

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Boulder, Colorado  
for the fiscal year endd December 31, 2011

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# CITY OF BOULDER, COLORADO

## Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2011

Prepared by the Department of Finance

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**Comprehensive Annual Financial Report**

**December 31, 2011**

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

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June 18, 2012

To: Honorable Mayor Matt Appelbaum, 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, 2011.

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 unqualified (“clean”) opinion on the city of Boulder’s financial statements for the year ended December 31, 2011. 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 the 2010 census was 97,385.

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 that 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 a two-year budget process and adopts a biennial budget by December 1<sup>st</sup> of the year prior to the two-year budget period. Even though the budget is adopted for a two-year term, the State and City Charter require that prior to each fiscal year; an appropriation ordinance must be adopted to authorize budgeted expenditures for the coming fiscal year. Therefore, an annual appropriation ordinance is needed to formalize the budget for the second year.

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 2011 expected a 4.40% increase from 2010. Actual sales and use tax revenues for the City increased by 5.73%. The majority of the total sales and use tax variance is due to a boost from non-recurring business/consumer use and motor vehicle taxes with year to date increases of 21.24% and 13.45% respectively. Without considering the business/consumer use and motor vehicle taxes, sales tax revenues would have increased 4.69% for the year, exceeding the 4.40% projection for 2011.

Sales and use tax revenues make up approximately 45% of the General Fund, 97% of the Open Space and Mountain Parks Fund, and 67% of the Transportation Fund total revenues.

The property tax base has declined for the first time in many years. The assessed valuation for property within the City of Boulder decreased from \$2.571 billion in 2010 to \$2.507 billion in 2011, or by 2.5%. Taxes levied against this reduced 2011 assessed valuation will be collected in 2012. However, much of the resulting decrease 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 will be limited to .5 mills per year until the full amount of the existing tax levy of 11.981 mills is restored and retained. Based on the 2011 assessed valuation for taxes to be collected in 2012, the remaining TABOR limitation is expected to be fully eliminated.

### Projections for the Future

According to The Colorado Outlook Report, released March 19, 2012, the economy has been upgraded with reservations, by the Office of State Planning and Budgeting (OSPB).

Continued improvement in the job market and increased confidence among households and businesses are expected to help the economy grow. Further, the sustained production of goods, both nationally and in Colorado, are building a better foundation for growth. Lastly, loosened credit is providing businesses and households new money for investments and spending.....

Though improving, some sectors of the national and Colorado economies are still experiencing the aftermath of the housing bust and financial crises. Additionally, persistent headwinds should hinder stronger economic growth. These include slowing in large economies in other parts of the world, most notably Europe and China, and elevated price levels, particularly for gasoline. Finally, downside risks remain as a result of the continuing European sovereign debt problems, the potential for higher than expected inflation, and a possible rise in historically low interest rates. Thus, though the forecast for 2012 improved somewhat from December, OSPB still expects only modest and likely uneven growth in 2012 and 2013...

The change in March 2012 year-to-date sales and use tax revenue from the similar period in 2011 is as follows:

<b>March YTD 2012 versus 2011</b>		
<b>Tax Category</b>	<b>% Change</b>	<b>% of Total</b>
Retail Sales Tax	.16%	78.27%
Business / Consumer Use Tax	(25.27)%	8.09%
Construction Use Tax	103.49%	10.88%
Motor Vehicle Use Tax	11.51%	2.76%
Refunds	(100.00)%	(0.00)%
<b>Total YTD Sales/Use Tax</b>	<b>3.38%</b>	<b>100.00%</b>

### **ANALYSIS OF RESULTS**

- Retail Sales Tax – Actual retail receipts are up by .16%.
- Business/Consumer Use Tax – This category tends to be volatile in nature and the short-term results do not necessarily reflect trends. A significant reason for the negative performance in 2012 is the fact that considerable audit revenue was collected in January of 2011. The scope of this revenue is not expected to be duplicated in 2012.
- Construction Use Tax – this category is up by 103.49% year to date as of March 2012. This strong year over year improvement is in part caused by a low number of construction projects subject to the use tax in the early part of 2011.
- Motor Vehicle Use Tax is up by 11.51%. Vehicles purchased by owners in the City of Boulder, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city.

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

The actual percentages for 2010 and 2011, along with the 2012 sales tax projections for the city of

Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

<b>Forecast</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Base Sales/Use Tax actual/forecast - city of Boulder	2.64%	5.73%	(.06%)
Denver-Boulder CPI-U actual/forecast	1.9%	3.7%	2.4%
Projected Statewide Retail Sales Trade Growth	6.3%	6.9%	5.3%
Projected Statewide Personal Income Growth	3.8%	5.2%	4.4%

### **THE IMPORTANCE OF SOUND FINANCIAL PLANNING, DOWNSIZING STRATEGY AND ACTIONS**

During good times and bad, the city of Boulder believes that sound financial plans and processes are critical to maintaining long-term financial integrity and engages in the following “best practice” processes:

- Priority-Based Budgeting that prioritizes, classifies, and stratifies ongoing and new operating programs plus capital improvement projects in the city.
- Adequate emergency/stabilization and working capital reserves.
- Adequate facility and equipment renovation and replacement reserves.
- Development of multi-year financial plans for all funds.
- Ongoing monitoring of revenues and expenditures.
- Development of contingency plans.
- Requirements that non-recurring revenues will not be used to fund on-going costs.
- Development of six-year capital improvement plans, integrating operating costs.
- Annual financial reports qualifying for the GFOA financial reporting award.
- Budget documents qualifying for the GFOA budgeting award.

These plans and processes have provided the “blueprint” for the on-going fiscal sustainability of the municipal corporation of Boulder, Colorado.

### **MAJOR INITIATIVES**

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

The 2012 Capital Improvements Program includes proposed funding of \$23.8 million for 76

projects. The entire six-year (2012-17) CIP includes proposed funding of \$170.5 million for 160 projects. This 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 \$33.2 million; (ii) parks and recreation projects totaling \$13.9 million including development of new community parks and renovation of existing facilities; (iii) \$34.5 million in transportation system improvements including improvements to 28<sup>th</sup> Street, 30<sup>th</sup> street access improvements for the Boulder Transit Village Station and FasTracks commuter rail development; (iv) \$43.6 million for water utility fund capital projects including waterline replacement projects and Betasso and Boulder Reservoir water treatment plant rehabilitation projects; (v) \$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) \$23.6 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 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](http://www.bouldercolorado.gov)) under the Finance Department budget page.

## **OTHER FINANCIAL INFORMATION**

### **Debt Ratings**

During 2011, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited in the past for these high rating levels have been the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy and the lesser reliance of the city's General Fund on sales taxes when compared with other Colorado municipalities

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its CAFR for the fiscal year ended December 31, 2010. This was the twenty-second consecutive year that the city has achieved this prestigious award and the thirtieth 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.

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 2011 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, 2010. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

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

### **ACKNOWLEDGMENTS**

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

Respectfully submitted,



Duane Hudson, CPA  
Controller

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# 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, 2010

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.



*Linda C. Sandson*

President

*Jeffrey R. Enev*

Executive Director

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

At December 31, 2011

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

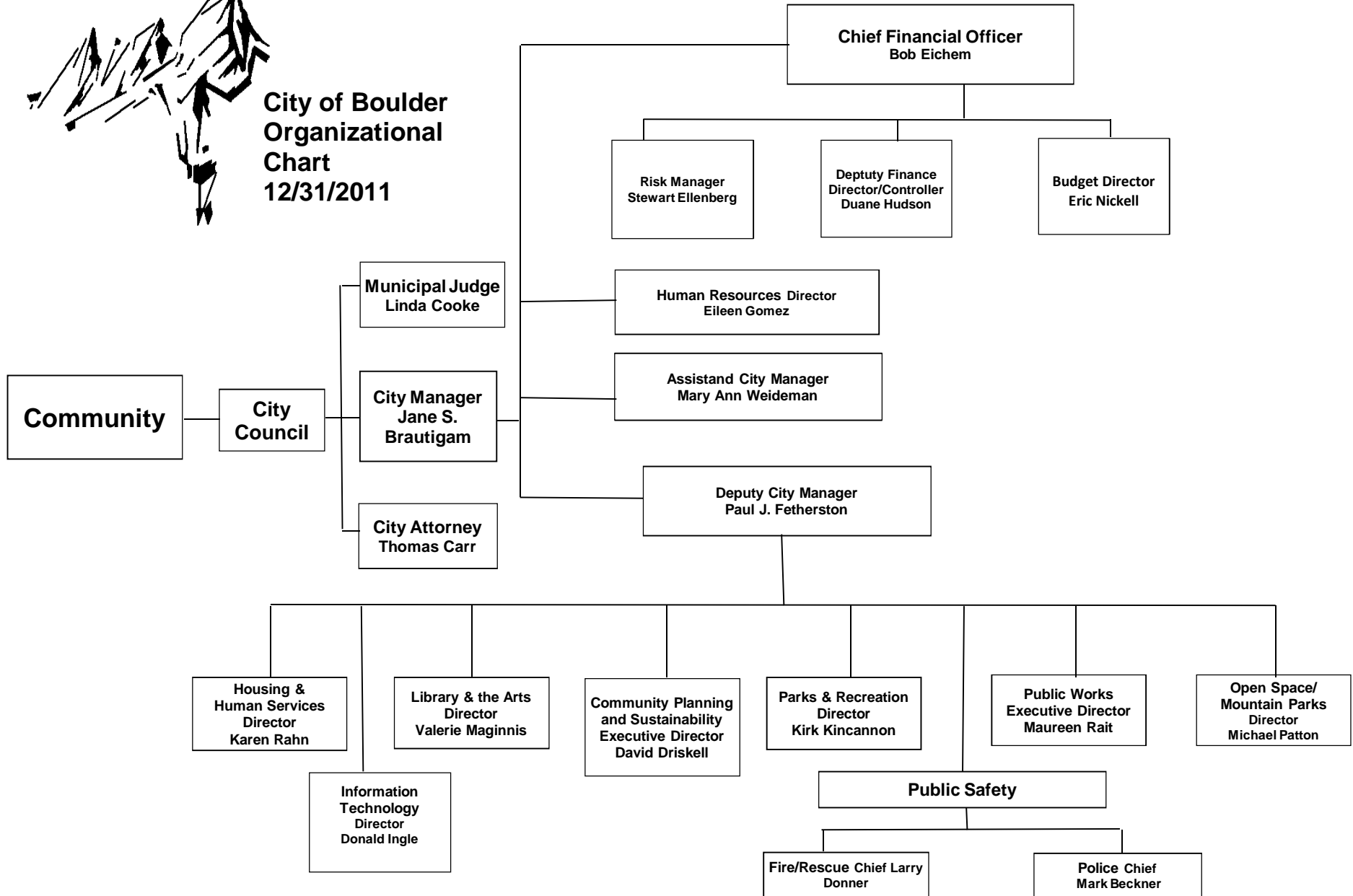
City Manager:	Jane Brautigam
Deputy City Managers:	Paul Fetherston
Chief Financial Officer:	Bob Eichem
Controller	Duane Hudson

Contributing Finance Staff

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



**City of Boulder  
Organizational  
Chart  
12/31/2011**



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## **Independent Accountants' 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund, open space and mountain parks fund and the transportation fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note Z, the previously issued 2010 financial statements have been restated to correct a material misstatement therein.

As discussed in Note AA, in 2011 the City changed its method of accounting for fund balances through retrospective application to prior years' financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2012, 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

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

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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits and pension information, as 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other schedules - 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, are presented for purposes of additional analysis and are 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.

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.

*BKD, LLP*

June 18, 2012

City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

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, 2011. 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 2011 by \$928.7 million (\$535.4 million in governmental activities net assets and \$393.3 million in business-type activities net assets). Of the governmental activities net asset total, \$88.8 million, or 17%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$67.2 million, or 17%, of business-type activities net assets are unrestricted.
- Total net assets of the city increased \$36.1 million, or 4%, compared to 2010. Net assets of the city's governmental activities increased \$19.4 million, which represents an increase of 4% from 2010. Net assets of the city's business-type activities increased \$16.7 million, or 4%, over 2010.
- Total revenues, excluding transfers and extraordinary items, increased \$9.4 million, or 4%, compared to 2010. Governmental activities revenues increased \$3.2 million, or 2%, to \$184.2 million, while revenues of business-type activities increased \$6.2 million, or 11%, to \$62.7 million compared to 2010.
- The total expenses of all the city's programs, excluding transfers and extraordinary items, increased \$5.9 million, or 3%, to \$210.9 million compared to 2010. The expenses of governmental activities programs increased \$5.3 million, or 3%, to \$163.7 million, while the expenses of business-type activities increased \$0.5 million, or 1%, from 2010 to \$47.2 million.

As of December 31, 2011, the city's governmental funds reported a combined ending fund balance of \$84.6 million. Approximately 63.8%, or \$54.0 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 themselves.

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 assets* presents information on all of the city's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 assets may serve over time as a useful indicator of the city's financial position. Our analysis below focuses on the net assets and changes in net assets of the city's governmental and business-type activities.

**Table 1 - Net Assets** (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	2010 *	2011	2010	2011	2010 *
Current and other assets	\$ 186,355	\$ 183,981	\$ 81,718	\$ 82,079	\$ 268,073	\$ 266,060
Capital assets	478,204	465,440	428,939	426,322	907,143	891,762
Total assets	664,559	649,421	510,657	508,401	1,175,216	1,157,822
Noncurrent liabilities	76,861	86,181	108,963	121,615	185,824	207,796
Other liabilities	52,312	47,227	8,413	10,199	60,725	57,426
Total liabilities	129,173	133,408	117,376	131,814	246,549	265,222
Net assets:						
Invested in capital assets	418,691	395,174	325,861	310,791	744,552	705,965
Restricted	27,932	35,733	254	249	28,186	35,982
Unrestricted	88,763	85,106	67,166	65,547	155,929	150,653
Total net assets	\$ 535,386	\$ 516,013	\$ 393,281	\$ 376,587	\$ 928,667	\$ 892,600

\* Certain 2010 balances have been reclassified to conform to the 2011 presentation.

*Table 1* presents an analysis of the city's net assets as of December 31, 2011. The city's assets exceeded its liabilities by \$928.7 million at the close of the current fiscal year. By far the largest portion of the city's net assets (80%) reflects its investment of \$744.6 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 assets, \$28.2 million (3%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets,

\$155.9 million (17%), may be used to meet the city's on-going obligations to the public and creditors. The unrestricted net assets of the city's business-type activities in the amount of \$67.2 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 assets, both for the government as a whole as well as for its separate governmental and business-type activities. Net assets invested in capital assets, net of related debt, increased \$38.6 million, or 5%, compared to 2010. This increase is due to current year asset acquisitions and construction projects. This is discussed below in the "Capital Assets" section in more detail. Restricted net assets decreased \$7.8 million, or 22%, compared to 2010. This decrease is primarily due to use of restricted sales tax proceeds for open space projects and various park improvements. The increase of \$5.3 million, or 4%, in unrestricted net assets is from general operations as discussed below.

It is important to note that approximately \$38.3 million in governmental unrestricted net assets arises from the net assets 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 assets of these funds would result in a portion of these unrestricted net assets being allocated to unrestricted net assets of governmental activities and unrestricted net assets of business-type activities.

### **Analysis of Changes in Net Assets**

As can be seen from *Table 2*, the city's net assets increased by \$36.1 million during 2011. This increase is explained in the governmental and business-type activities discussion below.

### **Governmental Activities**

Net assets of governmental activities increased by \$19.4 million during 2011, accounting for 54% of the total increase in the city's net assets. This was a decrease of \$7.7 million from the \$27.1 million increase in 2010.

Revenues during 2011 increased by \$3.2 million compared to 2010. Charges for services decreased \$3.4 million primarily due to a decrease in payments in lieu of affordable housing. A couple of large upscale condominium projects occurred in 2010 and there were no new projects of comparable size in 2011 choosing this option. Sales and use taxes increased \$4.8 million from 2010 primarily due to an increase in general retail sales activity as part of the economic recovery. Property taxes increased by \$1.4 million partially due to the removal of property tax limitations as explained in Note D to the Financial Statements. Other taxes increased by \$2.0 million largely due to a increase in the accommodations tax rate from 5.5% to 7.5% effective January 1, 2011.

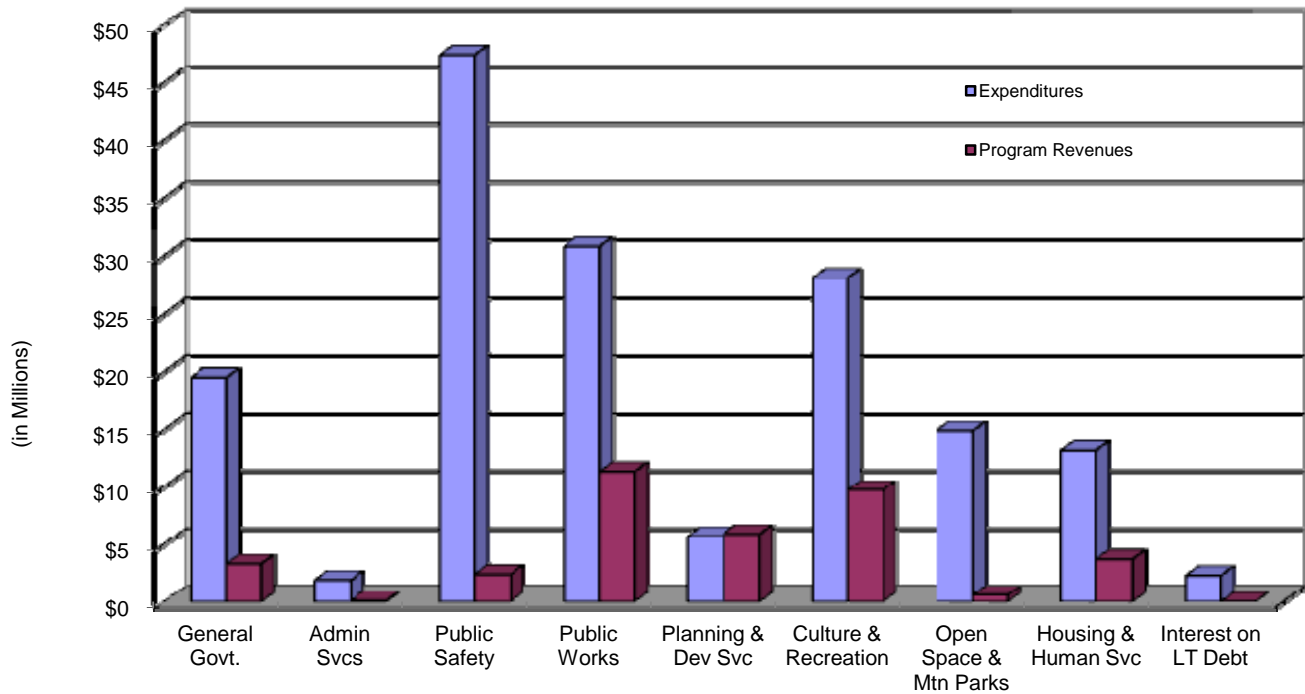
Expenses increased \$5.3 million in 2011 compared to 2010. General Government expenses increased by \$7.1 million, largely due to increased Education Excise tax projects and increases in the environmental and sustainability functions. Public safety expense increased by \$1.6 million due to various capital projects. Housing and Human Services decreased by \$3.5 million primarily due to a few unusually large community housing assistance projects funded in 2010.

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

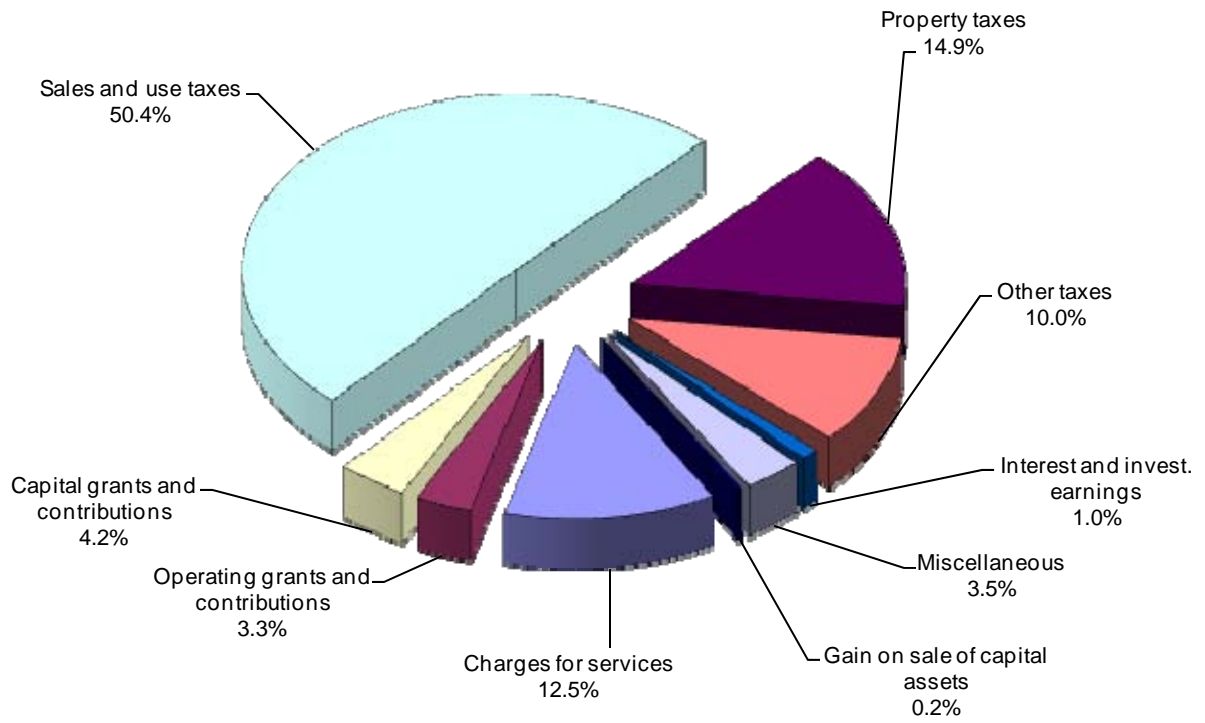
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Program revenues:						
Charges for services	\$ 23,054	\$ 26,441	\$ 50,293	\$ 47,010	\$ 73,347	\$ 73,451
Operating grants and contributions	6,154	7,338	151	169	6,305	7,507
Capital grants and contributions	7,679	8,381	8,411	5,610	16,090	13,991
General revenue:	-	-	-	-	-	-
Sales and use taxes	92,627	87,802	94	87	92,721	87,889
Property taxes	27,462	26,022	1,782	1,704	29,244	27,726
Other taxes	18,455	16,491	766	686	19,221	17,177
Interest and investment earnings	1,895	2,060	1,156	1,226	3,051	3,286
Miscellaneous revenue	6,418	5,633	64	81	6,482	5,714
Gain on sale of capital assets	456	805	-	-	456	805
Total Revenues	184,200	180,973	62,717	56,573	246,917	237,546
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	19,509	12,431	-	-	19,509	12,431
Administrative Services	1,892	1,678	-	-	1,892	1,678
Public Safety	47,391	45,819	-	-	47,391	45,819
Public Works	30,844	30,542	-	-	30,844	30,542
Planning and Development Services	5,665	8,248	-	-	5,665	8,248
Culture and Recreation	28,140	27,200	-	-	28,140	27,200
Open Space and Mountain Parks	14,863	13,548	-	-	14,863	13,548
Housing and Human Services	13,060	16,580	-	-	13,060	16,580
Interest on long-term debt	2,290	2,285	-	-	2,290	2,285
Business-type activities:						
Water Utility	-	-	21,223	20,921	21,223	20,921
Wastewater Utility	-	-	13,948	12,885	13,948	12,885
Stormwater and Flood Management	-	-	4,790	4,454	4,790	4,454
Parking Services	-	-	6,570	7,602	6,570	7,602
Property and Facility Acquisition	-	-	724	860	724	860
Total expenses	163,654	158,331	47,255	46,722	210,909	205,053
Excess before extraordinary items and transfers	20,546	22,642	15,462	9,851	36,008	32,493
Extraordinary items	35	(1,535)	24	(1,024)	59	(2,559)
Transfers	(1,208)	5,982	1,208	(5,982)	-	-
Increase in net assets	19,373	27,089	16,694	2,845	36,067	29,934
Net assets, beginning of year	516,013	488,924	376,587	373,742	892,600	862,666
Net assets, end of year	\$ 535,386	\$ 516,013	\$ 393,281	\$ 376,587	\$ 928,667	\$ 892,600

*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 (29%), followed by Public Works (19%) 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 (50%), followed by property taxes (15%) charges for services (13%). These ratios are comparable to those for 2010.

**Chart 1: 2011 Expenses and Program Revenues - Governmental Activities**



**Chart 2: 2011 Revenues by Source - Governmental Activities**



## Business-type Activities

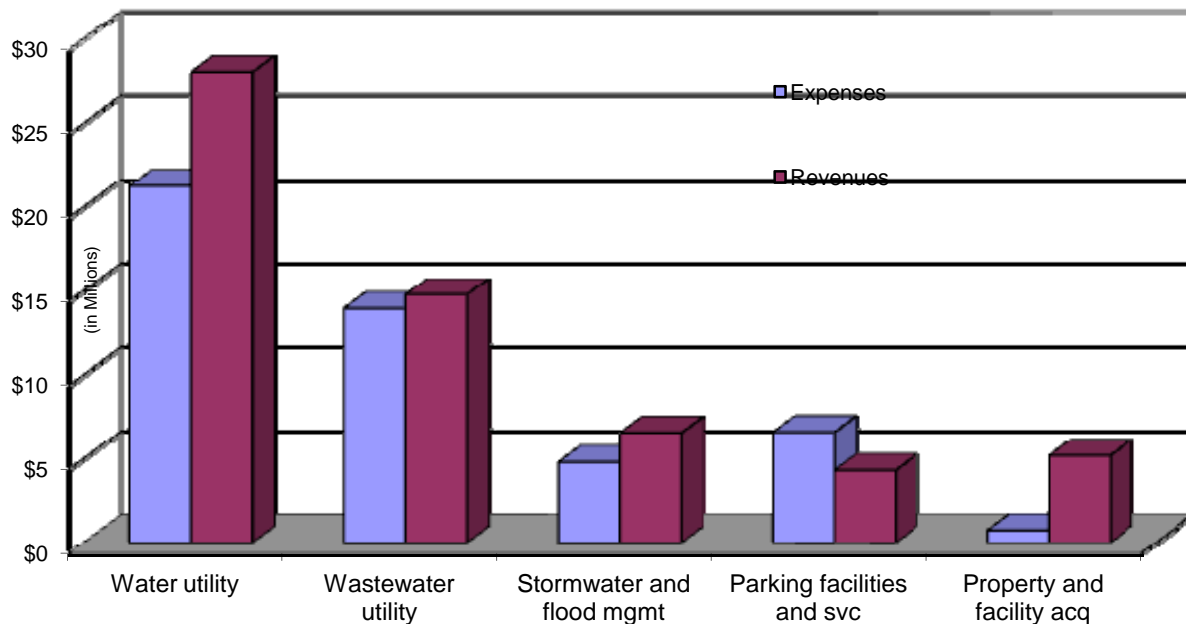
Net assets in business-type activities increased \$16.7 million for 2011, accounting for 46% of the total increase in the city's net assets. This was \$13.9 million more than the increase of \$2.8 million in 2010.

Total business-type revenues increased \$6.1 million, or 11%, compared to 2010. Utility charges for services increased \$3.3 million, largely due to a 3% general rate increase in 2011. Capital grants and contributions increased by \$2.8 million primarily due to an increase in plant investment fee revenues resulting from large projects starting in 2011.

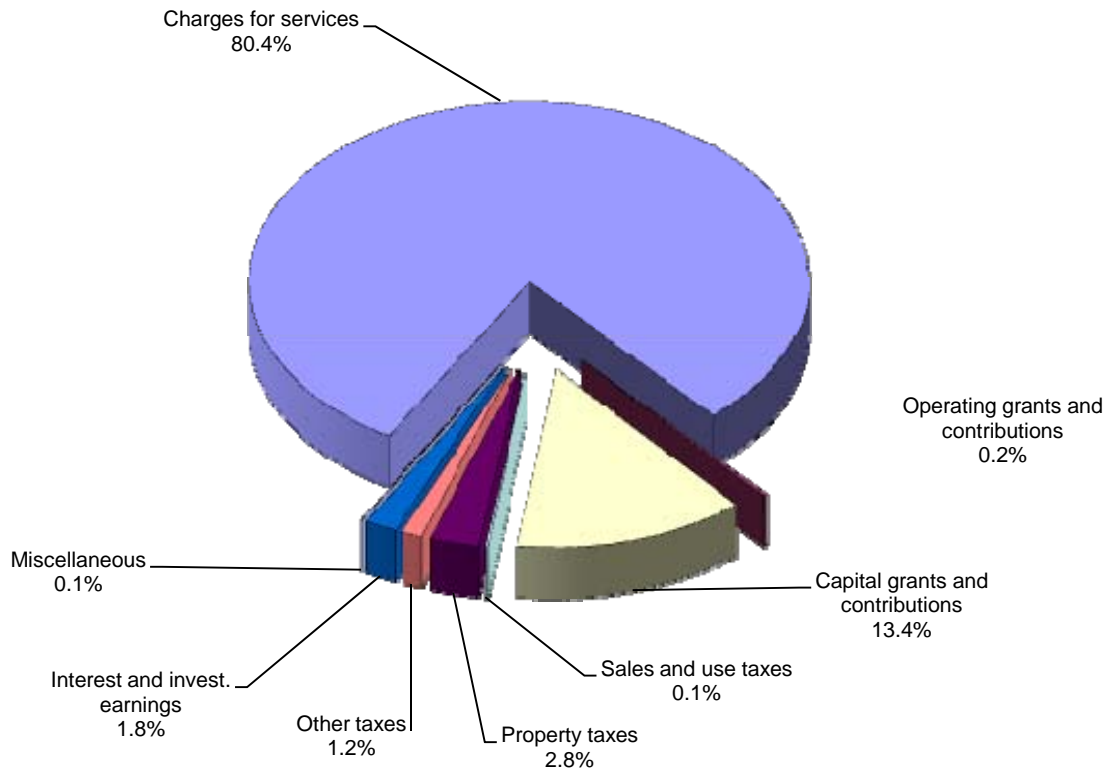
Expenses of business-type activities increased by \$0.5 million, or approximately 1% compared to 2010. Wastewater expenses increased \$1.1 million due to numerous small increases in operating expenses. Parking services decreased by \$1.0 million due to significant maintenance projects in 2010.

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 (80%), followed by capital grants and contributions (13%) and property taxes (3%).

**Chart 3: 2011 Expenses and Program Revenues - Business-type Activities**



**Chart 4: 2011 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, 2011, the city's governmental funds reported combined ending fund balances of \$84.6 million, an increase of \$0.2 million, or less than 1%, in comparison with the prior year. The fund balance of the General Fund increased by \$1.2 million to \$31.7 million at December 31, 2011. General Fund revenues increased by \$6.6 million, primarily from increases in sales and use taxes of \$2.1 million due to increases in general economic activity and increases in general property tax revenues of \$3.7 million partially due to the removal of property tax limitations as explained in Note D to the Financial Statements. General Fund expenditures decreased by \$4.0 million for a variety of reasons. General Government expenditures increased

\$3.7 million primarily due to the use of education excise tax funds for school projects in the amount of \$4.4 million. Public Safety expenditures decreased \$8.8 million primarily due to additional pension contributions made in 2010 from the issuance of pension obligation bonds.

Open Space and Mountain Parks Fund had a fund balance decrease of \$4.4 million. Revenues increased slightly due to an increase in sales and use tax revenues from recovering economic activity. Expenditures increased by \$5.7 million largely due to \$6.0 million in real estate acquisitions in 2011.

The Transportation Fund had an increase in fund balance of \$1.1 million. Revenues decreased by \$1.6 million from decreases in capital grant funds received and expenditures decreased by \$2.8 million due to reductions in capital projects in 2011.

Other governmental fund balances increased by \$2.5 million. Much of this net change is attributable to a change in accounting principles detailed in Note AA to the Financial Statements. The remaining net changes to the fund balances of these other governmental funds are minor increases or decreases.

