<u>(81)</u>
Expenditures:				
Capital Outlay	<u>3,205</u>	<u>4,256</u>	<u>3,005</u>	<u>1,251</u>
Total expenditures	<u>3,205</u>	<u>4,256</u>	<u>3,005</u>	<u>1,251</u>
Excess (deficiency) of revenues over (under) expenditures	(612)	(1,663)	(493)	1,170
Other financing sources (uses):				
Transfers in	-	230	-	(230)
Transfers out	<u>(86)</u>	<u>(109)</u>	<u>(109)</u>	<u>-</u>
Total other financing sources (uses)	<u>(86)</u>	<u>121</u>	<u>(109)</u>	<u>(230)</u>
Net change in fund balance	<u>\$ (698)</u>	<u>\$ (1,542)</u>	(602)	<u>\$ 940</u>
Encumbrances, end of year			267	
Fund balance, beginning of year, basis of budgeting			<u>2,201</u>	
Fund balance, end of year, basis of budgeting			1,866	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			13	
Due from other funds			230	
Accrued salaries, wages and amounts withheld from employees			<u>(40)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 2,069</u>	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Interest and investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital Outlay	-	370	86	284
Total expenditures	-	370	86	284
Excess (deficiency) of revenues over (under) expenditures	-	(370)	(86)	284
Other financing sources (uses):				
Transfers out	-	-	(238)	(238)
Total other financing sources (uses)	-	-	(238)	(238)
Net change in fund balance	\$ -	\$ (370)	(324)	\$ 46
Fund balance, beginning of year, basis of budgeting			370	
Fund balance, end of year, basis of budgeting			46	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			4	
Fund balance, end of year, GAAP basis			\$ 50	

CITY OF BOULDER, COLORADO

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

Year ended December 31, 2012

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 831	\$ 831	\$ 655	\$ (176)
Excise taxes	-	-	2	2
Other taxes	192	192	-	(192)
Charges for services	-	70	70	-
Interest and investment earnings	-	-	14	14
Other	-	41	73	32
Total revenues	<u>1,023</u>	<u>1,134</u>	<u>814</u>	<u>(320)</u>
Expenditures:				
Capital Outlay	<u>229</u>	<u>1,195</u>	<u>630</u>	<u>565</u>
Total expenditures	<u>229</u>	<u>1,195</u>	<u>630</u>	<u>565</u>
Excess (deficiency) of revenues				
over (under) expenditures	794	(61)	184	245
Other financing sources (uses):				
Transfers in	<u>200</u>	<u>200</u>	<u>223</u>	<u>23</u>
Total other financing sources (uses)	<u>200</u>	<u>200</u>	<u>223</u>	<u>23</u>
Net change in fund balance	\$ <u>994</u>	\$ <u>139</u>	407	\$ <u>268</u>
Encumbrances, end of year			83	
Fund balance, beginning of year, basis of budgeting			<u>947</u>	
Fund balance, end of year, basis of budgeting			<u>1,437</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			8	
Accrued salaries, wages and amounts				
withheld from employees			<u>(5)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,440</u>	

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NONMAJOR ENTERPRISE FUNDS

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

University Hill Commercial District Fund – this district provides parking facilities and services to the commercial district adjacent to the University of Colorado (CU) campus. It is predominately self-supported by user charges but also receives general property and other tax revenues.

Boulder Junction Access GID – Parking Fund – to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its parking facility and service goals. It is predominately self-supported through property tax revenue approved by the voters.

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2012

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 19	\$ -	\$ 19
Investments	769	7	776
Receivables:			
General property taxes	32	26	58
Accrued interest	2	-	2
Total receivables	34	26	60
Total current assets	822	33	855
Noncurrent assets:			
Capital assets:			
Land and easements	444	-	444
Improvements other than buildings	58	-	58
Machinery and equipment	326	-	326
	828	-	828
Less accumulated depreciation	(187)	-	(187)
	641	-	641
Total capital assets, net of accumulated depreciation	641	-	641
Total noncurrent assets	641	-	641
Total assets	1,463	33	1,496
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	4	-	4
Accrued salaries, wages and amounts withheld from employees	13	-	13
Advances from other funds	-	2	2
Other liabilities	6	-	6
Deferred revenue:			
General property taxes	32	26	58
Total current liabilities	55	28	83
Noncurrent liabilities:			
Advances from other funds	-	16	16
Compensated absences payable	27	-	27
Retiree health care benefit	4	-	4
Total noncurrent liabilities	31	16	47
Total liabilities	86	44	130
Net position:			
Net investment in capital assets	641	-	641
Restricted for:			
Legally restricted - emergency reserve	5	-	5
Unrestricted	731	(11)	720
Total net position	\$ 1,377	\$ (11)	\$ 1,366

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year ended December 31, 2012

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 122	\$ -	\$ 122
Total operating revenues	<u>122</u>	<u>-</u>	<u>122</u>
Operating expenses:			
Personnel	263	-	263
Nonpersonnel	204	7	211
Depreciation and amortization	39	-	39
Total operating expenses	<u>506</u>	<u>7</u>	<u>513</u>
Operating income (loss)	<u>(384)</u>	<u>(7)</u>	<u>(391)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	4	-	4
General property taxes	26	14	40
Specific ownership & tobacco taxes	1	1	2
Interest expense	-	(1)	(1)
Gain (loss) on sale of capital assets	(55)	-	(55)
Other, net	<u>2</u>	<u>-</u>	<u>2</u>
Total nonoperating revenues (expenses)	<u>(22)</u>	<u>14</u>	<u>(8)</u>
Income (loss) before capital contributions and transfers	(406)	7	(399)
Capital contributions	19	-	19
Transfers in	432	-	432
Transfers out	<u>(48)</u>	<u>-</u>	<u>(48)</u>
Changes in net position	(3)	7	4
Total net position, beginning of year	<u>1,380</u>	<u>(18)</u>	<u>1,362</u>
Total net position, end of year	\$ <u><u>1,377</u></u>	\$ <u><u>(11)</u></u>	\$ <u><u>1,366</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2012

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 122	\$ -	\$ 122
Other receipts (payments)	2	-	2
Payments to suppliers	(155)	(7)	(162)
Payments to employees	(253)	-	(253)
Payment for interfund services used	(48)	-	(48)
Net cash provided (used) by operating activities	<u>(332)</u>	<u>(7)</u>	<u>(339)</u>
Cash flows from noncapital financing activities:			
Payments from (to) other funds on advances	-	(2)	(2)
General property taxes	26	14	40
Specific ownership & tobacco taxes	1	1	2
Transfers in	432	-	432
Transfers out	(48)	-	(48)
Net cash provided (used) by noncapital financing activities	<u>411</u>	<u>13</u>	<u>424</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	23	-	23
Proceeds from sale or transfer of property and equipment	(55)	-	(55)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net cash provided (used) for capital related financing activities	<u>(32)</u>	<u>(1)</u>	<u>(33)</u>
Cash flows from investing activities:			
Purchase of investment securities	(435)	(5)	(440)
Proceeds from sale and maturities of investment securities	286	-	286
Interest on investments	<u>77</u>	<u>-</u>	<u>77</u>
Net cash provided (used) in investing activities	<u>(72)</u>	<u>(5)</u>	<u>(77)</u>
Net increase in cash and cash equivalents	(25)	-	(25)
Cash and cash equivalents, January 1	<u>44</u>	<u>-</u>	<u>44</u>
Cash and cash equivalents, December 31	\$ <u><u>19</u></u>	\$ <u><u>-</u></u>	\$ <u><u>19</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year ended December 31, 2012

(Amounts in 000's)

	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (384)	\$ (7)	\$ (391)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of deferred charges	43	-	43
Other nonoperating revenues (expenses)	(2)	-	(2)
Change in assets and liabilities:			
Increase (decrease) in liabilities:			
Vouchers and accounts payable	2	-	2
Other liabilities	9	-	9
Total adjustments	52	-	52
Net cash provided (used) by operating activities	\$ (332)	\$ (7)	\$ (339)
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ (5)	\$ -	\$ (5)
	\$ (5)	\$ -	\$ (5)

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2012

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 30	\$ 154	\$ 86	\$ 42
Investments	1,187	6,118	3,424	1,662
Receivables, net:				
Accounts	57	-	-	-
Accrued interest	4	20	11	5
Total receivables	61	20	11	5
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	204	-	-
Total current assets	1,278	6,496	3,521	1,709
Noncurrent assets:				
Restricted assets:				
Investments for capital projects	-	-	-	-
Advances to other funds	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	3,045	13	-	-
	3,252	13	-	-
Less accumulated depreciation	(1,499)	(1)	-	-
	1,753	12	-	-
Construction-in-progress	-	-	-	-
Total capital assets, net of accumulated depreciation	1,753	12	-	-
Total noncurrent assets	1,753	12	-	-
Total assets	3,031	6,508	3,521	1,709
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	31	1	62	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	7	19	12	101
Accrued interest	-	-	-	-
Accrued cleanup liability	-	-	-	-
Accrued claims liability	-	153	725	-
Due to other funds	-	41	-	-
Deferred revenue	26	-	-	-
Capitalized lease obligations	-	-	-	-
Other liabilities	-	-	-	-
Total current liabilities	64	214	799	101
Noncurrent liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued claims liability	-	857	437	-
Retiree health care benefit	2	3	2	-
Total noncurrent liabilities	2	860	439	-
Total liabilities	66	1,074	1,238	101
Net Position:				
Net investment in capital assets	1,753	12	-	-
Unrestricted	1,212	5,422	2,283	1,608
Total net position	\$ 2,965	\$ 5,434	\$ 2,283	\$ 1,608

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 259	\$ 168	\$ 150	\$ 256	\$ 1,145
10,297	6,673	5,975	10,178	45,514
20	1	-	15	93
33	21	19	33	146
53	22	19	48	239
135	-	-	-	135
-	-	-	-	204
10,744	6,863	6,144	10,482	47,237
-	-	-	879	879
1,132	-	-	-	1,132
-	-	-	102	102
2,381	-	108	78,987	81,683
1,437	-	-	7,027	8,464
27,596	-	-	-	27,596
27	2,957	3,147	7	9,196
31,441	2,957	3,255	86,123	127,041
(16,593)	(1,889)	(2,250)	(47,384)	(69,616)
14,848	1,068	1,005	38,739	57,425
161	-	-	3,910	4,071
15,009	1,068	1,005	42,649	61,496
16,141	1,068	1,005	43,528	63,507
26,885	7,931	7,149	54,010	110,744
181	116	13	1,506	1,910
-	-	-	1,060	1,060
59	-	2	8	208
-	-	-	59	59
-	-	-	594	594
-	-	-	-	878
145	-	-	-	186
-	-	-	212	238
-	-	-	503	503
-	-	-	1,266	1,266
385	116	15	5,208	6,902
-	-	-	9,730	9,730
194	-	-	-	194
-	-	-	-	1,294
2	-	-	2	11
196	-	-	9,732	11,229
581	116	15	14,940	18,131
15,009	1,068	1,005	33,295	52,142
11,295	6,747	6,129	5,775	40,471
\$ 26,304	\$ 7,815	\$ 7,134	\$ 39,070	\$ 92,613