Approximately \$54.0 million or 64% 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 - \$0.4 million; (2) limitations imposed on use of funds by external laws and regulations - \$5.7 million; (3) restrictions for debt service - \$1.6 million; (4) restrictions for capital projects - \$4.0 million; (5) restrictions for future development - \$17.0 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 2011 the unrestricted fund balance of the General Fund was \$27.9 million, while total fund balance was \$31.7 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 2011, unassigned fund balance of \$20.2 million represents 18% of total general fund expenditures and transfers out of \$109.2 million. For 2010, unassigned fund balance of \$16.8 million represents 16% of total general fund expenditures and transfers out of \$104.8 million. General Fund unrestricted fund balance – including assigned and unassigned fund balance – as a percentage of total expenditures and transfers out was 26% and 22% for 2011 and 2010, 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 Open Space and Mountain Parks Fund fund balance is restricted for acquisition and maintenance of the city's open space. Total Open Space and Mountain Parks Fund fund balance of \$13.0 million represents 47% of total expenditures and transfers out of \$27.9 million. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2011, all of the Transportation Fund restricted revenues had been expended and the total fund balance of \$8.4 million is assigned to the fund's purpose. Total Transportation fund balance of \$8.4 million represents 36% of total expenditures and transfers out of \$23.1 million for 2011.

It should also be noted that for the 2011 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 the year. The target for 2010 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, 2011, the unrestricted net assets of the Water Utility Fund were \$30.6 million, the Wastewater Utility Fund were \$16.6 million, the Stormwater and Flood Management Fund were \$13.3 million, the Boulder Municipal Property Authority were \$0.7 million, the Downtown Commercial District were \$3.2 million, the University Hill Commercial District were \$0.7 million, and the Boulder Junction GID Fund were \$0.0 million. The total increase in net assets for the proprietary funds was \$16.1 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 2011 was \$16.6 million greater than the original budget. The primary reasons for this difference are as follows:

- \$3.5 million increase to General Government appropriations due to the Mapleton Preschool renovation that was done in conjunction with the school district;
- \$1.0 million increase to General Government appropriations for the Acorn School project;
- \$1.6 million increase due to projects that were started in 2010 and still have expenditures in 2011, the largest being an increase in General Government appropriations primarily related to the recycling center at 6400 Arapahoe;

- \$2.7 million increase in Housing and Human Services appropriations for projects started in 2010 and carried over into 2011;
- \$0.3 million increase related to the transit village center at Boulder Junction;
- 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 \$3.7 million, or 3%, more than the final budget. Actual expenditures and transfers out were \$11.2 million, or 10%, 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 \$14.9 million. The primary factors contributing to this favorable variance included the following:

- \$1.4 million more in sales and use taxes than budgeted due to economic activity and significant construction projects;
- \$1.4 million more in accommodations taxes than budgeted due to a rate increase;
- \$0.5 million more in excise taxes than budgeted from construction activity;
- \$4.2 million less in expenditures for the City Manager Department in General Government from carryover of multi-year capital projects into 2012;
- \$0.4 million less in expenditures for the Finance Department in Administrative Services from personnel vacancies in 2011;
- \$1.4 million less in expenditures for the Information Technology Department in Administrative Services from carryover of software projects and related consultant expenditures into 2012;
- \$1.2 million less in expenditures for the Police Department from personnel vacancies in 2011;
- \$3.3 million less in expenditures for the Housing and Human Services Department from grant program carryovers into 2012.

## **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, 2011, amounts to \$907.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, park facilities, transportation infrastructure, utility plant in service, water rights, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was \$15.4 million (1.7%) from 2010. Net capital assets of governmental activities increased \$12.8 million (2.7%) and those of business-type activities increased \$2.6 million (.6%).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land and easements	\$ 248,597	\$ 241,754	\$ 74,549	\$ 74,519	\$ 323,146	\$ 316,273
Buildings	45,676	46,686	29,764	31,091	75,440	77,777
Improvements other than buildings	43,688	29,116	3,654	3,953	47,342	33,069
Infrastructure	96,929	92,363	-	-	96,929	92,363
Utility plant in service and undergrounds	-	-	305,858	306,455	305,858	306,455
Machinery, equipment and vehicles	16,361	15,301	6,655	6,260	23,016	21,561
Construction in progress	26,953	40,220	8,459	4,044	35,412	44,264
Total	<u>\$ 478,204</u>	<u>\$ 465,440</u>	<u>\$ 428,939</u>	<u>\$ 426,322</u>	<u>\$ 907,143</u>	<u>\$ 891,762</u>

Some of the major capital asset activities during 2011 included the following:

#### Governmental activities

- Construction in progress of several transportation infrastructure projects, including the Airport Parking Ramp and 28<sup>th</sup> St. from Baseline to Iris.
- Improvements and new bikeway facilities enhancements - \$5.2 million.
- Completion of several transportation infrastructure projects, including Broadway Concrete Reconstruction - \$11.9 million.
- Construction in progress of Energy Performance projects – \$6.7 million.
- Land acquisitions – 394 Windover Lane - \$4.0 million and 120511 Sect. 16 Jefferson County - \$2.0 million.
- Foothills Park, Valmont City Park, East Boulder Community Park and various Urban Community Park Improvements - \$9.0 million.
- New vehicle purchases - \$1.9 million.
- Recognition of \$16.7 million in depreciation expense.

#### Business-type activities

- Waterline Rehabilitation - \$2.6 million.
- Boulder Canyon Hydro - \$2.0 million.
- Wastewater TP Improvements - \$2.0 million.
- Wastewater System Expansion - \$0.7 million.
- Automated Meter Reading Project, \$0.5 million.
- Chautauqua Storage Tank - \$0.5 million.
- Water System Expansion - \$0.5 million.
- Recognition of \$11.1 million in depreciation expense.

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

## Debt Administration

*Table 4* summarizes the city's bonded debt as of the end of 2011 and 2010. At December 31, 2011, the city had total bonded debt (including certificates of participation) of \$154.6 million. Of this amount, \$56.8 million consisted of general obligation debt backed by the full faith and credit of the city. The remainder of \$97.8 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). During 2011, the city issued one refunding bond as detailed out in Note O to the Financial Statements.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 41,695	\$ 49,590	\$ 15,105	\$ 16,450	\$ 56,800	\$ 66,040
Revenue bonds	4,005	5,265	84,415	91,205	88,420	96,470
Pension obligation bonds	8,760	9,070	-	-	8,760	9,070
Certificates of Participation	-	-	575	1,120	575	1,120
Total bonded debt	<u>\$ 54,460</u>	<u>\$ 63,925</u>	<u>\$ 100,095</u>	<u>\$ 108,775</u>	<u>\$ 154,555</u>	<u>\$ 172,700</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. The interest rate for the new lease agreement is 2.65% and the estimated interest savings are approximately \$361,000.

The city issued \$49,000,000 in General Fund Bonds for Capital Improvement Projects on March 22, 2012 to fund various capital projects. Two main requirements of these bonds are that at least \$41,650,000, or 85%, is required to be spent on these projects in the next 3 years (by approximately March 22, 2015). These funds, in general, will be used for major renovations of streets, bridges, structures, buildings, and modernizing police and fire safety facilities and safety equipment. Parks, recreation facilities, main library portions, and downtown connections and

streetscapes will also be significantly improved. Finally, the core service computer software will be replaced or modernized. These bonds have a 2.836% net interest cost and mature on October 1, 2031. Additional information for these financing actions can be found in Note Z to the Financial Statements.

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. As required by CDPHE, site remediation actions in the VCUP must start by August 31, 2011 and be completed by August 31, 2012. The city has accrued estimated clean-up costs of \$2.5 million with minimal expenses as of fiscal year end December 31, 2011. Additional information can be found in Note U 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. The initial budget for this new department is \$1.9 million funded by an increase in the utility occupation tax approved by voters in the November 2011 election.

#### Business-type Activities

There were no Other Significant Matters to report for the business-type activities.

#### **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, CO 80302.

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## BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Assets

December 31, 2011

(Amounts in 000's)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,142	\$ 4,213	\$ 11,355
Investments	113,257	67,029	180,286
General property tax receivable	29,771	1,947	31,718
Sales tax receivable	10,315	-	10,315
Notes receivable	2,010	710	2,720
Other receivables (See Note H)	7,443	2,300	9,743
Restricted investments	5,622	4,549	10,171
Inventory of materials and supplies	73	208	281
Other assets	873	763	1,636
Prepaid net pension obligation	9,849	-	9,849
Capital assets (net of accumulated depreciation):			
Land and easements	248,597	74,549	323,146
Buildings	45,676	29,763	75,439
Improvements other than buildings	43,688	3,654	47,342
Infrastructure	96,929	-	96,929
Utility plant in service and undergrounds	-	305,858	305,858
Machinery, equipment and vehicles	16,361	6,655	23,016
Construction in progress	26,953	8,459	35,412
Total assets	<u>664,559</u>	<u>510,657</u>	<u>1,175,216</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	5,788	2,076	7,864
Contracts and retainage payable	1,394	174	1,568
Accrued liabilities	8,049	4,029	12,078
Internal balances	3,455	(3,455)	-
Other liabilities	2,859	261	3,120
Unearned revenue:			
General property taxes	29,771	1,947	31,718
Other	996	-	996
Deferred credit	-	3,381	3,381
Noncurrent liabilities:			
Due within one year	10,554	10,433	20,987
Due in more than one year	66,307	98,530	164,837
Total liabilities	<u>129,173</u>	<u>117,376</u>	<u>246,549</u>
Net assets:			
Invested in capital assets, net of related debt	418,691	325,861	744,552
Restricted for:			
Legally restricted	5,671	154	5,825
Debt service	1,625	-	1,625
Capital projects	4,032	100	4,132
Development	16,971	-	16,971
Lottery funds	1,238	-	1,238
Donor restrictions	619	-	619
Endowment	100	-	100
Unrestricted	86,439	67,166	153,605
Total net assets	<u>\$ 535,386</u>	<u>\$ 393,281</u>	<u>\$ 928,667</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2011

(Amounts in 000's)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues</u>		
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:					
General Government	\$ 20,856	\$ (1,347)	\$ 2,941	330	\$ -
Administrative Services	8,625	(6,733)	142	-	-
Public Safety	44,777	2,614	1,748	462	157
Public Works	31,679	(835)	2,095	2,806	6,363
Planning & Development Services	4,432	1,233	5,862	-	-
Culture and Recreation	27,090	1,050	8,386	244	1,099
Open Space and Mountain Parks	14,090	773	479	28	60
Housing and Human Services	12,187	873	1,401	2,284	-
Interest on long-term debt	2,290	-	-	-	-
Total governmental activities	<u>166,026</u>	<u>(2,372)</u>	<u>23,054</u>	<u>6,154</u>	<u>7,679</u>
Business-type activities:					
Water utility	20,105	1,118	22,940	15	5,094
Wastewater utility	13,146	802	12,955	-	1,812
Stormwater and flood management	4,594	196	4,896	136	1,505
Parking facilities and services	6,314	256	4,324	-	-
Property and facility acquisition	724	-	5,178	-	-
Total business-type activities	<u>44,883</u>	<u>2,372</u>	<u>50,293</u>	<u>151</u>	<u>8,411</u>
Total government	<u>\$ 210,909</u>	<u>\$ -</u>	<u>\$ 73,347</u>	<u>\$ 6,305</u>	<u>\$ 16,090</u>

General revenues:

Taxes:

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

Interest and investment earnings

Miscellaneous

Gain on Sale of Capital Assets

Transfers

Extraordinary item

Total general revenues,  
transfers and extraordinary item

Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (16,238)	\$ -	\$ (16,238)
(1,750)	-	(1,750)
(45,024)	-	(45,024)
(19,580)	-	(19,580)
197	-	197
(18,411)	-	(18,411)
(14,296)	-	(14,296)
(9,375)	-	(9,375)
(2,290)	-	(2,290)
<u>(126,767)</u>	<u>-</u>	<u>(126,767)</u>
-	6,826	6,826
-	819	819
-	1,747	1,747
-	(2,246)	(2,246)
-	4,454	4,454
<u>-</u>	<u>11,600</u>	<u>11,600</u>
<u>(126,767)</u>	<u>11,600</u>	<u>(115,167)</u>
92,627	94	92,721
27,462	1,782	29,244
4,668	715	5,383
10,282	-	10,282
1,578	51	1,629
1,927	-	1,927
1,895	1,156	3,051
6,418	64	6,482
456	-	456
(1,208)	1,208	-
<u>35</u>	<u>24</u>	<u>59</u>
<u>146,140</u>	<u>5,094</u>	<u>151,234</u>
19,373	16,694	36,067
516,013	376,587	892,600
<u>\$ 535,386</u>	<u>\$ 393,281</u>	<u>\$ 928,667</u>

## CITY OF BOULDER, COLORADO

## Balance Sheet

Governmental Funds

December 31, 2011

(Amounts in 000's)

<u>Assets</u>	<u>General Fund</u>	<u>Open Space &amp; Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Equity in pooled cash and cash equivalents	\$ 406	\$ -	\$ 237	\$ 3,860	\$ 4,503
Investments	26,464	11,759	3,767	29,291	71,281
Receivables:					
General property taxes	27,508	-	-	2,263	29,771
Sales and use taxes	4,634	2,651	1,807	1,223	10,315
Accounts	1,945	24	805	439	3,213
Notes	1,813	-	-	197	2,010
Accrued interest	159	64	21	155	399
Intergovernmental	308	60	1,861	1,290	3,519
Other	18	-	18	14	50
	<u>36,385</u>	<u>2,799</u>	<u>4,512</u>	<u>5,581</u>	<u>49,277</u>
Due from other funds	1,303	-	2,618	230	4,151
Inventory of materials and supplies	10	-	-	63	73
Restricted assets:					
Investments for special purposes	1,496	-	-	898	2,394
Investments for capital projects	1,629	-	-	-	1,629
Investments for debt service	-	693	-	46	739
Total restricted assets	<u>3,125</u>	<u>693</u>	<u>-</u>	<u>944</u>	<u>4,762</u>
Other assets	<u>187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187</u>
Total assets	\$ <u>67,880</u>	\$ <u>15,251</u>	\$ <u>11,134</u>	\$ <u>39,969</u>	\$ <u>134,234</u>

The accompanying notes are an integral part of this statement.

<u>Liabilities and Fund Balances</u>	<u>General Fund</u>	<u>Open Space &amp; Mountain Parks Fund</u>	<u>Trans- portation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities:					
Accounts and accrued liabilities:					
Vouchers and accounts payable	\$ 2,049	\$ 326	\$ 795	\$ 1,931	\$ 5,101
Contracts and retainage payable	24	-	461	169	654
Accrued salaries, wages and amounts withheld from employees	3,304	357	296	848	4,805
Due to other funds	2	1,482	-	3,216	4,700
Advances from other funds	2,259	-	-	-	2,259
Other liabilities	74	6	719	56	855
Deferred revenue:					
General property taxes	27,508	-	-	2,263	29,771
Other	975	60	454	41	1,530
Total liabilities	<u>36,195</u>	<u>2,231</u>	<u>2,725</u>	<u>8,524</u>	<u>49,675</u>
Fund balances:					
Nonspendable:					
Prepaid	187	-	-	-	187
Inventory	10	-	-	63	73
Endowment	100	-	-	-	100
Restricted for:					
Legally restricted	1,265	-	-	4,406	5,671
Debt service	443	649	-	533	1,625
Capital projects	1,629	-	-	2,403	4,032
Development	-	12,327	-	4,644	16,971
Lottery funds	-	-	-	1,238	1,238
Donor restrictions	131	44	-	444	619
Committed to:					
Affordable housing	-	-	-	4,174	4,174
Assigned to:					
Special purposes	6,827	-	8,409	13,540	28,776
Contractual obligations	884	-	-	-	884
Unassigned	20,209	-	-	-	20,209
Total fund balances	<u>31,685</u>	<u>13,020</u>	<u>8,409</u>	<u>31,445</u>	<u>84,559</u>
Total liabilities and fund balances	\$ <u>67,880</u>	\$ <u>15,251</u>	\$ <u>11,134</u>	\$ <u>39,969</u>	\$ <u>134,234</u>

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CITY OF BOULDER, COLORADO

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

December 31, 2011

(Amounts in 000's)

Total governmental fund balances	\$	84,559
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Amounts reported for governmental activities in the statement of net assets  
are different because:

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

Capital assets - governmental funds	722,701	
Accumulated depreciation - governmental funds	<u>(302,617)</u>	
Net book value of capital assets in governmental funds		420,084

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 assets.	427
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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	\$	5,660	
Fire prepaid net pension obligation		<u>4,189</u>	9,849

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 assets.	87,396
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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.	(67,425)
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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	23	
Intergovernmental revenues	<u>473</u>	<u>496</u>

Net assets of governmental activities	\$	<u><u>535,386</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

Governmental Funds

Year ended December 31, 2011

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Sales and use taxes	\$ 41,762	\$ 23,819	\$ 16,199	\$ 10,847	\$ 92,627
General property taxes	25,436	-	-	2,026	27,462
Accommodation taxes	4,668	-	-	-	4,668
Franchise taxes	8,457	-	-	1,838	10,295
Specific Ownership & Tobacco taxes	1,578	-	-	-	1,578
Excise taxes	585	-	-	1,342	1,927
Charges for services	3,871	101	-	10,043	14,015
Sale of goods	179	-	11	178	368
Licenses, permits and fines	6,170	62	-	4,286	10,518
Intergovernmental	1,432	25	6,533	5,657	13,647
Leases, rents and royalties	214	328	99	1,705	2,346
Interest and investment earnings	653	202	73	488	1,416
Other	1,088	42	1,114	625	2,869
Total revenues	<u>96,093</u>	<u>24,579</u>	<u>24,029</u>	<u>39,035</u>	<u>183,736</u>
Expenditures:					
Current:					
General Government	15,809	-	-	2,313	18,122
Administrative Services	8,504	-	-	-	8,504
Public Safety	45,042	81	-	-	45,123
Public Works	4,962	-	21,406	3,190	29,558
Planning & Development Services	43	-	-	7,508	7,551
Culture and Recreation	11,444	-	-	15,395	26,839
Open Space and Mountain Parks	247	15,395	-	336	15,978
Housing and Human Services	6,263	-	-	5,759	12,022
Capital outlay	-	-	-	4,077	4,077
Debt service payments:					
Principal	1,850	5,470	-	2,395	9,715
Interest	650	1,403	-	345	2,398
Base rentals to Boulder Municipal					
Property Authority Debt Service Fund	598	4,570	10	-	5,178
Cost of issuance - refunding bonds	104	-	-	-	104
Total expenditures	<u>95,516</u>	<u>26,919</u>	<u>21,416</u>	<u>41,318</u>	<u>185,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>577</u>	<u>(2,340)</u>	<u>2,613</u>	<u>(2,283)</u>	<u>(1,433)</u>
Other financing sources (uses):					
Sale of capital assets	12	5	-	-	17
Extraordinary item	(1,250)	(250)	-	-	(1,500)
Transfers in	15,498	1,182	109	5,787	22,576
Transfers out	<u>(13,681)</u>	<u>(1,019)</u>	<u>(1,667)</u>	<u>(3,048)</u>	<u>(19,415)</u>
Total other financing sources (uses)	<u>579</u>	<u>(82)</u>	<u>(1,558)</u>	<u>2,739</u>	<u>1,678</u>
Net change in fund balances	<u>1,156</u>	<u>(2,422)</u>	<u>1,055</u>	<u>456</u>	<u>245</u>
Fund balances, beginning of year, as previously reported	26,282	17,456	7,354	33,222	84,314
Correction of error (Note Z)	-	(2,014)	-	2,014	-
Change in accounting principles (Note AA)	<u>4,247</u>	<u>-</u>	<u>-</u>	<u>(4,247)</u>	<u>-</u>
Fund balances, beginning of year, as restated	30,529	15,442	7,354	30,989	84,314
Fund balances, end of year	<u>\$ 31,685</u>	<u>\$ 13,020</u>	<u>\$ 8,409</u>	<u>\$ 31,445</u>	<u>\$ 84,559</u>

The accompanying notes are an integral part of this statement.

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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, 2011

(Amounts in 000's)

Net change in fund balances - total governmental funds	\$	245
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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	\$	44,615	
Governmental funds CIP placed in service		(24,068)	
Governmental funds fixed asset deletions		(5)	
Governmental funds fixed asset depreciation expense		<u>(10,023)</u>	10,519

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.

9,514

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Negative amounts indicate a decrease in accruals between fiscal years.

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

Interest on notes receivable	\$	(115)	
Special assessments - Public Works		(14)	
Intergovernmental revenue - Public Works		<u>(962)</u>	(1,091)

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.

Capital contributions (to) from other funds:

General Government	-	
Administrative Services		
Public Safety	-	
Public Works	(1,244)	
Culture and Recreation		
Open Space and Mountain Parks		
Interest and investment earnings	602	
Net transfers to governmental funds	(711)	
Allocation of net profit or (loss)	<u>1,857</u>	504

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.

(318)

Change in net assets of governmental activities	\$	<u><u>19,373</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 - Budget and Actual  
(Budgetary Basis)

General Fund

Year ended December 31, 2011  
(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	\$ 40,313	\$ 40,313	\$ 41,762	\$ 1,449
General property taxes	25,448	25,462	25,436	(26)
Accommodations taxes	3,215	3,250	4,668	1,418
Franchise taxes	8,318	8,448	8,457	9
Specific ownership & tobacco taxes	1,560	1,560	1,578	18
Excise taxes	90	90	585	495
Charges for services	3,661	3,739	3,871	132
Sale of goods	63	128	242	114
Licenses, permits and fines	6,194	6,194	6,170	(24)
Intergovernmental	815	1,752	2,383	631
Leases, rents and royalties	245	245	214	(31)
Interest and investment earnings	761	761	700	(61)
Other	851	1,722	1,079	(643)
Total revenues	<u>91,534</u>	<u>93,664</u>	<u>97,145</u>	<u>3,481</u>
Expenditures:				
Current:				
General Government	11,806	19,994	15,844	4,150
Administrative Services	9,510	10,683	8,712	1,971
Public Safety	45,178	46,744	45,286	1,458
Public Works	5,049	5,166	5,159	7
Planning & Development Services	43	43	43	-
Culture and Recreation	11,657	12,174	11,790	384
Open Space and Mountain Parks	183	210	247	(37)
Housing and Human Services	6,862	9,568	6,266	3,302
Debt service payments:				
Principal	1,600	1,850	1,850	-
Interest	566	597	597	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	598	598	598	-
Real Estate Rentals & Leases	81	81	104	(23)
Total expenditures	<u>93,133</u>	<u>107,708</u>	<u>96,496</u>	<u>11,212</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(1,599)</u>	<u>(14,044)</u>	<u>649</u>	<u>14,693</u>

(continued)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	12	12
Transfers in	13,916	15,595	15,806	211
Transfers out	<u>(13,023)</u>	<u>(15,095)</u>	<u>(15,096)</u>	<u>(1)</u>
Total other financing sources (uses)	<u>893</u>	<u>500</u>	<u>722</u>	<u>222</u>
Net change in fund balance	\$ <u>(706)</u>	\$ <u>(13,544)</u>	1,371	\$ <u>14,915</u>
Encumbrances, end of year			1,188	
Fund balance, beginning of year, basis of budgeting			<u>31,617</u>	
Fund balance, end of year, basis of budgeting			34,176	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			341	
Accrued salaries, wages and amounts withheld from employees			(3,290)	
Change in accrued interest payable			1	
Due to other funds			2	
Due from other funds			(30)	
Notes Receivable			1,773	
Advances from other funds			<u>(1,288)</u>	
Fund balance, end of year, GAAP basis			\$ <u>31,685</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)

Open Space and Mountain Parks Fund

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive <u>(Negative)</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 22,317	\$ 22,317	\$ 23,819	\$ 1,502
Charges for services	-	-	101	101
Licenses, permits and fines	-	-	62	62
Intergovernmental	-	85	25	(60)
Leases, rents and royalties	325	325	328	3
Interest and investment earnings	325	325	283	(42)
Other	-	-	42	42
Total revenues	<u>22,967</u>	<u>23,052</u>	<u>24,660</u>	<u>1,608</u>
Expenditures:				
Current:				
Public Safety	81	81	81	-
Open Space and Mountain Parks	11,755	18,822	15,645	3,177
Debt service payments:				
Principal	5,470	5,470	5,470	-
Interest	1,403	1,403	1,403	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	4,570	4,570	4,570	-
Total expenditures	<u>23,279</u>	<u>30,346</u>	<u>27,169</u>	<u>3,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(312)</u>	<u>(7,294)</u>	<u>(2,509)</u>	<u>4,785</u>
Other financing sources (uses):				
Sale of capital assets	-	-	5	5
Transfers in	1,181	1,181	1,182	1
Transfers out	(1,690)	(1,940)	(1,940)	-
Total other financing sources (uses)	<u>(509)</u>	<u>(759)</u>	<u>(753)</u>	<u>6</u>
Net change in fund balance	\$ <u>(821)</u>	\$ <u>(8,053)</u>	(3,262)	\$ <u>4,791</u>
Encumbrances, end of year			289	
Fund balance, beginning of year, basis of budgeting			<u>16,199</u>	
Fund balance, end of year, basis of budgeting			13,226	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			137	
Accrued salaries, wages and amounts withheld from employees			<u>(343)</u>	
Fund balance, end of year, GAAP basis			\$ <u>13,020</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, 2011

(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	\$ 15,183	\$ 15,183	\$ 16,199	\$ 1,016
Sale of goods and capital assets	474	474	11	(463)
Intergovernmental	4,280	15,383	6,533	(8,850)
Leases, rents and royalties	84	84	99	15
Interest and investment earnings	80	80	104	24
Other	265	1,240	1,114	(126)
Total revenues	<u>20,366</u>	<u>32,444</u>	<u>24,060</u>	<u>(8,384)</u>
Expenditures:				
Current:				
Public Works	18,469	35,400	28,890	6,510
Debt service payments:				
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	10	10	10	-
Total expenditures	<u>18,479</u>	<u>35,410</u>	<u>28,900</u>	<u>6,510</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1,887</u>	<u>(2,966)</u>	<u>(4,840)</u>	<u>(1,874)</u>
Other financing sources (uses):				
Transfers in	-	109	109	-
Transfers out	<u>(1,473)</u>	<u>(4,285)</u>	<u>(4,285)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,473)</u>	<u>(4,176)</u>	<u>(4,176)</u>	<u>-</u>
Net change in fund balance	\$ <u>414</u>	\$ <u>(7,142)</u>	(9,016)	\$ <u>(1,874)</u>
Encumbrances, end of year			7,463	
Fund balance, beginning of year, basis of budgeting			<u>7,586</u>	
Fund balance, end of year, basis of budgeting			6,033	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			43	
Transfer for budgetary basis only			2,618	
Accrued salaries, wages and amounts				
withheld from employees			<u>(285)</u>	
Fund balance, end of year, GAAP basis			\$ <u>8,409</u>	

The accompanying notes are an integral part of this statement.

## CITY OF BOULDER, COLORADO

## Statement of Net Assets

Proprietary Funds

December 31, 2011

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 2,008	\$ 1,189	\$ 778
Investments	31,976	18,930	12,385
Receivables:			
General property taxes	-	-	-
Accounts	185	89	-
Charges for services	730	551	223
Notes - current installments	-	-	13
Accrued interest	182	103	66
Intergovernmental	90	-	37
Total Receivables	1,187	743	339
Due from other funds	-	-	-
Advances to other funds	53	-	-
Inventory of materials and supplies	207	-	1
Other assets - prepaid expenses	-	-	-
Total current assets	35,431	20,862	13,503
Noncurrent assets:			
Advances to other funds	769	-	-
Notes receivable - less current installments	-	-	-
Restricted assets:			
Investments for bond reserves	2,935	170	325
Investments for capital projects	100	670	-
Total restricted assets	3,035	840	325
Other assets -			
Deferred charges	251	222	62
Capital assets:			
Land and easements	20,359	1,633	15,782
Buildings	1,280	2,102	764
Improvements other than buildings	79	392	965
Utility plant in service	261,159	127,751	-
Undergrounds - drainage facilities	-	-	68,937
Vehicles	-	-	-
Machinery and equipment	5,007	3,352	1,808
	287,884	135,230	88,256
Less accumulated depreciation	(93,096)	(46,974)	(18,665)
	194,788	88,256	69,591
Construction in progress	4,097	3,743	438
Total capital assets, net of accumulated depreciation	198,885	91,999	70,029
Total noncurrent assets	202,940	93,061	70,416
Total assets	238,371	113,923	83,919

The accompanying notes are an integral part of this statement.



Boulder Municipal Property <u>Authority</u>	Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental Activities - Internal <u>Service Funds</u>
\$ -	\$ 194	\$ 44	\$ 4,213	\$ 2,639
-	3,044	694	67,029	41,976
-	1,907	40	1,947	-
-	1	-	275	37
-	-	-	1,504	-
126	-	-	139	-
19	17	3	390	220
-	4	-	131	-
145	1,929	43	4,386	257
209	300	-	509	40
-	2	-	55	170
-	-	-	208	-
-	-	-	-	207
354	5,469	781	76,400	45,289
-	18	-	787	1,267
571	-	-	571	-
-	349	-	3,779	-
-	-	-	770	860
-	349	-	4,549	860
-	228	-	763	51
33,998	2,333	444	74,549	101
6,433	38,373	-	48,952	72,004
-	5,205	58	6,699	8,464
-	-	-	388,910	-
-	-	-	68,937	-
-	-	-	-	26,091
-	1,489	330	11,986	9,974
40,431	47,400	832	600,033	116,634
(2,788)	(17,883)	(148)	(179,554)	(66,046)
37,643	29,517	684	420,479	50,588
-	181	-	8,459	7,532
37,643	29,698	684	428,938	58,120
38,214	30,293	684	435,608	60,298
38,568	35,762	1,465	512,008	105,587

(continued)

## CITY OF BOULDER, COLORADO

Statement of Net Assets,  
continuedProprietary Funds

December 31, 2011

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 1,095	\$ 875	\$ 83
Contracts and retainage payable	170	-	-
Accrued salaries, wages and amounts withheld from employees	359	258	83
Accrued interest	113	161	5
Accrued cleanup liability	-	-	-
Accrued claims liability	-	-	-
Advances from other funds	-	-	-
Other liabilities	173	52	2
Deferred revenue -			
General property taxes	-	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	4,070	2,475	325
Certificates of participation	-	-	-
Lease purchase revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	72	68	28
Total current liabilities	<u>6,052</u>	<u>3,889</u>	<u>526</u>
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,531	-
Accrued claims liability	-	-	-
Deferred credit - future water rights	3,381	-	-
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)	32,589	43,270	2,133
Lease purchase revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	444	483	36
Retiree health care benefit	71	55	19
Total noncurrent liabilities	<u>36,485</u>	<u>46,339</u>	<u>2,188</u>
Total liabilities	<u>42,537</u>	<u>50,228</u>	<u>2,714</u>
Net assets:			
Invested in capital assets, net of related debt	165,162	47,094	67,895
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	<u>30,572</u>	<u>16,601</u>	<u>13,310</u>
Total net assets	<u>\$ 195,834</u>	<u>\$ 63,695</u>	<u>\$ 81,205</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
\$ -	\$ 20	\$ 3	\$ 2,076	\$ 695
-	4	-	174	739
-	89	12	801	109
209	210	-	698	48
-	-	-	-	2,500
-	-	-	-	874
-	-	2	2	-
-	26	6	259	2,004
-	1,907	40	1,947	-
-	1,390	-	1,390	-
-	-	-	6,870	-
575	-	-	575	-
1,425	-	-	1,425	-
-	-	-	-	357
-	5	-	173	-
<u>2,209</u>	<u>3,651</u>	<u>63</u>	<u>16,390</u>	<u>7,326</u>
-	-	-	2,531	-
-	-	-	-	1,141
-	-	-	3,381	-
-	-	18	18	-
-	13,960	-	13,960	-
-	-	-	77,992	-
5,314	-	-	5,314	-
-	-	-	-	7,406
-	102	18	1,083	172
-	33	4	182	22
<u>5,314</u>	<u>14,095</u>	<u>40</u>	<u>104,461</u>	<u>8,741</u>
<u>7,523</u>	<u>17,746</u>	<u>103</u>	<u>120,851</u>	<u>16,067</u>
30,329	14,697	684	325,861	51,216
-	149	5	154	-
-	-	-	100	-
<u>716</u>	<u>3,170</u>	<u>673</u>	<u>65,042</u>	<u>38,304</u>
\$ <u>31,045</u>	\$ <u>18,016</u>	\$ <u>1,362</u>	391,157	\$ <u>89,520</u>

Adjustment to reflect the consolidation of internal service  
fund activities related to enterprise funds 2,124  
Net assets of business-type activities \$ 393,281

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year ended December 31, 2011

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Operating revenues:			
Charges for services	\$ 22,916	\$ 12,932	\$ 4,856
Leases, rents and royalties	-	-	-
Total operating revenues	<u>22,916</u>	<u>12,932</u>	<u>4,856</u>
Operating expenses:			
Personnel	5,920	4,307	1,490
Non-personnel	5,967	4,054	1,734
Depreciation and amortization	5,186	3,201	1,116
Total operating expenses	<u>17,073</u>	<u>11,562</u>	<u>4,340</u>
Operating income (loss)	<u>5,843</u>	<u>1,370</u>	<u>516</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	548	309	194
Leases, rents and royalties	34	28	40
Intergovernmental revenue	60	-	136
Private sector grants and contributions	-	-	-
Sales and use tax	-	-	-
General property taxes	-	-	-
Accommodations taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(1,561)	(1,799)	(54)
Contribution expense - future water rights	(1,818)	-	-
Gain (loss) on sale of capital assets	(17)	(18)	(281)
Other, net	7	-	3
Total nonoperating revenues (expenses)	<u>(2,747)</u>	<u>(1,480)</u>	<u>38</u>
Income (loss) before capital contributions transfers and extraordinary item	3,096	(110)	554
Capital contributions	5,049	1,812	1,505
Extraordinary item	-	24	-
Transfers in	532	554	197
Transfers out	<u>(1,348)</u>	<u>(1,023)</u>	<u>(319)</u>
Changes in net assets	7,329	1,257	1,937
Total net assets, beginning of year	<u>188,505</u>	<u>62,438</u>	<u>79,268</u>
Total net assets, end of year	<u>\$ 195,834</u>	<u>\$ 63,695</u>	<u>\$ 81,205</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
\$ -	\$ 3,989	\$ 185	\$ 44,878	\$ 16,638
<u>5,178</u>	<u>-</u>	<u>-</u>	<u>5,178</u>	<u>-</u>
<u>5,178</u>	<u>3,989</u>	<u>185</u>	<u>50,056</u>	<u>16,638</u>
-	1,351	247	13,315	2,193
-	2,273	235	14,263	6,178
<u>143</u>	<u>1,532</u>	<u>38</u>	<u>11,216</u>	<u>6,654</u>
<u>143</u>	<u>5,156</u>	<u>520</u>	<u>38,794</u>	<u>15,025</u>
<u>5,035</u>	<u>(1,167)</u>	<u>(335)</u>	<u>11,262</u>	<u>1,613</u>
38	57	10	1,156	602
-	150	-	252	20
-	-	-	196	60
-	-	-	-	167
-	94	-	94	-
-	1,756	26	1,782	-
-	715	-	715	-
-	50	1	51	-
(563)	(523)	-	(4,500)	(298)
-	-	-	(1,818)	-
-	(19)	-	(335)	329
<u>-</u>	<u>30</u>	<u>6</u>	<u>46</u>	<u>61</u>
<u>(525)</u>	<u>2,310</u>	<u>43</u>	<u>(2,361)</u>	<u>941</u>
4,510	1,143	(292)	8,901	2,554
-	-	-	8,366	180
-	-	-	24	275
-	1,350	314	2,947	120
<u>(161)</u>	<u>(1,214)</u>	<u>(45)</u>	<u>(4,110)</u>	<u>(3,355)</u>
4,349	1,279	(23)	16,128	(226)
<u>26,696</u>	<u>16,737</u>	<u>1,385</u>		<u>89,746</u>
\$ <u>31,045</u>	\$ <u>18,016</u>	\$ <u>1,362</u>		\$ <u>89,520</u>

Adjustment to reflect the consolidation of internal service  
fund activities related to enterprise funds  
Change in net assets of business-type activities

566  
\$ 16,694

## CITY OF BOULDER, COLORADO

## Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2011

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 23,218	\$ 12,994	\$ 4,879
Receipts from interfund services provided	-	-	-
Other receipts (payments)	(34)	33	(126)
Refundable deposits receipts (payments)	-	-	-
Payments to suppliers	(4,922)	(3,297)	(1,613)
Payments to employees	(5,994)	(4,282)	(1,476)
Payment for interfund services used	(1,154)	(828)	(202)
Net cash provided (used) by operating activities	<u>11,114</u>	<u>4,620</u>	<u>1,462</u>
Cash flows from noncapital financing activities:			
Payments from (to) other funds on due from (due to) balances	-	-	-
Payments from (to) other funds on advances	50	-	-
Leases, rents and royalties	34	28	40
Intergovernmental revenue	60	-	131
Sales and use tax	-	-	-
General property taxes	-	-	-
Accommodations taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Extraordinary Item - Valmont Butte Cleanup	-	(1,000)	-
Transfers in	-	-	-
Transfers out	(1,348)	(1,023)	(319)
Net cash provided (used) by noncapital financing activities	<u>(1,204)</u>	<u>(1,995)</u>	<u>(148)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,415)	(2,495)	(614)
Proceeds from sale or transfer of property and equipment	-	-	-
Contractual payment - future water rights	(2,382)	-	-
Proceeds on long-term bonds issued	378	-	-
Payment to refunded bond escrow agent	(772)	-	-
Cost of issuance paid	(98)	-	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(3,715)	(2,385)	(320)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,342)	(2,013)	(69)
Payment received on note receivable due from County for sale of land	-	-	-
Capital contributions	<u>4,165</u>	<u>1,148</u>	<u>966</u>
Net cash provided (used) for capital related financing activities	<u>(10,181)</u>	<u>(5,745)</u>	<u>(37)</u>

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>
\$ 5,258	\$ 3,988	\$ 185	\$ 50,522	\$ 164
-	-	-	-	16,458
-	45	11	(71)	61
-	-	-	-	2,004
-	(2,053)	(191)	(12,076)	(5,951)
-	(1,328)	(246)	(13,326)	(2,177)
-	(219)	(45)	(2,448)	-
<u>5,258</u>	<u>433</u>	<u>(286)</u>	<u>22,601</u>	<u>10,559</u>
-	(300)	-	(300)	(40)
-	(20)	20	50	(1,191)
-	150	-	252	20
-	-	-	191	60
-	94	-	94	-
-	1,756	26	1,782	-
-	715	-	715	-
-	50	1	51	-
-	-	-	(1,000)	2,775
-	1,350	314	1,664	120
<u>(161)</u>	<u>(1,214)</u>	<u>(45)</u>	<u>(4,110)</u>	<u>(2,072)</u>
<u>(161)</u>	<u>2,581</u>	<u>316</u>	<u>(611)</u>	<u>(328)</u>
-	(217)	-	(9,741)	(9,982)
-	-	-	-	520
-	-	-	(2,382)	-
-	-	-	378	-
-	-	-	(772)	-
-	-	-	(98)	-
(4,615)	(1,345)	-	(12,380)	(194)
(643)	(596)	-	(4,663)	(311)
161	-	-	161	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,279</u>	<u>347</u>
<u>(5,097)</u>	<u>(2,158)</u>	<u>-</u>	<u>(23,218)</u>	<u>(9,620)</u>

(continued)

## CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continuedProprietary Funds

Year ended December 31, 2011

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Cash flows from investing activities:			
Purchase of investment securities	\$ (24,149)	\$ (13,577)	\$ (8,728)
Proceeds from sale and maturities of investment securities	25,121	17,016	7,795
Interest on investments	<u>693</u>	<u>451</u>	<u>220</u>
Net cash provided (used) in investing activities	<u>1,665</u>	<u>3,890</u>	<u>(713)</u>
Net increase in cash and cash equivalents	1,394	770	564
Cash and cash equivalents, January 1	<u>614</u>	<u>419</u>	<u>214</u>
Cash and cash equivalents, December 31	\$ <u><u>2,008</u></u>	\$ <u><u>1,189</u></u>	\$ <u><u>778</u></u>
Reconciliation of cash and cash equivalents to balance sheet amounts:			
Equity in pooled cash and cash equivalents	\$ <u>2,008</u>	\$ <u>1,189</u>	\$ <u>778</u>
	\$ <u><u>2,008</u></u>	\$ <u><u>1,189</u></u>	\$ <u><u>778</u></u>

The accompanying notes are an integral part of this statement.



Boulder Municipal Property <u>Authority</u>	Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental <u>Activities</u> Internal Service <u>Funds</u>
\$ -	\$ (2,329)	\$ (477)	\$ (49,260)	\$ (28,459)
-	1,567	465	51,964	29,171
<u>-</u>	<u>54</u>	<u>13</u>	<u>1,431</u>	<u>636</u>
<u>-</u>	<u>(708)</u>	<u>1</u>	<u>4,135</u>	<u>1,348</u>
-	148	31	2,907	1,959
<u>-</u>	<u>46</u>	<u>13</u>	<u>1,306</u>	<u>680</u>
\$ <u><u>-</u></u>	\$ <u><u>194</u></u>	\$ <u><u>44</u></u>	\$ <u><u>4,213</u></u>	\$ <u><u>2,639</u></u>
\$ <u><u>-</u></u>	\$ <u><u>194</u></u>	\$ <u><u>44</u></u>	\$ <u><u>4,213</u></u>	\$ <u><u>2,639</u></u>
\$ <u><u>-</u></u>	\$ <u><u>194</u></u>	\$ <u><u>44</u></u>	\$ <u><u>4,213</u></u>	\$ <u><u>2,639</u></u>

(continued)

## CITY OF BOULDER, COLORADO

Statement of Cash Flows,  
continuedProprietary Funds

Year ended December 31, 2011

(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)	\$ 5,843	\$ 1,370	\$ 516
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of deferred charges	5,186	3,201	1,116
Other nonoperating revenues (expenses)	7	-	3
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	149	(5)	1
Charges for services receivable	153	67	22
Intergovernmental receivables	-	-	-
Due from other funds	-	-	-
Inventory of materials and supplies	(3)	-	-
Other assets - prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(106)	(71)	(81)
Accrued salaries, wages and amounts withheld from employees	10	24	5
Accrued claims liability	-	-	-
Other liabilities	-	-	-
Other liabilities - refundable deposits	(41)	33	(129)
Deferred revenue	-	-	-
Contracts and retainage payable	-	-	-
Compensated absences	(98)	(10)	5
Retiree health care benefit	14	11	4
Total adjustments	5,271	3,250	946
Net cash provided (used) by operating activities	\$ 11,114	\$ 4,620	\$ 1,462
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From internal service funds	\$ 532	\$ 554	\$ 197
Other	821	664	551
Financed through accounts, contracts and retainage payable	615	430	(253)
Amortization of bond premium and issuance costs	84	(74)	1
Amortization of deferred loss on bond refundings	231	-	7
Underwriter discount on new bond issuances	(76)	-	-
Assets transferred to other funds	-	-	-
Issuance of refunding bonds payable	18,718	-	-
Increase (Decrease) in fair value of investments	(106)	(102)	(20)
	\$ 20,819	\$ 1,472	\$ 483

The accompanying notes are an integral part of this statement.

Boulder Municipal Property <u>Authority</u>	Downtown Commercial <u>District</u>	Nonmajor Enterprise <u>Funds</u>	Total Enterprise <u>Funds</u>	Governmental <u>Activities</u> Internal Service <u>Funds</u>
\$ <u>5,035</u>	\$ <u>(1,167)</u>	\$ <u>(335)</u>	\$ <u>11,262</u>	\$ <u>1,613</u>
143	1,532	38	11,216	6,654
-	30	6	46	61
-	(1)	-	144	(24)
-	-	-	242	-
-	-	-	-	19
80	-	-	80	-
-	-	-	(3)	-
-	-	-	-	15
-	1	(1)	(258)	215
-	15	-	54	(37)
-	-	-	-	(107)
-	15	5	20	162
-	-	-	(137)	2,004
-	-	-	-	(25)
-	1	-	(102)	5
-	7	1	37	4
<u>223</u>	<u>1,600</u>	<u>49</u>	<u>11,339</u>	<u>8,946</u>
\$ <u><u>5,258</u></u>	\$ <u><u>433</u></u>	\$ <u><u>(286)</u></u>	\$ <u><u>22,601</u></u>	\$ <u><u>10,559</u></u>
\$ -	\$ -	\$ -	\$ 1,283	\$ -
-	-	-	2,036	-
-	4	-	796	43
-	(23)	-	(12)	6
-	10	-	248	-
-	-	-	(76)	-
-	-	-	-	(1,283)
-	-	-	18,718	-
<u>-</u>	<u>2</u>	<u>(2)</u>	<u>(228)</u>	<u>(31)</u>
\$ <u><u>-</u></u>	\$ <u><u>(7)</u></u>	\$ <u><u>(2)</u></u>	\$ <u><u>22,765</u></u>	\$ <u><u>(1,265)</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 Assets

Pension Trust Funds

December 31, 2011

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$ 12
Investments:	
U.S. Treasuries	535
U.S. Agencies & Instrumentalities	654
Mutual Funds	18,086
Equity Securities	4,916
Local Government Investment Pools	11
Money Market Funds	566
Real Estate Investment Trust	463
Corporate Bonds	233
Receivables:	
Accrued interest	10
Total assets	<u>25,486</u>

Liabilities:

Accounts and accrued liabilities:	
Accrued pensions payable	144
Total liabilities	<u>144</u>

Net assets 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)	\$ <u>25,342</u>
--	------------------

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year ended December 31, 2011

(Amounts in 000's)

Additions:

Pension contributions:

City of Boulder	\$	256
Employees		<u>26</u>
Total contributions		<u>282</u>

Investment earnings		9
Less investment expense		<u>(66)</u>
Net investment loss		<u>(57)</u>

Total additions		<u>225</u>
-----------------	--	------------

Deductions:

Benefits		3,041
Administrative		<u>18</u>
Total deductions		<u>3,059</u>

Net decrease		(2,834)
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Net assets held in trust for

pension benefits:

Beginning of year		<u>28,176</u>
End of year	\$	<u><u>25,342</u></u>

The accompanying notes are an integral part of this statement.

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## NOTES TO THE FINANCIAL STATEMENTS

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**City of Boulder, Colorado**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2010**

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

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 three 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.

**Blended Component Units**

*Downtown Commercial District and University Hill Commercial District* - 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 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. The two access districts were created

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

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.

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 assets 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Government-wide and Fund Financial Statements (Continued)

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.

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.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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.

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their government-wide financial statements and their enterprise funds, subject to this same limitation. The city has elected not to follow subsequent private-sector guidance.

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 fiscal year end.

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Investments (Continued)

Since many of the city moneys are designated for specific uses, maturities are selected to coincide with the periods these moneys 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.

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 non-current 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 non-pooled 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.

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 2011 totaled \$179,341.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a the effective interest rate method.

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

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

13. Fund Balances and Net Assets

For the year ended December 31, 2011, the city has adopted the provisions of Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB54). Amongst other changes, GASB54 establishes new definitions for fund balance categories (see Note AA for additional information on the adoption of this accounting principle).

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Fund Balances and Net Assets

*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.

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 invested in capital assets, net of related debt; restricted and unrestricted.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Fund Balances and Net Assets

Net assets invested in capital assets, net of related debt, 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 assets invested in capital assets, net of related debt, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2011 totaled \$6,772,021, consisting of \$2,934,796 for the Water Utility Fund, \$840,389 for the Wastewater Utility Fund, \$324,984 for the Stormwater and Flood Management Fund, \$348,554 for the Downtown Commercial District Fund, and \$2,323,298 for other governmental funds.

Fiduciary funds report net assets 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.

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	\$ 248,496	\$ 101	\$ 248,597
Buildings	21,485	72,004	93,489
Improvements other than buildings	57,094	8,464	65,558
Infrastructure	373,266	0	373,266
Machinery and equipment	2,939	36,065	39,004
Construction in progress	<u>19,421</u>	<u>7,532</u>	<u>26,953</u>
Total capital assets	722,701	124,166	846,867
Less accumulated depreciation	<u>302,617</u>	<u>66,046</u>	<u>368,663</u>
Capital assets, net	<u>\$ 420,084</u>	<u>\$ 58,120</u>	<u>\$ 478,204</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

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	\$ 41,746
Taxable obligation bonds	8,881
Revenue bonds	4,054
Capital lease	7,406
Compensated absences	10,968
Loans Payable	250
Retiree health care benefits payable	<u>1,185</u>
Total governmental activities long-term liabilities	74,490
Plus: interest payable	623
Less: internal service fund long-term liabilities, net of allocation	<u>(7,688)</u>
Governmental fund long-term liabilities	<u>\$ 67,425</u>

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

The city includes a reconciliation between net changes in fund balances-total governmental funds and changes in net 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.”

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 details of the \$9,514 increase are as follow (amounts in 000's):

Debt issued and additions:	
Increase in compensated absences	\$ (664)
Increase in retiree health care benefit	<u>(230)</u>
Total debt issued or incurred	<u>(894)</u>
Principal repayments and reductions:	
Repayments	9,465
Amortization of debt premium	278
Amortization of deferred loss on bond refundings	<u>(190)</u>
Bond payments	9,553
Loan payable	250
Arbitrage liability payments	194
Compensated absences	<u>270</u>
Total repayments and reductions	<u>10,267</u>
Net change in governmental activities long-term liabilities	9,373
Other long-term liabilities:	
Amortization of cost of issuance	<u>(112)</u>
Total change in governmental activities long-term liabilities	9,261
Less: change in accrued interest payable	68
Less: change in internal service fund long-term liabilities	<u>185</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>9,514</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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) \$4,618,996 increase in the Transportation Fund for the capital carryover from 2010. These are projects that were started prior to year end of 2010 with expenditures in 2011;
- 2) \$3,500,000 increase in the General Fund due to the Mapleton Preschool renovation that was done in conjunction with the school district;
- 3) \$1,601,236 increase in the General Fund due to projects that were started in 2010 and still have expenditures in 2011. This is related to the recycling center at 6400 Arapahoe;
- 4) \$570,000 increase in the HOME Fund from carryover of revenue received for grants from outside agencies;
- 5) \$2,758,916 increase in the Affordable Housing Fund from capital carryover from 2010. These are projects that were started prior to year end of 2010 with expenditures in 2011;
- 6) \$2,085,493 increase in the Open Space and Mountain Parks Fund for capital carryover from 2010. These are projects started in 2010 with expenditures in 2011;
- 7) \$2,500,000 increase in the Facility Renovation and Replacement Fund budget for the costs associated with the Valmont Butte VCUP project;
- 8) \$960,292 increase in the General Fund for the Acorn School project;
- 9) \$325,000 increase in the General Fund related to the transit village center at Boulder Junction.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE C - LEGAL COMPLIANCE – BUDGETS (CONTINUED)

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, adjustment 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

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



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE D - LEGAL COMPLIANCE – TABOR (CONTINUED)

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 non-federal 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, 2011, the city believes it was in compliance with TABOR. (See Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS

At December 31, 2011, the city had the following in cash and investments (in 000's):

Cash and Deposits	\$11,366
Investments	<u>215,921</u>
Total	\$ <u>227,287</u>

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

*Citywide Investments*

Equity in pooled cash and cash equivalents	\$11,355
Investments	180,286
Restricted investments	<u>10,171</u>
	<u>201,812</u>

*Fiduciary Fund Investments*

Equity in pooled cash and cash equivalents	11
Investments	<u>25,464</u>

Total	\$ <u>227,287</u>
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**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, 2011, 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, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2011, the city had cash on hand of \$27,584. In addition, at December 31, 2011, the carrying amount of the city's deposits at JPMorgan Chase was \$11,338,463 while the bank statement balance was \$12,584,348. 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, 2011, all of the city's deposits are fully insured by FDIC.

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

As of December 31, 2011, the city had the following investments:

Investment Type	Fair Value (000's)
Local Government	
Investment Pools	\$ 11,868
Money Market Mutual Funds	860
US Treasuries	27,187
US Instrumentalities	<u>150,542</u>
Total	\$ <u>190,457</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, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

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

As of December 31, 2011, the city held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
US Instrumentalities			
FHLB	\$ 57,820	AA+	Aaa
FNMA	13,932	AA+	Aaa
FFCB	36,853	AA+	Aaa
FHLMC	38,863	AA+	Aaa
Tennessee Valley Authority	3,074	AAAm	Aaa
Local Government Investment Pools	11,868	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, 2011, the weighted average maturity of the city's pooled investment portfolio was 1.51 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
US Treasuries	\$ 27,187	2.04
FHLB	57,820	2.08
FNMA	13,932	2.18
FFCB	36,853	1.31
FHLMC	38,863	.81
Tennessee Valley Authority	3,074	.39
Local Government		
Investment Pools	11,868	.003
Money Market Mutual Funds	<u>860</u>	.003
Total Fair Value	\$ <u>190,457</u>	
Portfolio weighted average maturity		<u>1.51</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

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

*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.

As of December 31, 2011, 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 US Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities and or US 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, 2011, the city had \$859,773 in money market mutual funds invested in the Goldman Sachs Treasury Obligations Fund, held in trust accounts at Deutsche Bank. 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

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

*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. Five percent or more of the city's investments were held by the following issuers as of December 31, 2011:

<u>Issuer</u>	<u>Fair Market Value (in 000's)</u>	<u>Percentage of Total Portfolio</u>
Federal Home Loan Bank	\$ 57,821	30%
Federal Farm Credit Bureau	36,853	19%
Federal National Mortgage Association	13,932	7%
Federal Home Loan Mortgage Corporation	38,863	20%

**Investments – Fiduciary Funds**

As of December 31, 2011, the Police and Fire Pension Funds had the following investments:

<u>Investment Type</u>	<u>Fair Value (in 000's)</u>	<u>Maturities in Years</u>				
		<u>&lt;1</u>	<u>1-2</u>	<u>3-5</u>	<u>5-10</u>	<u>&gt;10</u>
Local Government						
Investment Pools	\$ 11	\$ 11	\$ -	\$ -	\$ -	\$ -
US Treasuries	535	2	12	203	-	318
US Instrumentalities and Agencies	654	159	51	32	350	62
Corporate Bonds	<u>233</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>117</u>	<u>-</u>
<b>Subtotal</b>	<u>1,433</u>	<u>\$ 172</u>	<u>\$ 63</u>	<u>\$ 351</u>	<u>\$ 467</u>	<u>\$ 380</u>
Money Market Funds	566					
Mutual Funds	18,086					
Equities	4,916					
Real Estate Investment Trust	<u>463</u>					
<b>Total</b>	<u>\$ 25,464</u>					

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments – Fiduciary Funds (Continued)**

*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 March 1, 2011 and adopted on September 13, 2011. The “Old Hire” Fire Pension Fund investment policy was revised on March 1, 2011, and formally adopted on August 15, 2011. The revised policies have established asset allocations for both short and long-term accounts, with a more conservative approach in the short term accounts. A strategic allocation of 80% in Defensive and Domestic Fixed Income is required for the short term pension accounts. The “Old Hire” Police Pension plan has a risk tolerance of no more than a 16.7% annual loss, with a statistical confidence level of 95%. The “Old Hire” Fire plan has a risk tolerance of no more than a 14.9% annual loss, with a statistical confidence level of 95%.

At December 31, 2011 the pension plans held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
Local Government			
Investment Pools	\$ 11	AAAm	Aaa
US Instrumentalities	592	AA+	Aaa
Corporate Bond - AT&T	116	A-	A2
Corporate Bond – John Deere	117	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 the long term account shall have no more than 85 percent in equities. The policy also states that equity holdings in any one company should not exceed more than 10% 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 US Government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2011, no single issuer held more than 10% of either pension fund's portfolio.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments – Fiduciary Funds (continued)**

In the revised investment policy, which was adopted on September 13, 2011, the “Old Hire” Police Pension Fund, Long Term Account, has a specified risk tolerance not to exceed a 16.76 percent loss in any year. To maintain a 95 percent confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

<u>Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Large Cap	38%	41%	44%
Domestic Small Cap Core	3%	6%	9%
International Equity	9%	12%	15%
Domestic Fixed Income	12%	15%	18%
Global Fixed Income	1%	4%	7%
Floating Rate Corporate Loans	5%	8%	7%
High Yield	1%	4%	7%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

The “Old Hire” Police Pension Plan, Short Term Account, has specified a risk tolerance not to exceed a 4.2 percent loss in any one year. To maintain a 95 percent confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

<u>Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Large Cap	2%	5%	8%
Domestic Small/Mid Cap	0%	2%	5%
International Equity	0%	2%	5%
Defensive Fixed Income	62%	65%	68%
Domestic Fixed Income	12%	15%	18%
Floating Rate Corp. Loans	5%	8%	11%
High Yield	0%	3%	6%



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments – Fiduciary Funds (continued)**

In the revised investment policy, which was adopted on August 15, 2011, the “Old Hire” Fire Pension Fund, Long Term Account, has a specified risk tolerance not to exceed a 14.9 percent loss in any year. To maintain a 95 percent confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

<u>Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Large Cap	23%	26%	29%
Domestic Mid Cap	2%	5%	8%
Domestic Small Cap	2%	5%	8%
International Equity	10%	13%	16%
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%

The “Old Hire” Fire Pension Plan, Short Term Account, has specified a risk tolerance not to exceed a 4.2 percent loss in any one year. To maintain a 95 percent confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

<u>Asset Allocation</u>	<u>Lower Limit</u>	<u>Strategic Allocation</u>	<u>Upper Limit</u>
Domestic Large Cap	2%	5%	8%
Domestic Small/Mid Cap	0%	2%	5%
International Equity	0%	2%	5%
Defensive Fixed Income	62%	65%	68%
Domestic Fixed Income	12%	15%	18%
Floating Rate Corp. Loans	5%	8%	11%
High Yield	0%	3%	6%

At December 31, 2011 the asset class allocations were within the maximum limits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments – Fiduciary Funds (continued)**

*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 Fund investment policy states that a custodian bank will maintain possession of securities owned by the Fund. The "Old Hire" Fire Pension Plan'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 5.00% over the Consumer Price Index, which was 3.00% in 2011, for its long-term account. The expected return of the "Old Hire" Police Pension fund's short-term account is 3.5%. The "Old Hire" Police total pension portfolio increased in value by .41%. The Fire Pension Fund investment policy specifies a targeted rate of return of 7.25% for its long-term account and a target rate of return of 3.5% for its short term account. The "Old Hire" Fire pension portfolio decreased in value by .59%. See the above pension investment maturity schedule for additional information on fixed income security maturities.

*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 accounts, respectively. These deposits are held by a third party custodian, Charles Schwab Institutional, in each pension's name.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 2011 for collection in 2012 of \$27,507,939 in the General Fund, \$27,644 in the Special Revenue Funds, \$2,234,768 in the Capital Projects Funds and \$1,947,530 in the Enterprise Funds, are included in receivables and deferred revenue at December 31, 2011. These taxes are classified as deferred revenues since they are not normally available to the city until mid-2012 and are budgeted for in 2012.

NOTE G – NOTES RECEIVABLE

The December 31, 2011 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):

<u>Type of note receivable</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Current</u>	<u>Non- Current</u>	<u>Current</u>	<u>Non- Current</u>
Land Sale to Boulder County	\$ -	\$ -	\$ 126	\$ 571
Special Assessments	-	-	13	-
City Manager Office	-	40	-	-
HHS Construction Loan	<u>72</u>	<u>1,898</u>	<u>-</u>	<u>-</u>
	\$ <u>72</u>	\$ <u>1,938</u>	\$ <u>139</u>	\$ <u>571</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 collectibility 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, 2011, no allowance for doubtful accounts was recognized.

The December 31, 2011, balance in "other receivables" contains the following detail (amounts in 000's):

<u>Type of receivable</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 3,620	\$ 321	\$ 3,941
Charges for services	0	1,505	1,505
Accrued interest	620	372	992
Interest on long-term note receivable	4	19	23
Intergovernmental	3,149	85	3,234
Other	<u>50</u>	<u>0</u>	<u>50</u>
	\$ <u>7,443</u>	\$ <u>2,302</u>	\$ <u>9,745</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE I - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows (amounts in 000's):

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and easements	\$ 241,754	\$ 6,848	\$ (5)	\$ 248,597
Construction in progress	<u>40,220</u>	<u>12,881</u>	<u>(26,148)</u>	<u>26,953</u>
Total capital assets, not being depreciated	<u>281,974</u>	<u>19,729</u>	<u>(26,153)</u>	<u>275,550</u>
Capital assets being depreciated:				
Buildings	90,608	2,922	(41)	93,489
Improvements other than buildings	48,486	17,072	(0)	65,558
Infrastructure	361,659	11,607	(0)	373,266
Machinery and equipment	<u>35,470</u>	<u>4,410</u>	<u>(876)</u>	<u>39,004</u>
Total capital assets, being depreciated	<u>536,223</u>	<u>36,011</u>	<u>(917)</u>	<u>571,317</u>
Less accumulated depreciation for:				
Buildings	43,922	3,893	(2)	47,813
Improvements other than buildings	19,370	2,500	(0)	21,870
Infrastructure	269,296	7,041	(0)	276,337
Machinery and equipment	<u>20,169</u>	<u>3,240</u>	<u>(766)</u>	<u>22,643</u>
Total accumulated depreciation	<u>352,757</u>	<u>16,674</u>	<u>(768)</u>	<u>368,663</u>
Total capital assets, being depreciated, net	<u>183,466</u>	<u>19,337</u>	<u>(149)</u>	<u>202,654</u>
Governmental Activities capital assets, net	<u>\$ 465,440</u>	<u>\$ 39,066</u>	<u>\$ (26,302)</u>	<u>\$ 478,204</u>

During 2011, the city had intangible assets of \$2,423 million that are included in land and easements above.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE I - CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets not being depreciated:				
Land and easements	\$ 74,519	\$ 30	\$ (0)	\$ 74,549
Construction in progress	<u>4,044</u>	<u>5,814</u>	<u>(1,399)</u>	<u>8,459</u>
Total capital assets, not being depreciated	<u>78,563</u>	<u>5,844</u>	<u>(1,399)</u>	<u>83,008</u>
Capital assets being depreciated:				
Buildings	48,845	108	0	48,953
Improvements other than buildings	6,689	11	0	6,700
Utility plant in service and undergrounds	449,943	7,904	0	457,847
Machinery and equipment	<u>11,101</u>	<u>1,281</u>	<u>(396)</u>	<u>11,986</u>
Total capital assets, being depreciated	<u>516,578</u>	<u>9,304</u>	<u>(396)</u>	<u>525,486</u>
Less accumulated depreciation for:				
Buildings	17,754	1,435	0	19,189
Improvements other than buildings	2,736	310	0	3,046
Utility plant in service and undergrounds	143,488	8,501	0	151,989
Machinery and equipment	<u>4,841</u>	<u>834</u>	<u>(344)</u>	<u>5,331</u>
Total accumulated depreciation	<u>168,819</u>	<u>11,080</u>	<u>(344)</u>	<u>179,555</u>
Total capital assets, being depreciated, net	<u>347,759</u>	<u>(1,776)</u>	<u>( 52)</u>	<u>345,931</u>
Business-type Activities capital assets, net	<u>\$ 426,322</u>	<u>\$ 4,068</u>	<u>\$ (1,451)</u>	<u>\$ 428,939</u>

In 2011, the city capitalized \$179,341 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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	662
Public Safety	98
Public Works	13,444
Culture and Recreation	2,091
Open Space and Mountain Parks	241
Housing & Human Services	<u>65</u>
Total depreciation expense – Governmental Activities	\$ <u>16,674</u>

Business-type Activities:

Water Utility	\$ 5,136
Wastewater Utility	3,176
Stormwater and Flood Management	1,100
Parking facilities and services	1,525
Property and facility acquisition	<u>143</u>
Total depreciation expense – Business-type Activities	\$ <u>11,080</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 had 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, 2010, the reserve exceeded this goal by \$3,613,192. The next actuarial study will be performed in the first quarter of 2013 and will address claims as of December 31, 2012.

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, 2010 and 2011, were as follows (amounts in 000's):

	<u>2010</u>	<u>2011</u>
Estimated claims payable January 1	\$ 920	\$ 1,022
Current year claims and changes in estimates	505	39
Claim payments	(403)	(147)
Estimated claims payable December 31	\$ <u>1,022</u>	\$ <u>914</u>
Claims payable due within one year	\$ <u>176</u>	\$ <u>170</u>



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE J - RISK MANAGEMENT (CONTINUED)

**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, 2010, 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, 2010, the reserve exceeded this goal by \$1,572,858. The next actuarial study will be performed in the first quarter of 2013 and will address claims as of December 31, 2012.