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2012

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Operating revenues:				
Charges for services	\$ 653	\$ 1,510	\$ 1,224	\$ 784
Total operating revenues	<u>653</u>	<u>1,510</u>	<u>1,224</u>	<u>784</u>
Operating expenses:				
Personnel	129	318	262	648
Nonpersonnel	412	897	1,349	-
Depreciation	282	1	-	-
Total operating expenses	<u>823</u>	<u>1,216</u>	<u>1,611</u>	<u>648</u>
Operating income (loss)	<u>(170)</u>	<u>294</u>	<u>(387)</u>	<u>136</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	4	32	16	10
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	<u>-</u>	<u>15</u>	<u>19</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>4</u>	<u>47</u>	<u>35</u>	<u>10</u>
Income (loss) before capital contributions, and transfers	(166)	341	(352)	146
Capital contributions	-	-	-	-
Transfers in	14	-	115	-
Transfers out	<u>(15)</u>	<u>(168)</u>	<u>(116)</u>	<u>(35)</u>
Changes in net position	(167)	173	(353)	111
Total net position, beginning of year	<u>3,132</u>	<u>5,261</u>	<u>2,636</u>	<u>1,497</u>
Total net position, end of year	\$ <u><u>2,965</u></u>	\$ <u><u>5,434</u></u>	\$ <u><u>2,283</u></u>	\$ <u><u>1,608</u></u>

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
\$ 7,984	\$ 1,741	\$ 725	\$ 3,544	\$ 18,165
<u>7,984</u>	<u>1,741</u>	<u>725</u>	<u>3,544</u>	<u>18,165</u>
1,115	-	29	145	2,646
1,765	840	149	402	5,814
<u>1,819</u>	<u>432</u>	<u>331</u>	<u>3,930</u>	<u>6,795</u>
<u>4,699</u>	<u>1,272</u>	<u>509</u>	<u>4,477</u>	<u>15,255</u>
<u>3,285</u>	<u>469</u>	<u>216</u>	<u>(933)</u>	<u>2,910</u>
96	29	25	53	265
-	-	-	20	20
-	-	-	75	75
-	-	-	(376)	(376)
44	8	(29)	-	23
<u>9</u>	<u>-</u>	<u>16</u>	<u>1,498</u>	<u>1,557</u>
<u>149</u>	<u>37</u>	<u>12</u>	<u>1,270</u>	<u>1,564</u>
3,434	506	228	337	4,474
-	-	-	235	235
40	-	142	437	748
<u>(1,938)</u>	<u>(13)</u>	<u>(33)</u>	<u>(46)</u>	<u>(2,364)</u>
1,536	493	337	963	3,093
<u>24,768</u>	<u>7,322</u>	<u>6,797</u>	<u>38,107</u>	<u>89,520</u>
\$ <u>26,304</u>	\$ <u>7,815</u>	\$ <u>7,134</u>	\$ <u>39,070</u>	\$ <u>92,613</u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2012

(Amount in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ (31)	\$ -	\$ 88	\$ -
Receipts from interfund services provided	653	1,549	1,224	784
Other receipts (payments)	26	15	19	-
Refundable deposits receipts (payments)	-	-	-	-
Payments to suppliers	(409)	(894)	(1,358)	-
Payments to employees	(129)	(218)	(261)	(558)
Net cash provided (used) by operating activities	<u>110</u>	<u>452</u>	<u>(288)</u>	<u>226</u>
Cash flows from noncapital financing activities:				
Payments (receipts) from (to) other funds on due from (due to) balances	(15)	-	-	-
Payments from (to) other funds on advances	-	41	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	14	-	115	-
Transfers out	(15)	(168)	(116)	(35)
Net cash provided (used) by noncapital financing activities	<u>(16)</u>	<u>(127)</u>	<u>(1)</u>	<u>(35)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(13)	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of capital lease	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Payments on lease purchase obligations	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(703)	(3,468)	(431)	(1,031)
Proceeds from sale and maturities of investment securities	426	2,342	426	535
Interest on investments	147	618	155	258
Net cash provided (used) in investing activities	<u>(130)</u>	<u>(508)</u>	<u>150</u>	<u>(238)</u>
Net increase (decrease) in cash and cash equivalents	(36)	(196)	(139)	(47)
Cash and cash equivalents, January 1	<u>66</u>	<u>350</u>	<u>225</u>	<u>89</u>
Cash and cash equivalents, December 31	<u>\$ 30</u>	<u>\$ 154</u>	<u>\$ 86</u>	<u>\$ 42</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 55	\$ (1)	\$ -	\$ -	\$ 111
7,918	1,741	725	3,544	18,138
9	-	16	42	127
-	-	-	(738)	(738)
(1,721)	(878)	(263)	555	(4,968)
<u>(1,105)</u>	<u>-</u>	<u>(28)</u>	<u>(142)</u>	<u>(2,441)</u>
<u>5,156</u>	<u>862</u>	<u>450</u>	<u>3,261</u>	<u>10,229</u>
-	-	(15)	40	10
1,286	-	-	-	1,327
-	-	-	20	20
-	-	-	284	284
40	-	142	436	747
<u>(942)</u>	<u>(13)</u>	<u>(33)</u>	<u>(46)</u>	<u>(1,368)</u>
<u>384</u>	<u>(13)</u>	<u>94</u>	<u>734</u>	<u>1,020</u>
(4,608)	(107)	(208)	(6,053)	(10,989)
(181)	8	(29)	-	(202)
-	-	-	3,241	3,241
-	-	-	(346)	(346)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(347)</u>
<u>(4,789)</u>	<u>(99)</u>	<u>(237)</u>	<u>(3,505)</u>	<u>(8,643)</u>
(5,296)	(4,158)	(3,353)	(4,782)	(23,222)
4,493	2,176	2,324	3,910	16,632
<u>(313)</u>	<u>1,042</u>	<u>563</u>	<u>20</u>	<u>2,490</u>
<u>(1,116)</u>	<u>(940)</u>	<u>(466)</u>	<u>(852)</u>	<u>(4,100)</u>
(365)	(190)	(159)	(362)	(1,494)
<u>624</u>	<u>358</u>	<u>309</u>	<u>618</u>	<u>2,639</u>
\$ <u>259</u>	\$ <u>168</u>	\$ <u>150</u>	\$ <u>256</u>	\$ <u>1,145</u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows (Continued)

Internal Service Funds

Year ended December 31, 2012

(Amount in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (170)	\$ 294	\$ (387)	\$ 136
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	263	1	-	-
Other nonoperating revenues (expenses)	-	17	45	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	31	39	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	-	3	-	-
Increase (decrease) in liabilities:				
Vouchers and accounts payable	12	-	(9)	-
Accrued salaries, wages and amounts withheld from employees	-	4	1	90
Other liabilities	-	-	62	-
Other liabilities - refundable deposits	-	-	-	-
Deferred revenue	(26)	-	-	-
Accrued claims liability	-	95	-	-
Retiree health care accrual	-	(1)	-	-
Total adjustments	280	158	99	90
Net cash provided (used) by operating activities	\$ 110	\$ 452	\$ (288)	\$ 226
Noncash investing, capital and financing activities:				
Assets acquired through:				
Financed through accounts, contracts and retainage payable	\$ -	\$ -	\$ -	\$ -
Amortization of bond premium and issuance costs	-	-	-	-
Increase (decrease) in fair value of investments	(5)	(28)	(12)	(1)
	\$ (5)	\$ (28)	\$ (12)	\$ (1)

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>3,285</u>	\$ <u>469</u>	\$ <u>216</u>	\$ <u>(933)</u>	\$ <u>2,910</u>
1,837	408	321	3,930	6,760
(9)	-	16	1,498	1,567
-	(1)	10	2	81
(11)	-	-	-	(11)
-	-	-	-	3
45	(14)	(113)	(1,759)	(1,838)
-	-	-	(2)	93
22	-	-	-	84
-	-	-	738	738
-	-	-	(212)	(238)
-	-	-	-	95
(13)	-	-	(1)	(15)
<u>1,871</u>	<u>393</u>	<u>234</u>	<u>4,194</u>	<u>7,319</u>
\$ <u><u>5,156</u></u>	\$ <u><u>862</u></u>	\$ <u><u>450</u></u>	\$ <u><u>3,261</u></u>	\$ <u><u>10,229</u></u>
\$ -	\$ -	\$ -	\$ 116	\$ 116
-	-	-	6	6
<u>(53)</u>	<u>(9)</u>	<u>(27)</u>	<u>34</u>	<u>(101)</u>
\$ <u><u>(53)</u></u>	\$ <u><u>(9)</u></u>	\$ <u><u>(27)</u></u>	\$ <u><u>156</u></u>	\$ <u><u>21</u></u>

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SUPPLEMENTARY SCHEDULE

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2012

(Amounts in 000's)

	Interest rates	Dates		Authorized and issued	Outstanding	Current portion
		Issued	Maturity			
Governmental Activities:						
Supported by sales tax revenues and other financing sources:						
General Obligation Bonds:						
Open Space Acquisition	4.00 - 5.50	6/20/06	8/15/19	\$ 20,115	\$ 12,095	\$ 1,530
Premium on Bonds					105	
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	9,270	1,390
Premium on Refunding Bonds					23	
Refunding Bond Charges					(247)	
Open Space Acquisition Refunding	2.50	7/07/09	8/15/13	6,305	1,790	1,790
Premium on Refunding Bonds					10	
Refunding Bond Charges					(3)	
Parks, Recreation, Muni., Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	6,205	2,010
Premium on Refunding Bonds					162	
Refunding Bond Charges					(85)	
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	5,250	250
Premium on Waste Reduction Bonds					55	
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	47,170	2,270
Premium on Cap. Imp. Projects Bonds					5,442	
				<u>105,660</u>	<u>87,242</u>	<u>9,240</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	8,420	345
Premium on Pension Obligation Bonds					111	
				<u>9,070</u>	<u>8,531</u>	<u>345</u>
Sales Tax Revenue Bonds:						
Open Space Acq. Sales Tax Rev. Ref. Bonds	2.50 - 3.00	7/07/09	8/15/14	6,485	2,710	1,340
Premium on Refunding Bonds					29	
Refunding Bond Charges					(6)	
				<u>6,485</u>	<u>2,733</u>	<u>1,340</u>
Loan Payable - Boulder County	3.00	9/25/09	9/01/13	5,441	250	250
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,337	94
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,643	9,054	503
Refunding Charges					(158)	
				<u>11,143</u>	<u>10,233</u>	<u>597</u>
Compensated Absences				-	11,110	572
Retiree Health Care Benefit (OPEB)				-	1,420	-
Rebatable Arbitrage				-	-	-
Total Governmental Activities and total supported by sales tax revenues and other financing sources				<u>\$ 137,799</u>	<u>\$ 121,519</u>	<u>\$ 12,344</u>
Business-type Activities:						
Supported by utility revenues:						
Revenue Bonds:						
Water and Sewer Revenue Refunding Bonds	2.00 - 4.00	2/22/11	12/01/21	\$ 18,335	\$ 15,600	\$ 1,530
Premium on Bonds					620	
Refunding Bond Charges					(473)	
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	3,140	740
Refunding Bond Charges				-	(34)	
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	14,260	1,940
Refunding Bond Charges					(416)	
Water and Sewer	3.50 - 5.00	11/15/05	12/01/15	45,245	6,195	1,985
Premium on Bonds				-	27	
Water and Sewer	4.00 - 5.00	11/20/12	12/01/25	24,325	24,325	-
Premium on Bonds				-	6,506	
Refunding Bond Charges					(3,084)	
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	9,195	405
Premium on Bonds					190	
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	2,100	335
Premium on Bonds					46	
Refunding Bond Charges					(21)	
				<u>134,885</u>	<u>78,176</u>	<u>6,935</u>
Compensated Absences				-	1,150	159
Retiree Health Care Benefit (OPEB)				-	168	-
Rebatable Arbitrage				-	-	-
Total supported by utility revenues				<u>134,885</u>	<u>79,494</u>	<u>7,094</u>

(continued)

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable (Continued)

December 31, 2012

(Amounts in 000's)

	Interest rates	Dates		Authorized and issued	Outstanding	Current portion	
		Issued	Maturity				
Business-type Activities (Continued):							
Supported by parking revenues:							
General Obligation General Improvement District Bonds:							
Downtown Commercial District:							
Parking Facilities	2.50 - 4.20	6/17/03	8/15/13	12,500	615	615	
Premium on Bonds					1		
Parking Facilities	2.00 - 3.00	11/28/12	8/15/23	7,275	7,275	90	
Premium on Bonds					536		
Refunding Bond Charges					(265)		
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	5,450	825	
Premium on Bonds					169		
Refunding Bond Charges					(29)		
				<u>27,505</u>	<u>13,752</u>	<u>1,530</u>	
Compensated Absences				-	159	-	
Retiree Health Care Benefit (OPEB)				<u>-</u>	<u>44</u>	<u>-</u>	
Total supported by parking revenues				<u>27,505</u>	<u>13,955</u>	<u>1,530</u>	
Supported by base rentals:							
Lease Purchase Revenue Notes:							
Boulder Municipal Property Authority:							
Open space acquisition:							
Foothills	Note 1997G	7.00	7/16/97	7/16/17	1,095	421	74
Van Vleet	Note 1999B	6.00	3/05/99	3/05/14	2,500	472	229
Abbott	Note 2001D	6.00	12/05/01	1/14/14	430	88	43
Helayne B. Jones	Note 2003A	6.00	6/20/03	6/20/13	715	92	92
Dagle	Note 2004A	4.75	12/01/04	12/01/14	770	183	90
Gisle	Note 2005A	4.75	2/18/05	2/18/17	1,180	573	104
Hill	Note 2005B	4.75	4/05/05	4/05/15	910	318	101
Luchetta	Note 2005C	5.00	8/05/05	8/05/20	720	448	47
Boulder Valley	Note 2006A	5.00	6/16/06	6/16/16	3,550	1,630	378
Eisenberg	Note 2006B	5.00	6/07/06	6/07/16	1,206	554	128
Kolb, Edward H.	Note 2008AR-1	5.00	4/22/08	4/22/18	404	266	39
Vigil	Note 2008AR-2	5.00	4/22/08	4/22/18	404	266	39
				<u>13,884</u>	<u>5,311</u>	<u>1,364</u>	
Total supported by base rentals				<u>13,884</u>	<u>5,311</u>	<u>1,364</u>	
Total Business-type Activities				\$ <u>176,274</u>	\$ <u>98,760</u>	\$ <u>9,988</u>	

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STATISTICAL TABLES

Statistical tables are presented to provide an historical financial review of and additional information about the City of Boulder. The various tables provide information useful in analyzing the existing financial position of the city as well as in identifying trends.

The source of the statistical information in the following tables is taken from the city's records unless otherwise noted.

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CITY OF BOULDER, COLORADO

Statistical Section

Index

December 31, 2012

(Unaudited)

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the city's financial performance and well being have changed over time.	
Net Position by Component	214
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Changes in Fund Balances - Governmental Funds	222
Revenue Capacity	
These schedules contain information to help the reader assess the city's most significant local revenue source, sales tax.	
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Direct and Overlapping Sales Tax Rates	226
Largest Sales Tax Remitters by Market Sector	228
Debt Capacity	
These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future.	
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Direct and Overlapping Debt	233
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
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Principal Employers	239
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

CITY OF BOULDER, COLORADO

Statistical Data

Net Position By Component

Last Ten Fiscal Years
(Unaudited)(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Net investment in capital assets	\$ 187,518	\$ 200,574	\$ 329,926	\$ 343,319	\$ 350,644
Restricted	44,692	41,906	47,497	63,452	56,833
Unrestricted	31,408	34,929	39,282	20,955	45,771
Total governmental activities net position	<u><u>\$ 263,618</u></u>	<u><u>\$ 277,409</u></u>	<u><u>\$ 416,705</u></u>	<u><u>\$ 427,726</u></u>	<u><u>\$ 453,248</u></u>
Business-type activities:					
Net investment in capital assets	\$ 258,051	\$ 266,227	\$ 267,873	\$ 269,527	\$ 283,633
Restricted	103	208	213	220	228
Unrestricted	32,991	32,862	32,291	53,147	57,233
Total business-type activities net position	<u><u>\$ 291,145</u></u>	<u><u>\$ 299,297</u></u>	<u><u>\$ 300,377</u></u>	<u><u>\$ 322,894</u></u>	<u><u>\$ 341,094</u></u>
Primary government:					
Net investment in capital assets	\$ 445,569	\$ 466,801	\$ 597,799	\$ 612,846	\$ 634,277
Restricted	44,795	42,114	47,710	63,672	57,061
Unrestricted	64,399	67,791	71,573	74,102	103,004
Total primary government net position	<u><u>\$ 554,763</u></u>	<u><u>\$ 576,706</u></u>	<u><u>\$ 717,082</u></u>	<u><u>\$ 750,620</u></u>	<u><u>\$ 794,342</u></u>

Fiscal Year				
2008	2009	2010	2011	2012
\$ 363,896	\$ 379,461	\$ 395,174	\$ 418,691	\$ 401,272
59,456	58,197	51,815	30,256	81,324
51,761	51,266	69,024	86,439	113,391
<u>\$ 475,113</u>	<u>\$ 488,924</u>	<u>\$ 516,013</u>	<u>\$ 535,386</u>	<u>\$ 595,987</u>
\$ 295,936	\$ 313,583	\$ 310,791	\$ 325,861	\$ 325,883
234	242	249	254	257
65,263	59,917	65,547	67,166	61,583
<u>\$ 361,433</u>	<u>\$ 373,742</u>	<u>\$ 376,587</u>	<u>\$ 393,281</u>	<u>\$ 387,723</u>
\$ 659,832	\$ 693,044	\$ 705,965	\$ 744,552	\$ 727,155
59,690	58,439	52,064	30,510	81,581
117,024	111,183	134,571	153,605	174,974
<u>\$ 836,546</u>	<u>\$ 862,666</u>	<u>\$ 892,600</u>	<u>\$ 928,667</u>	<u>\$ 983,710</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position

Last Ten Fiscal Years
(Unaudited)

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General Government	\$ 8,073	\$ 7,803	\$ 7,632	\$ 8,429	\$ 9,846
Administrative Services	3,907	2,541	2,708	3,337	3,182
Public Safety	35,741	37,941	38,091	37,942	42,221
Public Works	19,073	19,156	28,773	32,657	36,030
Planning & Development Services	7,345	7,021	7,180	7,476	7,657
Culture and Recreation	25,113	24,170	24,357	25,901	26,573
Open Space and Mountain Parks	9,135	10,425	11,023	12,299	13,156
Housing and Human Services	10,452	10,926	11,692	14,720	10,420
Interest on long-term debt	4,666	4,496	4,016	4,137	3,872
Total governmental activities expenses	<u>123,505</u>	<u>124,479</u>	<u>135,472</u>	<u>146,898</u>	<u>152,957</u>
Business-type activities:					
Water utility	18,923	19,058	20,657	21,711	20,767
Wastewater utility	8,165	8,352	9,043	10,362	10,849
Stormwater and flood management	3,722	4,162	3,891	3,963	4,197
Parking facilities and services	4,212	4,478	5,223	5,374	5,549
Property and facility acquisition	1,701	1,559	1,460	1,411	1,316
Total business-type activities expenses	<u>36,723</u>	<u>37,609</u>	<u>40,274</u>	<u>42,821</u>	<u>42,678</u>
Total primary government expenses	<u>160,228</u>	<u>162,088</u>	<u>175,746</u>	<u>189,719</u>	<u>195,635</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	1,646	1,788	1,826	1,783	2,009
Administrative Services	188	281	116	98	112
Public Safety	742	1,043	1,075	990	1,426
Public Works	904	835	928	719	890
Planning & Development Services	4,917	4,622	5,298	6,289	6,803
Culture and Recreation	7,173	7,090	7,341	8,057	8,589
Open Space and Mountain Parks	376	386	369	405	374
Housing and Human Services	730	1,642	1,529	1,527	1,328
Operating grants and contributions	4,291	4,805	3,887	7,039	7,522
Capital grants and contributions	10,498	5,900	9,991	6,514	13,521
Total governmental activities program revenue	<u>31,465</u>	<u>28,392</u>	<u>32,360</u>	<u>33,421</u>	<u>42,574</u>
Business-type activities:					
Charges for services:					
Water utility	20,063	18,180	21,055	23,570	21,175
Wastewater utility	8,346	8,488	10,002	12,126	12,596
Stormwater and flood management	4,115	4,317	4,402	4,607	4,796
Parking facilities and services	2,953	3,193	3,607	3,808	4,231
Property and facility acquisition	4,527	4,647	5,090	4,444	4,540
Operating grants and contributions	265	148	196	140	210
Capital grants and contributions	4,478	6,091	6,738	6,618	4,812
Total business-type activities program revenues	<u>44,747</u>	<u>45,064</u>	<u>51,090</u>	<u>55,313</u>	<u>52,360</u>
Total primary government program revenues	<u>76,212</u>	<u>73,456</u>	<u>83,450</u>	<u>88,734</u>	<u>94,934</u>
Net (expense) revenue:					
Governmental activities	(92,040)	(96,087)	(103,112)	(113,477)	(110,383)
Business-type activities	8,024	7,455	10,816	12,492	9,682
Total primary government net expense	<u>(84,016)</u>	<u>(88,632)</u>	<u>(92,296)</u>	<u>(100,985)</u>	<u>(100,701)</u>