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2010 and 2011, was as follows (amounts in 000's):

	<u>2010</u>	<u>2011</u>
Estimated claims payable January 1	\$ 781	\$ 938
Current year claims and changes in estimates	982	903
Claim payments	<u>(825)</u>	<u>(741)</u>
Estimated claims payable December 31	\$ <u>938</u>	\$ <u>1,100</u>
Claims payable due within one year	\$ <u>695</u>	\$ <u>704</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE K – ACCRUED LIABILITIES

The December 31, 2011, balance in “accrued liabilities” contains the following detail (amounts in 000’s):

<u>Type of accrued liability</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accrued salaries, wages and amounts withheld from employees	\$ 4,926	\$ 800	\$ 5,726
Accrued interest	623	697	1,320
Accrued liability – landfill cleanup	-	2,532	2,532
Accrued liability – cleanup costs	<u>2,500</u>	<u>-</u>	<u>2,500</u>
	<u>\$ 8,049</u>	<u>\$ 4,029</u>	<u>\$ 12,078</u>

NOTE L - PROPERTY TAX OVERCOLLECTION LIABILITY

The 2010 mill levy for the city of Boulder for taxes collected in 2011, resulted in an excess of the TABOR (see Note D) allowable property tax revenues by \$18,451. The 2011 mill levy for taxes collected in 2012 was voluntarily reduced to compensate for this overcollection.

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

<u>Fund</u>	<u>Net Overcollection</u>
Downtown Commercial District	\$ 14,229
University Hill General Improvement District	4,222

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 \$.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 twenty 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE M - ACCRUED LIABILITY - LANDFILL CLEANUP (CONTINUED)

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.

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, 2011, balance in the "accrued landfill cleanup liability" is \$2,530,980.

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 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

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:

2012	\$ 1,653,910
2013	1,653,835
2014	1,653,250
2015	1,655,004
2016	1,697,958
2017	1,700,125

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, 2011, deferred credit balance was \$3,381,187.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O - LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2011 (amounts in 000's):

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 49,683	\$ -	\$ (7,937)	\$ 41,746	\$ 7,085
Taxable obligation bonds	9,201	-	(320)	8,881	340
Revenue bonds	<u>5,350</u>	<u>-</u>	<u>(1,296)</u>	<u>4,054</u>	<u>1,295</u>
Total bonds payable	64,234	-	(9,553)	54,681	8,720
Loans payable	500	-	(250)	250	-
Capital Lease Purchase Agreements	7,957	-	(194)	7,763	357
Compensated absences	10,574	664	(270)	10,968	603
Estimated claims payable (Note J)	1,960	942	(888)	2,014	874
Retiree health care benefit	<u>955</u>	<u>230</u>	<u>-</u>	<u>1,185</u>	<u>-</u>
Governmental activities long-term debt	\$ <u>86,180</u>	\$ <u>1,836</u>	\$ <u>(11,155)</u>	\$ <u>76,861</u>	\$ <u>10,554</u>

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 16,753	\$ -	\$ (1,403)	\$ 15,350	\$ 1,390
Revenue bonds	<u>91,429</u>	<u>18,535</u>	<u>(25,103)</u>	<u>84,861</u>	<u>6,870</u>
Total bonds payable	108,182	18,535	(26,506)	100,211	8,260
Certificates of participation	1,120	-	(545)	575	575
Lease purchase revenue notes	10,809	-	(4,070)	6,739	1,425
Compensated absences	1,358	104	(206)	1,256	173
Retiree health care benefit	<u>146</u>	<u>36</u>	<u>-</u>	<u>182</u>	<u>-</u>
Business-type activities long-term debt	\$ <u>121,615</u>	\$ <u>18,675</u>	\$ <u>(31,327)</u>	\$ <u>108,963</u>	\$ <u>10,433</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O - LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

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

General obligation bonds outstanding at December 31, 2011, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates</u> <u>Outstanding</u>	<u>Amount</u> <u>Outstanding</u>	<u>Original</u> <u>Amount</u>
Governmental activities	2.00 – 5.00%	\$ 19,065	\$ 26,115
Governmental activities – refunding	2.50 – 4.30	22,630	35,800
Business-type activities	3.25 – 4.20	8,855	12,500
Business-type activities – refunding	3.00 - 4.00	<u>6,250</u>	<u>7,730</u>
		<u>\$ 56,800</u>	<u>\$ 82,145</u>

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

<u>Year ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Debt Requirements</u> <u>to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 7,085	\$ 1,547	\$ 1,390	\$ 556	\$ 10,578
2013	6,970	1,308	1,440	513	10,231
2014	5,350	1,079	1,490	468	8,387
2015	5,540	874	1,545	421	8,380
2016	3,550	661	1,605	372	6,188
2017-2021	10,360	1,381	5,835	970	18,546
2022-2026	1,670	440	1,800	113	4,023
2027-2029	<u>1,170</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>1,265</u>
Total liability	41,695	7,385	15,105	3,413	67,598
Plus bond premium	532	-	284	-	816
Less refunding bond charges	<u>(481)</u>	<u>-</u>	<u>(39)</u>	<u>-</u>	<u>(520)</u>
Net liability	<u>\$ 41,746</u>	<u>\$ 7,385</u>	<u>\$ 15,350</u>	<u>\$ 3,413</u>	<u>\$ 67,894</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O - LONG-TERM DEBT (CONTINUED)

Taxable Pension Obligation Bonds

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

Taxable Pension obligation bonds outstanding at December 31, 2011, 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>\$8,760</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>	
2012	\$ 340	\$ 348	\$ 688
2013	345	341	686
2014	355	334	689
2015	360	327	687
2016	370	316	686
2017-2021	2,050	1,381	3,431
2022-2026	2,505	936	3,441
2027-2030	<u>2,435</u>	<u>308</u>	<u>2,743</u>
Total liability	8,760	4,291	13,051
Plus bond premium	<u>121</u>	-	<u>121</u>
Total liability	<u>\$ 8,881</u>	<u>\$ 4,291</u>	<u>\$ 13,172</u>



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O - LONG-TERM DEBT (CONTINUED)

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.

**2011 Bond Refunding**

On February 22, 2011, the city issued \$18,335,000 in Water and Sewer Revenue Refunding Bonds (carrying value of \$18,535,000 which includes \$837,000 premium and \$637,000 loss on early extinguishment of debt) with an average coupon rate of 3.62 percent to refund \$18,705,000 of outstanding 2001 Series Water and Sewer Revenue Refunding Bonds with an average coupon rate of 4.49 percent. Proceeds of \$19,171,728 plus prior debt service funds of \$2,578,199, less \$174,674 in underwriting fees, other closing costs, and a \$2,081,429 deposit to the debt service reserve funds, were used to purchase US Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 Series bonds. The 2001 Series bonds were called and fully retired on December 1, 2011. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$637,289. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the effective interest method. The city completed the advance refunding to reduce its total debt services payments over the next ten years by \$1,321,991 and to obtain a net present value benefit of \$1,001,852.

Revenue bonds outstanding at December 31, 2011, 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 – refunding	3.00%	\$ 4,005	\$ 6,485
Business-type activities	2.00 – 5.00	44,750	55,225
Business-type activities – refunding	2.00 – 4.125	<u>39,665</u>	<u>56,445</u>
		\$ <u>88,420</u>	\$ <u>118,155</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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):

<u>Year ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,295	\$ 120	\$ 6,870	\$ 3,344	\$ 11,629
2013	1,340	81	6,935	3,118	11,474
2014	1,370	41	7,170	2,887	11,468
2015	-	-	7,420	2,628	10,048
2016	-	-	7,670	2,356	10,026
2017-2021	-	-	30,965	7,324	38,289
2022-2026	-	-	14,905	2,126	17,031
2027-2030	-	-	<u>2,480</u>	<u>207</u>	<u>2,687</u>
Total liability	4,005	242	84,415	23,990	112,652
Plus bond premium	62	-	1,620	-	1,682
Less refunding bond charges	<u>(13)</u>	<u>-</u>	<u>(1,174)</u>	<u>-</u>	<u>( 1,187)</u>
Total liability	\$ <u>4,054</u>	\$ <u>242</u>	\$ <u>84,861</u>	\$ <u>23,990</u>	\$ <u>113,147</u>

Certificates of Participation

The Boulder Municipal Property Authority (BMPA) has issued certificates of participation where BMPA pledges income, received from the city of Boulder and derived from base rentals of recreational property, to pay debt service. These certificates of participation are a debt of BMPA, not of the city of Boulder, but are included as a blended component unit of the city (Note A1).

Certificates of participation outstanding at December 31, 2011, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Business-type activities	5.00%	\$ <u>575</u>	\$ <u>5,750</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O - LONG-TERM DEBT (CONTINUED)

Certificates of Participation (continued)

Annual debt service requirements to maturity for certificates of participation are as follows (amounts in 000's):

<u>Year ending December 31</u>	<u>Business-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2012	<u>575</u>	<u>29</u>	<u>604</u>
Total liability	\$ <u>575</u>	\$ <u>29</u>	\$ <u>604</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, 2011, are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Business-type activities	4.75 – 7.00%	\$ <u>6,739</u>	\$ <u>14,993</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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):

<u>Year ending December 31</u>	<u>Business-type Activities</u>		<u>Debt Requirements to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 1,426	\$ 352	\$ 1,778
2013	1,364	276	1,640
2014	1,340	203	1,543
2015	1,006	135	1,141
2016	941	83	1,024
2017-2020	<u>662</u>	<u>59</u>	<u>721</u>
Total liability	\$ <u>6,739</u>	\$ <u>1,108</u>	\$ <u>7,847</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 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 three percent per annum beginning August 25, 2009.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Lease Purchase Agreements

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

*All American Investment Group, LLC* - On October 25, 2010 the City entered into a capital lease agreement with All American Investment Group, LLC. Proceeds of \$6,457,033 will fund the second phase of energy efficiency improvements. Leasehold improvements will help the City meet its environmental sustainability goals. Capital lease purchase agreement obligations outstanding as of December 31, 2011 are as follows (amounts in 000's):

<u>Purpose</u>	<u>Interest Rates Outstanding</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>
Governmental - type activities	3.518 – 4.93%	\$ <u>7,763</u>	\$ <u>7,957</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>	
2012	\$ 357	\$ 288	\$ 645
2013	392	273	665
2014	392	259	651
2015	415	243	658
2016	443	227	670
2017-2021	2,805	842	3,647
2022-2026	<u>2,959</u>	<u>237</u>	<u>3,196</u>
Total liability	\$ <u>7,763</u>	\$ <u>2,369</u>	\$ <u>10,132</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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, 2011 (amounts in 000's):

	Governmental <u>Activities</u>	Business- type <u>Activities</u>
Accrued vacation	\$ 6,957	\$ 709
Accrued sick pay	1,590	164
Accrued appreciation bonus	2,217	383
Accrued compensation time	<u>204</u>	<u>-</u>
	\$ <u>10,968</u>	\$ <u>1,256</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$602,850 of governmental activities and \$174,241 of business-type activities liabilities will be paid in 2012. 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.

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, 2011. 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE O – LONG-TERM DEBT (CONTINUED)

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, non-callable 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.

At December 31, 2011, there are no refunded bonds that are outstanding.

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 thirty year lease. On March 30, 2005, the city exercised the option to renew its leasehold interest at the Criminal Justice Center for an additional 30 years.

Lease of Public Library Space at the Meadows on the Parkway

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE P - INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS

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

**Due to/from other funds**

The composition of interfund receivable and payable balances as of December 31, 2011 is as follows (amounts in 000's):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Open Space and Mountain Parks	\$ 1,275
	CDBG	16
	HOME	9
	2011 Capital Improvement Fund	3
Transportation	2011 Capital Improvement Fund	2,618
Perm Parks & Recreation	2011 Capital Improvement Fund	230
Downtown Commercial District	2011 Capital Improvement Fund	300
Boulder Municipal Property Authority	General	2
	Open Space and Mountain Parks	207
Facility Renovation & Replacement	2011 Capital Improvement Fund	<u>40</u>
		\$ <u>4,700</u>

Some of the most significant interfund receivable/payable balances are amounts due from the Capital Improvement Fund as of December 31, 2011. All balances will be repaid within one year when the Capital Improvement Projects bond has sold in early 2012 (see Note Y).



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

**Advances to/from other funds**

The composition of interfund advances receivable and payable balances as of December 31, 2011, is as follows (amounts in 000's):

<u>Paying Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Fund	Water Utility Fund	\$ 822
	Property and Casualty Fund	39
	Fleet Fund	1,398
Boulder Junction Access GID	Downtown Commerical District	20
		<u>\$ 2,279</u>

The General Fund owes the Water Utility Fund \$821,562 at December 31, 2011 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 sixty equal quarterly payments including 5% interest beginning in 2009.

The General Fund owes the Property and Casualty Insurance Fund \$39,445 at December 31, 2011 for funding assistance provided to move the historic Jaycees/Union Pacific Depot from the location in the Crossroad Commons Shopping Center to a permanent location on the city-owned portion of the transit Village property at the intersection of 30<sup>th</sup> and Pearl streets. This advance will be repaid within five years including 3.48% interest beginning in 2011.

The General Fund owes the Fleet Fund for two separate advances. As of December 31, 2011 they were in the amounts of \$147,977 for funding assistance in the implementation of new parking technology and \$1,250,000 for the Valmont Butte Remediation. The parking technology advance will be repaid over 10 years with forty 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, 2011

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 \$20,000 at December 31, 2011. 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 material 2011 transfers (amounts in 000's).

*Cost Allocation* – All funds made quarterly payments to the General Fund for indirect expenses, primarily administrative, such as legal, human resources, finance and information technologies totaling:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount of Allocation</u>
General	Major governmental funds:	
	Open Space and Mountain Parks	\$ 1,019
	Transportation	1,248
	Nonmajor governmental funds	2,672
	Enterprise funds:	
	Water Utility	1,154
	Wastewater Utility	828
	Stormwater and Flood Management	202
	Downtown Commercial District	263
	University Hill Commercial District	45
	Internal service funds	<u>1,885</u>
		<u>\$ 9,316</u>

*Library Revenue Transfer* – The General Fund made quarterly payments totaling \$6,481 to the Library Fund to subsidize library operations.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

*Parking Meter Revenue Transfer* – The General Fund made monthly payments to the Downtown Commerical District and University Hill Commercial District totaling \$1,350 and \$314, respectively, for meter revenues collected in the General Fund.

*Parks & Recreation Revenue Fund Transfer* – The General Fund made quarterly payments totaling \$1,482 to the Recreation Activity Fund to subsidize recreation activities.

*Planning & Development Services Fund Transfer* – The following funds made quarterly payments to cover the applicable share of development activities performed on each fund's behalf by the Planning & Development Services Fund. The General Fund share also includes a subsidy for general governance activities performed by the Planning & Development Services Fund. The total of the transfers is as follows:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount Transferred</u>
Planning & Development Services	Major governmental funds:	
	General	\$ 2,070
	Transportation	208
	Nonmajor governmental funds	23
	Enterprise funds:	
	Water Utility	194
	Wastewater Utility	195
	Stormwater and Flood Management	117
		<u>\$ 2,807</u>

*Mountain Parks Transfer* – The General Fund made quarterly payments totaling \$1,019 to the Open Space and Mountain Parks Fund to subsidize Mountain Parks operations.

*Excess Sales Tax Transfer* – The .15 Cent Sales Tax Debt Service Fund made a \$30 annual payment of sales tax in excess of debt service to the General Fund in accordance with the bond sale ordinance.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2011, Boulder Housing Partners received grant funding of \$800,980. 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 2011 totaling \$78,595.

During 2011, 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, 2011.

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 and 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 ASSETS and SIMILAR FUND BALANCE LIMITATIONS

TABOR Emergency Reserves: At December 31, 2011, net assets for Business-type Activities of \$149,301 and \$4,744, respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE S - RESTRICTED NET ASSETS and SIMILAR FUND BALANCE LIMITATIONS  
(CONTINUED)

Restricted Net Assets and Similar Fund Balance Restrictions: Restricted net assets and fund balances have been classified into the following broad categories. Net assets identified as Legally Restricted are restricted by external sources such as grantors and tax ballot language. Net assets identified as Debt Service are restricted by bond ordinances for future debt service. Net assets 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.

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. As required by CDPHE, site remediation actions in the VCUP must start by August 31, 2011 and be completed by August 31, 2012. As of December 31, 2011, remediation has begun and the city has accrued estimated cleanup costs of \$2.5 million in the Fleet Fund with minimal expenses incurred as of year end.

2. Boulder Shelter for the Homeless

The city entered into an agreement in 2002 with the 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, 2011, the city has paid \$1,831,662 to the Shelter under this agreement.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE T - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2011

NOTE T - COMMITMENTS AND CONTINGENCIES (CONTINUED)

4. Construction Commitments

At December 31, 2011, city funds were obligated under contractual commitments for various construction or equipment acquisition projects as follows:

<u>Fund</u>	<u>Contractual Commitments</u>
General	\$ 2,138
Capital Development	3
Lottery	358
Planning & Development Services	207
Affordable Housing	2
.15 Cent Sales Tax	31
.25 Cent Sales Tax	1,170
Library	167
Climate Action Plan	258
Open Space	496
Airport	664
Transportation	9,132
Transportation Development	1,148
Gifts & Contributions	5
Community Development Block Grant (CDBG)	1
Permanent Parks and Recreation	2,171
Fire Training Center Construction	124
2011 Capital Improvement	4
Total Governmental Funds	\$ <u>18,079</u>
Water Utility	5,655
Wastewater Utility	3,786
Stormwater and Flood Management	1,092
CAGID	316
UHGID	28
Total Enterprise Fund	\$ <u>10,877</u>
Telecommunications	153
Worker Compensation Insurance	125
Fleet	3,461
Computer Replacement	539
Equipment Replacement	285
Facility Renovation and Replacement	1,813
Total Internal Service Funds	\$ <u>6,376</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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
1,311	PERA	\$ 4,687	8.000 %	\$ 8,027	13.700 %
1	Old Hire Police	3	2.000	192	
3	Old Hire Fire	23	7.833	64	
170	Police and Fire Money Purchase – Police employees	766	6.200	1,704	13.800
98	Police and Fire Money Purchase – Fire employees – International Association of Firefighters	619	8.000	1,006	13.000
6	ICMA 401(a)	58	8.000	99	13.700
68	ICMA 457	<u>268</u>	8.000	<u>3</u>	10.000
	Totals	\$ <u>6,424</u>		\$ <u>11,095</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, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension Plans (Continued)

Membership of each plan consisted of the following at January 1, 2010, the date of the latest actuarial valuation:

	“Old Hire” Police Defined <u>Benefit Plan</u>	“Old Hire” Fire Defined <u>Benefit Plan</u>
Retirees receiving benefits	28	28
Beneficiaries receiving benefits	12	12
Disabled receiving benefits	4	4
Terminated plan members entitled to but not yet receiving benefits	7	5
Active plan members	<u>1</u>	<u>3</u>
Total	<u>52</u>	<u>52</u>

The city’s annual pension costs and net pension obligation for the two plans for the year ended December 31, 2011 are as follows (amounts in 000’s):

	“Old Hire” Police Defined <u>Benefit Plan</u>	“Old Hire” Fire Defined <u>Benefit Plan</u>
Annual required contributions (ARC)	\$ 189	\$ 61
Interest on net pension obligation (NPO)	(436)	(327)
Adjustment to ARC	<u>591</u>	<u>497</u>
Annual Pension Cost	344	231
City contributions	<u>(192)</u>	<u>(64)</u>
Increase (Decrease) in NPO	152	167
Net Pension Obligation (Prepaid)		
Beginning of Year	<u>(5,812)</u>	<u>(4,355)</u>
Net Pension Obligation (Prepaid)		
End of Year	\$ <u>(5,660)</u>	\$ <u>(4,188)</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension 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				
2011	\$344	\$ 192	56%	\$ (5,660)
2010	642	5,985	932%	(5,812)
2009	407	471	116%	(469)
“Old Hire” Fire Defined Benefit Plan				
2011	\$ 231	\$ 64	28%	\$(4,189)
2010	478	3,874	810%	(4,355)
2009	204	315	154%	(959)

The “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan financial statements as of December 31, 2011, 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, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension Plans (Continued)

Plan net assets as of December 31, 2011, are as follows (amounts in 000's):

	<u>"Old Hire"</u> <u>Police Defined</u> <u>Benefit Plan</u>	<u>"Old Hire"</u> <u>Fire Defined</u> <u>Benefit Plan</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 7	\$ 5
Investments		
US Treasuries	525	10
US Instrumentalities	600	54
Mutual Funds	6,471	11,615
Equity Securities	4,916	-
Local Government Investment Pools	7	4
Money Market Funds	307	259
Real Estate Investment Trust	463	-
Corporate Bonds	233	-
Accrued Interest	<u>10</u>	<u>-</u>
Total assets	13,539	11,947
Liabilities:		
Accrued pensions payable	<u>81</u>	<u>63</u>
Total liabilities	<u>81</u>	<u>63</u>
Net assets held in trust for pension benefits	\$ <u>13,458</u>	\$ <u>11,884</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension Plans (Continued)

The changes in plan net assets for December 31, 2011, were as follows (amounts in 000's):

	“Old Hire” Police Defined <u>Benefit Plan</u>	“Old Hire” Fire Defined <u>Benefit Plan</u>
Additions:		
Pension contributions:		
City of Boulder	\$ 192	\$ 64
Employees	<u>3</u>	<u>23</u>
Total contributions	155	127
Investment earnings (loss)	110	(101)
Less investment expense	<u>(33)</u>	<u>(33)</u>
Net investment income (loss)	<u>77</u>	<u>(134)</u>
Total additions (reductions)	<u>232</u>	<u>(7)</u>
Deductions:		
Benefits	1,944	1,097
Administrative	<u>10</u>	<u>8</u>
Total deductions	<u>1,954</u>	<u>1,105</u>
Net decrease	(1,722)	(1,112)
Net assets held in trust for pension benefits:		
Beginning of year	<u>15,180</u>	<u>12,996</u>
End of year	\$ <u>13,458</u>	\$ <u>11,884</u>

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 5 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

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, 2011, one employee had elected the DROP. For Note U purposes (unless otherwise stated), this employee is shown as an active member and included in covered payroll.

**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.

When any member dies, regardless of whether active, retired or terminated, the surviving spouse or the estate of the deceased member shall received 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 2011, the city contributed \$191,945 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

**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 to 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, 2010. 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, 2010, 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 3 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
- Expenses – None assumed
- Cost of Living Adjustments – None assumed
- 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
- Inflation rate – Not specified by actuarial
- Projected salary increase – Not applicable, all active participants have "dropped"
- Post Retirement Benefit Increase – None assumed.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

- Minimum Death Benefit – A minimum death benefit of \$515 per pay period is used.
- 1<sup>st</sup> Class Firefighter Salary – The highest negotiation 1<sup>st</sup> Class Firefighter Salary is used to calculate death benefits. For 2011, this is projected to be \$2,666 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:

- 1st Class Firefighter Salary was increased from \$2,562 to \$2,666 per pay period to reflect the current highest negotiated rate.
- Mortality table was updated to the sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.

**Funded Status and Funding Progress** – As of January 1, 2010, the most recent actuarial valuation date, the plan was 62.4% funded. The actuarial accrued liability for benefits was \$16,663,370 and the actuarial value of assets was \$10,394,413, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,268,957. The covered payroll (annual payroll of active employees covered by the plan) was \$124,228 and the ratio of the UAAL to the covered payroll was 5,046.3%. 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.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

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".

*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 two percent 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 percent 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

**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 5 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, 2011, two members have elected the DROP option. For Note V purposes (unless otherwise stated), these employees are shown as active members and included in covered payroll.

**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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

**Contributions and Funding Policy** - The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Old Hire Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the city are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. Contribution rates during 2011 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 2011, the city contributed \$64,510 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, 2010. 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, 2010 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 13 years.
- Investment Earnings – 7.5% compounded annually, net of expenses
- Expenses – None assumed
- 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.
- 1<sup>st</sup> Class Firefighter Salary – The highest negotiation 1<sup>st</sup> Class Firefighter Salary is used to calculate death benefits. For 2011, this is projected to be \$2,666 per pay period
- Inflation rate – Not specified by actuarial
- Projected salary increase – Not applicable, all active participants have “dropped”
- Post Retirement Benefit Increase – None assumed.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

- 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.

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

- 1st Class Firefighter Salary was increased from \$2,562 to \$2,666 to reflect the current highest negotiated rate.
- The mortality table was updated to the sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.

**Funded Status and Funding Progress** – As of January 1, 2010, the most recent actuarial valuation date, the plan was 69.4% funded. The actuarial accrued liability for benefits was \$13,681,074 and the actuarial value of assets was \$9,493,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,188,074. 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, 2010. 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 multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203, or by calling PERA at (303) 832-9550 or 1-800-759-PERA(7372).

**Funding Policy** - The city of Boulder is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the city of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the city of Boulder is 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 2011 (2.20 percent of total payroll for the calendar year 2010, 1.80 percent of total payroll for the calendar year 2009). Additionally, the city of Boulder is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.50 percent of total payroll for the calendar year 2011 (1.50 percent of total payroll for the calendar year 2010 and 1.00 percent of total payroll for the calendar year 2009).

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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA)

For the years ending December 31, 2011, 2010, and 2009, the city of Boulder's contributions to the LGDTF, including the amounts allocated to the HCTF, were \$ 8,027,409, \$8,100,438, and \$7,687,491, respectively, equal to their required contributions for each year.

4. Police and Fire Money Purchase Pension Plan

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

The Boulder Police Benevolent Association negotiated an economic agreement with the city which is in effect through December 31, 2011. The city's contribution requirement for the year ended December 31, 2011, 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, 2012. The city's contribution requirement for the year ended December 31, 2011, was 13% of covered payroll. The employee contributions were 8% of covered payroll.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

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

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 ten years, whichever is less.

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

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

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE U - PENSION AND RETIREMENT PLANS (CONTINUED)

5. Fire and Police Pension Association (FPPA) (Continued)

contribute 2.6% of salary. The city pays the 2.6% for all affected police officers and firefighters. In 2011, 2010, and 2009, the city paid \$280,671, \$259,175, and \$205,575, respectively, equal to their required contributions for each year.

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



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA(7372).

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

The city of Boulder's contributions to HCTF for the years ending December 31, 2011, 2010, and 2009 were \$597,661; \$603,098; and \$612,597; 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

**City of Boulder Retiree Health Care Benefit Plan (Continued)**

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 thirty years.

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

Annual required contribution (ARC)	\$ 601,642
Interest on prior year net OPEB obligation	41,313
Adjustment to ARC	<u>(40,716)</u>
Annual OPEB cost	602,239
Contributions made	<u>337,065</u>
Increase in net OPEB obligation	265,174
Net OPEB obligation – beginning of year	<u>1,101,669</u>
Net OPEB obligation – end of year	\$ <u>1,366,843</u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding years were as follows:

Fiscal <u>Year</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2009	\$ 639,981	54.5%	\$ 807,589
2010	\$ 641,667	54.2%	\$ 1,101,669
2011	\$ 602,239	56.0%	\$ 1,366,843

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

**City of Boulder Retiree Health Care Benefit Plan (Continued)**

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 percent.

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

An actuarial study was prepared at January 1, 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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

**City of Boulder Retiree Health Care Benefit Plan (Continued)**

- 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 fifteen 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.
- 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%.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

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 \$81,990,000 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 percent of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$105,702,269. Principal and interest paid for the current year and total customer net revenues were \$9,455,760 and \$18,386,000, 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 \$2,425,000 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 percent of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$2,702,300. Principal and interest paid for the current year and total customer net revenues were \$389,200 and \$1,844,000, respectively.

**Open Space Sales Tax Revenues Pledged**

The city has pledged future sales and use tax revenues generated by the .88% sales and use tax levies of the Open Space Fund to repay \$31,515,000 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 \$31,515,000 in bonds are payable from the Open Space Fund sales tax revenues and \$27,510,000 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE X – PLEDGED REVENUES (CONTINUED)

**Open Space Sales Tax Revenues Pledged (continued)**

bonds are expected to require less than 39 percent of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$36,363,731. Principal and interest paid for the current year and total pledged sales tax revenues were \$6,872,687 and \$23,818,703, 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 \$8,155,000 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 percent of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$8,775,550. Principal and interest paid for the current year and total pledged sales tax revenues were \$2,175,900 and \$6,764,245, 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 to repay \$530,000 in outstanding bonds. Proceeds from the bonds provided financing to refund the City of Boulder, Colorado, Parks, Recreation and Municipal Capital Improvement Bonds, Series 1993. The bonds are 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 mature through 2012, the year the .15% sales tax levy expires. Annual principal and interest payments on the bonds are expected to require less than 39 percent of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$552,790. Principal and interest paid for the current year and total pledged sales tax revenues were \$564,370 and \$1,624,004, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE X – PLEDGED REVENUES (CONTINUED)

**38 Cent General Fund Sales Tax Revenues Pledged**

The city has pledged future sales and use tax revenues generated by the .38% sales tax levy, a portion of the total General Fund sales tax levy of 1.53%, and repaid \$1,040,000 in outstanding bonds in 2011. Proceeds from the bonds provided financing to refund the City of Boulder, Colorado, Library Capital Improvement and Refunding Bonds, Series 1992. The bonds are payable from the sales tax revenues generated by the .38% sales tax and are also backed with a pledge of the full faith and credit of the city. These bonds matured in 2011. Principal and interest paid for the current year and total pledged sales tax revenues were \$1,083,680 and \$10,372,313, respectively.

**Downtown Commercial District Revenues Pledged**

The city has pledged a portion of future sales tax revenues to repay \$8,855,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9<sup>th</sup> Street and Canyon Blvd (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 \$6,250,000 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 percent of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2011 is \$18,518,185. Principal and interest paid for the current year and total pledged revenues were \$1,941,177 and \$4,567,004, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE X – PLEDGED REVENUES (CONTINUED)

**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, 2011, BMPA currently has \$7,314,158 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 \$8,450,820 with annual requirements ranging from \$2,381,691 in 2012 to \$69,366 in 2020. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$4,483,850 over the last 11 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$5,258,707 and \$5,258,707, respectively.

**Trash Tax Revenues**

On August 16, 1994, the City passed the 1994 Ordinance approving the 1994 Election Question which authorized the City to raise its Trash Tax to a rate not to exceed a maximum per month of \$3.50 for residential customers and a maximum of \$0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the City approved the 1994 Election Question authorizing the maximum Trash Tax rates and authorizing the City under TABOR to issue not to exceed \$6,000,000 of bonds payable from the City's trash tax revenues and additionally secured by the full faith and credit of the City, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, \$6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2011, there are currently \$5,500,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2011 is \$7,635,687. 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 \$443,287 and \$443,287, respectively.



City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE Y – SUBSEQUENT BOND ISSUANCE AND CAPITAL LEASE REFUNDING

On January 25, 2012 the city entered into a lease agreement with Suntrust Equipment Finance & Leasing Corp., and received \$9,642,764 in proceeds to currently refund the Phase II Energy Efficiency Lease balance of \$6,401,535 and to fund the Phase III Energy Efficiency Project with \$3,241,230. Proceeds from the refunded lease and the new lease will be used to install solar photovoltaic systems and programmable thermostats. The interest rate for the new lease agreement is 2.65% and quarterly payments will be made from April 25, 2012 to July 25, 2027. The interest rate for the refunded lease was 3.5168%. Interest savings on the refunded lease are estimated to be \$360,811.

On March 22, 2012, the city issued General Fund Bonds for Capital Improvement Projects in the amount of \$49,000,000 to fund various capital projects. These projects include the repairing and maintaining of streets and pathways; repairing and replacing structurally deficient bridges and structures; completing missing links in the transportation system; repairing and renovating aging City facilities; replacing and modernizing core service computer software; modernizing basic police and fire safety facilities and equipment; renovating and repairing parks and recreation facilities; renovating portions of the main library; and improving downtown connections and streetscapes. These bonds have net interest cost of 2.836% and a scheduled final maturity date of October 1, 2031.

NOTE Z – CORRECTION OF AN ERROR

During 2011, management found an error in the recording of an installment payment arrangement between Permanent Parks and Recreation fund and Open Space and Mountain Parks fund. Open Space had purchased land from Parks and Recreation for \$2,014,000 in 2009. Beginning fund balances as of January 1, 2011 of Open Space and Mountain Parks Fund has been decreased by \$2,014,000 and beginning fund balance as of January 1, 2011 of Permanent Parks and Recreation Fund has been increased by \$2,014,000 as a result of this correction. There was no effect on the change in fund balance of either fund.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2011

NOTE AA – CHANGE IN ACCOUNTING PRINCIPLES

As mentioned in Note A, the City has adopted the provisions of GASB54, which, in addition to establishing new terminology and definitions of fund balance categories, also established new requirements that must be met in order to qualify as a Special Revenue Fund. The primary criteria is that a Special Revenue Fund accounts for proceeds of specific revenue sources that are restricted or committed to a special purpose and these revenue sources must comprise a substantial portion of the inflows of the fund. The standard also indicates that if the fund no longer expects that a substantial portion of the inflows will come from restricted or committed revenue sources, the resources should be reported within the General Fund. Upon evaluation of the city's funds, the Library Fund and the Community Housing Assistance Program (CHAP) Fund no longer met the requirements for a Special Revenue Fund and have been presented as part of the General Fund. A *Combining General Fund Balance Sheet*; a *Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*; and individual *Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual* for the Core General Fund, the Library Fund and the CHAP Fund are presented in the combining and individual statements section of the CAFR. The adoption of GASB54 resulted in a change in accounting principle and an offsetting restatement of beginning fund balance for the General Fund and the other governmental funds. Beginning Fund Balances for the Library Fund (\$391,000) and CHAP Fund (\$3,856,000) were moved to the General Fund as part of this change in accounting principles.