Fiscal Year				
2008	2009	2010	2011	2012
\$ 10,227	\$ 9,945	\$ 12,431	\$ 19,509	\$ 16,625
2,951	2,139	1,678	1,892	2,627
44,479	45,506	45,819	47,391	49,693
30,966	32,634	30,542	30,844	33,110
8,966	8,619	8,248	5,665	5,555
27,961	27,478	27,200	28,140	28,112
13,360	13,043	13,548	14,863	13,040
13,983	14,745	16,580	13,060	14,431
3,530	2,820	2,285	2,290	2,984
156,423	156,929	158,331	163,654	166,177
21,713	21,051	20,921	21,223	21,925
11,693	13,458	12,885	13,948	13,776
4,407	4,011	4,454	4,790	4,523
6,228	7,385	7,602	6,570	7,303
1,150	1,009	860	724	479
45,191	46,914	46,722	47,255	48,006
201,614	203,843	205,053	210,909	214,183
2,832	2,819	3,512	2,941	7,593
268	205	191	142	548
1,640	1,706	1,874	1,748	1,629
909	803	1,122	2,095	1,730
6,327	4,587	5,421	5,862	7,473
9,069	8,448	8,121	8,386	9,041
367	384	425	479	506
3,671	2,608	5,775	1,401	13,303
8,500	6,607	7,338	6,154	6,911
6,886	11,950	8,381	7,679	9,260
40,469	40,117	42,160	36,887	57,994
21,123	20,201	21,633	22,940	24,592
12,606	12,748	12,688	12,955	13,013
4,959	5,084	5,080	4,896	5,167
4,319	3,939	4,162	4,324	4,483
4,042	3,455	3,447	5,178	2,336
168	136	169	151	181
10,703	8,408	5,610	8,411	5,175
57,920	53,971	52,789	58,855	54,947
98,389	94,088	94,949	95,742	112,941
(115,954)	(116,812)	(116,171)	(126,767)	(108,183)
12,729	7,057	6,067	11,600	6,941
(103,225)	(109,755)	(110,104)	(115,167)	(101,242)

(continued)

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position (Continued)

Last Ten Fiscal Years
(Unaudited)

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales and use taxes*	\$ 67,891	\$ 71,688	\$ 76,624	\$ 80,057	\$ 88,403
Property taxes*	18,432	19,275	19,391	19,854	20,475
Other taxes**	13,229	13,799	15,686	14,053	14,791
Accommodation taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-	-
Excise taxes	-	-	-	-	-
Interest and investment earnings	1,685	1,348	2,315	4,869	6,594
Miscellaneous***	6,230	4,312	5,125	5,002	6,752
Gain on sale of capital assets	-	-	-	-	-
Transfers	(498)	(544)	3,439	663	(1,110)
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>106,969</u>	<u>109,878</u>	<u>122,580</u>	<u>124,498</u>	<u>135,905</u>
Business-type activities:					
Taxes:					
Sales and use tax increment*	-	-	46	85	99
Property taxes*	763	805	839	874	912
Property tax increment*	-	-	44	500	563
Other taxes**	58	68	433	664	766
Accommodation taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-	-
Excise taxes	-	-	-	-	-
Excess tax increment	-	-	-	(245)	(703)
Interest and investment earnings	1,262	1,167	1,585	5,215	5,796
Miscellaneous***	886	(1,887)	(390)	(159)	(25)
Gain on sale of capital assets	-	-	-	-	-
Transfers	498	544	(3,439)	(663)	1,110
Extraordinary item	-	-	-	3,754	-
Total business-type activities	<u>3,467</u>	<u>697</u>	<u>(882)</u>	<u>10,025</u>	<u>8,518</u>
Total primary government	<u>110,436</u>	<u>110,575</u>	<u>121,698</u>	<u>134,523</u>	<u>144,423</u>
Changes in net position:					
Governmental activities	10,882	6,766	9,103	14,115	25,522
Business-type activities	10,922	11,513	11,610	19,707	18,200
Total primary government	<u>\$ 21,804</u>	<u>\$ 18,279</u>	<u>\$ 20,713</u>	<u>\$ 33,822</u>	<u>\$ 43,722</u>

* Starting in 2008, sales and use tax is combined with sales and use tax increment.

The same applies to property tax and property tax increment.

** Starting in 2008, other taxes are reported separately as follows:

Accommodation taxes, franchise taxes, specific ownership & tobacco taxes and excise taxes.

*** Starting in 2008, gain on sale of capital assets is reported separately from governmental activities miscellaneous.

Fiscal Year				
2008	2009	2010	2011	2012
\$ 84,867	\$ 85,457	\$ 87,802	\$ 92,627	\$ 97,397
21,865	23,526	26,022	27,462	29,474
-	-	-	-	-
3,389	3,049	3,199	4,668	4,890
9,131	9,121	10,868	10,282	12,310
1,705	1,587	1,587	1,578	1,789
2,748	1,847	837	1,927	1,290
7,875	2,088	2,060	1,895	1,052
5,025	5,286	5,633	6,418	1,645
627	130	805	456	2,173
587	(1,468)	5,982	(1,208)	16,764
-	-	(1,535)	35	-
<u>137,819</u>	<u>130,623</u>	<u>143,260</u>	<u>146,140</u>	<u>168,784</u>
94	83	87	94	119
1,578	1,627	1,704	1,782	1,952
-	-	-	-	-
-	-	-	-	-
714	604	635	715	781
-	-	-	-	-
63	55	51	51	55
-	-	-	-	-
-	-	-	-	-
5,583	1,257	1,226	1,156	384
165	78	81	64	974
-	80	-	-	-
(587)	1,468	(5,982)	1,208	(16,764)
-	-	(1,024)	24	-
<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>	<u>5,094</u>	<u>(12,499)</u>
<u>145,429</u>	<u>135,875</u>	<u>140,038</u>	<u>151,234</u>	<u>156,285</u>
21,865	13,811	27,089	19,373	60,601
20,339	12,309	2,845	16,694	(5,558)
<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>	<u>\$ 36,067</u>	<u>\$ 55,043</u>

CITY OF BOULDER, COLORADO

Statistical Data

Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund:					
Reserved	\$ 3,586	\$ 3,037	\$ 2,706	\$ 2,784	\$ 2,953
Unreserved	13,172	13,826	16,631	18,466	17,600
Nonspendable	(a) -	-	-	-	-
Restricted	(a) -	-	-	-	-
Committed	(a) -	-	-	-	-
Assigned	(a) -	-	-	-	-
Unassigned	(a) -	-	-	-	-
Total General Fund	<u>\$ 16,758</u>	<u>\$ 16,863</u>	<u>\$ 19,337</u>	<u>\$ 21,250</u>	<u>\$ 20,553</u>
All Other Governmental Funds:					
Reserved	\$ 9,157	\$ 9,496	\$ 10,228	\$ 32,671	\$ 10,662
Nonspendable	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	35,907	35,739	37,616	29,772	38,995
Restricted	(a) -	-	-	-	-
Committed	(a) -	-	-	-	-
Assigned	(a) -	-	-	-	-
Debt service funds	329	297	301	303	334
Capital projects funds	2,965	3,549	3,870	4,675	13,112
Total all other government funds	<u>\$ 48,358</u>	<u>\$ 49,081</u>	<u>\$ 52,015</u>	<u>\$ 67,421</u>	<u>\$ 63,103</u>

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

Fiscal Year				
2008	2009	2010	2011	2012
\$ 2,928	\$ 3,934	\$ 4,179	\$ -	\$ -
18,524	19,399	22,103	-	-
-	-	-	297	276
-	-	-	3,468	2,492
-	-	-	-	-
-	-	-	7,711	10,016
-	-	-	20,209	25,471
<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>\$ 26,282</u>	<u>\$ 31,685</u>	<u>\$ 38,255</u>
\$ 9,857	\$ 17,774	\$ 11,338	\$ -	\$ -
-	-	-	63	47
57,409	38,605	45,123	-	-
-	-	-	26,688	78,732
-	-	-	4,174	15,399
-	-	-	21,949	21,964
356	418	446	-	-
14,449	4,568	1,125	-	-
<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>	<u>\$ 52,874</u>	<u>\$ 116,142</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)(Modified Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues:					
Taxes:					
Sales and use taxes	\$ 67,891	\$ 71,688	\$ 76,624	\$ 80,057	\$ 88,403
General property taxes	18,432	19,275	19,391	19,854	20,475
Other taxes*	13,229	13,799	15,686	14,053	14,791
Accommodation taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-	-
Excise taxes	-	-	-	-	-
Charges for services	9,560	10,229	10,493	11,375	12,080
Sale of goods	1,816	5,598	1,635	738	2,993
License, permits and fines	8,916	8,884	9,337	9,830	10,259
Intergovernmental	13,882	8,788	9,956	14,252	19,842
Leases, rents and royalties	1,575	2,182	1,993	1,976	329
Interest and investment earnings	1,587	1,073	1,748	3,760	9,910
Other	2,453	957	1,648	1,335	15,192
Total revenues	139,341	142,473	148,511	157,230	194,274
Expenditures:					
General Government	9,767	9,206	9,291	9,722	11,705
Administrative Services	9,358	7,981	8,021	8,473	8,599
Public Safety	33,837	34,599	35,105	36,738	40,327
Public Works	29,952	23,234	23,374	27,950	34,479
Planning & Development Services	6,329	5,825	6,057	6,352	6,796
Culture and Recreation	24,425	21,509	22,977	23,412	24,179
Open Space and Mountain Parks	7,121	9,809	11,726	17,616	29,919
Housing and Human Services	12,738	14,362	9,925	13,602	10,431
Capital Outlay	1,961	1,826	1,390	1,729	1,254
Debt service payments:					
Principal	6,996	8,857	8,322	8,439	8,899
Interest	4,613	4,447	3,961	4,102	3,817
Cost of issuance - refunding bonds	-	-	-	-	-
Total expenditures	151,624	146,302	145,239	162,579	184,945
Excess (deficiency) of revenues (under) expenditures	(12,283)	(3,829)	3,272	(5,349)	9,329
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Base rentals to Boulder Municipal Property					
Authority Debt Service Fund	(4,527)	(4,647)	(5,000)	(4,444)	(4,540)
Proceeds from bonds payable	-	-	-	-	-
Extraordinary item	-	-	-	-	-
Notes/loans payable issued	1,940	2,520	-	-	-
Bonds issued (including refunding bonds)	-	-	-	20,482	12,416
Premium on bonds issued	-	-	-	-	-
Transfers in	24,735	18,805	18,188	18,540	20,259
Transfers out	(22,277)	(16,668)	(16,052)	(16,354)	(17,948)
Payment to refunding bond escrow agent	-	-	-	-	(12,311)
Total other financing sources (uses)	4,398	4,657	2,136	22,668	2,416
Net changes in fund balance	\$ (7,885)	\$ 828	\$ 5,408	\$ 17,319	\$ 11,745
Debt service as a percentage of noncapital expenditures***	7.9%	9.8%	9.2%	8.8%	8.5%

* Starting in 2008, other taxes is reported separately as follows:

Accommodation taxes, franchise taxes, specific ownership & tobacco taxes and excise taxes.

** Starting in 2008, gain on sale of capital assets is reported separately from governmental activities miscellaneous.

*** These percentages have been changed from prior year reports to more accurately reflect the debt service percentage of noncapital expenditures.

		Fiscal Year							
2008		2009		2010		2011		2012	
\$	84,867	\$	85,457	\$	87,802	\$	92,627	\$	97,397
	21,865		23,526		26,022		27,462		29,474
	-		-		-		-		-
	3,389		3,049		3,199		4,668		4,890
	9,131		9,121		10,858		10,295		12,310
	1,705		1,587		1,587		1,578		1,788
	2,748		1,847		837		1,927		1,290
	16,115		13,982		17,239		14,015		27,030
	329		318		812		368		628
	9,910		8,716		10,956		10,518		11,918
	15,192		15,589		17,043		13,647		16,420
	2,278		2,148		2,240		2,346		2,433
	5,698		1,392		1,445		1,416		879
	1,567		1,914		1,208		2,869		1,792
	174,794		168,646		181,248		183,736		208,249
	11,838		11,294		13,852		18,122		18,568
	8,773		8,749		8,597		8,504		9,149
	42,882		43,273		53,972		45,123		47,825
	29,204		32,276		31,970		29,558		22,178
	7,849		7,460		7,118		7,551		4,370
	26,195		27,029		26,352		26,839		25,677
	13,579		10,396		11,199		15,978		12,055
	12,736		13,443		15,308		12,022		13,384
	1,840		12,417		9,785		4,077		29,111
	10,331		11,561		9,895		9,715		10,549
	2,552		2,930		2,406		2,398		3,025
	-		-		28		104		-
	171,821		184,282		193,934		179,991		195,891
	2,973		(15,636)		(12,686)		3,745		12,358
	-		84		24		17		1,461
	(4,042)		(3,454)		(3,462)		(5,178)		(601)
	-		-		-		-		54,830
	-		-		-		(1,500)		-
	-		5,441		-		-		-
	-		30,685		9,203		-		-
	-		1,016		-		-		-
	20,795		20,745		21,638		22,576		18,168
	(18,706)		(18,410)		(18,563)		(19,415)		(16,378)
	-		(27,945)		-		-		-
	2,089		11,616		12,302		(3,500)		57,480
\$	5,062	\$	(4,020)	\$	(384)	\$	245	\$	69,838
8.3%		8.7%		7.8%		7.6%		9.1%	

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Market Sector	2003	2004	2005	2006	2007
Food Stores	\$ 266,587	\$ 298,690	\$ 295,719	\$ 305,797	\$ 315,876
Eating Places	231,091	254,215	264,788	281,966	306,927
Apparel Stores	60,280	65,694	69,535	71,349	79,051
Home Furnishings	77,585	79,635	81,784	80,872	85,709
General Retail	388,291	415,652	429,372	453,235	508,536
Transportation/Utilities	179,423	192,758	203,096	211,510	208,719
Automotive Trade	166,499	170,452	164,197	161,209	173,982
Building Material-Retail	50,528	55,579	58,356	87,678	91,274
Construction Use Tax	92,890	89,565	132,227	133,395	136,291
Construction Sales Tax	9,086	8,335	8,126	8,602	11,751
Consumer Electronics	37,928	41,570	49,663	54,812	69,954
Computer Related Business Sector	117,945	139,012	162,849	145,538	153,321
All Other	325,301	292,985	330,152	354,847	344,405
Refunds	(12,494)	(1,856)	(2,827)	(3,098)	(2,565)
Total Sales and Use Tax	<u>\$ 1,990,940</u>	<u>\$ 2,102,286</u>	<u>\$ 2,247,037</u>	<u>\$ 2,347,712</u>	<u>\$ 2,483,231</u>
Direct city sales tax rate	3.41%	3.41%	3.41%	3.41%	3.56%
Food service sales tax	0.15%	0.15%	0.15%	0.15%	0.15%
Total direct city sales tax	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</u>

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

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

	2008		2009		2010		2011		2012
\$	329,727	\$	328,338	\$	327,796	\$	359,707	\$	388,154
	321,062		311,060		321,904		347,871		384,485
	82,966		77,259		79,232		100,696		110,467
	80,115		75,883		76,487		81,304		81,243
	532,688		515,305		567,786		586,189		606,359
	231,463		215,137		220,981		215,462		208,713
	151,612		145,333		157,930		174,631		187,675
	90,428		82,342		87,238		85,319		94,886
	103,986		142,739		173,534		153,438		171,106
	11,960		11,263		14,922		16,147		12,006
	61,953		50,755		54,843		73,237		62,924
	158,410		168,124		146,311		167,503		188,876
	335,698		390,880		351,272		359,612		359,324
	(3,300)		(8,349)		(5,396)		(4,781)		-
\$	2,488,768	\$	2,506,069	\$	2,574,840	\$	2,716,335	\$	2,856,218
	3.41%		3.41%		3.41%		3.41%		3.41%
	0.15%		0.15%		0.15%		0.15%		0.15%
	3.56%		3.56%		3.56%		3.56%		3.56%

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years
(Unaudited)

Tax Year Levied	City Direct Rates								
	1964	1988							Parks & Rec
	General Fund Sales Tax No Expiration	General Fund Sales Tax No Expiration	General Fund Sales Tax Expires 12/31/24	Public Safety Sales Tax Expires 12/31/03	Open Space Sales Tax No Expiration	Open Space Sales Tax Expires 12/31/18	Open Space Sales Tax Expires 12/31/19	Transportation Sales Tax No Expiration	& General Muni Sales Tax No Expiration
2003	1.00%	0.38%	-	0.15%	0.40%	0.33%	0.00%	0.60%	0.15%
2004	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2005	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2006	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2007	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2008	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2009	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2010	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2011	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%
2012	1.00%	0.38%	0.15%	-	0.40%	0.33%	0.15%	0.60%	0.15%

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

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

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

				Overlapping Rates						
Parks Acquisition & Recreation Sales Tax Expires 12/31/15	Food Service Establishments Sales Tax No Expiration	Fire Training Center Sales Tax 2007 Only	Total Direct	State of Colorado	Regional Transportation District	Cultural District	Ball Stadium District	Boulder County	Total Overlapping	Total Direct and Overlapping
0.25%	0.15%	-	3.41%	2.90%	0.60%	0.10%	0.10%	0.55%	4.25%	7.66%
0.25%	0.15%	-	3.56%	2.90%	0.60%	0.10%	0.10%	0.55%	4.25%	7.81%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	0.15%	3.71%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.46%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.25%	0.15%	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%

CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago
(Unaudited)

(Amounts in 000's)

Market Sector	2003			2012		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	3	\$ 3,875	5.71%	4	\$ 7,296	7.49%
Automotive Trade	1	2,101	3.09%	1	2,494	2.56%
Computer Related Business Sector	2	2,752	4.05%	1	2,337	2.40%
General Retail, Utilities, & Other	4	7,657	11.28%	4	8,531	8.76%
Total	10	\$ 16,385	24.14%	10	\$ 20,658	21.21%

Source: City of Boulder Sales Tax Division.

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

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CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities						Business-Type Activities		
	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Revenue Notes Payable	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds	Lease Purchase Revenue Bonds
2003	\$ 71,214	\$ -	\$ 12,710	\$ 1,885	\$ 98	\$ 3,475	\$ 30,457	\$ 78,240	\$ -
2004	65,929	-	11,800	317	34	5,000	28,492	74,445	-
2005	60,375	-	10,850	69	-	3,500	25,643	116,899	-
2006	75,082	-	9,855	-	-	1,920	23,143	111,120	-
2007	67,755	-	8,810	-	-	1,536	20,431	101,792	-
2008	60,120	-	7,720	-	-	-	19,259	95,393	-
2009	58,410	-	6,614	-	-	500	18,071	88,780	-
2010	49,683	9,201	5,350	-	7,957	500	16,753	91,429	-
2011	41,746	8,881	4,054	-	7,763	250	15,350	84,861	-
2012	87,242	8,531	2,733	-	10,233	250	13,751	78,176	-

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

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

Business-Type Activities				Total Primary Government	Market Value of Taxable Property	Percentage of Property Values	Per Capita (1)
Revenue Notes Payable	Certificates Of Participation	Lease Purchase Revenue Notes	Capitalized Lease Obligations				
\$ 320	\$ 5,130	\$ 14,093	\$ -	\$ 217,622	\$ 13,178,606	1.65%	\$ 2,134
219	4,190	18,033	-	208,459	15,002,072	1.39%	2,043.72
113	3,485	17,776	-	238,710	15,071,496	1.58%	2,340.29
-	3,055	19,787	-	243,962	15,963,605	1.53%	2,391.78
-	2,605	16,869	-	219,798	16,088,279	1.37%	2,133.96
-	2,130	15,118	-	199,740	18,494,895	1.08%	1,920.58
-	1,635	13,024	-	187,034	18,685,545	1.00%	1,798.40
-	1,120	10,809	-	192,802	19,851,162	0.97%	1,987.65
-	575	6,739	-	170,219	20,545,932	0.83%	1,736.93
-	-	5,313	-	206,229	20,587,840	1.00%	2,083.12

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total	Taxable Sales	Percentage of Taxable Sales (1)	Per Capita (2)
2003	\$ 71,214	\$ 30,457	\$ 101,671	\$ 1,990,940	5.11%	\$ 996.77
2004	65,929	28,492	94,421	2,102,286	4.49%	925.70
2005	60,375	25,643	86,018	2,247,037	3.83%	843.31
2006	75,082	23,143	98,225	2,347,712	4.18%	962.99
2007	67,755	20,431	88,186	2,483,231	3.55%	856.17
2008	60,120	19,259	79,379	2,488,768	3.19%	763.26
2009	58,410	18,071	76,481	2,506,069	3.05%	735.39
2010	49,683	16,753	66,436	2,574,840	2.58%	684.91
2011	41,746	15,350	57,096	2,716,335	2.10%	582.61
2012	87,242	13,751	100,993	2,856,218	3.54%	1,020.13

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

(1) General bonded debt is repaid with sales tax revenues instead of property taxes. Taxable sales is used as a relevant basis for comparison.

(2) Personal income is not available at the City level; therefore, the per capita is used for this calculation as allowed.

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Debt

December 31, 2012
(Unaudited)

(Amounts in 000's)

<u>Jurisdiction</u>	<u>Par Value of Net General Obligation Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Boulder (2)</u>	<u>Amount Applicable to City of Boulder (3)</u>
Boulder Valley School District RE-2	\$ 362,535	52.89 %	\$ 191,752
Boulder Central Area General Improvement District	13,340	100.00	13,340
Northern Colorado Water Conservancy District (NCWCD)	4,657	18.16	846
Boulder County	-	44.52	-
Urban Drainage and Flood Control District (UDFCD)	-	6.86	-
Total Overlapping Debt			205,938
City Direct Governmental Activity Debt			108,989
Total Direct and Overlapping Debt			<u>\$ 314,927</u>

(1) Source for net general obligation debt outstanding: Boulder Valley School District No. 2, NCWCD, Boulder County, and UDFCD.