## 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)
2006	1/1/2006	12,571,300	15,889,837	3,318,537	79.1%	172,409	1924.8%
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%

- (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 \$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

<u>Fiscal Year (1)</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability Entry Age (b)</u>	<u>Total Unfunded (Overfunded) Actuarial Accrued Liability (2) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
2006	1/1/2006	11,038,000	12,504,239	1,466,239	88.3%	236,830	619.1%
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

- (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
2004	362,824	370,662	102.2%	109,541	124,565	113.7%
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%

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.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Boulder Retiree Health Care Benefit Plan

<u>Fiscal Year (1)</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability Entry Age (b)</u>	<u>Total Unfunded (Overfunded) Actuarial Accrued Liability (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
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 ending December 31, 2007. Actuarial information is not available for prior periods. Actuarial studies are performed biannually.

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## GENERAL FUND DETAILS

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

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

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

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

## CITY OF BOULDER, COLORADO

## Balance Sheet

Combining General Fund

December 31, 2011

(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	\$ 166	\$ 81	\$ 159	\$ 406
Investments	22,669	1,263	2,532	26,464
Receivables:				
General property taxes	24,695	826	1,987	27,508
Sales and use taxes	4,634	-	-	4,634
Accounts	1,831	-	114	1,945
Notes	40	-	1,773	1,813
Accrued interest	139	7	13	159
Intergovernmental	308	-	-	308
Other	15	-	3	18
	<u>31,662</u>	<u>833</u>	<u>3,890</u>	<u>36,385</u>
Due from other funds	1,303	-	-	1,303
Inventory of materials and supplies	10	-	-	10
Restricted assets:				
Investments for special purposes	1,496	-	-	1,496
Investments for capital projects	<u>1,629</u>	<u>-</u>	<u>-</u>	<u>1,629</u>
Total restricted assets	3,125	-	-	3,125
Other assets	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>
Total assets	\$ <u><u>59,122</u></u>	\$ <u><u>2,177</u></u>	\$ <u><u>6,581</u></u>	\$ <u><u>67,880</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	\$ 1,936	\$ 105	\$ 8	\$ 2,049
Contracts and retainage payable	24	-	-	24
Accrued salaries, wages and amounts withheld from employees	3,031	264	9	3,304
Due to other funds	2	-	-	2
Advances from other funds	2,259	-	-	2,259
Other liabilities	74	-	-	74
Deferred revenue:				
General property taxes	24,695	826	1,987	27,508
Other	975	-	-	975
Total liabilities	<u>32,996</u>	<u>1,195</u>	<u>2,004</u>	<u>36,195</u>
Fund balances:				
Nonspendable				
Prepaid/receivable	187	-	-	187
Inventory	10	-	-	10
Endowment	100	-	-	100
Restricted				
Legally restricted	1,265	-	-	1,265
Debt service	443	-	-	443
Capital projects	1,629	-	-	1,629
Donor restrictions	131	-	-	131
Assigned				
Special purposes	1,268	982	4,577	6,827
Contractual obligations	884	-	-	884
Unassigned	20,209	-	-	20,209
Total fund balances	<u>26,126</u>	<u>982</u>	<u>4,577</u>	<u>31,685</u>
Total liabilities and fund balances	\$ <u>59,122</u>	\$ <u>2,177</u>	\$ <u>6,581</u>	\$ <u>67,880</u>

CITY OF BOULDER, COLORADO

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

General Fund

Year ended December 31, 2011  
(Amounts in 000's)

	Core General <u>Fund</u>	Library <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 41,762	\$ -	\$ -	\$ 41,762
General property taxes	22,897	746	1,793	25,436
Accommodations taxes	4,668	-	-	4,668
Franchise taxes	8,457	-	-	8,457
Specific ownership & tobacco taxes	1,578	-	-	1,578
Excise taxes	427	-	158	585
Charges for services	3,717	154	-	3,871
Sale of goods	65	-	114	179
Licenses, permits and fines	6,170	-	-	6,170
Intergovernmental	1,432	-	-	1,432
Leases, rents and royalties	207	7	-	214
Interest and investment earnings	430	27	196	653
Other	970	118	-	1,088
Total revenues	<u>92,780</u>	<u>1,052</u>	<u>2,261</u>	<u>96,093</u>
Expenditures:				
Current:				
General Government	15,809	-	-	15,809
Administrative Services	8,504	-	-	8,504
Public Safety	45,042	-	-	45,042
Public Works	4,962	-	-	4,962
Planning & Development Services	43	-	-	43
Culture and Recreation	4,502	6,942	-	11,444
Open Space and Mountain Parks	247	-	-	247
Housing and Human Services	4,766	-	1,497	6,263
Debt service payments:				
Principal	1,850	-	-	1,850
Interest	650	-	-	650
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	598	-	-	598
Real Estate Rentals & Leases	104	-	-	104
Total expenditures	<u>87,077</u>	<u>6,942</u>	<u>1,497</u>	<u>95,516</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,703</u>	<u>(5,890)</u>	<u>764</u>	<u>577</u>

	Core General <u>Fund</u>	Library <u>Fund</u>	Community Hsg Asst Prgm <u>Fund</u>	Total General <u>Fund</u>
Other financing sources (uses):				
Sale of capital assets	12	-	-	12
Extraordinary Item	(1,250)	-	-	(1,250)
Transfers in	9,017	6,481	-	15,498
Transfers out	(13,638)	-	(43)	(13,681)
Total other financing sources (uses)	<u>(5,859)</u>	<u>6,481</u>	<u>(43)</u>	<u>579</u>
Net change in fund balance	(156)	591	721	1,156
Fund balance, beginning of year, as previously presented	26,282	-	-	26,282
Change in accounting principle (Note AA)	<u>-</u>	<u>391</u>	<u>3,856</u>	<u>4,247</u>
Fund balance, beginning of year, as restated	<u>26,282</u>	<u>391</u>	<u>3,856</u>	<u>30,529</u>
Fund balance, end of year, basis of budgeting	\$ <u><u>26,126</u></u>	\$ <u><u>982</u></u>	\$ <u><u>4,577</u></u>	\$ <u><u>31,685</u></u>

## 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, 2011

(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	\$ 40,313	\$ 40,313	\$ 41,762	\$ 1,449
General property taxes	22,940	22,954	22,897	(57)
Accommodations taxes	3,215	3,250	4,668	1,418
Franchise taxes	8,318	8,448	8,457	9
Specific ownership & tobacco taxes	1,560	1,560	1,578	18
Excise taxes	-	-	427	427
Charges for services	3,546	3,619	3,717	98
Sale of goods	63	128	65	(63)
Licenses, permits and fines	6,194	6,194	6,170	(24)
Intergovernmental	815	1,752	2,383	631
Leases, rents and royalties	236	236	207	(29)
Interest and investment earnings	650	650	483	(167)
Other	827	1,581	961	(620)
Total revenues	<u>88,677</u>	<u>90,685</u>	<u>93,775</u>	<u>3,090</u>
Expenditures:				
Current:				
General Government	11,806	19,994	15,844	4,150
Administrative Services	9,510	10,683	8,712	1,971
Public Safety	45,178	46,744	45,286	1,458
Public Works	5,049	5,166	5,159	7
Planning & Development Services	43	43	43	-
Culture and Recreation	4,608	4,644	4,557	87
Open Space and Mountain Parks	183	210	247	(37)
Housing and Human Services	4,928	5,672	4,766	906
Debt service payments:				
Principal	1,600	1,850	1,850	-
Interest	566	597	597	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	598	598	598	-
Real Estate Rentals & Leases	81	81	104	(23)
Total expenditures	<u>84,150</u>	<u>96,282</u>	<u>87,763</u>	<u>8,519</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>4,527</u>	<u>(5,597)</u>	<u>6,012</u>	<u>11,609</u>

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	12	12
Transfers in	7,767	9,280	9,325	45
Transfers out	(12,979)	(15,051)	(15,053)	(2)
Total other financing sources (uses)	<u>(5,212)</u>	<u>(5,771)</u>	<u>(5,716)</u>	<u>55</u>
Net change in fund balance	\$ <u>(685)</u>	\$ <u>(11,368)</u>	296	\$ <u>11,664</u>
Encumbrances, end of year			885	
Fund balance, beginning of year, basis of budgeting			<u>28,993</u>	
Fund balance, end of year, basis of budgeting			30,174	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			296	
Accrued salaries, wages and amounts withheld from employees			(3,029)	
Change in prepaid assets			1	
Transfers to other fund			2	
Due from other funds			(30)	
Advances from other funds			<u>(1,288)</u>	
Fund balance, end of year, GAAP basis			\$ <u>26,126</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(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:				
General property taxes	\$ 737	\$ 737	\$ 746	\$ 9
Charges for services	115	120	154	34
Leases, rents and royalties	9	9	7	(2)
Interest and investment earnings	15	15	21	6
Other	24	141	118	(23)
Total revenues	900	1,022	1,046	24
Expenditures:				
Current:				
Culture and Recreation	7,049	7,530	7,233	297
Total expenditures	7,049	7,530	7,233	297
Excess (deficiency) of revenues				
over (under) expenditures	(6,149)	(6,508)	(6,187)	321
Other financing sources -				
Transfers in	6,149	6,315	6,481	166
Transfers out	(1)	(1)	-	1
Total other financing sources (uses)	6,148	6,314	6,481	167
Net change in fund balance	\$ (1)	\$ (194)	294	\$ 488
Encumbrances, end of year			303	
Fund balance, beginning of year, basis of budgeting			622	
Fund balance, end of year, basis of budgeting			1,219	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			15	
Accrued salaries, wages and amounts				
withheld from employees			(252)	
Fund balance, end of year, GAAP basis			\$ 982	



## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes				-
General property taxes	\$ 1,771	\$ 1,771	\$ 1,793	\$ 22
Excise taxes	90	90	158	68
Sale of goods and capital assets	-	-	177	177
Interest and investment earnings	96	96	196	100
Total revenues	<u>1,957</u>	<u>1,957</u>	<u>2,324</u>	<u>367</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,934</u>	<u>3,896</u>	<u>1,500</u>	<u>2,396</u>
Total expenditures	<u>1,934</u>	<u>3,896</u>	<u>1,500</u>	<u>2,396</u>
Excess (deficiency) of revenues over (under) expenditures	23	(1,939)	824	2,763
Other financing uses -				
Transfers out	<u>(43)</u>	<u>(43)</u>	<u>(43)</u>	<u>-</u>
Total other financing sources (uses)	<u>(43)</u>	<u>(43)</u>	<u>(43)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(20)</u></u>	\$ <u><u>(1,982)</u></u>	781	\$ <u><u>2,763</u></u>
Fund balance, beginning of year, basis of budgeting			<u>2,002</u>	
Fund balance, end of year, basis of budgeting			<u>2,783</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			30	
Notes Receivable			1,773	
Accrued salaries, wages and amounts withheld from employees			<u>(9)</u>	
Change in accrued interest payable			<u></u>	
Fund balance, end of year, GAAP basis			\$ <u><u>4,577</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.

.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.

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

#### NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is established to accumulate moneys for payment of general long-term debt principal and interest. The City of Boulder has the following nonmajor debt service fund:

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

2011 Capital Improvement – to account for the projects and improvements throughout the city approved by the voters in 2011. These improvements are funded by General Fund Bonds (Capital Improvement Projects) Series 2012.

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2011

(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	\$ 1,546	\$ 18	\$ 2,296	\$ 3,860
Investments	24,501	287	4,503	29,291
Receivables:				
General property taxes	28	-	2,235	2,263
Sales and use taxes	1,042	181	-	1,223
Accounts	439	-	-	439
Notes	197	-	-	197
Accrued interest	130	1	24	155
Intergovernmental	1,290	-	-	1,290
Other	14	-	-	14
	<u>3,140</u>	<u>182</u>	<u>2,259</u>	<u>5,581</u>
Due from other funds	-	-	230	230
Inventory of materials and supplies	63	-	-	63
Restricted assets:				
Investments for special purposes	898	-	-	898
Investments for debt service	-	46	-	46
Total restricted assets	<u>898</u>	<u>46</u>	<u>-</u>	<u>944</u>
Total assets	<u>\$ 30,148</u>	<u>\$ 533</u>	<u>\$ 9,288</u>	<u>\$ 39,969</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 1,877	\$ -	\$ 54	\$ 1,931
Contracts and retainage payable	146	-	23	169
Accrued salaries, wages and amounts withheld from employees	804	-	44	848
Due to other funds	25	-	3,191	3,216
Other liabilities	56	-	-	56
Deferred revenue:				
General property taxes	28	-	2,235	2,263
Other	41	-	-	41
Total liabilities	<u>2,977</u>	<u>-</u>	<u>5,547</u>	<u>8,524</u>
Fund balances:				
Nonspendable				
Inventory	63	-	-	63
Restricted				
Legally restricted	4,406	-	-	4,406
Debt service	-	533	-	533
Capital projects	-	-	2,403	2,403
Development fees	4,644	-	-	4,644
Lottery funds	1,238	-	-	1,238
Donor restrictions	444	-	-	444
Committed				
Affordable housing	4,174	-	-	4,174
Assigned				
Special purposes	12,202	-	1,338	13,540
Total fund balances	<u>27,171</u>	<u>533</u>	<u>3,741</u>	<u>31,445</u>
Total liabilities and fund balances	<u>\$ 30,148</u>	<u>\$ 533</u>	<u>\$ 9,288</u>	<u>\$ 39,969</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2011

(Amounts in 000's)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>
Revenues:				
Taxes:				
Sales and use taxes	\$ 9,200	\$ 1,624	\$ 23	\$ 10,847
General property taxes	8	-	2,018	2,026
Franchise taxes	1,838	-	-	1,838
Excise taxes	864	-	478	1,342
Charges for services	9,532	-	511	10,043
Sale of goods and capital assets	178	-	-	178
License, permits and fines	4,286	-	-	4,286
Intergovernmental	5,657	-	-	5,657
Leases, rents and royalties	1,705	-	-	1,705
Interest and investment earnings (losses)	418	15	55	488
Other	609	-	16	625
Total revenues	<u>34,295</u>	<u>1,639</u>	<u>3,101</u>	<u>39,035</u>
Expenditures:				
Current:				
General Government	2,313	-	-	2,313
Public Works	3,190	-	-	3,190
Planning & Development Services	7,508	-	-	7,508
Culture and Recreation	15,395	-	-	15,395
Open Space and Mountain Parks	336	-	-	336
Housing and Human Services	5,759	-	-	5,759
Capital outlay	-	-	4,077	4,077
Debt service payments:				
Principal	1,875	520	-	2,395
Interest	301	44	-	345
Total expenditures	<u>36,677</u>	<u>564</u>	<u>4,077</u>	<u>41,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,382)</u>	<u>1,075</u>	<u>(976)</u>	<u>(2,283)</u>
Other financing sources (uses):				
Transfers in	5,201	-	586	5,787
Transfers out	<u>(1,864)</u>	<u>(1,035)</u>	<u>(149)</u>	<u>(3,048)</u>
Total other financing sources (uses)	<u>3,337</u>	<u>(1,035)</u>	<u>437</u>	<u>2,739</u>
Net change in fund balances	955	40	(539)	456
Fund balances, beginning of year, as previously presented	30,463	493	2,266	33,222
Correction of error (Note Z)	-	-	2,014	2,014
Change in accounting principles (Note AA)	<u>(4,247)</u>	<u>-</u>	<u>-</u>	<u>(4,247)</u>
Fund balances, beginning of year, as restated	<u>26,216</u>	<u>493</u>	<u>4,280</u>	<u>30,989</u>
Fund balances, end of year	<u>\$ 27,171</u>	<u>\$ 533</u>	<u>\$ 3,741</u>	<u>\$ 31,445</u>

## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2011

(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	\$ 351	\$ 74	\$ 340	\$ 265	\$ 123	\$ 126	\$ 54
Investments	5,587	1,183	5,401	4,208	1,959	2,003	775
Receivables:							
General property taxes	-	-	-	-	-	-	-
Sales and use taxes	-	-	-	-	289	753	-
Accounts	-	-	68	-	-	-	36
Notes	-	-	-	197	-	-	-
Accrued interest	29	6	28	22	10	11	4
Intergovernmental	-	-	-	-	-	45	-
Other	4	-	-	-	-	-	-
	<u>33</u>	<u>6</u>	<u>96</u>	<u>219</u>	<u>299</u>	<u>809</u>	<u>40</u>
Inventory of materials and supplies	-	-	-	-	-	-	63
Restricted assets -							
Investments for special purposes	-	-	14	-	-	287	49
Total restricted assets	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>287</u>	<u>49</u>
Total assets	\$ <u>5,971</u>	\$ <u>1,263</u>	\$ <u>5,851</u>	\$ <u>4,692</u>	\$ <u>2,381</u>	\$ <u>3,225</u>	\$ <u>981</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts and accrued liabilities:							
Vouchers and accounts payable	\$ -	\$ 22	\$ 37	\$ 508	\$ 157	\$ 99	\$ 221
Contracts and retainage payable	-	-	-	-	-	4	-
Accrued salaries, wages and amounts withheld from employees	-	3	321	10	2	112	306
Due to other funds	-	-	-	-	-	-	-
Other liabilities	-	-	52	-	-	-	-
Deferred revenue:							
General property taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	8	24
Total liabilities	<u>-</u>	<u>25</u>	<u>410</u>	<u>518</u>	<u>159</u>	<u>223</u>	<u>551</u>
Fund balances:							
Nonspendable							
Inventory	-	-	-	-	-	-	63
Restricted							
Legally restricted	-	-	-	-	-	2,715	-
Development	4,001	-	-	-	-	-	-
Lottery Funds	-	1,238	-	-	-	-	-
Donor restrictions	-	-	10	-	-	287	49
Committed							
Affordable housing	-	-	-	4,174	-	-	-
Assigned							
Special purposes	<u>1,970</u>	<u>-</u>	<u>5,431</u>	<u>-</u>	<u>2,222</u>	<u>-</u>	<u>318</u>
Total fund balances	<u>5,971</u>	<u>1,238</u>	<u>5,441</u>	<u>4,174</u>	<u>2,222</u>	<u>3,002</u>	<u>430</u>
Total liabilities and fund balances	\$ <u>5,971</u>	\$ <u>1,263</u>	\$ <u>5,851</u>	\$ <u>4,692</u>	\$ <u>2,381</u>	\$ <u>3,225</u>	\$ <u>981</u>

(continued)



## CITY OF BOULDER, COLORADO

Combining Balance Sheet,  
continuedNonmajor Special Revenue Funds

December 31, 2011

(Amounts in 000's)

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
\$ 80	\$ 24	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,546
1,268	374	1,736	7	-	-	-	-	24,501
-	-	-	10	18	-	-	-	28
-	-	-	-	-	-	-	-	1,042
281	46	-	-	-	8	-	-	439
-	-	-	-	-	-	-	-	197
6	2	9	-	-	3	-	-	130
29	565	593	-	-	-	26	32	1,290
-	-	10	-	-	-	-	-	14
<u>316</u>	<u>613</u>	<u>612</u>	<u>10</u>	<u>18</u>	<u>11</u>	<u>26</u>	<u>32</u>	<u>3,140</u>
-	-	-	-	-	-	-	-	63
-	-	-	-	-	548	-	-	898
-	-	-	-	-	548	-	-	898
<u>\$ 1,664</u>	<u>\$ 1,011</u>	<u>\$ 2,457</u>	<u>\$ 17</u>	<u>\$ 18</u>	<u>\$ 559</u>	<u>\$ 26</u>	<u>\$ 32</u>	<u>\$ 30,148</u>
\$ 286	\$ 521	\$ 5	\$ -	\$ -	\$ 1	\$ -	\$ 20	\$ 1,877
-	92	50	-	-	-	-	-	146
25	7	5	-	-	-	10	3	804
-	-	-	-	-	-	16	9	25
-	4	-	-	-	-	-	-	56
-	-	-	10	18	-	-	-	28
9	-	-	-	-	-	-	-	41
<u>320</u>	<u>624</u>	<u>60</u>	<u>10</u>	<u>18</u>	<u>1</u>	<u>26</u>	<u>32</u>	<u>2,977</u>
-	-	-	-	-	-	-	-	63
1,304	387	-	-	-	-	-	-	4,406
-	-	643	-	-	-	-	-	4,644
-	-	-	-	-	-	-	-	1,238
-	-	-	-	-	98	-	-	444
-	-	-	-	-	-	-	-	4,174
40	-	1,754	7	-	460	-	-	12,202
<u>1,344</u>	<u>387</u>	<u>2,397</u>	<u>7</u>	<u>-</u>	<u>558</u>	<u>-</u>	<u>-</u>	<u>27,171</u>
<u>\$ 1,664</u>	<u>\$ 1,011</u>	<u>\$ 2,457</u>	<u>\$ 17</u>	<u>\$ 18</u>	<u>\$ 559</u>	<u>\$ 26</u>	<u>\$ 32</u>	<u>\$ 30,148</u>

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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, 2011

(Amounts in 000's)

	Capital Development <u>Fund</u>	Lottery <u>Fund</u>	Planning & Development Services <u>Fund</u>	Affordable Housing <u>Fund</u>	CHAP <u>Fund</u>
Revenues:					
Taxes:					
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -
General property taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Excise taxes	221	-	-	-	-
Charges for services	490	-	1,765	908	-
Sale of goods and capital assets	-	-	4	-	-
Licenses, permits and fines	-	-	4,110	-	-
Intergovernmental	-	904	-	-	-
Leases, rents and royalties	-	-	-	156	-
Interest and investment earnings	84	16	81	71	-
Other	-	-	7	275	-
Total revenues	<u>795</u>	<u>920</u>	<u>5,967</u>	<u>1,410</u>	<u>-</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Works	2	-	-	-	-
Planning & Development Services	-	-	7,508	-	-
Culture and Recreation	-	671	-	-	-
Open Space and Mountain Parks	-	336	-	-	-
Housing and Human Services	-	-	-	2,381	-
Debt service payments:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>2</u>	<u>1,007</u>	<u>7,508</u>	<u>2,381</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>793</u>	<u>(87)</u>	<u>(1,541)</u>	<u>(971)</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	2,806	325	-
Transfers out	(21)	-	(1,344)	(42)	-
Total other financing sources (uses)	<u>(21)</u>	<u>-</u>	<u>1,462</u>	<u>283</u>	<u>-</u>
Net change in fund balances	<u>772</u>	<u>(87)</u>	<u>(79)</u>	<u>(688)</u>	<u>-</u>
Fund balances, beginning of year, as previously presented	5,199	1,325	5,520	4,862	3,856
Change in accounting principle (Note AA)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,856)</u>
Fund balances, beginning of year, as restated	<u>5,199</u>	<u>1,325</u>	<u>5,520</u>	<u>4,862</u>	<u>-</u>
Fund balances, end of year	\$ <u>5,971</u>	\$ <u>1,238</u>	\$ <u>5,441</u>	\$ <u>4,174</u>	\$ <u>-</u>

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	.15 Cent Sales Tax <u>Fund</u>	.25 Cent Sales Tax <u>Fund</u>	Library <u>Fund</u>	Recreation Activity <u>Fund</u>	Climate Action Plan Tax <u>Fund</u>
Revenues:					
Taxes:					
Sales and use taxes	\$ 2,436	\$ 6,764	\$ -	\$ -	\$ -
General property taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	1,838
Excise taxes	-	-	-	-	-
Charges for services	-	-	-	6,365	-
Sale of goods and capital assets	-	-	-	174	-
Licenses, permits and fines	-	24	-	151	-
Intergovernmental	-	161	-	50	307
Leases, rents and royalties	-	22	-	1,138	-
Interest and investment earnings	25	46	-	14	20
Other	3	71	-	138	20
Total revenues	<u>2,464</u>	<u>7,088</u>	<u>-</u>	<u>8,030</u>	<u>2,185</u>
Expenditures:					
Current:					
General Government	425	-	-	-	1,888
Public Works	-	454	-	-	-
Planning & Development Services	-	-	-	-	-
Culture and Recreation	536	4,605	-	9,505	-
Open Space and Mountain Parks	-	-	-	-	-
Housing and Human Services	1,890	-	-	-	-
Debt service payments:					
Principal	-	1,875	-	-	-
Interest	-	301	-	-	-
Total expenditures	<u>2,851</u>	<u>7,235</u>	<u>-</u>	<u>9,505</u>	<u>1,888</u>
Excess (deficiency) of revenues over expenditures	<u>(387)</u>	<u>(147)</u>	<u>-</u>	<u>(1,475)</u>	<u>297</u>
Other financing sources (uses):					
Transfers in	491	-	-	1,575	-
Transfers out	(30)	(255)	-	(25)	-
Total other financing sources (uses)	<u>461</u>	<u>(255)</u>	<u>-</u>	<u>1,550</u>	<u>-</u>
Net change in fund balances	74	(402)	-	75	297
Fund balances, beginning of year, as previously presented	2,148	3,404	391	355	1,047
Change in accounting principle (Note AA)	<u>-</u>	<u>-</u>	<u>(391)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as restated	<u>2,148</u>	<u>3,404</u>	<u>-</u>	<u>355</u>	<u>1,047</u>
Fund balances, end of year	<u>\$ 2,222</u>	<u>\$ 3,002</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 1,344</u>

<u>Airport Fund</u>	<u>Trans- portation Development Fund</u>	<u>Transit Pass General Improvement District</u>	<u>Boulder Junction Access GID- TDM</u>	<u>Gifts and Contributions Fund</u>	<u>Community Development Fund</u>	<u>HOME Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,200
-	-	8	-	-	-	-	8
-	-	-	-	-	-	-	1,838
-	643	-	-	-	-	-	864
4	-	-	-	-	-	-	9,532
-	-	-	-	-	-	-	178
1	-	-	-	-	-	-	4,286
1,090	1,620	-	-	-	741	784	5,657
389	-	-	-	-	-	-	1,705
5	48	-	-	8	-	-	418
-	(2)	-	-	97	-	-	609
<u>1,489</u>	<u>2,309</u>	<u>8</u>	<u>-</u>	<u>105</u>	<u>741</u>	<u>784</u>	<u>34,295</u>
-	-	-	-	-	-	-	2,313
1,477	1,247	10	-	-	-	-	3,190
-	-	-	-	-	-	-	7,508
-	-	-	-	78	-	-	15,395
-	-	-	-	-	-	-	336
-	-	-	-	-	714	774	5,759
-	-	-	-	-	-	-	1,875
-	-	-	-	-	-	-	301
<u>1,477</u>	<u>1,247</u>	<u>10</u>	<u>-</u>	<u>78</u>	<u>714</u>	<u>774</u>	<u>36,677</u>
<u>12</u>	<u>1,062</u>	<u>(2)</u>	<u>-</u>	<u>27</u>	<u>27</u>	<u>10</u>	<u>(2,382)</u>
-	-	4	-	-	-	-	5,201
(95)	(15)	-	-	-	(27)	(10)	(1,864)
(95)	(15)	4	-	-	(27)	(10)	3,337
(83)	1,047	2	-	27	-	-	955
470	1,350	5	-	531	-	-	30,463
-	-	-	-	-	-	-	(4,247)
<u>470</u>	<u>1,350</u>	<u>5</u>	<u>-</u>	<u>531</u>	<u>-</u>	<u>-</u>	<u>26,216</u>
\$ <u>387</u>	\$ <u>2,397</u>	\$ <u>7</u>	\$ <u>-</u>	\$ <u>558</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>27,171</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, 2011

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	<u>final budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Excise taxes	\$ 260	\$ 260	\$ 221	\$ (39)
Charges for services	72	72	490	418
Interest and investment earnings	47	47	92	45
Total revenues	<u>379</u>	<u>379</u>	<u>803</u>	<u>424</u>
Expenditures:				
Current:				
Public Works	<u>180</u>	<u>180</u>	<u>2</u>	<u>178</u>
Total expenditures	<u>180</u>	<u>180</u>	<u>2</u>	<u>178</u>
Excess (deficiency) of revenues				
over (under) expenditures	199	199	801	602
Other financing uses -				
transfers out	<u>(21)</u>	<u>(21)</u>	<u>(21)</u>	<u>-</u>
Total other financing sources (uses)	<u>(21)</u>	<u>(21)</u>	<u>(21)</u>	<u>-</u>
Net change in fund balance	\$ <u>178</u>	\$ <u>178</u>	780	\$ <u>602</u>
Fund balance, beginning of year, basis of budgeting			<u>5,127</u>	
Fund balance, end of year, basis of budgeting			5,907	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>64</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,971</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 913	\$ 913	\$ 904	\$ (9)
Interest and investment earnings	28	28	22	(6)
Total revenues	<u>941</u>	<u>941</u>	<u>926</u>	<u>(15)</u>
Expenditures:				
Current:				
Culture and Recreation	575	1,339	678	661
Open Space and Mountain Parks	425	688	377	311
Total expenditures	<u>1,000</u>	<u>2,027</u>	<u>1,055</u>	<u>972</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(59)</u>	\$ <u>(1,086)</u>	(129)	\$ <u>957</u>
Encumbrances, end of year			48	
Fund balance, beginning of year, basis of budgeting			<u>1,309</u>	
Fund balance, end of year, basis of budgeting			1,228	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			13	
Accrued salaries, wages and amounts withheld from employees			<u>(3)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,238</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 1,657	\$ 1,657	\$ 1,765	\$ 108
Sale of goods and capital assets	5	5	4	(1)
Licenses, permits and fines	3,331	3,331	4,110	779
Intergovernmental	-	11	-	(11)
Interest and investment earnings	114	114	100	(14)
Other	<u>13</u>	<u>95</u>	<u>7</u>	<u>(88)</u>
Total revenues	5,120	5,213	5,986	773
Expenditures:				
Current:				
Planning & Development Services	<u>7,367</u>	<u>8,037</u>	<u>7,744</u>	<u>293</u>
Total expenditures	<u>7,367</u>	<u>8,037</u>	<u>7,744</u>	<u>293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,247)</u>	<u>(2,824)</u>	<u>(1,758)</u>	<u>1,066</u>
Other financing sources (uses):				
Transfers in	2,748	2,807	2,806	(1)
Transfers out	<u>(1,319)</u>	<u>(1,376)</u>	<u>(1,344)</u>	<u>32</u>
Total other financing sources (uses)	<u>1,429</u>	<u>1,431</u>	<u>1,462</u>	<u>31</u>
Net change in fund balance	\$ <u>(818)</u>	\$ <u>(1,393)</u>	(296)	\$ <u>1,097</u>
Encumbrances, end of year			233	
Fund balance, beginning of year, basis of budgeting			<u>5,749</u>	
Fund balance, end of year, basis of budgeting			5,686	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			62	
Accrued salaries, wages and amounts withheld from employees			<u>(307)</u>	
Fund balance, end of year, GAAP basis			\$ <u>5,441</u>	



## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 1,500	\$ 1,500	\$ 908	\$ (592)
Sale of goods and capital assets	-	-	7	7
Leases, rents and royalties	156	156	156	-
Interest and investment earnings	53	53	90	37
Other	-	-	275	275
Total revenues	<u>1,709</u>	<u>1,709</u>	<u>1,436</u>	<u>(273)</u>
Expenditures:				
Current:				
Housing and Human Services	1,990	6,571	2,389	4,182
Total expenditures	<u>1,990</u>	<u>6,571</u>	<u>2,389</u>	<u>4,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(281)</u>	<u>(4,862)</u>	<u>(953)</u>	<u>3,909</u>
Other financing sources (uses):				
Transfers in	325	325	325	-
Transfers out	<u>(42)</u>	<u>(42)</u>	<u>(42)</u>	<u>-</u>
Total other financing sources (uses)	<u>283</u>	<u>283</u>	<u>283</u>	<u>-</u>
Net change in fund balance	\$ <u>2</u>	\$ <u>(4,579)</u>	(670)	\$ <u>3,909</u>
Encumbrances, end of year			5	
Fund balance, beginning of year, basis of budgeting			<u>4,604</u>	
Fund balance, end of year, basis of budgeting			3,939	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			48	
Notes Receivable			197	
Accrued salaries, wages and amounts withheld from employees			<u>(10)</u>	
Fund balance, end of year, GAAP basis			\$ <u>4,174</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 2,435	\$ 2,435	\$ 2,436	\$ 1
Interest and investment earnings	-	30	30	-
Other	-	-	3	3
Total revenues	<u>2,435</u>	<u>2,465</u>	<u>2,469</u>	<u>4</u>
Expenditures:				
Current:				
General Government	304	501	425	76
Culture and Recreation	583	738	536	202
Housing and Human Services	1,826	2,018	1,917	101
Total expenditures	<u>2,713</u>	<u>3,257</u>	<u>2,878</u>	<u>379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(278)</u>	<u>(792)</u>	<u>(409)</u>	<u>383</u>
Other financing sources (uses):				
Transfers in	-	484	529	45
Transfers out	<u>(38)</u>	<u>(68)</u>	<u>(68)</u>	<u>-</u>
Total other financing sources (uses)	<u>(38)</u>	<u>416</u>	<u>461</u>	<u>45</u>
Net change in fund balance	\$ <u>(316)</u>	\$ <u>(376)</u>	52	\$ <u>428</u>
Fund balance, beginning of year, basis of budgeting			<u>2,148</u>	
Fund balance, end of year, basis of budgeting			2,200	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			24	
Accrued salaries, wages and amounts withheld from employees			<u>(2)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,222</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 6,340	\$ 6,340	\$ 6,764	\$ 424
Licenses, permits and fines	-	-	24	24
Intergovernmental	-	173	161	(12)
Leases, rents and royalties	-	-	22	22
Interest and investment earnings	126	126	59	(67)
Other	15	56	71	15
Total revenues	<u>6,481</u>	<u>6,695</u>	<u>7,101</u>	<u>406</u>
Expenditures:				
Current:				
Public Works	450	454	455	(1)
Culture and Recreation	3,963	5,977	4,826	1,151
Debt service payments:				
Principal	1,875	1,875	1,875	-
Interest	301	301	301	-
Total expenditures	<u>6,589</u>	<u>8,607</u>	<u>7,457</u>	<u>1,150</u>
Excess (deficiency) of revenues over (under) expenditures	(108)	(1,912)	(356)	1,556
Other financing uses -				
Transfers out	(255)	(255)	(255)	-
Total other financing sources (uses)	<u>(255)</u>	<u>(255)</u>	<u>(255)</u>	<u>-</u>
Net change in fund balance	\$ <u>(363)</u>	\$ <u>(2,167)</u>	(611)	\$ <u>1,556</u>
Encumbrances, end of year			258	
Fund balance, beginning of year, basis of budgeting			<u>3,437</u>	
Fund balance, end of year, basis of budgeting			3,084	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			25	
Accrued salaries, wages and amounts withheld from employees			<u>(107)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,002</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 7,286	\$ 7,286	\$ 6,365	\$ (921)
Sale of goods and capital assets	140	140	174	34
Licenses, permits and fines	-	-	151	151
Intergovernmental	-	50	50	-
Leases, rents and royalties	846	846	1,138	292
Interest and investment earnings	51	64	16	(48)
Other	129	214	138	(76)
Total revenues	8,452	8,600	8,032	(568)
Expenditures:				
Current:				
Culture and Recreation	10,053	9,970	9,525	445
Total expenditures	10,053	9,970	9,525	445
Excess (deficiency) of revenues over (under) expenditures	(1,601)	(1,370)	(1,493)	(123)
Other financing sources (uses):				
Transfers in	1,575	1,575	1,575	-
Transfers out	-	(12)	(25)	(13)
Total other financing sources (uses)	1,575	1,563	1,550	(13)
Net change in fund balance	\$ <u>(26)</u>	\$ <u>193</u>	57	\$ <u>(136)</u>
Fund balance, beginning of year, basis of budgeting			659	
Fund balance, end of year, basis of budgeting			716	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			8	
Accrued salaries, wages and amounts withheld from employees			(294)	
Fund balance, end of year, GAAP basis			\$ <u>430</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Franchise taxes	\$ 1,561	\$ 1,561	\$ 1,838	\$ 277
Intergovernmental	-	359	307	(52)
Interest and investment earnings	9	9	19	10
Other	-	-	20	20
Total revenues	<u>1,570</u>	<u>1,929</u>	<u>2,184</u>	<u>255</u>
Expenditures:				
Current:				
General Government	<u>1,570</u>	<u>2,960</u>	<u>2,270</u>	<u>690</u>
Total expenditures	<u>1,570</u>	<u>2,960</u>	<u>2,270</u>	<u>690</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(1,031)</u>	(86)	\$ <u>945</u>
Encumbrances, end of year			383	
Fund balance, beginning of year, basis of budgeting			<u>1,058</u>	
Fund balance, end of year, basis of budgeting			<u>1,355</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			14	
Accrued salaries, wages and amounts withheld from employees			<u>(25)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>1,344</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Charges for services	\$ 4	\$ 4	\$ 4	\$ -
Licenses, permits and fines	-	-	1	1
Intergovernmental	924	1,406	1,090	(316)
Leases, rents and royalties	406	406	389	(17)
Interest and investment earnings	12	12	7	(5)
Total revenues	<u>1,346</u>	<u>1,828</u>	<u>1,491</u>	<u>(337)</u>
Expenditures:				
Current:				
Public Works	<u>1,292</u>	<u>1,836</u>	<u>1,688</u>	<u>148</u>
Total expenditures	<u>1,292</u>	<u>1,836</u>	<u>1,688</u>	<u>148</u>
Excess (deficiency) of revenues over (under) expenditures	54	(8)	(197)	(189)
Other financing uses -				
Transfers out	<u>(95)</u>	<u>(95)</u>	<u>(95)</u>	<u>-</u>
Total other financing sources (uses)	<u>(95)</u>	<u>(95)</u>	<u>(95)</u>	<u>-</u>
Net change in fund balance	\$ <u>(41)</u>	\$ <u>(103)</u>	(292)	\$ <u>(189)</u>
Encumbrances, end of year			211	
Fund balance, beginning of year, basis of budgeting			<u>471</u>	
Fund balance, end of year, basis of budgeting			390	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			4	
Accrued salaries, wages and amounts withheld from employees			<u>(7)</u>	
Fund balance, end of year, GAAP basis			\$ <u>387</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget
				Positive
				<u>(Negative)</u>
Revenues:				
Taxes:				
Excise taxes	\$ 585	\$ 585	\$ 643	\$ 58
Intergovernmental	-	1,535	1,620	85
Interest and investment earnings	20	20	42	22
Other	100	100	(2)	(102)
Total revenues	705	2,240	2,303	63
Expenditures:				
Current:				
Public Works	698	3,153	1,603	1,550
Total expenditures	698	3,153	1,603	1,550
Excess (deficiency) of revenues				
over (under) expenditures	7	(913)	700	1,613
Other financing uses -				
Transfers out	(15)	(15)	(15)	-
Total other financing sources (uses)	(15)	(15)	(15)	-
Net change in fund balance	\$ <u>(8)</u>	\$ <u>(928)</u>	685	\$ <u>1,613</u>
Encumbrances, end of year			362	
Fund balance, beginning of year, basis of budgeting			1,336	
Fund balance, end of year, basis of budgeting			2,383	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			20	
Accrued salaries, wages and amounts				
withheld from employees			(6)	
Fund balance, end of year, GAAP basis			\$ <u>2,397</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	\$ <u>9</u>	\$ <u>9</u>	\$ <u>8</u>	\$ <u>(1)</u>
Total revenues	<u>9</u>	<u>9</u>	<u>8</u>	<u>(1)</u>
Expenditures:				
Current:				
Public Works	<u>14</u>	<u>14</u>	<u>10</u>	<u>4</u>
Total expenditures	<u>14</u>	<u>14</u>	<u>10</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	(2)	3
Other financing sources -				
Transfers in	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
Total other financing sources (uses)	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
 Net change in fund balance	 \$ <u><u>(1)</u></u>	 \$ <u><u>(1)</u></u>	 2	 \$ <u><u>3</u></u>
 Fund balance, beginning of year, basis of budgeting			<u>5</u>	
Fund balance, end of year, basis of budgeting			<u>7</u>	
 Fund balance, end of year, GAAP basis			\$ <u><u>7</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,000	\$ 1,321	\$ 741	\$ (580)
Total revenues	<u>1,000</u>	<u>1,321</u>	<u>741</u>	<u>(580)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>973</u>	<u>1,294</u>	<u>714</u>	<u>580</u>
Total expenditures	<u>973</u>	<u>1,294</u>	<u>714</u>	<u>580</u>
Excess (deficiency) of revenues				
over (under) expenditures	27	27	27	-
Other financing uses -				
Transfers out	<u>(27)</u>	<u>(27)</u>	<u>(27)</u>	<u>-</u>
Total other financing sources (uses)	<u>(27)</u>	<u>(27)</u>	<u>(27)</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation			<u>-</u>	
Change in accrued interest payable			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>-</u></u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,350	\$ 2,818	\$ 784	\$ (2,034)
Total revenues	<u>1,350</u>	<u>2,818</u>	<u>784</u>	<u>(2,034)</u>
Expenditures:				
Current:				
Housing and Human Services	1,340	2,808	774	2,034
Total expenditures	<u>1,340</u>	<u>2,808</u>	<u>774</u>	<u>2,034</u>
Excess (deficiency) of revenues				
over (under) expenditures	10	10	10	-
Other financing uses -				
Transfers out	(10)	(10)	(10)	-
Total other financing sources (uses)	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2011

(Amounts in 000's)

<u>Assets</u>	<u>.15 Cent Sales Tax Debt Service Fund</u>
Equity in pooled cash and cash equivalents	\$ 18
Investments	287
Receivables:	
Sales and use taxes	181
Accrued interest	<u>1</u>
	182
Restricted assets - investments for debt service	<u>46</u>
Total assets	\$ <u><u>533</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Total liabilities	\$ <u>-</u>
Fund balance:	
Restricted	
Debt service	<u>533</u>
Total fund balance	<u><u>533</u></u>
Total liabilities and fund balance	\$ <u><u>533</u></u>

# CITY OF BOULDER, COLORADO

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

### Nonmajor Debt Service Funds

Year ended December 31, 2011

(Amounts in 000's)

		<u>.15 Cent Sales Tax Debt Service Fund</u>
Revenues:		
Sales and use taxes	\$	1,624
Interest and investment earnings		<u>15</u>
Total revenues		<u>1,639</u>
Expenditures:		
Debt service payments:		
Principal		520
Interest		<u>44</u>
Total expenditures		<u>564</u>
Excess (deficiency) of revenues over (under) expenditures		1,075
Other financing uses -		
Transfers out		<u>(1,035)</u>
Total other financing sources (uses)		<u>(1,035)</u>
Net change in fund balance		40
Fund balance, beginning of year		<u>493</u>
Fund balance, end of year	\$	<u><u>533</u></u>

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## 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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	Original	Final	amounts	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	\$ 1,369	\$ 1,875	\$ 1,624	\$ (251)
Interest and investment earnings	-	13	16	3
Total revenues	<u>1,369</u>	<u>1,888</u>	<u>1,640</u>	<u>(248)</u>
Expenditures:				
Debt service payments:				
Principal	520	520	520	-
Interest	<u>44</u>	<u>44</u>	<u>44</u>	<u>-</u>
Total expenditures	<u>564</u>	<u>564</u>	<u>564</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	805	1,324	1,076	(248)
Other financing uses -				
Transfers out	<u>(488)</u>	<u>(1,006)</u>	<u>(1,035)</u>	<u>(29)</u>
Total other financing sources (uses)	<u>(488)</u>	<u>(1,006)</u>	<u>(1,035)</u>	<u>(29)</u>
Net change in fund balance	\$ <u><u>317</u></u>	\$ <u><u>318</u></u>	41	\$ <u><u>(277)</u></u>
Fund balance, beginning of year, basis of budgeting			489	
Fund balance, end of year, basis of budgeting			<u>530</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>3</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>533</u></u>	

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## CITY OF BOULDER, COLORADO

## Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2011

(Amounts in 000's)

<u>Assets</u>	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ 2,029	\$ 22	\$ 56	\$ 189	\$ 2,296
Investments	240	355	897	3,011	4,503
Receivables:					
General property taxes	2,235	-	-	-	2,235
Accrued interest	<u>1</u>	<u>2</u>	<u>5</u>	<u>16</u>	<u>24</u>
Total Receivables	2,236	2	5	16	2,259
Due from other funds	<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230</u>
Total assets	<u>\$ 4,735</u>	<u>\$ 379</u>	<u>\$ 958</u>	<u>\$ 3,216</u>	<u>\$ 9,288</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts and accrued liabilities:					
Vouchers and accounts payable	\$ 44	\$ 5	\$ 1	\$ 4	\$ 54
Contracts and retainage payable	23	-	-	-	23
Accrued salaries, wages and amounts withheld from employees	30	-	8	6	44
Due to other funds	-	-	-	3,191	3,191
Deferred revenue - general property taxes	<u>2,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,235</u>
Total liabilities	<u>2,332</u>	<u>5</u>	<u>9</u>	<u>3,201</u>	<u>5,547</u>
Fund balances:					
Restricted					
Capital projects	2,403	-	-	-	2,403
Assigned					
Special purposes	<u>-</u>	<u>374</u>	<u>949</u>	<u>15</u>	<u>1,338</u>
Total fund balances	<u>2,403</u>	<u>374</u>	<u>949</u>	<u>15</u>	<u>3,741</u>
Total liabilities and fund balances	<u>\$ 4,735</u>	<u>\$ 379</u>	<u>\$ 958</u>	<u>\$ 3,216</u>	<u>\$ 9,288</u>

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## CITY OF BOULDER, COLORADO

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

Nonmajor Capital Project Funds

Year ended December 31, 2011

(Amounts in 000's)

	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	Boulder Junction Improvement <u>Fund</u>	2011 Capital Improvement <u>Fund</u>	Total
Revenues:					
Taxes:					
Sales and use taxes	\$ -	\$ -	\$ 23	\$ -	\$ 23
General property taxes	2,018	-	-	-	2,018
Excise taxes	478	-	-	-	478
Charges for services	24	-	487	-	511
Interest and investment earnings (losses)	1	4	13	37	55
Other	16	-	-	-	16
Total revenues	<u>2,537</u>	<u>4</u>	<u>523</u>	<u>37</u>	<u>3,101</u>
Expenditures:					
Capital outlay	<u>3,572</u>	<u>323</u>	<u>160</u>	<u>22</u>	<u>4,077</u>
Total expenditures	<u>3,572</u>	<u>323</u>	<u>160</u>	<u>22</u>	<u>4,077</u>
Excess (deficiency) of revenues over (under) expenditures	(1,035)	(319)	363	15	(976)
Other financing uses -					
Transfers in	-	-	586	-	586
Transfers out	<u>(149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149)</u>
Total other financing sources (uses)	<u>(149)</u>	<u>-</u>	<u>586</u>	<u>-</u>	<u>437</u>
Net change in fund balances	<u>(1,184)</u>	<u>(319)</u>	<u>949</u>	<u>15</u>	<u>(539)</u>
Fund balances, beginning of year, as previously presented	1,573	693	-	-	2,266
Correction of error (Note Z)	<u>2,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,014</u>
Fund balances, beginning of year, as restated	<u>3,587</u>	<u>693</u>	<u>-</u>	<u>-</u>	<u>4,280</u>
Fund balances, end of year	\$ <u><u>2,403</u></u>	\$ <u><u>374</u></u>	\$ <u><u>949</u></u>	\$ <u><u>15</u></u>	\$ <u><u>3,741</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	-	-	-	-
General property taxes	\$ 1,994	\$ 1,994	\$ 2,018	\$ 24
Excise taxes	262	262	478	216
Charges for services	-	-	24	24
Interest and investment earnings	184	184	21	(163)
Other	9	19	16	(3)
Total revenues	<u>2,449</u>	<u>2,459</u>	<u>2,557</u>	<u>98</u>
Expenditures:				
Capital outlay	<u>3,281</u>	<u>4,468</u>	<u>3,643</u>	<u>825</u>
Total expenditures	<u>3,281</u>	<u>4,468</u>	<u>3,643</u>	<u>825</u>
Excess (deficiency) of revenues over (under) expenditures	(832)	(2,009)	(1,086)	923
Other financing uses -				
Transfers in	671	671	671	-
Transfers out	(82)	(379)	(379)	-
Total other financing sources (uses)	<u>589</u>	<u>292</u>	<u>292</u>	<u>-</u>
Net change in fund balance	\$ <u>(243)</u>	\$ <u>(1,717)</u>	(794)	\$ <u>923</u>
Encumbrances, end of year			71	
Fund balance, beginning of year, basis of budgeting			<u>2,924</u>	
Fund balance, end of year, basis of budgeting			2,201	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Transfer for budgetary basis only			230	
Accrued salaries, wages and amounts withheld from employees			<u>(30)</u>	
Fund balance, end of year, GAAP basis			\$ <u>2,403</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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Interest and investment earnings	\$ -	\$ -	\$ 9	\$ 9
Total revenues	-	-	9	9
Expenditures:				
Capital outlay	-	684	324	360
Total expenditures	-	684	324	360
Net change in fund balance	\$ -	\$ (684)	\$ (315)	\$ 369
Fund balance, beginning of year, basis of budgeting			685	
Fund balance, end of year, basis of budgeting			370	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			4	
Fund balance, end of year, GAAP basis			\$ 374	

## 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, 2011

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ -	\$ -	\$ 23	\$ 23
Charges for services	-	487	487	-
Interest and investment earnings	-	-	3	3
Total revenues	-	487	513	26
Expenditures:				
Capital outlay	-	1,073	166	907
Total expenditures	-	1,073	166	907
Excess (deficiency) of revenues over (under) expenditures	-	(586)	347	933
Other financing uses -				
Transfers in	-	586	586	-
Total other financing sources (uses)	-	586	586	-
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	933	\$ <u>933</u>
Encumbrances, end of year			14	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			947	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			10	
Accrued salaries, wages and amounts withheld from employees			(8)	
Fund balance, end of year, GAAP basis			\$ <u>949</u>	

## CITY OF BOULDER, COLORADO

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

Year ended December 31, 2011

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>amounts</u>	final budget - Positive (Negative)
Revenues:				
Taxes:				
Interest and investment earnings	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
Expenditures:				
Capital outlay	-	3,191	16	3,175
Total expenditures	-	3,191	16	3,175
Excess (deficiency) of revenues over (under) expenditures	-	(3,191)	(13)	3,178
Other financing uses -				
Transfers in	-	3,191	3,191	-
Total other financing sources (uses)	-	3,191	3,191	-
Net change in fund balance	\$ -	\$ -	3,178	\$ 3,178
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			3,178	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			34	
Accrued salaries, wages and amounts withheld from employees			(6)	
Transfer for budgetary basis only			(3,191)	
Fund balance, end of year, GAAP basis			\$ 15	

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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 Assets

Nonmajor Enterprise Funds

December 31, 2011

(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	\$ 44	\$ -	\$ 44
Investments	692	2	694
Receivables:			
General property taxes	26	14	40
Accrued interest	3	-	3
Total Receivables	<u>29</u>	<u>14</u>	<u>43</u>
Total current assets	<u>765</u>	<u>16</u>	<u>781</u>
Noncurrent assets:			
Capital assets:			
Land and easements	444	-	444
Improvements other than buildings	58	-	58
Machinery and equipment	<u>330</u>	<u>-</u>	<u>330</u>
	832	-	832
Less accumulated depreciation	<u>(148)</u>	<u>-</u>	<u>(148)</u>
Total capital assets, net of accumulated depreciation	<u>684</u>	<u>-</u>	<u>684</u>
Total noncurrent assets	<u>684</u>	<u>-</u>	<u>684</u>
Total assets	<u>1,449</u>	<u>16</u>	<u>1,465</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 3	\$ -	\$ 3
Accrued salaries, wages and amounts withheld from employees	12	-	12
Advances from other funds	-	2	2
Other liabilities	6	-	6
Deferred revenue -			
General property taxes	<u>26</u>	<u>14</u>	<u>40</u>
Total current liabilities	<u>47</u>	<u>16</u>	<u>63</u>
Non-current liabilities:			
Advances from other funds	-	18	18
Compensated absences payable	18	-	18
Retiree health care benefit	<u>4</u>	<u>-</u>	<u>4</u>
Total non-current liabilities	<u>22</u>	<u>18</u>	<u>40</u>
Total liabilities	<u>69</u>	<u>34</u>	<u>103</u>
Net assets:			
Invested in capital assets, net of related debt	684	-	684
Restricted for:			
Legally restricted	5	-	5
Unrestricted	<u>691</u>	<u>(18)</u>	<u>673</u>
Total net assets	<u>\$ 1,380</u>	<u>\$ (18)</u>	<u>\$ 1,362</u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Nonmajor Enterprise Funds

Year ended December 31, 2011

(Amounts in 000's)

	University Hill Commercial <u>District</u>	Boulder Junction Access GID - <u>Parking</u>	Total Nonmajor Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ <u>185</u>	\$ <u>-</u>	\$ <u>185</u>
Total operating revenues	<u>185</u>	<u>-</u>	<u>185</u>
Operating expenses:			
Personnel	247	-	247
Non-personnel	217	18	235
Depreciation and amortization	<u>38</u>	<u>-</u>	<u>38</u>
Total operating expenses	<u>502</u>	<u>18</u>	<u>520</u>
Operating income (loss)	<u>(317)</u>	<u>(18)</u>	<u>(335)</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	10	-	10
General property taxes	26	-	26
Specific ownership & tobacco taxes	1	-	1
Other, net	<u>6</u>	<u>-</u>	<u>6</u>
Total nonoperating revenues (expenses)	<u>43</u>	<u>-</u>	<u>43</u>
Income (loss) before capital contributions and transfers	(274)	(18)	(292)
Transfers in	314	-	314
Transfers out	<u>(45)</u>	<u>-</u>	<u>(45)</u>
Changes in net assets	(5)	(18)	(23)
Total net assets, beginning of year	<u>1,385</u>	<u>-</u>	<u>1,385</u>
Total net assets, end of year	\$ <u><u>1,380</u></u>	\$ <u><u>(18)</u></u>	\$ <u><u>1,362</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2011

(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	\$ 185	\$ -	\$ 185
Other receipts (payments)	11	-	11
Payments to suppliers	(173)	(18)	(191)
Payments to employees	(246)	-	(246)
Payment for interfund services used	(45)	-	(45)
Net cash provided (used) by operating activities	<u>(268)</u>	<u>(18)</u>	<u>(286)</u>
Cash flows from noncapital financing activities:			
Payments from (to) other funds on advances	-	20	20
General property taxes	26	-	26
Specific ownership & tobacco taxes	1	-	1
Transfers in	314	-	314
Transfers out	(45)	-	(45)
Net cash provided (used) by noncapital financing activities	<u>296</u>	<u>20</u>	<u>316</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	-	-
Net cash provided (used) for capital related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of investment securities	\$ (475)	\$ (2)	\$ (477)
Proceeds from sale and maturities of investment securities	465	-	465
Interest on investments	13	-	13
Net cash provided (used) in investing activities	<u>3</u>	<u>(2)</u>	<u>1</u>
Net increase in cash and cash equivalents	31	-	31
Cash and cash equivalents, January 1	<u>13</u>	<u>-</u>	<u>13</u>
Cash and cash equivalents, December 31	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 44</u>
Reconciliation of cash and cash equivalents to balance sheet amounts:			
Equity in pooled cash and cash equivalents	\$ <u>44</u>	\$ <u>-</u>	\$ <u>44</u>
	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 44</u>

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedNonmajor Enterprise Funds

Year ended December 31, 2011

(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)	\$ (317)	\$ (18)	\$ (335)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of deferred charges	38	-	38
Other nonoperating revenues (expenses)	6	-	6
Change in assets and liabilities:			
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(1)	-	(1)
Other liabilities	5	-	5
Retiree health care benefit	1	-	1
Total adjustments	49	-	49
Net cash provided (used) by operating activities	\$ (268)	\$ (18)	\$ (286)
Noncash investing, capital and financing activities:			
Assets acquired through:			
Increase (Decrease) in fair value of investments	\$ (2)	\$ -	\$ (2)
	\$ (2)	\$ -	\$ (2)

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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 Assets

Internal Service Funds

December 31, 2011

(Amounts in 000's)

	Telecom- munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 66	\$ 350	\$ 225	\$ 89
Investments	1,051	5,569	3,576	1,412
Receivables, net:				
Accounts	26	-	-	-
Accrued interest	6	29	19	7
	32	29	19	7
Due from other funds	-	-	-	-
Advances to other funds	-	39	-	-
Other assets - prepaid expenses	-	207	-	-
Total current assets	1,149	6,194	3,820	1,508
Noncurrent assets:				
Restricted assets:				
Investments for capital projects	-	-	-	-
Total restricted assets	-	-	-	-
Advances to other funds, less current	-	-	-	-
Other assets -				
Deferred charges	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	3,120	-	-	-
	3,327	-	-	-
Less accumulated depreciation	(1,292)	-	-	-
	2,035	-	-	-
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	2,035	-	-	-
Total noncurrent assets	2,035	-	-	-
Total assets	3,184	6,194	3,820	1,508
<b>Liabilities:</b>				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	43	1	71	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	7	15	11	11
Accrued interest	-	-	-	-
Accrued cleanup liability	-	-	-	-
Accrued claims liability (current portion)	-	170	704	-
Other liabilities	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	50	186	786	11
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued claims liability	-	745	396	-
Retiree health care benefit	2	2	2	-
Total non-current liabilities	2	747	398	-
Total liabilities	52	933	1,184	11
<b>Net assets:</b>				
Invested in capital assets, net of related debt	2,035	-	-	-
Unrestricted	1,097	5,261	2,636	1,497
Total net assets	\$ 3,132	\$ 5,261	\$ 2,636	\$ 1,497



<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ 624	\$ 358	\$ 309	\$ 618	\$ 2,639
9,922	5,695	5,474	9,277	41,976
9	-	-	2	37
52	30	29	48	220
61	30	29	50	257
-	-	-	40	40
131	-	-	-	170
-	-	-	-	207
10,738	6,083	5,812	9,985	45,289
-	-	-	860	860
-	-	-	860	860
1,267	-	-	-	1,267
-	-	-	51	51
-	-	-	101	101
2,381	-	101	69,315	72,004
1,437	-	-	7,027	8,464
26,091	-	-	-	26,091
27	3,479	3,340	8	9,974
29,936	3,479	3,441	76,451	116,634
(16,791)	(2,110)	(2,399)	(43,454)	(66,046)
13,145	1,369	1,042	32,997	50,588
-	-	71	7,461	7,532
13,145	1,369	1,113	40,458	58,120
14,412	1,369	1,113	41,369	60,298
25,150	7,452	6,925	51,354	105,587
137	130	127	186	695
-	-	-	739	739
58	-	1	6	109
-	-	-	48	48
-	-	-	2,500	2,500
-	-	-	-	874
-	-	-	2,004	2,004
-	-	-	357	357
195	130	128	5,840	7,326
-	-	-	7,406	7,406
172	-	-	-	172
-	-	-	-	1,141
15	-	-	1	22
187	-	-	7,407	8,741
382	130	128	13,247	16,067
13,145	1,369	1,113	33,554	51,216
11,623	5,953	5,684	4,553	38,304
\$ 24,768	\$ 7,322	\$ 6,797	\$ 38,107	\$ 89,520

## CITY OF BOULDER, COLORADO

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

Internal Service Funds

Year ended December 31, 2011

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Operating revenues:				
Charges for services	\$ 739	\$ 1,510	\$ 1,170	\$ 682
Total operating revenues	<u>739</u>	<u>1,510</u>	<u>1,170</u>	<u>682</u>
Operating expenses:				
Personnel	128	301	244	326
Non-personnel	419	848	1,293	-
Depreciation	237	-	-	-
Total operating expenses	<u>784</u>	<u>1,149</u>	<u>1,537</u>	<u>326</u>
Operating income (loss)	<u>(45)</u>	<u>361</u>	<u>(367)</u>	<u>356</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	11	83	50	21
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Private sector grants and contributions	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	<u>-</u>	<u>2</u>	<u>61</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>11</u>	<u>85</u>	<u>111</u>	<u>21</u>
Income (loss) before capital contributions, extraordinary items, and transfers	(34)	446	(256)	377
Capital contributions	-	-	-	-
Extraordinary item	-	-	-	-
Transfers in	-	-	120	-
Transfers out	<u>(14)</u>	<u>(281)</u>	<u>(114)</u>	<u>(34)</u>
Changes in net assets	(48)	165	(250)	343
Total net assets, beginning of year	<u>3,180</u>	<u>5,096</u>	<u>2,886</u>	<u>1,154</u>
Total net assets, end of year	\$ <u>3,132</u>	\$ <u>5,261</u>	\$ <u>2,636</u>	\$ <u>1,497</u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>7,718</u>	\$ <u>1,704</u>	\$ <u>1,159</u>	\$ <u>1,956</u>	\$ <u>16,638</u>
<u>7,718</u>	<u>1,704</u>	<u>1,159</u>	<u>1,956</u>	<u>16,638</u>
1,111	-	24	59	2,193
1,926	1,004	216	472	6,178
<u>2,022</u>	<u>419</u>	<u>384</u>	<u>3,592</u>	<u>6,654</u>
<u>5,059</u>	<u>1,423</u>	<u>624</u>	<u>4,123</u>	<u>15,025</u>
<u>2,659</u>	<u>281</u>	<u>535</u>	<u>(2,167)</u>	<u>1,613</u>
166	72	79	120	602
-	-	-	20	20
-	-	-	60	60
-	-	-	167	167
-	-	-	(298)	(298)
320	7	-	2	329
<u>(3)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>61</u>
<u>483</u>	<u>79</u>	<u>79</u>	<u>72</u>	<u>941</u>
3,142	360	614	(2,095)	2,554
-	-	-	180	180
-	-	-	275	275
-	-	-	-	120
<u>(1,602)</u>	<u>(12)</u>	<u>(17)</u>	<u>(1,281)</u>	<u>(3,355)</u>
1,540	348	597	(2,921)	(226)
<u>23,228</u>	<u>6,974</u>	<u>6,200</u>	<u>41,028</u>	<u>89,746</u>
\$ <u><u>24,768</u></u>	\$ <u><u>7,322</u></u>	\$ <u><u>6,797</u></u>	\$ <u><u>38,107</u></u>	\$ <u><u>89,520</u></u>

## CITY OF BOULDER, COLORADO

## Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2011

(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	\$ 49	\$ -	\$ -	\$ -
Receipts from interfund services provided	641	1,510	1,170	682
Other receipts (payments)	-	2	61	-
Refundable deposits receipts (payments)	-	-	-	-
Payments to suppliers	(434)	(968)	(1,106)	(44)
Payments to employees	(120)	(300)	(246)	(326)
Net cash provided (used) by operating activities	<u>136</u>	<u>244</u>	<u>(121)</u>	<u>312</u>
Cash flows from noncapital financing activities:				
Payments from (to) other funds				
on due from (due to) balances	-	-	-	-
Payments from (to) other funds on advances	-	38	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Extraordinary Item - Valmont Butte Cleanup	-	-	-	-
Transfers in	-	-	120	-
Transfers out	(14)	(281)	(114)	(34)
Net cash provided (used) by noncapital financing activities	<u>(14)</u>	<u>(243)</u>	<u>6</u>	<u>(34)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(33)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Capital contributions	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(710)	(3,760)	(2,415)	(954)
Proceeds from sale and maturities of investment securities	655	3,896	2,618	721
Interest on investments	13	106	66	22
Net cash provided (used) in investing activities	<u>(42)</u>	<u>242</u>	<u>269</u>	<u>(211)</u>
Net increase (decrease) in cash and cash equivalents	47	243	154	67
Equity in pooled cash and cash equivalents, January 1	<u>19</u>	<u>107</u>	<u>71</u>	<u>22</u>
Equity in pooled cash and cash equivalents, December 31	<u>\$ 66</u>	<u>\$ 350</u>	<u>\$ 225</u>	<u>\$ 89</u>
Reconciliation of cash and cash equivalents to balance sheet amounts:				
Equity in pooled cash and cash equivalents	<u>\$ 66</u>	<u>\$ 350</u>	<u>\$ 225</u>	<u>\$ 89</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>
\$ 114	\$ -	\$ -	\$ 1	\$ 164
7,637	1,704	1,159	1,955	16,458
(3)	-	-	1	61
-	-	-	2,004	2,004
(1,887)	(988)	(149)	(375)	(5,951)
<u>(1,105)</u>	<u>-</u>	<u>(24)</u>	<u>(56)</u>	<u>(2,177)</u>
<u>4,756</u>	<u>716</u>	<u>986</u>	<u>3,530</u>	<u>10,559</u>
-	-	-	(40)	(40)
(1,229)	-	-	-	(1,191)
-	-	-	20	20
-	-	-	60	60
-	-	-	2,775	2,775
-	-	-	-	120
<u>(319)</u>	<u>(12)</u>	<u>(17)</u>	<u>(1,281)</u>	<u>(2,072)</u>
<u>(1,548)</u>	<u>(12)</u>	<u>(17)</u>	<u>1,534</u>	<u>(328)</u>
(3,028)	(125)	(247)	(6,549)	(9,982)
513	7	-	-	520
-	-	-	(194)	(194)
-	-	-	(311)	(311)
<u>-</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>347</u>
<u>(2,515)</u>	<u>(118)</u>	<u>(247)</u>	<u>(6,707)</u>	<u>(9,620)</u>
(6,814)	(3,845)	(3,696)	(6,265)	(28,459)
6,376	3,434	3,108	8,363	29,171
<u>192</u>	<u>84</u>	<u>84</u>	<u>69</u>	<u>636</u>
<u>(246)</u>	<u>(327)</u>	<u>(504)</u>	<u>2,167</u>	<u>1,348</u>
447	259	218	524	1,959
<u>177</u>	<u>99</u>	<u>91</u>	<u>94</u>	<u>680</u>
<u>\$ 624</u>	<u>\$ 358</u>	<u>\$ 309</u>	<u>\$ 618</u>	<u>\$ 2,639</u>
<u>\$ 624</u>	<u>\$ 358</u>	<u>\$ 309</u>	<u>\$ 618</u>	<u>\$ 2,639</u>