(2) Source for percentage applicable to City of Boulder: 2012 Abstract of Assessment and Summary of Levies (Boulder County Assessor's Office), NCWCD, UDFCD and Boulder Valley School District RE-2.

(3) The City's valuation is divided by each jurisdiction's valuation, with the exception of the Boulder Central Area General Improvement District, which is wholly within the City limits.

For 2012, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 2,500,706
Boulder Valley School District RE-2	4,727,938
NCWCD	13,768,657
Boulder County	5,617,090
UDFCD	36,430,336

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	2003	2004	2005	2006
Debt limit	\$ 57,886	\$ 59,129	\$ 59,120	\$ 62,759
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 57,886	\$ 59,129	\$ 59,120	\$ 62,759
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,500,706
Debt limit - 3% of assessed value	<u>75,021</u>
Debt applicable to limit:	
Total bonded debt	100,993
Deductions allowed by law:	
Self-supporting General Obligation bonds	<u>(100,993)</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 75,021</u></u>

2007	2008	2009	2010	2011	2012
\$ 62,838	\$ 72,496	\$ 76,882	\$ 76,981	\$ 74,943	\$ 75,021
-	-	-	-	-	-
<u>\$ 62,838</u>	<u>\$ 72,496</u>	<u>\$ 76,882</u>	<u>\$ 76,981</u>	<u>\$ 74,943</u>	<u>\$ 75,021</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Cross - Pledged Water and Sewer Bonds

<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expense (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Maximum Annual Debt Service Requirement</u>	<u>Coverage (3)</u>
2003	33,672	17,669	16,003	6,856	2.33
2004	31,978	18,830	13,148	6,856	1.92
2005	37,657	19,633	18,024	10,325	1.75
2006	43,761	20,657	23,104	10,325	2.24
2007	42,081	21,205	20,876	10,037	2.08
2008	43,394	23,340	20,054	10,029	2.00
2009	39,151	21,633	17,518	10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43

- (1) Gross revenue as defined by applicable bond ordinances includes gross Operating and Nonoperating Revenues, Plant investment fees and Special assessments in the Water Utility and Wastewater Utility Funds.
- (2) Direct operating expense equals Total Operating Expenses less Depreciation and Amortization Expense. In 2004, all prior year direct operating expense totals were restated to include the portion of the annual payment to the Municipal Subdistrict, Northern Colorado Water Conservancy District, that reduces the deferred credit for future water rights in the Water Utility Fund.
- (3) Prior to issuing additional parity bonds, the City must meet the following "facilities earnings test":

The annual gross revenue derived from the operation of the facilities for the fiscal year immediately preceding the date of the issuance of additional parity bonds must be sufficient to pay the annual operation and maintenance expenses of the facilities for that fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined maximum annual principal and interest requirements of the outstanding bonds, and any other bonds payable from and constituting a lien upon net income of the facilities, and the bonds proposed to be issued. (Per Section 7.03(b) of the 1999 Water and Sewer Revenue Bond Ordinance #6068, Section 7.03(b) of the 2000 Water and Sewer Revenue Bond Ordinance #7058, Section 7.03(b) of the 2001 Water and Sewer Revenue Bond Ordinance #7170, and Section 7.03(b) of the 2005 Water and Sewer Revenue Bond Ordinance #7421, and Section 7.03(b) of the 2005 Water and Sewer Revenue Bond Ordinance #7440.)

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage (continued)

Last Ten Years
(Unaudited)

(Amounts in 000's)

Stormwater and Flood Management Bonds

Fiscal Year	Gross Income (4)	Operating and Maintenance Expense (5)	Net Revenue Available for Debt Service	Average Annual Debt Service Requirement Total	Coverage (6)
2003	4,315	2,365	1,950	662	2.95
2004	4,693	2,854	1,839	651	2.82
2005	4,734	2,586	2,148	639	3.36
2006	5,215	2,751	2,464	625	3.94
2007	5,537	2,969	2,568	625	4.11
2008	5,988	3,237	2,751	608	4.52
2009	5,362	2,945	2,417	563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76

(4) Gross income as defined by applicable bond ordinances means all income and revenues derived directly or indirectly by the City from the fees, including interest earnings on moneys in any fund or account created by the bond ordinance and includes all revenues earned by the City therefrom.

(5) Operating and Maintenance Expenses means all reasonable and necessary current expenses of the City paid or accrued, of operating, maintaining and repairing the Flood Control System. It does not include depreciation, capital replacements, or operating, maintenance or repair reserves.

(6) Prior to issuing additional parity bonds, the City must meet the following "fee test":

The annual gross income for the fiscal year immediately preceding the date of the issuance of additional parity bonds shall have been sufficient to pay the annual operation and maintenance expenses of the Flood Control System for said fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined average annual principal and interest requirements of the Outstanding Series 1998 Bonds of the City payable from and constituting a lien upon net income from the fees and the bonds proposed to be issued.

(1998 Storm Water and Flood Management Revenue Refunding and Improvement Bond Ordinance #5981.)

CITY OF BOULDER, COLORADO

Statistical Data

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year Ended April 30	City of Boulder Population (1)	Boulder, Colorado Metropolitan Statistical Area			
		Population (2)	Total Personal Income (3)	Per Capita Income (4)	Unemployment Rate (5)(6)
2003	102	282	11,597	41.105	6.1%
2004	102	285	12,246	42.995	5.7%
2005	102	287	13,289	46.376	5.1%
2006	102	291	14,267	48.954	4.3%
2007	103	296	14,784	49.999	3.9%
2008	104	300	15,237	50.714	4.6%
2009	104	303	14,334	48.891	5.3%
2010	97	296	14,768	50.031	6.5%
2011	98	300	15,536	51.893	5.9%
2012	99	*	*	*	5.7%

- (1) Source: City of Boulder Department of Community Planning & Sustainability. Estimates are based on January 1.
- (2) Source: Colorado Department of Local Affairs, State Demography Office. Estimates are based on July 1.
- (3) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3.
- (4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Per Capita Income by Metropolitan Statistical Areas.
- (5) Source: Colorado Department of Labor and Employment (average annual rate for the City of Boulder).
- (6) Source: Starting in 2008, amounts were based on Boulder Economic Council estimates. Annual 2012 rate not yet available so October 2012 rate was used.

* 2012 Boulder, Colorado Metropolitan Statistic Area not available.

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

CITY OF BOULDER, COLORADO

Statistical Data

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment**	Employees	Rank	Percentage of Total County Employment**
University of Colorado at Boulder	7,312	1	4.43%	6,213	1	3.77%
Boulder Valley School District RE-2	4,000	2	2.42%	2,300	5	1.39%
St. Vrain Valley School District	3,238	3	1.96%			
Ball Corp	2,982	4	1.81%	2,500	4	1.52%
IBM Corp.	2,800	5	1.70%	4,800	2	2.91%
Level 3 Communications Inc.	2,478	6	1.50%	1,800	7	1.09%
Boulder Community Hospital	2,300	7	1.39%			
Covidien	1,860	8	1.13%			
Boulder County	1,848	9	1.12%	1,351	8	0.82%
University Corporation for Research (UCAR)	1,394	10	0.84%			
City of Boulder				1,291	9	0.78%
Sun Microsystems Inc.	-		0.00%	3,300	3	2.00%
Storage Technology Corp	-		0.00%	2,000	6	1.21%
ConAgra Foods	-		0.00%	1,200	10	0.73%
	<u>30,212</u>		<u>18.31%</u>	<u>26,754</u>		<u>16.21%</u>

Source: The Boulder County Business Report Book of Lists
and Colorado Department of Labor and Employment.

The Boulder County Business Report did not include public-sector employers prior to 2004.

Note:

** This list is the 10 largest employers in Boulder and Broomfield Counties.
Employment information specific to the City of Boulder
is not available for the years presented.

CITY OF BOULDER, COLORADO

Statistical Data

Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years
(Unaudited)

<u>Functions/Program</u>	<u>Full-Time Equivalent Employees</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government:					
City Council	1.00	1.00	1.00	1.00	1.00
Municipal Court	19.90	17.00	17.00	17.00	18.50
City Attorney	20.00	20.00	18.75	18.75	19.70
City Manager - Administration	10.00	10.00	10.00	10.00	10.00
City Manager - Downtown & University Hill Mgt	38.00	40.50	40.50	40.50	42.25
City Manager - Communications	11.50	11.00	11.50	11.50	11.50
City Manager - Urban Renewal Authority	3.00	-	-	-	-
Administrative Services:					
Human Resources	18.25	15.25	13.75	14.25	14.63
Finance	31.25	30.25	27.25	27.25	28.87
Information Technology	36.50	35.50	32.75	32.75	32.75
Public Safety:					
Police	276.50	256.25	263.25	263.25	269.25
Fire	112.33	108.33	111.33	111.33	111.33
Planning & Development Services	73.58	65.00	64.71	64.74	69.36
Environmental Affairs	5.00	4.00	6.00	6.00	5.50
Public Works:					
Administration	13.22	4.05	-	-	-
Fleet	17.05	17.25	16.90	16.90	16.87
Transportation	64.33	64.08	62.97	62.97	65.99
Utilities	142.42	148.67	150.44	150.44	154.93
Facility/Asset Management	15.80	13.10	13.51	13.51	13.58
Culture and Recreation:					
Parks and Recreation	159.25	144.50	149.22	145.25	144.62
Library	88.01	71.40	78.35	78.95	79.45
Arts	1.00	1.00	1.50	1.50	1.50
Open Space/Mountain Parks	77.00	70.50	69.00	77.58	83.25
Housing and Human Services	55.80	54.55	52.43	53.42	56.51
Total	<u>1,290.69</u>	<u>1,203.18</u>	<u>1,212.11</u>	<u>1,218.84</u>	<u>1,251.34</u>

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

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

Full-Time Equivalent Employees				
2008	2009	2010	2011	2012
1.00	1.00	-	-	-
18.50	18.00	16.25	16.25	16.25
18.65	18.65	18.65	18.65	20.15
16.50	16.50	14.30	11.80	12.68
42.25	42.25	42.25	42.25	42.25
6.00	6.00	4.00	5.50	6.50
-	-	-	-	-
16.38	16.63	14.88	14.88	15.38
29.37	28.37	26.37	33.50	34.00
35.25	35.25	33.50	34.50	34.50
273.25	273.25	269.50	276.50	279.50
111.33	112.33	112.33	112.33	115.33
72.56	76.56	79.47	78.66	82.97
9.50	10.50	-	-	-
-	-	-	-	-
16.87	16.87	14.87	14.82	14.82
68.24	68.69	67.10	59.28	59.52
155.18	156.23	155.90	154.84	154.84
14.58	14.58	14.58	14.68	14.68
145.82	146.99	139.24	126.12	126.37
80.20	79.95	76.95	75.45	75.13
1.50	1.50	1.50	1.50	2.00
92.00	91.00	90.50	85.60	89.60
56.24	57.42	56.10	53.39	46.73
1,281.17	1,288.52	1,248.24	1,230.50	1,243.20