(continued)

## CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continuedInternal Service Funds

Year ended December 31, 2011

(Amount in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers' Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ <u>(45)</u>	\$ <u>361</u>	\$ <u>(367)</u>	\$ <u>356</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	237	-	-	-
Other nonoperating revenues (expenses)	-	2	61	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(24)	-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	-	1	-	-
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(15)	(14)	25	-
Accrued salaries, wages and amounts withheld from employees	7	1	(2)	(44)
Other liabilities	-	-	162	-
Other liabilities - refundable deposits	-	-	-	-
Deferred revenue	(25)	-	-	-
Accrued claims liability	-	(107)	-	-
Compensated absences	-	-	-	-
Retiree health care accrual	1	-	-	-
Total adjustments	<u>181</u>	<u>(117)</u>	<u>246</u>	<u>(44)</u>
Net cash provided (used) by operating activities	\$ <u><u>136</u></u>	\$ <u><u>244</u></u>	\$ <u><u>(121)</u></u>	\$ <u><u>312</u></u>
Noncash investing, capital and financing activities:				
Assets acquired through:				
Financed through accounts, contracts and retainage payable	-	-	-	-
Amortization of bond premium and issuance costs	-	-	-	-
Assets transferred to Other Funds	-	-	-	-
Increase (decrease) in fair value of investments	<u>(2)</u>	<u>(17)</u>	<u>(12)</u>	<u>(1)</u>
	\$ <u><u>(2)</u></u>	\$ <u><u>(17)</u></u>	\$ <u><u>(12)</u></u>	\$ <u><u>(1)</u></u>

<u>Fleet Fund</u>	<u>Computer Replacement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Facility Renovation and Replacement Fund</u>	<u>Total</u>
\$ <u>2,659</u>	\$ <u>281</u>	\$ <u>535</u>	\$ <u>(2,167)</u>	\$ <u>1,613</u>
2,022 (3)	419 -	384 -	3,592 1	6,654 61
-	-	-	-	(24)
19	-	-	-	19
14	-	-	-	15
39	16	67	97	215
(2)	-	-	3	(37)
-	-	-	-	162
-	-	-	2,004	2,004
-	-	-	-	(25)
-	-	-	-	(107)
5	-	-	-	5
3	-	-	-	4
<u>2,097</u>	<u>435</u>	<u>451</u>	<u>5,697</u>	<u>8,946</u>
\$ <u><u>4,756</u></u>	\$ <u><u>716</u></u>	\$ <u><u>986</u></u>	\$ <u><u>3,530</u></u>	\$ <u><u>10,559</u></u>
(133)	-	60	116	43
-	-	-	6	6
(1,283)	-	-	-	(1,283)
<u>(20)</u>	<u>(9)</u>	<u>(4)</u>	<u>34</u>	<u>(31)</u>
\$ <u><u>(1,436)</u></u>	\$ <u><u>(9)</u></u>	\$ <u><u>56</u></u>	\$ <u><u>156</u></u>	\$ <u><u>(1,265)</u></u>

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SUPPLEMENTARY SCHEDULE

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2011

(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	\$ 13,565	\$ 1,470
Premium on Bonds				-	136	-
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	10,605	1,335
Premium on Refunding Bonds				-	31	-
Refunding Bond Charges				-	(329)	-
Open Space Acquisition Refunding	2.50	7/7/09	8/15/13	6,305	3,340	1,550
Premium on Refunding Bonds				-	36	-
Refunding Bond Charges				-	(9)	-
Parks, Recreation, Muni., Cap., Imp., Ref.	4.00 - 4.30	9/11/01	12/1/12	5,255	530	530
Premium on Refunding Bonds				-	1	-
Refunding Bond Charges				-	(2)	-
Parks, Recreation, Muni., Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	8,155	1,950
Premium on Refunding Bonds				-	269	-
Refunding Bond Charges				-	(141)	-
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	5,500	250
Premium on Waste Reduction Bonds				-	60	-
				61,915	41,747	7,085
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	8,760	340
Premium on Pension Obligation Bonds				-	121	-
				9,070	8,881	340
Sales Tax Revenue Bonds:						
Open Space Acq. Sales Tax Rev. Ref. Bds	2.50 - 3.00	7/7/09	8/15/14	6,485	4,005	1,295
Premium on Refunding Bonds				-	63	-
Refunding Bond Charges				-	(13)	-
				6,485	4,055	1,295
Loan Payable - Boulder County	3.00	9/25/2009	9/1/2013	5,441	250	-
				-	-	-
Capital Lease Purchase Agreements				-	-	-
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,427	90
All American Investment Group, LLC	3.518	10/25/10	1/25/26	6,457	6,336	267
				7,957	7,763	357
Compensated Absences				-	10,968	603
Retiree Health Care Benefit (OPEB)				-	1,185	-
Rebatable Arbitrage				-	-	-
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ 90,868	\$ 74,849	\$ 9,680
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	17,095	1,495
Premium on Bonds				-	735	-
Refunding Bond Charges				-	(559)	-
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	3,855	715
Refunding Bond Charges				-	(51)	-
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	16,120	1,860
Refunding Bond Charges				-	(536)	-
Water and Sewer	3.50 - 5.00	11/15/05	12/01/25	45,245	35,160	1,910
Premium on Bonds				-	617	-
Water and Sewer Revenue Refunding Bonds	3.00 - 3.50	5/01/05	12/01/12	1,110	170	170
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	9,590	395
Premium on Bonds				-	208	-
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	2,425	325
Premium on Bonds				-	60	-
Refunding Bond Charges				-	(28)	-
				111,670	84,861	6,870
Compensated Absences				-	1,131	168
Retiree Health Care Benefit (OPEB)				-	145	-
Rebatable Arbitrage				-	-	-
Total supported by utility revenues				111,670	86,137	7,038

(continued)

## CITY OF BOULDER, COLORADO

## Supplementary Schedule

Combined Schedule of Long-Term Debt Payable,  
(continued)

December 31, 2011

(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	8/15/23	12,500	8,855	590
Premium on Bonds				-	62	-
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	6,250	800
Premium on Refunding Bonds				-	222	-
Refunding Bond Charges				-	(39)	-
				<u>20,230</u>	<u>15,350</u>	<u>1,390</u>
Compensated Absences				-	125	5
Retiree Health Care Benefit (OPEB)				-	37	-
				<u>20,230</u>	<u>15,512</u>	<u>1,395</u>
Total supported by parking revenues						
				<u>20,230</u>	<u>15,512</u>	<u>1,395</u>
Supported by base rentals:						
Refunding Certificates of Participation Series :						
Boulder Municipal Property Authority:						
East Boulder Community Center	4.125 - 5.00	1/08/98	12/01/12	<u>5,750</u>	<u>575</u>	<u>575</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Henrikson	Note 1997C	6.00	6/25/97	6/25/12	383	37
Foothills	Note 1997G	7.00	7/16/97	7/16/17	1,095	493
Van Vleet	Note 1999B	6.00	3/5/99	3/5/14	2,500	688
Abbott	Note 2001D	6.00	12/05/01	1/14/13	430	129
Edward H. Kolb	Note 2002A-R1	6.00	8/15/02	8/15/12	242	31
John B. Kolb	Note 2002A-R2	6.00	8/15/02	8/15/12	242	31
Frederick M. Kolb	Note 2002A-R3	6.00	8/15/02	8/15/12	242	31
Helayne B. Jones	Note 2003A	6.00	6/20/03	6/20/13	715	178
Dagle	Note 2004A	4.75	12/1/2004	12/01/14	770	269
Gisle	Note 2005A	4.75	2/18/05	2/18/17	1,180	672
Hill	Note 2005B	4.75	4/05/05	4/05/15	910	415
Luchetta	Note 2005C	5.00	8/05/05	8/05/20	720	493
Boulder Valley	Note 2006A	5.00	6/16/06	6/16/16	3,550	1,990
Eisenberg	Note 2006B	5.00	6/07/06	6/07/16	1,206	676
Kolb, Edward H.	Note 2008AR-1	5.00	4/22/08	4/22/18	404	303
Vigil	Note 2008AR-2	5.00	4/22/08	4/22/18	404	303
				<u>14,993</u>	<u>6,739</u>	<u>1,425</u>
Total supported by base rentals						
				<u>20,743</u>	<u>7,314</u>	<u>2,000</u>
Total Business-type Activities				\$ 152,643	\$ 108,963	\$ 10,433

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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, 2011

(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
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Net Assets by Component	236
Changes in Net Assets	238
Fund Balances - Governmental Funds	242
Changes in Fund Balances - Governmental Funds	242
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	
Taxable Sales by Market Sector	246
Direct and Overlapping Sales Tax Rates	248
Largest Sales Tax Remitters by Market Sector	251
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Net Outstanding Debt by Type	252
Ratios of General Bonded Debt Outstanding	254
Direct and Overlapping Debt	255
Legal Debt Margin Information	256
Pledged Revenue Coverage	258
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	260
Principal Employers	261
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full Time Equivalent City Employees by Functions/Programs	262
Operating Indicators by Function/Program	264
Capital Asset Statistics by Function/Program	266

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in Fiscal Year 2002, however, Fiscal Year 2001 amounts were recalculated using GASB 34 to allow for comparison. Schedules presenting government-wide information include information beginning in that year.

## CITY OF BOULDER, COLORADO

Statistical Data

## Net Assets By Component

Last Ten Fiscal Years  
(Unaudited)

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities:					
Invested in capital assets, net of related debt	\$ 167,654	\$ 187,518	\$ 200,574	\$ 329,926	\$ 343,319
Restricted	50,206	44,692	41,906	47,497	63,452
Unrestricted	30,829	31,408	34,929	39,282	20,955
<b>Total governmental activities net assets</b>	<b>\$ 248,689</b>	<b>\$ 263,618</b>	<b>\$ 277,409</b>	<b>\$ 416,705</b>	<b>\$ 427,726</b>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 250,463	\$ 258,051	\$ 266,227	\$ 267,873	\$ 269,527
Restricted	97	103	208	213	220
Unrestricted	29,094	32,991	32,862	32,291	53,147
<b>Total business-type activities net assets</b>	<b>\$ 279,654</b>	<b>\$ 291,145</b>	<b>\$ 299,297</b>	<b>\$ 300,377</b>	<b>\$ 322,894</b>
Primary government:					
Invested in capital assets, net of related debt	\$ 418,117	\$ 445,569	\$ 466,801	\$ 597,799	\$ 612,846
Restricted	50,303	44,795	42,114	47,710	63,672
Unrestricted	59,923	64,399	67,791	71,573	74,102
<b>Total primary government net assets</b>	<b>\$ 528,343</b>	<b>\$ 554,763</b>	<b>\$ 576,706</b>	<b>\$ 717,082</b>	<b>\$ 750,620</b>

Note: The City implemented GASB Statement No. 34 in Fiscal Year 2002, however, Fiscal Year 2001 amounts were recalculated using GASB 34 to allow for comparison.



Fiscal Year				
2007	2008	2009	2010	2011
\$ 350,644	\$ 363,896	\$ 379,461	\$395,174	\$418,691
56,833	59,456	58,197	51,815	30,256
45,771	51,761	51,266	69,024	86,439
<u>\$ 453,248</u>	<u>\$ 475,113</u>	<u>\$ 488,924</u>	<u>\$516,013</u>	<u>\$535,386</u>
\$ 283,633	\$ 295,936	\$ 313,583	\$310,791	\$325,861
228	234	242	249	254
57,233	65,263	59,917	65,547	67,166
<u>\$ 341,094</u>	<u>\$ 361,433</u>	<u>\$ 373,742</u>	<u>\$376,587</u>	<u>\$393,281</u>
\$ 634,277	\$ 659,832	\$ 693,044	\$ 705,965	\$ 744,552
57,061	59,690	58,439	52,064	30,510
103,004	117,024	111,183	134,571	153,605
<u>\$ 794,342</u>	<u>\$ 836,546</u>	<u>\$ 862,666</u>	<u>\$ 892,600</u>	<u>\$ 928,667</u>

## CITY OF BOULDER, COLORADO

Statistical Data

## Changes In Net Assets

Last Ten Fiscal Years

(Unaudited)

(Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year			
	2002	2003	2004	2005
Expenses:				
Governmental activities:				
General Government	\$ 10,271	\$ 8,073	\$ 7,803	\$ 7,632
Administrative Services	4,072	3,907	2,541	2,708
Public Safety	35,127	35,741	37,941	38,091
Public Works	18,720	19,073	19,156	28,773
Planning & Development Services	7,688	7,345	7,021	7,180
Culture and Recreation	22,231	25,113	24,170	24,357
Open Space and Mountain Parks	10,724	9,135	10,425	11,023
Housing and Human Services	10,344	10,452	10,926	11,692
Interest on long-term debt	4,732	4,666	4,496	4,016
Total governmental activities expenses	123,909	123,505	124,479	135,472
Business-type activities:				
Water utility	18,370	18,923	19,058	20,657
Wastewater utility	8,607	8,165	8,352	9,043
Stormwater and flood management	2,823	3,722	4,162	3,891
Parking facilities and services	4,224	4,212	4,478	5,223
Property and facility acquisition	1,852	1,701	1,559	1,460
Total business-type activities expenses	35,876	36,723	37,609	40,274
Total primary government expenses	159,785	160,228	162,088	175,746
Program revenue:				
Governmental activities:				
Charges for services:				
General Government	1,465	1,646	1,788	1,826
Administrative Services	393	188	281	116
Public Safety	678	742	1,043	1,075
Public works	950	904	835	928
Planning & Development Services	4,214	4,917	4,622	5,298
Culture and Recreation	6,232	7,173	7,090	7,341
Open Space and Mountain Parks	288	376	386	369
Housing and Human Services	532	730	1,642	1,529
Operating grants and contributions:	4,046	4,291	4,805	3,887
Capital grants and contributions	7,567	10,498	5,900	9,991
Total governmental activities program revenue	26,365	31,465	28,392	32,360
Business-type activities:				
Charges for services:				
Water utility	16,855	20,063	18,180	21,055
Wastewater utility	7,905	8,346	8,488	10,002
Stormwater and flood management	4,248	4,115	4,317	4,402
Parking facilities and services	2,876	2,953	3,193	3,607
Property and facility acquisition	5,063	4,527	4,647	5,090
Operating grants and contributions:	764	265	148	196
Capital grants and contributions:	8,555	4,478	6,091	6,738
Total business-type activities program revenues	46,266	44,747	45,064	51,090
Total primary government program revenues	72,631	76,212	73,456	83,450
Net (expense) revenue:				
Governmental activities	(97,544)	(92,040)	(96,087)	(103,112)
Business-type activities	10,390	8,024	7,455	10,816
Total primary government net expense	(87,154)	(84,016)	(88,632)	(92,296)

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 8,429	\$ 9,846	\$ 10,227	\$ 9,945	\$ 12,431	\$ 20,856
3,337	3,182	2,951	2,139	1,678	8,625
37,942	42,221	44,479	45,506	45,819	44,777
32,657	36,030	30,966	32,634	30,542	31,679
7,476	7,657	8,966	8,619	8,248	4,432
25,901	26,573	27,961	27,478	27,200	27,090
12,299	13,156	13,360	13,043	13,548	14,090
14,720	10,420	13,983	14,745	16,580	12,187
4,137	3,872	3,530	2,820	2,285	2,290
146,898	152,957	156,423	156,929	158,331	166,026
21,711	20,767	21,713	21,051	20,921	20,105
10,362	10,849	11,693	13,458	12,885	13,146
3,963	4,197	4,407	4,011	4,454	4,594
5,374	5,549	6,228	7,385	7,602	6,314
1,411	1,316	1,150	1,009	860	724
42,821	42,678	45,191	46,914	46,722	44,883
189,719	195,635	201,614	203,843	205,053	210,909
1,783	2,009	2,832	2,819	3,512	2,941
98	112	268	205	191	142
990	1,426	1,640	1,706	1,874	1,748
719	890	909	803	1,122	2,095
6,289	6,803	6,327	4,587	5,421	5,862
8,057	8,589	9,069	8,448	8,121	8,386
405	374	367	384	425	479
1,527	1,328	3,671	2,608	5,775	1,401
7,039	7,522	8,500	6,607	7,338	6,154
6,514	13,521	6,886	11,950	8,381	7,679
33,421	42,574	40,469	40,117	42,160	36,887
23,570	21,175	21,123	20,201	21,633	22,940
12,126	12,596	12,606	12,748	12,688	12,955
4,607	4,796	4,959	5,084	5,080	4,896
3,808	4,231	4,319	3,939	4,162	4,324
4,444	4,540	4,042	3,455	3,447	5,178
140	210	168	136	169	151
6,618	4,812	10,703	8,408	5,610	8,411
55,313	52,360	57,920	53,971	52,789	58,855
88,734	94,934	98,389	94,088	94,949	95,742
(113,477)	(110,383)	(115,954)	(116,812)	(116,171)	(129,139)
12,492	9,682	12,729	7,057	6,067	13,972
(100,985)	(100,701)	(103,225)	(109,755)	(110,104)	(115,167)

(continued)

## CITY OF BOULDER, COLORADO

Statistical Data

## Changes In Net Assets (Continued)

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

	Fiscal Year			
	2002	2003	2004	2005
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
*Sales and use taxes	\$ 71,624	\$ 67,891	\$ 71,688	\$ 76,624
*Property taxes	17,528	18,432	19,275	19,391
**Other taxes	12,652	13,229	13,799	15,686
Accommodation taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Specific Ownership & Tobacco taxes	-	-	-	-
Excise Taxes	-	-	-	-
Interest and investment earnings	3,641	1,685	1,348	2,315
***Miscellaneous	5,077	6,230	4,312	5,125
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(213)	(498)	(544)	3,439
Extraordinary Item	2,942	-	-	-
Total governmental activities	<u>113,251</u>	<u>106,969</u>	<u>109,878</u>	<u>122,580</u>
Business-type activities:				
Taxes:				
*Sales and use tax increment	-	-	-	46
*Property taxes	731	763	805	839
*Property tax increment	-	-	-	44
**Other taxes	68	58	68	433
Accommodation taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Specific Ownership & Tobacco taxes	-	-	-	-
Excise Taxes	-	-	-	-
Excess tax increment	-	-	-	-
Interest and investment earnings	2,536	1,262	1,167	1,585
***Miscellaneous	74	886	(1,887)	(390)
Gain on Sale of Capital Assets	-	-	-	-
Transfers	213	498	544	(3,439)
Extraordinary item	-	-	-	-
Total business-type activities	<u>3,622</u>	<u>3,467</u>	<u>697</u>	<u>(882)</u>
Total primary government	<u>116,873</u>	<u>110,436</u>	<u>110,575</u>	<u>121,698</u>
Changes in net assets:				
Governmental activities	21,211	10,882	6,766	9,103
Business-type activities	11,646	10,922	11,513	11,610
Total primary government	<u>\$ 32,857</u>	<u>\$ 21,804</u>	<u>\$ 18,279</u>	<u>\$ 20,713</u>

Note: The City implemented GASB Statement No. 34 in Fiscal Year 2002, however, Fiscal Year 2001 amounts were recalculated using GASB 34 to allow for comparison.

\*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 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

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 80,057	\$ 88,403	\$ 84,867	\$ 85,457	\$ 87,802	92,627
19,854	20,475	21,865	23,526	26,022	27,462
14,053	14,791	-	-	-	-
-	-	3,389	3,049	3,199	4,668
-	-	9,131	9,121	10,868	10,282
-	-	1,705	1,587	1,587	1,578
-	-	2,748	1,847	837	1,927
4,869	6,594	7,875	2,088	2,060	1,895
5,002	6,752	5,025	5,286	5,633	6,418
-	-	627	130	805	456
663	(1,110)	587	(1,468)	5,982	(1,208)
-	-	-	-	(1,535)	35
<u>124,498</u>	<u>135,905</u>	<u>137,819</u>	<u>130,623</u>	<u>143,260</u>	<u>146,140</u>
85	99	94	83	87	94
874	912	1,578	1,627	1,704	1,782
500	563	-	-	-	-
664	766	-	-	-	-
-	-	714	604	635	715
-	-	-	-	-	-
-	-	63	55	51	51
-	-	-	-	-	-
(245)	(703)	-	-	-	-
5,215	5,796	5,583	1,257	1,226	1,156
(159)	(25)	165	78	81	64
-	-	-	80	-	-
(663)	1,110	(587)	1,468	(5,982)	1,208
3,754	-	-	-	(1,024)	24
<u>10,025</u>	<u>8,518</u>	<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>	<u>5,094</u>
<u>134,523</u>	<u>144,423</u>	<u>145,429</u>	<u>135,875</u>	<u>140,038</u>	<u>151,234</u>
14,115	25,522	21,865	13,811	27,089	19,373
19,707	18,200	20,339	12,309	2,845	16,694
<u>\$ 33,822</u>	<u>\$ 43,722</u>	<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>	<u>\$ 36,067</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				
		2002	2003	2004	2005	2006
General Fund:						
Reserved		\$ 3,296	\$ 3,586	\$ 3,037	\$ 2,706	\$ 2,784
Unreserved		15,359	13,172	13,826	16,631	18,466
Nonspendable	(a)					
Restricted	(a)					
Committed	(a)					
Assigned	(a)					
Unassigned	(a)					
Total General Fund		<u>\$ 18,655</u>	<u>\$ 16,758</u>	<u>\$ 16,863</u>	<u>\$ 19,337</u>	<u>\$ 21,250</u>
All Other Governmental Funds:						
Reserved		\$ 17,590	\$ 9,157	\$ 9,496	\$ 10,228	\$ 32,671
Nonspendable						
Unreserved, reported in:						
Special revenue funds		33,915	35,907	35,739	37,616	29,772
Restricted	(a)					
Committed	(a)					
Assigned	(a)					
Debt service funds		343	329	297	301	303
Capital projects funds		2,498	2,965	3,549	3,870	4,675
Restricted	(a)					
Committed	(a)					
Assigned	(a)					
Total all other government funds		<u>\$ 54,346</u>	<u>\$ 48,358</u>	<u>\$ 49,081</u>	<u>\$ 52,015</u>	<u>\$ 67,421</u>

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

Fiscal Year				
2007	2008	2009	2010	2011
\$ 2,953	\$ 2,928	\$ 3,934	\$ 4,179	
17,600	18,524	19,399	22,103	\$ 297
				3,468
				7,711
				20,209
<u>\$ 20,553</u>	<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>\$ 26,282</u>	<u>31,685</u>
\$ 10,662	\$ 9,857	\$ 17,774	\$ 11,338	
				\$ 63
38,995	57,409	38,605	45,123	
				26,688
				4,174
				21,949
334	356	418	446	
13,112	14,449	4,568	1,125	
<u>\$ 63,103</u>	<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>	<u>\$ 52,874</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				
	2002	2003	2004	2005	2006
Revenues:					
Taxes:					
Sales and use taxes	\$ 71,624	\$ 67,891	\$ 71,688	\$ 76,624	\$ 80,057
General property taxes	17,528	18,432	19,275	19,391	19,854
*Other taxes	12,652	13,229	13,799	15,686	14,053
Accommodation taxes					
Franchise taxes					
Specific Ownership & Tobacco taxes					
Excise taxes					
Charges for services	7,886	9,560	10,229	10,493	11,375
Sale of goods	1,017	1,816	5,598	1,635	738
License, permits and fines	7,375	8,916	8,884	9,337	9,830
Intergovernmental	10,710	13,882	8,788	9,956	14,252
Leases, rents and royalties	1,487	1,575	2,182	1,993	1,976
Interest and investment earnings	2,700	1,587	1,073	1,748	3,760
Other	4,950	2,453	957	1,648	1,335
Total revenues	137,929	139,341	142,473	148,511	157,230
Expenditures:					
General Government	11,505	9,767	9,206	9,291	9,722
Administrative Services	9,235	9,358	7,981	8,021	8,473
Public Safety	32,441	33,837	34,599	35,105	36,738
Public Works	27,347	29,952	23,234	23,374	27,950
Planning & Development Services	6,728	6,329	5,825	6,057	6,352
Culture and Recreation	28,765	24,425	21,509	22,977	23,412
Open Space and Mountain Parks	11,534	7,121	9,809	11,726	17,616
Housing and Human Services	9,477	12,738	14,362	9,925	13,602
Rebate of Charges for Services	(810)	-	-	-	-
Capital outlay	2,231	1,961	1,826	1,390	1,729
Debt service payments:					
Principal	5,160	6,996	8,857	8,322	8,439
Interest	4,679	4,613	4,447	3,961	4,102
Base rentals to Boulder Municipal					
Property Authority Debt Service Fund	5,063	4,527	4,647	5,090	4,444
Cost of issuance - refunding bonds	76	-	-	-	-
Total expenditures	153,431	151,624	146,302	145,239	162,579
Excess of revenues (under)					
expenditures	(15,502)	(12,283)	(3,829)	3,272	(5,349)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Notes / loans payable issued	-	1,940	2,520	-	-
Bonds issued (including refunding bonds)	9,275	-	-	-	20,482
Premium on bonds issued	-	-	-	-	-
Transfers in	18,862	24,735	18,805	18,188	18,540
Transfers out	(16,662)	(22,277)	(16,668)	(16,052)	(16,354)
Payment to refunding bond escrow agent	(9,194)	-	-	-	-
Total other financing sources	2,281	4,398	4,657	2,136	22,668
(uses)					
Net changes in fund balance	\$ (13,221)	\$ (7,885)	\$ 828	\$ 5,408	\$ 17,319
Debt service as a percentage of noncapital expenditures	11.5%	11.0%	13.2%	13.0%	11.9%

\* Starting in 2008, Other Taxes is reported separately as follows:

Accommodation taxes, Franchise Taxes, Specific Ownership &amp; Tobacco Taxes and Excise Taxes

\*\* Starting in 2008, Gain on Sale of Capital Assets is reported separately from Governmental Activities Miscellaneous



		Fiscal Year							
2007		2008		2009		2010		2011	
\$	88,403	\$	84,867	\$	85,457	\$	87,802	\$	92,627
	20,475		21,865		23,526		26,022		27,462
	14,791		-		-		-		-
			3,389		3,049		3,199		4,668
			9,131		9,121		10,858		10,295
			1,705		1,587		1,587		1,578
			2,748		1,847		837		1,927
	12,080		16,115		13,982		17,239		14,015
	2,993		329		318		812		368
	10,259		9,910		8,716		10,956		10,518
	19,842		15,192		15,589		17,043		13,647
	329		2,278		2,148		2,240		2,346
	9,910		5,698		1,392		1,445		1,416
	15,192		1,567		1,914		1,208		2,869
	194,274		174,794		168,646		181,248		183,736
	11,705		11,838		11,294		13,852		18,122
	8,599		8,773		8,749		8,597		8,504
	40,327		42,882		43,273		53,972		45,123
	34,479		29,204		32,276		31,970		29,558
	6,796		7,849		7,460		7,118		7,551
	24,179		26,195		27,029		26,352		26,839
	29,919		13,579		10,396		11,199		15,978
	10,431		12,736		13,443		15,308		12,022
	-		-		-		-		-
	1,254		1,840		12,417		9,785		4,077
	8,899		10,331		11,561		9,895		9,715
	3,817		2,552		2,930		2,406		2,398
	4,540		4,042		3,454		3,452		5,178
	-		-		-		28		104
	184,945		171,821		184,282		193,934		185,169
	9,329		2,973		(15,636)		(12,686)		(1,433)
	-		-		84		24		17
	-		-		-		-		(1,500)
	-		-		5,441		-		-
	12,416		-		30,685		9,203		-
	-		-		1,016		-		-
	20,259		20,795		20,745		21,638		22,576
	(17,948)		(18,706)		(18,410)		(18,563)		(19,415)
	(12,311)		-		(27,945)		-		-
	2,416		2,089		11,616		12,302		1,678
\$	11,745	\$	5,062	\$	(4,020)	\$	(384)	\$	245
11.5%		10.8%		10.7%		10.0%		10.6%	

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Market Sector	2002	2003	2004	2005
Food Stores	\$ 286,291	\$ 266,587	\$ 298,690	\$ 295,719
Eating Places	249,040	231,091	254,215	264,788
Apparel Stores	72,272	60,280	65,694	69,535
Home Furnishings	86,034	77,585	79,635	81,784
General Retail	418,072	388,291	415,652	429,372
Transportation/Utilities	182,449	179,423	192,758	203,096
Automotive Trade	184,510	166,499	170,452	164,197
Building Material-Retail	54,365	50,528	55,579	58,356
Construction Use Tax	127,219	92,890	89,565	132,227
Construction Sales Tax	9,406	9,086	8,335	8,126
Consumer Electronics	42,258	37,928	41,570	49,663
Computer Related Business Sector	156,316	117,945	139,012	162,849
All Other	334,898	325,301	292,985	330,152
Refunds	(6,075)	(12,494)	(1,856)	(2,827)
Total Sales and Use Tax	<u>\$ 2,197,055</u>	<u>\$ 1,990,940</u>	<u>\$ 2,102,286</u>	<u>\$ 2,247,037</u>
Direct city sales tax rate	3.26%	3.41%	3.41%	3.41%
Food service sales tax	0.15%	0.15%	0.15%	0.15%
Total direct city sales tax	<u>3.41%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>

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

	2006		2007		2008		2009		2010		2011
\$	305,797	\$	315,876	\$	329,727	\$	328,338	\$	327,796	\$	359,707
	281,966		306,927		321,062		311,060		321,904		347,871
	71,349		79,051		82,966		77,259		79,232		100,696
	80,872		85,709		80,115		75,883		76,487		81,304
	453,235		508,536		532,688		515,305		567,786		586,189
	211,510		208,719		231,463		215,137		220,981		215,462
	161,209		173,982		151,612		145,333		157,930		174,631
	87,678		91,274		90,428		82,342		87,238		85,319
	133,395		136,291		103,986		142,739		173,534		153,438
	8,602		11,751		11,960		11,263		14,922		16,147
	54,812		69,954		61,953		50,755		54,843		73,237
	145,538		153,321		158,410		168,124		146,311		167,503
	354,847		344,405		335,698		390,880		351,272		359,612
	(3,098)		(2,565)		(3,300)		(8,349)		(5,396)		(4,781)
\$	2,347,712	\$	2,483,231	\$	2,488,768	\$	2,506,069	\$	2,574,840	\$	2,716,335
	3.41%		3.56%		3.41%		3.41%		3.41%		3.41%
	0.15%		0.15%		0.15%		0.15%		0.15%		0.15%
	3.56%		3.71%		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)

City Direct Rates									
Tax Year	General Fund Sales Tax	General Fund Sales Tax	General Fund Sales Tax	Public Safety Sales Tax	Open Space Sales Tax	Open Space Sales Tax	Open Space Sales Tax	Transportation Sales Tax	Parks & Rec & General Muni Sales Tax
Levied	No Expiration	No Expiration	Expires 12/31/24	Expires 12/31/04	No Expiration	Expires 12/31/18	Expires 12/31/19	No Expiration	No Expiration
2002	1.00%	0.38%	-	0.15%	0.40%	0.33%	-	0.60%	0.15%
2003	1.00%	0.38%	-	0.15%	0.40%	0.33%	-	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%

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%	-	3.41%	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%	

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CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago  
(Unaudited)

(Amounts in 000's)

Market Sector	2002			2011		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	3	\$ 3,878	5.41%	4	\$ 6,727	7.26%
Automotive Trade	1	2,212	3.09%	1	2,309	2.49%
Computer Related Business Sector	2	4,091	5.71%	1	1,619	1.75%
General Retail, Utilities, & Other	4	6,475	9.04%	4	8,696	9.39%
Total	10	\$ 16,656	23.25%	10	\$ 19,351	20.89%

Source: City of Boulder Sales Tax Division

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

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities						Business-Type Activities		
	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Revenue Notes Payable	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds	Lease Purchase Revenue Bonds
2002	76,264	-	13,580	767	233	3,635	19,747	81,860	-
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	-

(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				
1,500	6,025	18,592	50	222,253	13,111,076	1.70%	2,222.53
320	5,130	14,093	-	217,622	13,178,606	1.65%	2,133.55
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%	1,736.95

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)
2002	76,264	19,747	96,011	2,197,055	4.37%	960.11
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

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, 2011  
(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	51.34 %	
Boulder Central Area General Improvement District	15,105	100.00	15,105
Northern Colorado Water Conservancy District (NCWCD)	4,819	18.24	879
Boulder County	-	44.59	-
Urban Drainage and Flood Control District	-	6.45	-
Total Overlapping Debt			15,984
City Direct Governmental Activity Debt			62,694
Total Direct and Overlapping Debt			<u>\$ 78,678</u>

(1) Source for net General Obligation debt outstanding: Boulder Valley School District, NCWCD, Boulder County, and Urban Drainage and Flood Control District

(2) Source for percentage applicable to City of Boulder: 2010 Abstract of Assessment and Summary of Levies (Boulder County Assessor's Office), NCWCD, UDFC and Boulder Valley School District RE-2.

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

For 2011, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$ 2,498,114
Boulder Valley School District	4,865,464
NCWCD	13,637,263
Boulder County	5,602,968
Urban Drainage & Flood Control	39,519,615

# CITY OF BOULDER, COLORADO

## Statistical Data

### Legal Debt Margin Information

Last Ten Fiscal Years  
(Unaudited)

(Amounts in 000's)

	2002	2003	2004	2005
Debt limit	\$ 57,372	\$ 57,886	\$ 59,129	\$ 59,120
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 57,372	\$ 57,886	\$ 59,129	\$ 59,120
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.)

(continued)

### Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 2,498,114
Debt limit - 3% of assessed value	<u>74,943</u>
Debt applicable to limit:	
Total bonded debt	57,096
Deductions allowed by law:	
Self-supporting General Obligation bonds	(57,096)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 74,943</u></u>

2006	2007	2008	2009	2010	2011
\$ 62,759	\$ 62,838	\$ 72,496	\$ 76,882	\$ 76,981	\$ 74,943
-	-	-	-	-	-
\$ 62,759	\$ 62,838	\$ 72,496	\$ 76,882	\$ 76,981	\$ 74,943
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>
2002	29,763	16,639	13,124	6,856	1.91
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

- (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

Last Ten Years  
(Unaudited)

(Amounts in 000's)

### Stormwater and Flood Management Bonds

<u>Fiscal year</u>	<u>Gross income(4)</u>	<u>Operating and Maintenance expense(5)</u>	<u>Net revenue available for debt service</u>	<u>Average annual debt service requirement total</u>	<u>Coverage (6)</u>
2002	4,050	1,421	2,629	671	3.92
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

(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			Unemployment Rate (5)(6)
		Population (2)	Total Personal Income (3)	Per Capita Income (4)	
2002	100	282	11,480	40.719	6.1%
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	14,584	48.056	5.3%
2010	97	*	*	*	6.5%
2011	98	300	*	*	5.9%

(1) Source: The City of Boulder has challenged the 2010 U.S. Census City of Boulder Population presented above.  
[meschukc@boulderclorado.gov](mailto:meschukc@boulderclorado.gov)

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Population by Metropolitan Statistical Areas

(3) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Personal Income by Metropolitan Statistical Areas

(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

\* 2010 and 2011 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	2002			2011		
	Employees	Rank	**Percentage of Total County Employment	Employees	Rank	**Percentage of Total County Employment
University of Colorado at Boulder	6,340	1	3.95%	6,876	1	4.17%
Boulder Valley School District				4,000	2	2.42%
IBM Corp	5,000	2	3.12%	3,400	3	2.06%
Oracle Corp				3,300	4	2.00%
St. Vrain Valley School District				3,238	5	1.96%
Boulder Community Hospital	2,102	6	1.31%	2,300	6	1.39%
Level 3 Communications Inc.	2,200	5	1.37%	2,262	7	1.37%
Ball Corp	2,050	7	1.28%	2,017	8	1.22%
Covidien				1,860	9	1.13%
Boulder County	1,333	9	0.83%	1,848	10	1.12%
Sun Microsystems Inc	3,360	3	2.09%			
Storage Technology Corp	2,735	4	1.70%			
Longmont Foods	2,000	8	1.25%			
City of Boulder	1,305	10	0.81%			
	<u>28,425</u>		<u>17.71%</u>	<u>31,101</u>		<u>18.84%</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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Government:				
City Council	1.00	1.00	1.00	1.00
Municipal Court	19.90	19.90	17.00	17.00
City Attorney	20.00	20.00	20.00	18.75
City Manager- Administration	13.00	10.00	10.00	10.00
City Manager- Downtown & University Hill Mgt	37.50	38.00	40.50	40.50
City Manager- Communications	11.50	11.50	11.00	11.50
City Manager- Urban Renewal Authority	3.00	3.00	-	-
Administrative Services:				
Human Resources	18.25	18.25	15.25	13.75
Finance	30.25	31.25	30.25	27.25
Information Technology	36.50	36.50	35.50	32.75
Public Safety:				
Police	280.50	276.50	256.25	263.25
Fire	113.33	112.33	108.33	111.33
Planning & Development Services:	78.08	73.58	65.00	64.71
Environmental Affairs:	5.00	5.00	4.00	6.00
Public Works:				
Administration	14.22	13.22	4.05	-
Fleet	17.05	17.05	17.25	16.90
Transportation	66.33	64.33	64.08	62.97
Utilities	141.42	142.42	148.67	150.44
Facility / Asset Management	15.80	15.80	13.10	13.51
Culture and Recreation:				
Parks and Recreation	159.25	159.25	144.50	149.22
Library	91.39	88.01	71.40	78.35
Arts	1.00	1.00	1.00	1.50
Open Space / Mountain Parks:	75.00	77.00	70.50	69.00
Housing and Human Services:	55.42	55.80	54.55	52.43
Total	<u>1,304.69</u>	<u>1,290.69</u>	<u>1,203.18</u>	<u>1,212.11</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.

(Continued)

Full-Time Equivalent Employees					
2006	2007	2008	2009	2010	2011
1.00	1.00	1.00	1.00	-	-
17.00	18.50	18.50	18.00	16.25	16.25
18.75	19.70	18.65	18.65	18.65	18.65
10.00	10.00	16.50	16.50	14.30	11.80
40.50	42.25	42.25	42.25	42.25	42.25
11.50	11.50	6.00	6.00	4.00	5.50
-	-	-	-	-	-
14.25	14.63	16.38	16.63	14.88	14.88
27.25	28.87	29.37	28.37	26.37	33.50
32.75	32.75	35.25	35.25	33.50	34.50
263.25	269.25	273.25	273.25	269.50	276.50
111.33	111.33	111.33	112.33	112.33	112.33
64.74	69.36	72.56	76.56	79.47	78.66
6.00	5.50	9.50	10.50	-	-
-	-	-	-	-	-
16.90	16.87	16.87	16.87	14.87	14.82
62.97	65.99	68.24	68.69	67.10	59.28
150.44	154.93	155.18	156.23	155.90	154.84
13.51	13.58	14.58	14.58	14.58	14.68
145.25	144.62	145.82	146.99	139.24	126.12
78.95	79.45	80.20	79.95	76.95	75.45
1.50	1.50	1.50	1.50	1.50	1.50
77.58	83.25	92.00	91.00	90.50	85.60
53.42	56.51	56.24	57.42	56.10	53.39
1,218.84	1,251.34	1,281.17	1,288.52	1,248.24	1,230.50

## CITY OF BOULDER, COLORADO

Statistical Data

## Operating Indicators By Function/Program

Last Ten Fiscal Years

(Unaudited)

Function/Program	2002	2003	2004	2005
General Government:				
Municipal Court				
Traffic tickets processed	8,489	11,738	13,554	11,928
General summons processed	3,187	2,917	3,079	3,306
Animal summons processed	490	598	752	707
Arraignments	4,432	5,192	4,595	4,986
Court trials	329	219	194	185
Jury trials	10	6	2	6
Public Safety:				
Police				
Number of police officers	176	176	171	171
DUI arrests	1,028	748	919	1,115
Traffic summons	14,278	17,275	19,336	18,226
Total traffic accidents	4,298	4,159	4,180	3,644
Total calls for service	66,896	79,738	77,392	79,354
Fire				
Number of firefighters	103	92	95	95
Total annual responses	8,283	8,015	7,735	8,327
Percentage of responses within 6 minutes	73%	**	84%	85%
Planning & Development Services:				
Number of applications received	5,727	5,911	5,698	5,689
Number of zoning and environmental code enforcement cases	1,958	2,594	2,921	3,920
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.76 million	2.63 million	2.63 million	2.62 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	298,325	421,713	416,370	412,049
Outdoor pool attendance	33,402	39,570	34,160	41,406
Adult athletics participation	212,201	204,335	198,944	198,944
Recreation class enrollment	23,401	25,757	25,311	24,966
Reservoir attendance	198,000	200,000	200,000	117,194
Rounds of golf	51,740	45,445	42,955	48,052
Library				
Circulation of books, videos, tapes	1,288,814	1,138,367	1,058,470	1,088,504
Remote use of library resources online	254,756	306,965	562,819	737,227
Adults participating in cultural and educational programs	66,560	65,760	48,802	54,136
Attendance at outreach program activities	7,023	6,054	5,237	5,424
Arts				
Participants in Boulder Arts Resource	250	275	310	456
Housing and Human Services:				
Number of permanently affordable housing units added on an annual basis	152	192	202	61

Source: City of Boulder departmental records.

\*\* Indicator not available

2006	2007	2008	2009	2010	2011
12,554	11,204	13,782	13,260	17,433	17,181
4,249	3,760	4,099	4,510	4,351	6,028
1,459	1,366	986	1,055	870	1,318
5,030	3,974	4,716	5,543	5,218	5,437
150	114	93	98	87	69
4	6	9	8	8	20
171	171	171	171	171	173
1,163	989	1,089	781	767	674
17,914	19,554	21,205	15,304	18,394	17,530
3,552	3,641	3,242	3,405	3,222	3,328
84,747	87,320	78,204	77,745	76,383	81,218
95	95	95	96	96	96
8,679	8,943	8,943	9,730	9,535	10,111
69%	80%	80%	72%	77%	76%
5,642	5,920	5,781	5,532	6,309	5,888
3,260	4,515	3,000	2,821	1,995	2,145
2.61 million	2.57 million	2.49 million	2.46 million	2.49 million	2.34 million
432,901	464,432	453,248	428,682	422,200	628,639
41,558	58,954	58,643	83,335	88,303	83,707
201,040	216,550	234,567	237,292	236,950	250,372
25,818	27,791	26,583	26,671	22,201	21,794
91,207	57,408	48,713	36,582	42,688	330,205
47,966	48,384	49,360	43,348	38,293	39,440
1,109,619	1,183,717	1,274,299	1,354,742	1,363,545	1,384,900
1,630,945	2,028,526	1,792,633	669,217	806,770	804,998
62,211	65,455	66,994	37,319	33,175	33,298
8,647	7,554	14,569	5,796	4,525	4,185
523	555	625	677	678	718
117	147	163	84	100	24

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2002	2003	2004	2005
Public Safety:				
Police				
Number of stations and annexes	4	4	3	3
Fire				
Number of stations	7	7	7	7
Public Works:				
Fleet Services				
Cars, Pickups and Vans	**	286	280	282
Fire Apparatus	11	11	11	11
Other Heavy Trucks and Equipment	**	494	503	493
Total Equipment in Fleet	787	791	794	786
Transportation				
Miles of streets	290	290	294	285
Number of street lights	4,430	4,517	4,546	4,525
Utilities - Water				
Number of water accounts	28,147	28,273	28,303	28,426
Average daily water production (000's)	18,545	17,529	17,055	17,326
Miles of water mains	439	440	440	441
Utilities - Sewer				
Miles of sanitary sewer mains	346	345	346	348
Miles of storm sewers	124	124	121	138
Culture and Recreation:				
Parks and Recreation				
Acres of urban parks	1,880	1,880	1,880	1,880
Library				
Number of libraries	4	4	4	4
Number of library items in collection	441,656	435,090	408,163	418,417
Open Space / Mountain Parks:				
Acres of mountain parks and open space	42,635	42,766	42,873	43,221

Source: City of Boulder departmental records.

(1) Vehicle records were not available prior to 2003

\*\* Indicator not available

2006	2007	2008	2009	2010	2011
3	3	3	4	3	4
7	7	7	7	7	7
281	297	311	343	355	347
11	11	11	22	15	14
490	477	658	594	585	607
782	785	980	959	955	968
287	288	289	292	293	293
4,562	4,567	4,608	4,638	4,678	4,689
28,555	28,578	28,359	28,458	28,519	28,619
18,187	16,458	16,900	15,400	17,300	17,000
449	451	451	458	461	463
349	349	351	350	375	355
138	138	150	124	183	186
1,880	1,880	1,880	1,880	1,880	1,800
4	4	4	4	4	4
419,339	389,805	389,805	403,960	405,034	392,506
43,497	44,921	45,090	45,091	45,130	45,405

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# City of Boulder, Colorado

## Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2011

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 2011- Flagstaff)	10.664	520016	\$ 25,380
Total Department of Agriculture			25,380
Department of Housing and Urban Development:			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	N/A	734,745
ARRA - Community Development Block Grants/Entitlement Grants	14.253	N/A	6,408
Subtotal CDBG - Entitlement Grants Cluster			741,153
HOME Investment Partnerships Program	14.239	N/A	784,368
Total Department of Housing and Urban Development			1,525,521
Department of Interior:			
Passed through Fish and Wildlife Service:			
Sport Fish Restoration Program (S Boulder Creek Habitat Improvement)	15.605	CMS-30256 and CMS-520017	60,000
Total Department of Interior			60,000
Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program - 2009	16.607	N/A	2,491
Bulletproof Vest Partnership Program - 2010	16.607	N/A	9,823
Edward Byrne Memorial Justice Assistance Grant Program - 2010	16.738	N/A	31,999
Edward Byrne Memorial Justice Assistance Grant Program - 2011	16.738	N/A	28,606
Edward Byrne Memorial Justice Assistance Grant Program - 2011 (ICAC Grant 2011)	16.738	N/A	2,348
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804	N/A	2,222
Passed through Colorado Department of Revenue:			
Enforcing Underage Drinking Laws Program - 2009	16.727	TAA10/000000024	9,110
Enforcing Underage Drinking Laws Program - 2011	16.727	TAA 12/37392	1,495
Total Department of Justice			88,094
Department of Transportation:			
Direct Programs:			
Airport Improvement Program (Parking Ramp)	20.106	N/A	1,027,265
			1,027,265
Highway Planning and Construction Cluster:			
Passed through Colorado Department of Transportation:			
Safe Routes to School	20.205	None provided	39,803
Safe Routes to School	20.205	None provided	28,546
Safe Routes to School	20.205	None provided	867
Transportation Equity Act	20.205	None provided	2,901,438
ARRA - ADA Access Improvements	20.205	None provided	4,165
ARRA - Folsom & Spruce Intersection Improvements	20.205	None provided	7,039
ARRA - Foothills Path	20.205	None provided	264,255
Passed through Congestion Mitigation Air Quality			
Congestion Mitigation Air Quality - Driven to Drive Less	20.205	None provided	19,465
Subtotal Highway Planning and Construction Cluster			3,265,578
Total Department of Transportation			4,292,843

**City of Boulder, Colorado**  
**Schedule of Expenditures of Federal Awards (continued)**  
**Year Ended December 31, 2011**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Department of Veteran's Affairs:			
Direct Programs:			
United States Olympic Committee	64.000	N/A	<u>25,568</u>
Total Department of Veteran's Affairs			<u>25,568</u>
Department of Energy:			
Direct Programs:			
ARRA - Renewable Energy Research and Development (Boulder Canyon Hydro Grant)	81.087	N/A	753,561
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	N/A	<u>571,162</u>
Total Department of Energy			<u>1,324,723</u>
Department of Education:			
Passed through Boulder Valley School District			
21st Century Community Learning Centers	84.287	None provided	<u>28,530</u>
Total Department of Education			<u>28,530</u>
Department of Health and Human Services:			
CCDF Cluster:			
Direct Programs:			
Child Care and Development Block Grant:			
School Readiness Grant - ECEC	93.575	N/A	22,765
Passed through Qualistar Early Learning:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	None provided	<u>40,287</u>
Total Department of Health and Human Services			<u>63,052</u>
Total Federal Expenditures			<u><u>\$ 7,433,711</u></u>

See notes to Schedule of Expenditures of Federal Awards

# City of Boulder, Colorado

## Notes to Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2011

#### 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, 2011. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

#### Note 2. Significant Accounting Policies

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

#### Note 3. Subrecipients

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

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipient</b>
CDBG - Entitlement Grants	14.218	\$ 280,346
HOME Investment Partnerships Program	14.239	\$ 680,989
ARRA - CDBG - Entitlement Grants	14.253	\$ 6,408
Enforcing Underage Drinking Laws Program	16.727	\$ 1,133
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 42,600
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	\$ 489,073

**Independent Accountants' 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 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, 2011, which collectively comprise the city's basic financial statements and have issued our report thereon dated June 18, 2012, which contained explanatory paragraphs regarding a restatement of the previously issued 2010 financial statements and a change in accounting principle. 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.

***Internal Control Over Financial Reporting***

Management of the city is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the city's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the city's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency over financial reporting that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the city's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 11-01 to be a material weakness.

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

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 11-02 to be a significant deficiency.

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

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

We also noted certain matters that we reported to the city's management in a separate letter dated June 18, 2012.

The city's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the city's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Honorable Mayor, Members of City Council, management, others within the city, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

June 18, 2012

**Independent Accountants' 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

***Compliance***

We have audited the City of Boulder, Colorado's (the city's) compliance 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 the city's major federal programs for the year ended December 31, 2011. 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. 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. Our responsibility is to express an opinion on the city's compliance based on our audit.

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. Our audit does not provide a legal determination on the city's compliance with those requirements.

As described in item 11-03 in the accompanying schedule of findings and questions costs, the city did not comply with requirements regarding reporting that are applicable to its ARRA - Renewable Energy Research and Development Grant. Compliance with such requirements is necessary, in our opinion, for the city to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2011. The results of our auditing procedures also disclosed another instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying schedule of findings and questioned costs as item 11-04.

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

### ***Internal Control Over Compliance***

Management of the city is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the city's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness and another deficiency in internal control over compliance that we consider to be a significant deficiency.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 11-03 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 11-04 to be a significant deficiency.

The city's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the city's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Honorable Mayor, Members of City Council, management, others within the city, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

June 18, 2012

**City of Boulder, Colorado**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2011**

**Section I - Summary of Auditor's Results**

*Financial Statements*

1. Type of auditor's report issued:  
☒ Unqualified      ☐ 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:  
☒ Unqualified      ☒ Qualified      ☐ Adverse      ☐ Disclaimed  
  
Unqualified for all major programs except for the ARRA - Renewable Energy Research and Development grant, which was qualified.
  
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**  
**Year Ended December 31, 2011**

7. Identification of major programs:

<b>CFDA Number</b>	<b>Cluster/Program</b>
14.218, 14.253	CDBG – Entitlement Grants Cluster, including ARRA
14.239	HOME Investment Partnerships Program
20.106	Airport Improvement Program
81.087	ARRA – Renewable Energy Research and Development
81.128	ARRA – Energy Efficiency and Conservation Block Grant Program

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**  
**Year Ended December 31, 2011**

**Section II – Financial Statement Findings**

Reference Number	Finding
11-01	<p><b>Finding: Correction of an Error</b></p> <p><b>Criteria:</b> Accounting transactions should be appropriately and accurately reflected in the accounting records.</p> <p><b>Condition:</b> During 2009, land was acquired by the Open Space and Mountain Parks fund through an installment sale from the Permanent Parks fund. The initial recognition of the transaction should not have involved the cash balances of either fund due to the installment sale. However, the initial recognition by the City erroneously affected the respective cash balances of each fund and thereby the ending fund balance of each fund.</p> <p><b>Cause:</b> As this transaction involved the sale and purchase of land, and as land is not recorded in the funds using the modified accrual basis of accounting, the accounting for this transaction was more complex than would otherwise be expected. Furthermore, a transaction of this type was not ordinary or frequently encountered. An error therefore occurred in the initial recording of the transaction, that was not discovered until the interfund obligation was fully paid off.</p> <p><b>Effect:</b> The cash and fund balances of each fund at December 31, 2009 and 2010, were misstated by approximately \$2.0 million. As cash is pooled, the internal reconciliation process did not detect the error. This error was identified internally by management during the 2011 budget reconciliation process and corrected prior to the start of audit fieldwork by restating the beginning fund balances of each fund.</p> <p><b>Recommendation:</b> We recommend that the City closely review the accounting treatment and related entries for complex, unusual, and/or infrequent transactions to ensure they are properly recorded.</p> <p><b>Views of responsible officials and planned corrective actions:</b></p> <p><b>Response:</b> Agree. The city will pay particular attention to these types of transactions.</p> <p><i>Person responsible for implementing:</i> Duane Hudson, Controller</p> <p><i>Implementation date:</i> November 2012.</p>

**City of Boulder, Colorado**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2011**

<b>Reference Number</b>	<b>Finding</b>
11-02	<p><b>Finding:</b> Segregation of Duties</p> <p><b>Criteria:</b> A strong and effective system of controls over purchasing and expenses is important to ensure that the risks of material misstatement due to error and fraud are mitigated and assets are properly safeguarded. Segregation of duties is vital to achieving a strong and effective internal control system.</p> <p><b>Condition:</b> We noted the following issues:</p> <p style="padding-left: 40px;">The Controller and Financial Reporting Manager have duties in certain aspects of the purchasing function, including the ability to record a purchase and approve an invoice. Furthermore, we noted the Controller has check signing duties.</p> <p style="padding-left: 40px;">Accounts Payable Clerks have the ability to add vendors, approve payments, and have access to checks.</p> <p style="padding-left: 40px;">Compensating controls are in place to mitigate the risks of these conflicts and include a monthly listing of new vendors and a review of invoices entered by Accounts Payable Clerks. The Financial Reporting Manager is responsible for this review, however, during our testing it was noted that this review was not consistently performed throughout the year.</p> <p><b>Cause:</b> The Finance Department is relatively small in size making it difficult to separate these duties adequately. Furthermore, during the year the Finance Department experienced significant turnover in staff, placing increased workload pressure on the remaining personnel.</p> <p><b>Effect:</b> Although our procedures did not identify any errors directly resulting from this lack of segregation of duties, in order to mitigate the risks of conflicting duties, including the risk of material misstatement of the financial statements and the loss of assets, it is imperative that compensating controls be maintained and performed consistently.</p> <p><b>Recommendation:</b> We recommend the City 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.</p> <p><b>Views of responsible officials and planned corrective actions:</b></p> <p><b>Response:</b> Agree. The Finance Department understands the importance of maintaining an adequate segregation of duties and strives to implement controls and separation of duties when financially and operationally justified. Staff was surprised to find that the Controller and the Financial Reporting Manager had access to record purchases within the financial system since neither was aware of this ability. System access controls will be explored to see if this can be removed since neither position has the need for this ability.</p> <p>Due to the size of the accounts payable division (1.5 FTE), it is not practical to totally segregate the ability to add vendors, approve payments, and print checks. The monthly monitoring and review process will be conducted on a regular basis to provide a compensating control over this level of access.</p> <p><i>Person responsible for implementing:</i> Duane Hudson, Controller</p> <p><i>Implementation date:</i> November 2012.</p>

# City of Boulder, Colorado

## Schedule of Findings and Questioned Costs

### Year Ended December 31, 2011

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

Reference Number	Finding
11-03	<p><b>Finding:</b> Reporting</p> <p><b>CFDA No. 81.087 - Renewable Energy Research and Development (ARRA)</b> <b>Department of Energy</b></p> <p><b>Criteria:</b> The U.S. Office of Management and Budget (OMB) Circular A-133, <i>Compliance Supplement</i> requires that all reports for federal awards include the activity of the reporting period, be supported by applicable accounting or performance records, are mathematically accurate, and be fairly presented in accordance with program requirements.</p> <p><b>Condition:</b> We noted that multiple reports submitted by the Utilities department were not supported by the city's central accounting system and were misstated.</p> <p><b>Questioned Costs:</b> \$0</p> <p><b>Context:</b> We tested two SF 425 reports submitted for the first and fourth quarters of the fiscal year. We also tested two progress reports submitted for the third and fourth quarters of the fiscal year.</p> <p><b>Effect:</b> Both SF 425 reports tested were submitted with errors. The first quarter report was overstated by approximately \$266,000 and the fourth quarter report was understated by approximately \$27,000. Because the progress reports are created using the SF 425s, we noted that the fourth quarter progress reports were also misstated.</p> <p><b>Cause:</b> We noted that the same person, an outside consultant hired by the City to manage the project, prepared and submitted the report. There was no additional review of the reports by City personnel prior to submission. We also noted the Excel schedule used to prepare the reports was maintained by the consultant. While this schedule was properly reconciled monthly to the City's accounting system, the report was misstated due to the incorrect transfer of information from the schedule to the reports.</p> <p><b>Recommendation:</b> We recommend that a detailed secondary independent review of all reports be performed and documented. This review should include agreeing all information reported to supporting documentation.</p> <p><b>Views of responsible officials and planned corrective actions:</b></p> <p><b>Response:</b> Agree. Staff will perform a detailed review as recommended prior to submission of the reports, including a reconciliation of amounts reported with the city's accounting system and underlying records.</p> <p><i>Person responsible for implementing:</i> Duane Hudson, Controller</p> <p><i>Implementation date:</i> November 2012.</p>

# City of Boulder, Colorado

## Schedule of Findings and Questioned Costs

### Year Ended December 31, 2011

**Reference  
Number**

**Finding**

11-04     **Finding:** Subrecipient Monitoring

**CFDA No. 81.128 - Energy Efficiency and Conservation Block Grant Program (ARRA), Department of Energy**

**CFDA No. 14.218 - CDBG Entitlement Grants Cluster, Department of Housing and Urban Development**

**CFDA No. 14.239 - HOME Investment Partnerships Program, Department of Housing and Urban Development**

**Criteria:** The U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* requires that the pass-through entity ensure required subrecipient single audits are performed. In addition, at the time of the subaward, the pass-through entity is required to identify to subrecipients all applicable Federal award information. Also, all subrecipients receiving ARRA funding are required to register in the Central Contractor Registration (CCR).

**Condition:** While it appears all programs with subrecipients were performing appropriate on-site monitoring but were not ensuring that the subrecipients had the required A-133 audits performed. In addition, through our review of contracts, we noted that the CFDA number was not communicated to subrecipients as required. We also noted that the EECBG grant, which receives ARRA funding, did not verify its subrecipients were registered in the CCR.

	<b>CDBG</b>	<b>HOME</b>	<b>EECBG</b>
Number of Subrecipients Tested	2	1	2
Number of Total Subrecipients	13	9	2

**Exceptions**

A-133 Audit Reports Not Requested	2	1	2
CCR Registration Not Checked			1
CFDA Number Not Passed-Through	2	1	2

**Questioned Costs:** None

**Context:** We tested five of the 24 subrecipients, noting no A-133 reports were requested or received and the CFDA number was not passed-through to subrecipients. In the EECBG program, one of the two subrecipients tested was not in the CCR database prior to contracting or paying out funds to the subrecipient.

**City of Boulder, Colorado**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2011**

Reference Number	Finding
	<p><b>Effect:</b> The City could be unaware of noncompliance or internal control deficiencies related to A-133 programs that it has awarded to subrecipients. As such, the City may not be performing appropriate monitoring and follow-up to ensure corrective action plans are implemented. Subrecipients could be reporting incorrect CFDA numbers in their A-133 single audits. Also, the EECBG program passed funding through to a subrecipient that was not registered in the CCR as required by ARRA.</p> <p><b>Cause:</b> The departments were unaware of the requirement to ensure that subrecipients have the required A-133 single audit performed. The contract or award letter template utilized to award subrecipient funding did not include communication of the CFDA number. EECBG personnel were unaware of the requirement to ensure subrecipients receiving ARRA funding are registered in the CCR.</p> <p><b>Recommendation:</b> We recommend that the City make all departments aware of the subrecipient monitoring requirements which would include a process for requesting the required information and follow-up. We also recommend that the City improve the existing subrecipient contract or award letter template that would include all pertinent information, such as CFDA number along with other Federal award information. Finally, we recommend that the City implement procedures to ensure that ARRA funded contractors are registered in the CCR database prior to the awarding of such contracts.</p> <p><b>Views of responsible officials and planned corrective actions:</b></p> <p><b>Response:</b> Agree. The city will comply with the recommended changes. An updated grant training class will be provided by central finance to grant managers and financial managers throughout the city. This training class will include the requirements mentioned above. Staff will verify that all potential subrecipients are registered with CCR prior to award. Also, the subrecipient contract or award letter templates will be updated to include communication of the CFDA number to our subrecipients. Finally, subrecipients will be monitored for OMB Circular A-133 audits and any findings noted will be followed up on appropriately.</p> <p><i>Person responsible for implementing:</i> Duane Hudson, Controller</p> <p><i>Implementation date:</i> November 2012.</p>

**City of Boulder, Colorado**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2011**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
10-01	Edward Byrne Memorial Justice Assistance Grant <i>Subrecipient Monitoring</i> - The City should implement a policy to ensure Subrecipient audits are completed.	Implemented for this particular program. See current year finding 11-04.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	City of Boulder
	YEAR ENDING : December 2011

This Information From The Records Of (example - City of _ or County of _ City of Boulder	Prepared By: Fred Kellam, Financial Analyst Phone: 303-441-4261
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	3,109,801
3. Other local imposts (from page 2)	8,496,685
4. Miscellaneous local receipts (from page 2)	695,443
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	12,301,929
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	3,005,730
<b>D. Receipts from Federal Government</b> (from page 2)	2,664,788
<b>E. Total receipts (A.7 + B + C + D)</b>	17,972,447

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	4,284,781
2. Maintenance:	2,211,703
3. Road and street services:	
a. Traffic control operations	2,059,079
b. Snow and ice removal	1,010,311
c. Other	1,831,281
d. Total (a. through c.)	4,900,671
4. General administration & miscellaneous	2,755,592
5. Highway law enforcement and safety	3,109,801
6. Total (1 through 5)	17,262,549
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	17,262,549

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation & Boulder Junction Impr. Funds	8,920,656	14,862,646	14,152,748	9,630,555	0
General Fund					
Appropriations & Exps	0	3,109,801	3,109,801	0	0
<b>Total All Funds</b>	<b>8,920,656</b>	<b>17,972,447</b>	<b>17,262,549</b>	<b>9,630,555</b>	<b>0</b>



<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	74,093	a. Interest on investments	143,612
b. Other local imposts:		b. Traffic Fines & Penalties	109,408
1. Sales Taxes	7,192,603	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	991,813	d. Parking Meter Fees	0
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	238,176	g. Other Misc. Receipts	442,422
6. Total (1. through 5.)	8,422,592	h. Other	
c. Total (a. + b.)	8,496,685	i. Total (a. through h.)	695,443
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,420,668	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	247,810	d. Federal Transit Admin	
d. Other - Hwy/Signal Maint Contract	202,658	e. U.S. Corps of Engineers	
e. Other - CDOT (State Share)	134,594	f. Other Federal	2,664,788
f. Total (a. through e.)	585,062	g. Total (a. through f.)	2,664,788
4. Total (1. + 2. + 3.f)	3,005,730	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		158,860	158,860
b. Engineering Costs	156,076	656,744	812,820
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation	32,372	2,446,641	2,479,013
(4). System Enhancement & Operation	253,519	580,570	834,089
(5). Total Construction (1) + (2) + (3) + (4)	285,890	3,027,211	3,313,101
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	441,966	3,842,815	4,284,781
			(Carry forward to page 1)
<b>Notes and Comments:</b>			