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2003	2004	2005	2006	2007
General Government:					
Municipal Court:					
Traffic tickets processed	11,738	13,554	11,928	12,554	11,204
General summons processed	2,917	3,079	3,306	4,249	3,760
Animal summons processed	598	752	707	1,459	1,366
Arraignments	5,192	4,595	4,986	5,030	3,974
Court trials	219	194	185	150	114
Jury trials	6	2	6	4	6
Public Safety:					
Police:					
Number of police officers	176	171	171	171	171
DUI arrests	748	919	1,115	1,163	989
Traffic summons	17,275	19,336	18,226	17,914	19,554
Total traffic accidents	4,159	4,180	3,644	3,552	3,641
Total calls for service	79,738	77,392	79,354	84,747	87,320
Fire:					
Number of firefighters	92	95	95	95	95
Total annual responses	8,015	7,735	8,327	8,679	8,943
Percentage of responses within 6 minutes	**	84%	85%	69%	80%
Planning & Development Services:					
Number of applications received	5,911	5,698	5,689	5,642	5,920
Number of zoning and environmental code enforcement cases	2,594	2,921	3,920	3,260	4,515
Public Works:					
Transportation					
Daily vehicle miles of travel in Boulder Valley	2.63 million	2.63 million	2.62 million	2.61 million	2.57 million
Culture and Recreation:					
Parks and Recreation:					
Recreation center attendance	421,713	416,370	412,049	432,901	464,432
Outdoor pool attendance	39,570	34,160	41,406	41,558	58,954
Adult athletics participation	204,335	198,944	198,944	201,040	216,550
Recreation class enrollment	25,757	25,311	24,966	25,818	27,791
Reservoir attendance	200,000	200,000	117,194	91,207	57,408
Rounds of golf	45,445	42,955	48,052	47,966	48,384
Library:					
Circulation of books, videos, tapes	1,138,367	1,058,470	1,088,504	1,109,619	1,183,717
Remote use of library resources online	306,965	562,819	737,227	1,630,945	2,028,526
Adults participating in cultural and educational programs	65,760	48,802	54,136	62,211	65,455
Attendance at outreach program activities	6,054	5,237	5,424	8,647	7,554
Arts:					
Participants in Boulder Arts Resource	275	310	456	523	555
Housing and Human Services:					
Number of permanently affordable housing units added on an annual basis	192	202	61	117	147

Source: City of Boulder departmental records.

** Indicator not available

2008	2009	2010	2011	2012
13,782	13,260	17,433	17,181	15,681
4,099	4,510	4,351	6,028	6,498
986	1,055	870	1,318	1,635
4,716	5,543	5,218	5,437	5,810
93	98	87	69	63
9	8	8	20	12
171	171	171	173	173
1,089	781	767	674	706
21,205	15,304	18,394	17,530	16,547
3,242	3,405	3,222	3,328	3,183
78,204	77,745	76,383	81,218	91,675
95	96	96	96	96
8,943	9,730	9,535	10,111	10,293
80%	72%	77%	76%	74%
5,781	5,532	6,309	5,888	6,488
3,000	2,821	1,995	2,145	706
2.49 million	2.46 million	2.49 million	2.34 million	2.34 million
453,248	428,682	422,200	628,639	725,000
58,643	83,335	88,303	83,707	77,441
234,567	237,292	236,950	250,372	175,543
26,583	26,671	22,201	21,794	23,092
48,713	36,582	42,688	330,205	238,265
49,360	43,348	38,293	39,440	43,974
1,274,299	1,354,742	1,363,545	1,384,900	1,446,816
1,792,633	669,217	806,770	804,998	748,917
66,994	37,319	33,175	33,298	31,063
14,569	5,796	4,525	4,185	5,312
625	677	678	718	737
163	84	100	24	18

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2003	2004	2005	2006	2007
Public Safety:					
Police:					
Number of stations and annexes	4	3	3	3	3
Fire:					
Number of stations	7	7	7	7	7
Public Works:					
Fleet Services:					
Cars, pickups, vans, and motorcycles	286	280	282	281	297
Fire apparatus	11	11	11	11	11
Other heavy trucks and equipment	494	503	493	490	477
Total equipment in fleet	791	794	786	782	785
Transportation:					
Miles of streets	290	294	285	287	288
Number of street lights	4,517	4,546	4,525	4,562	4,567
Utilities - Water:					
Number of water accounts	28,273	28,303	28,426	28,555	28,578
Average daily water production (000's)	17,529	17,055	17,326	18,187	16,458
Miles of water mains	440	440	441	449	451
Utilities - Sewer:					
Miles of sanitary sewer mains	345	346	348	349	349
Miles of storm sewers	124	121	138	138	138
Culture and Recreation:					
Parks and Recreation:					
Acres of urban parks	1,880	1,880	1,880	1,880	1,880
Library:					
Number of libraries	4	4	4	4	4
Number of library items in collection	435,090	408,163	418,417	419,339	389,805
Open Space/Mountain Parks:					
Acres of mountain parks and open space	42,766	42,873	43,221	43,497	44,921

Source: City of Boulder departmental records.

(1) Vehicle records were not available prior to 2003.

2008	2009	2010	2011	2012
3	4	3	4	4
7	7	7	7	7
311	343	355	347	312
11	22	15	14	14
658	594	585	607	677
980	959	955	968	1,003
289	292	293	293	295
4,608	4,638	4,678	4,689	4,742
28,359	28,458	28,519	28,619	28,759
16,900	15,400	17,300	17,000	17,600
451	458	461	463	463
351	350	375	355	355
150	124	183	186	153
1,880	1,880	1,880	1,800	1,800
4	4	4	4	4
389,805	403,960	405,034	392,506	390,427
45,090	45,091	45,130	45,405	45,591

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CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture:			
Passed through Colorado State Forest Service:			
Cooperative Forestry Assistance (CSFS 2012- Bison)	10.664	520018	\$ 37,333
Total Department of Agriculture			37,333
Department of Housing and Urban Development:			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	N/A	573,486
Subtotal CDBG - Entitlement Grants Cluster			573,486
HOME Investment Partnerships Program	14.239	N/A	1,059,731
Total Department of Housing and Urban Development			1,633,217
Department of Interior:			
Passed through Fish and Wildlife Service:			
Sport Fish Restoration Program (S Boulder Creek Habitat Improvement)	15.605	CMS-520017	125,000
Historic Preservation Fund Grants-In-Aid:	15.904	None provided	2,347
Colorado Historical Society 2012 CLG			
Total Department of Interior			127,347
Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program - 2011	16.607	N/A	5,730
Edward Byrne Memorial Justice Assistance Grant Program - 2010	16.738	N/A	8,687
Edward Byrne Memorial Justice Assistance Grant Program - 2011	16.738	N/A	31,518
Edward Byrne Memorial Justice Assistance Grant Program - 2011 (ICAC Grant 2011)	16.738	N/A	2,875
Edward Byrne Memorial Justice Assistance Grant Program - 2012	16.804	N/A	9,757
Passed through Colorado Department of Revenue:			
Enforcing Underage Drinking Laws Program - 2011	16.727	TAA 12/37392	25,711
Total Department of Justice			84,278
Department of Transportation:			
Direct Programs:			
Airport Improvement Program (Parking Ramp)	20.106	N/A	11,289
Airport Improvement Program (Land Purchase)	20.106	N/A	46,923
			58,212
Highway Planning and Construction Cluster:			
Passed through Colorado Department of Transportation:			
Safe Routes to School	20.205	None provided	54,905
Safe Routes to School	20.205	None provided	52,358
HOP Transit Signal Priority	20.205	None provided	18,114
Transportation Equity Act	20.205	None provided	4,597,041
ARRA - Foothills Path	20.205	None provided	111,585
Subtotal Highway Planning and Construction Cluster			4,834,003
Total Department of Transportation			4,834,003

CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Veteran's Affairs:			
Direct Programs:			
United States Olympic Committee	64.000	N/A	18,938
Total Department of Veteran's Affairs			18,938
Department of Energy:			
Direct Programs:			
PHEV	81.086	N/A	234,912
ARRA - Renewable Energy Research and Development (Boulder Canyon Hydro Grant)	81.087	N/A	153,320
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	N/A	49,358
Total Department of Energy			437,590
Department of Education:			
Passed through Boulder Valley School District			
21st Century Community Learning Centers	84.287	None provided	38,689
Total Department of Education			38,689
CCDF Cluster:			
Direct Programs:			
Child Care and Development Block Grant:			
School Readiness Grant - ECEC	93.575	N/A	12,108
Passed through Qualistar Early Learning:			
Child Care Mandatory and Matching Funds of the			
Child Care and Development Fund	93.596	None provided	31,894
Passed through Colorado Department of Human Services:			
Temporary Assistance to Needy Families	93.558	None provided	2,784
Total Department of Health and Human Services			46,786
Department of Public Safety:			
Passed through Colorado Homeland Security			
Barker Dam Security Upgrades	97.067	N/A	60,286
Passed through Arapahoe County			
Bomb Squad Video Xray Equipment	97.067	10SH11NCR	59,270
Total Department of Public Safety			119,556
Total Federal Expenditures			\$ 7,435,949

See notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Boulder, Colorado for the year ended December 31, 2012. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the city has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
CDBG - Entitlement Grants	14.218	\$ 368,760
HOME Investment Partnerships Program	14.239	\$ 946,090
Enforcing Underage Drinking Laws Program	16.727	\$ 3,696
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 36,239

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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boulder, Colorado (the city) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the city's basic financial statements, and have issued our report thereon dated July 2, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses and, therefore, there can be no assurance that all material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the city's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 12-01 to be a material weakness.

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

Compliance

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

City's Response to Findings

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

Other Matters

We also noted certain matters that we reported to city's management in a separate letter dated July 2, 2013.

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

BKD, LLP

Denver, Colorado
July 2, 2013

**Independent Auditor's Report on Compliance with
Requirements That Could Have a Direct and Material Effect on
Each Major Program and on Internal Control Over Compliance in
Accordance with OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Boulder, Colorado (the city) with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The city's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the city's management.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of city's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the city's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the city's compliance with those requirements.

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

Opinion on Each Major Federal Program

In our opinion, the city complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matter

The results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 12-02. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

The management of the city is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the city's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the city's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-03 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 12-02 to be significant deficiencies.

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

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

Other Matter

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

BKD, LLP

Denver, Colorado
July 2, 2013

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CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of auditor’s report issued:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed
2. Internal control over financial reporting:
Material weakness(es) identified? ☒ Yes ☐ No
Significant deficiency(ies) identified? ☐ Yes ☒ No
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major programs
Material weakness(es) identified? ☒ Yes ☐ No
Significant deficiency(ies) identified? ☒ Yes ☐ No
5. Type of auditor’s report issued on compliance for major programs:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☒ Yes ☐ No

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

7. Identification of major programs:

CFDA Number	Cluster/Program
14.218, 14.253	CDBG – Entitlement Grants Cluster, including ARRA
14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction Cluster
81.087	ARRA – Renewable Energy Research and Development

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000.

9. Auditee qualified as a low-risk auditee? ☐ Yes ☒ No

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

Section II – Financial Statement Findings

Reference Number	Finding
12-01	<p>Finding: Weaknesses in the Review Process Over Financial Reporting</p> <p>Criteria: A strong internal control environment includes a process in which transactions are reviewed by a member of management, other than the individual who initiates the transaction. This helps ensure both the accuracy of the recognition of the transaction, and allows another level of control over financial reporting.</p> <p>Condition: During the audit, several journal entries were made after the closing date of the general ledger. Some of these entries were the result of questions proposed by us while others were adjustments discovered independently by management. In some cases the entries were initiated by management to correct previously recorded entries found to be in error. These adjusting journal entries included an adjustment to capital assets whereby certain capital assets were erroneously expensed instead of being capitalized. In addition, during the course of evaluating internal controls, we discovered a lack of documented review over the following areas:</p> <ul style="list-style-type: none">• Journal entries made by those outside of the finance department.• Monthly bank reconciliations are not being performed timely and the review of these reconciliations are being performed two or three months after the applicable month's end.• Monthly investment income reconciliations displayed no indication of review.• Change requests over information technology did not have any formal documentation of review. <p>Cause: The city does not have a policy of requiring journal entries to be reviewed prior to posting. Furthermore, the review requirement and process over other areas does not appear to be consistently performed in a timely manner.</p> <p>Recommendation: We recommend that the city implement a requirement that journal entries be reviewed prior to posting. Given the magnitude of entries in the City, at the very least, any unusual and/or significant entries or entries over complex transactions, should be reviewed by a higher level of finance department management. In all cases the review process should be formally documented through the reviewers initial's or sign-off and dated as to when the review is performed. In order to be truly effective, the review should be performed timely and by a person with the competencies and expertise to fully understand the transaction.</p>

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

**Reference
Number**

Finding

Views of responsible officials and planned corrective actions:

Response: Agreed. In June 2013, the Finance Department implemented review processes for journal entries created both inside and outside of the Finance Department. The current financial system does not allow for an automated workflow approval process; therefore, all unusual and/or significant journal entries will be reviewed and manually signed-off by the Financial Reporting Manager, Controller, or Director of Fiscal Services. The approval will occur before the entry is entered into the financial system for entries generated by Finance Department staff. The approval will occur after the entry is entered into the financial system for entries made by staff in other city departments. If an error is found during the review, the appropriate correction will be made and communicated by Finance Department staff to the departments. Finance staff will continue to assist the departments with understanding how to make correct entries.

Person responsible for implementing: Cheryl Pattelli, Director of Fiscal Services.

Implementation date: The city will begin implementing a new finance system later this year and should have the system fully implemented by early 2015. Because the new system will allow for an automated workflow approval process, our intention is to have all journal entries reviewed and approved by the appropriate Finance Department management staff prior to those entries being posted to the system.

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
12-02	<p>Finding: Subrecipient Monitoring</p> <p>CFDA No. 14.218 - CDBG Entitlement Grants Cluster, Department of Housing and Urban Development</p> <p>CFDA No. 14.239 - HOME Investment Partnerships Program, Department of Housing and Urban Development</p> <p>Criteria: The U.S. Office of Management and Budget (OMB) Circular A-133, <i>Compliance Supplement</i> requires that the pass-through entity ensure required subrecipient single audits are performed. Additionally, monitoring of subrecipients' use of Federal awards should be performed via reporting, site visits, regular contact, or other means to provide reasonable assurance of compliances with laws, regulations, and provisions of contracts or grant agreements.</p> <p>Condition: The Housing Department (the Department) did not have procedures in place during the year to ensure that subrecipients had the required A-133 audits performed. While some monitoring of subrecipients was performed, the monitoring was not consistent between subrecipients and could be improved.</p> <p>Questioned Costs: None</p> <p>Context: We selected 5 of the 20 subrecipients for testing, noting that the required A-133 reports were not requested or received prior to year-end.</p> <p>Effect: The Department could be unaware of noncompliance or internal control deficiencies related to A-133 programs that it has awarded to subrecipients. As such, the Department may not be performing appropriate monitoring and follow-up to ensure corrective action plans are implemented and risks are mitigated.</p> <p>Cause: The Department became aware of this requirement during the prior year single audit but due to restructuring and staff turnover did not get procedures implemented in time to correct the situation for 2012.</p> <p>Recommendation: We recommend that the Department continue with the procedures implemented in 2013 to obtain A-133 single audit reports from subrecipients and perform the required follow-up procedures as warranted. We also recommend that a formal plan for on-site, quarterly reporting, earmarking and reimbursement request monitoring be developed and consistently applied to all subrecipients unless a formally documented risk based assessment supports a differing approach.</p>

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

Reference Number	Finding
	<p>Views of responsible officials and planned corrective actions:</p> <p>Response: Agree. The Housing Department has since created a spreadsheet that lists all the Federal grants subrecipients (Government and Non-Profit entities). The sole purpose of this spreadsheet is to keep track of all subrecipient information requested and reviewed. After the asset manager and accountant have completed the review process, all subrecipient financial and single audit information hard copies will be initialed and filed under their respective compliance folder. We have subsequently performed this process for 2011 subrecipients and have scheduled for September 2013 follow-up with subrecipients to request their 2012 Single Audit information and start the review process.</p> <p><i>Person responsible for implementing:</i> Jucienne C. Azevedo-Wilk, Treasury and Financial Reporting Accountant</p> <p><i>Implementation date:</i> January 31, 2013</p>

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

Reference Number	Finding
12-03	<p>Finding: Procurement</p> <p>CFDA No. 14.218 - CDBG Entitlement Grants Cluster, Department of Housing and Urban Development</p> <p>CFDA No. 14.239 - HOME Investment Partnerships Program, Department of Housing and Urban Development</p> <p>Criteria: Per 2 CFR 180, all nonfederal entities are prohibited from contracting with or making sub-awards under covered transactions with parties that are suspended or debarred or whose principals are suspended or debarred.</p> <p>Condition: We noted that procedures to ensure compliance with this requirement were not being applied to all contracts/awards.</p> <p>Questioned Costs: None</p> <p>Context: We tested 6 out of 20 contract/award files to evaluate compliance with the applicable requirements and noted the issues described above.</p> <p>Effect: By not following procedures to ensure contractors/awardees have not been suspended or debarred, the Department risks contracting with and making payments to a contractor/vendor that has been suspended or debarred in a violation of Federal regulations.</p> <p>Cause: The Department was not fully aware that the suspension and debarment requirements applied to all contracts and appears to be only applying the required compliance procedures in construction situations.</p> <p>Recommendation: We recommend that the Department apply suspension and debarment procedures and/or language to all applicable covered transaction. In addition, we recommend that the city clarify and formally remind departments of the procurement policies and procedures outlining that the "Excluded Parties List Service" should be reviewed on an annual basis and prior to awarding a contract, award, purchase order or contract extension and that such review is to be documented by including supporting documentation in the contract file. As other methods of meeting the suspension and debarment requirements are available, the city could consider revising existing policies to include the other options that may be easier to implement and monitor.</p>

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2012

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

Response: Agree. The following suspension and debarment language, was added to nonfederal entity contracts of the Department: "The Contractor/grantee represents and warrants that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency. The Contractor represents and warrants that to its knowledge, the Owner and the Owner's principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency."

Person responsible for implementing: Kelly Stapleton, Funding Program Administrator

Implementation date: January 31, 2013

CITY OF BOULDER, COLORADO
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2012

Reference Number	Summary of Finding	Status
11-01	Correction of an error The City should closely review the accounting treatment and related entries for complex, unusual, and/or infrequent transactions to ensure they are properly recorded.	See current year finding 12-01.
11-02	Segregation of Duties The City should consider reviewing the purchasing function to determine whether conflicts of duties can be eliminated. Furthermore, we recommend all compensating controls be consistently maintained and performed.	Implemented.
11-03	Renewable Energy Research and Development (ARRA) <i>Reporting</i> - The City should implement a detailed secondary independent review of all reports be performed and documented.	Implemented.
11-04	Energy Efficiency and Conservation Block Grant Program (ARRA) CDBG Entitlement Grants Cluster HOME Investment Partnerships Program <i>Subrecipient Monitoring</i> - The City should ensure all departments are aware of subrecipient monitoring requirements and should consider amending subrecipient contracts and award templates.	See current year finding 12-02.

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Boulder
		YEAR ENDING : December 2012
This Information From The Records Of: City of Boulder		Prepared By: Fred Kellam, Financial Analyst Phone: 303-441-4261

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	3,725,771
3. Other local imposts (from page 2)	7,267,637
4. Miscellaneous local receipts (from page 2)	1,024,464
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	22,860,000
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	22,860,000
7. Total (1 through 6)	34,877,871
B. Private Contributions	0
C. Receipts from State government (from page 2)	3,945,580
D. Receipts from Federal Government (from page 2)	3,621,935
E. Total receipts (A.7 + B + C + D)	42,445,387

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	14,632,403
2. Maintenance:	2,143,425
3. Road and street services:	
a. Traffic control operations	2,524,606
b. Snow and ice removal	765,202
c. Other	2,546,772
d. Total (a. through c.)	5,836,580
4. General administration & miscellaneous	2,841,510
5. Highway law enforcement and safety	3,425,394
6. Total (1 through 5)	28,879,312
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	431,491
b. Redemption	0
c. Total (a. + b.)	431,491
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	431,491
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	29,310,803

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	22,860,000	0	22,860,000
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	9,360,538	15,859,615	21,591,410	3,628,744	0
Capital Improvement Bond Fund (Street & Road)	0	22,860,000	3,993,622	18,866,378	0
General Fund (Street & Road)	0	3,725,771	3,725,771	0	0
Totals	9,360,538	42,445,387	29,310,803	22,495,122	0

Notes and Comments:

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

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2012	

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	86,021	a. Interest on investments	92,646
b. Other local imposts:		b. Traffic Fines & Penalties	105,820
1. Sales Taxes	6,356,445	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	585,902	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	567,021
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	239,268	g. Other Misc. Receipts	258,977
6. Total (1. through 5.)	7,181,615	h. Other	0
c. Total (a. + b.)	7,267,637	i. Total (a. through h.)	1,024,464
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,419,853	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	254,929	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	641,373	e. U.S. Corps of Engineers	0
e. Other - CDOT	629,425	f. Other Federal (FHWA)	3,621,935
f. Total (a. through e.)	1,525,727	g. Total (a. through f.)	3,621,935
4. Total (1. + 2. + 3.f)	3,945,580	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	300,027	2,886,145	3,186,172
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	681,464	4,596,982	5,278,446
(4). System Enhancement & Operation	1,022,196	5,145,590	6,167,786
(5). Total Construction (1) + (2) + (3) + (4)	1,703,660	9,742,572	11,446,232
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	2,003,687	12,628,717	14,632,403
			(Carry forward to page 1)

Notes and Comments: