

# CITY OF BOULDER, COLORADO

## Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2010

Prepared by the Department of Finance

Contents printed on recycled paper.

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CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

December 31, 2010

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

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June 16, 2011

To: Honorable Mayor Susan Osborne, 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, 2010.

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.

McGladrey & Pullen, LLP, has issued an unqualified (“clean”) opinion on the city of Boulder’s financial statements for the year ended December 31, 2010. 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 2010 expected a 2.75% decrease from 2009. Actual sales and use tax revenues for the City increased by 2.64%. The majority of the total sales and use tax variance is due to a boost from non-recurring construction use taxes at the federal labs and Colorado University. If these non-reoccurring items were not included total sales and use taxes would have been a negative 2.45% for the year and very close to the original projection that was used for budget purposes.

Sales and use tax revenues make up approximately 44% of the General Fund, 97% of the Open Space and Mountain Parks Fund, and 60% of the Transportation Fund total revenues.

The property tax base has continued to grow and the assessed valuation has increased each year for the last several years. The assessed valuation for property within the City of Boulder grew by 6.1% to \$2,571 million in 2010. In November 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues in 2009 and beyond. The increase in retained taxes started in tax collection year 2009 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. The impact of the current TABOR limitation is a temporary property tax mill levy reduction of 2.14 mills which, based on the 2010 assessed valuation, equated to a reduction of property tax revenues of \$5.05 million. This additional property tax revenue will help offset some of the sales and use tax revenue reductions that have and are continuing to occur.

### Projections for the Future

Although the results for 2010 are better than expected in total, further analysis is not as positive for the future and cautionary economic flags are evident. Employment and consumer confidence have major impacts on sales tax revenues. Even if employment continues to slowly increase, there appear to have been permanent changes in consumer spending habits and it is not expected that retail sales will quickly bounce back to pre-recession growth levels.

The change in March 2011 year-to-date sales and use tax revenue from the similar period in 2010 is as follows:

<b>March YTD 2011 versus 2010</b>		
<b>Tax Category</b>	<b>% Change</b>	<b>% of Total</b>
Retail Sales Tax	6.56%	80.77%
Business / Consumer Use Tax	23.96%	11.20%
Construction Use Tax	9.14%	5.53%
Motor Vehicle Use Tax	20.16%	2.56%
Refunds	(88.62)%	(0.06)%
<b>Total YTD Sales/Use Tax</b>	<b>9.26%</b>	<b>100.00%</b>

There was one fairly large timing aberration in the food tax area. To better enable analysis of trends, adjusting for that timing issue would result in retail sales tax increasing by 5.50% and total sales and use tax increasing by 8.38% over the similar period in 2010. Further, the first quarter of 2010 was weaker than the balance of the year. Therefore, it may be more difficult to maintain the level of increases experienced in the first quarter of 2011 as the comparative 2010 results strengthened toward the latter part of the year.

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 2009 and 2010, along with the 2011 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>2009</b>	<b>2010</b>	<b>2011</b>
Base Sales/Use Tax actual/forecast - city of Boulder	.72%	2.64%	4.40%
Denver-Boulder CPI-U actual/forecast	(0.646)%	1.87%	N/A
Projected Statewide Retail Sales Trade Growth	(9.2)%	(5.5)%	(5.9)%
Projected Statewide Personal Income Growth	(2.1)%	2.3%	3.0%

## **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 2011 budget process and will be increasingly useful to determine the set of services and programs that will be provided to the community.

The 2011 Capital Improvements Program includes proposed funding of \$23.6 million for 77 projects. The entire six-year CIP includes proposed funding of \$134.5 million for 128 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 \$23.1 million; (ii) parks and recreation projects totaling \$10.1 million including development of new community parks and renovation of existing facilities; (iii) \$17.6 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) \$34.5 million for water utility fund capital projects including waterline replacement projects and Betasso and Boulder Reservoir water treatment plant rehabilitation projects; (v) \$6.2 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) \$18.5 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 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 2010, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poors. 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, 2009. This was the twenty-first consecutive year that the city has achieved this prestigious award and the twenty-ninth year in total. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2010 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). This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

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

## ACKNOWLEDGMENTS

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Duane Hudson".

Duane Hudson, CPA  
Deputy Finance Director / 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, 2009

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.



President

Executive Director

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

At December 31, 2010

Mayor and City Council

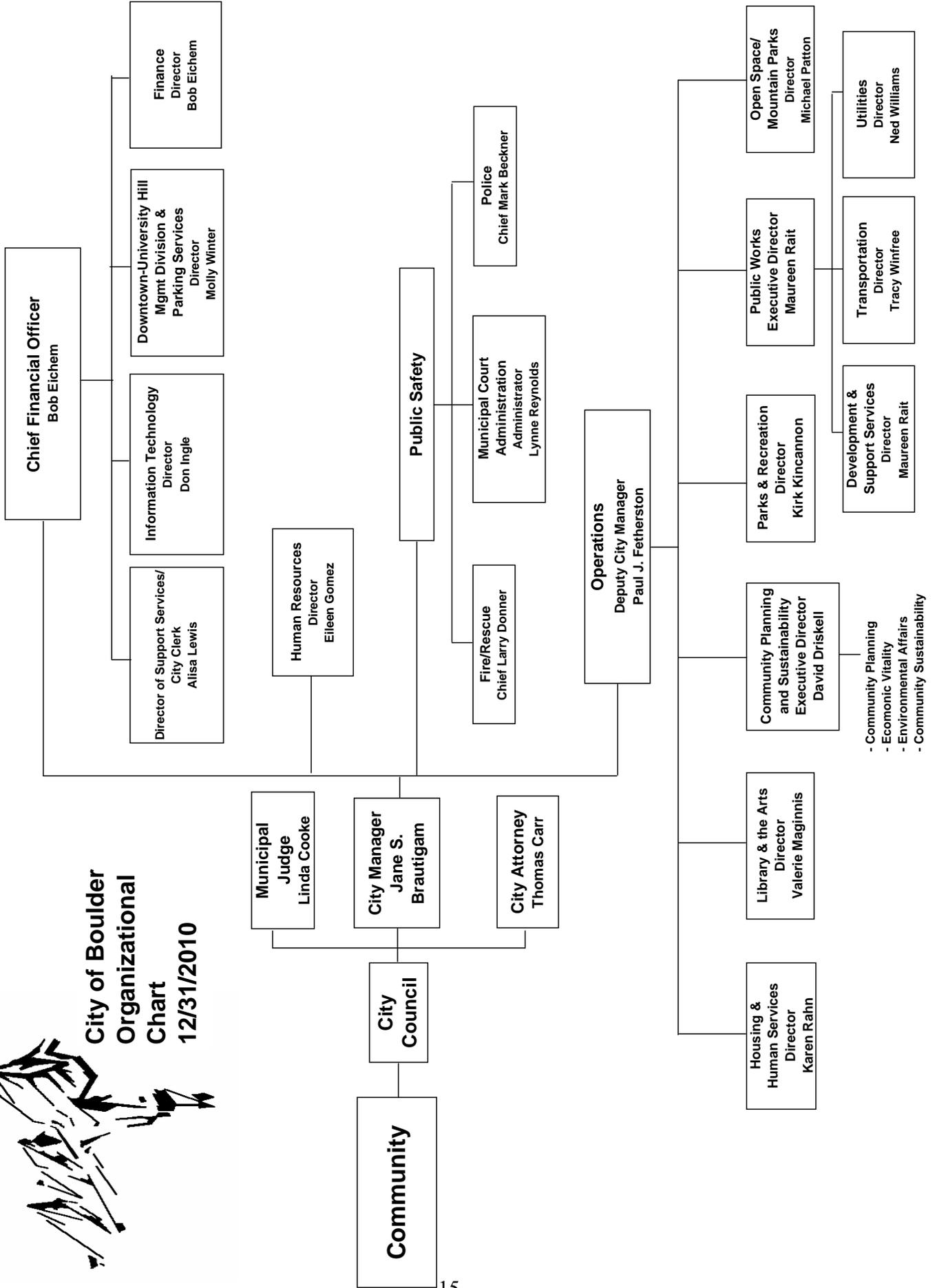
Mayor:	Susan Osborne
Deputy Mayor:	Ken Wilson
Council Members:	Suzy Ageton Matthew Appelbaum KC Becker Macon Cowles Crystal Gray George Karakehian Lisa Morzel

Administrative

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



**City of Boulder  
Organizational  
Chart  
12/31/2010**





## Independent Auditor's Report

Honorable Mayor and  
Members of the 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, as of and for the year ended December 31, 2010, 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 of Boulder'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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and respective budgetary comparison for the General Fund, Open Space and Mountain Parks Fund, and Transportation Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2011 on our consideration of the City of Boulder's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 19 through 33, and Police Pension Fund and Fire Pension Fund information on pages 158 through 160 and Boulder Retiree Health Care Benefits Plan information on page 161 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Boulder, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and local highway finance report, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, 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. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Denver, Colorado  
June 16, 2011

City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

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, 2010. 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 2010 by \$892.6 million (\$516.0 million in governmental activity net assets and \$376.6 million in business-type activity net assets). Of the governmental activity net asset total, \$69.0 million, or 13%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, \$65.5 million, or 17%, of business-type activity net assets are unrestricted.
- Total net assets of the city increased \$29.9 million, or 3%, compared to 2009. Net assets of the city's governmental activities increased \$27.1 million, which represents an increase of 6% from 2009. Net assets of the city's business-type activities increased \$2.8 million, or less than 1%, over 2009.
- Total revenues, excluding transfers and extraordinary items, increased \$7.6 million, or 3%, compared to 2009. Governmental activity revenues increased \$8.8 million, or 5%, to \$180.9 million, while revenues of business-type activities decreased \$1.2 million, or 2%, to \$56.6 million compared to 2009.
- The total cost of all the city's programs, excluding transfers and extraordinary items, increased \$1.2 million, or less than 1%, compared to 2009. The cost of governmental activity program expenses increased \$1.4 million, or less than 1%, to \$158.3 million, while the cost of business-type activities decreased \$0.2 million, or less than 1%, from 2009 to \$46.7 million.

As of December 31, 2010, the city's governmental funds reported a combined ending fund balance of \$84.3 million. Approximately 73.7%, or \$62.1 million, is unreserved, undesignated 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, and housing and human services. The business-type activities of the city include water utility, wastewater utility, stormwater and flood management, parking 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 fund balance sheet and the governmental fund 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 – all of which are considered to be major funds of the city. In addition, the University Hill Commercial District is accounted for as an enterprise fund and is the city's only non-major enterprise fund.
- **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. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

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

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Included are budgetary comparison schedules for all annually budgeted 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>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 183,981	\$ 166,102	\$ 82,079	\$ 79,889	\$ 266,060	\$ 245,991
Capital assets	465,440	442,453	426,322	427,268	891,762	869,721
Total assets	<u>649,421</u>	<u>608,555</u>	<u>508,401</u>	<u>507,157</u>	<u>1,157,822</u>	<u>1,115,712</u>
Noncurrent liabilities	86,181	77,983	121,615	123,064	207,796	201,047
Other liabilities	47,227	41,648	10,199	10,351	57,426	51,999
Total liabilities	<u>133,408</u>	<u>119,631</u>	<u>131,814</u>	<u>133,415</u>	<u>265,222</u>	<u>253,046</u>
Net assets:						
Invested in capital assets	395,174	379,461	310,791	313,583	705,965	693,044
Restricted	51,815	58,197	249	242	52,064	58,439
Unrestricted	69,024	51,266	65,547	59,917	134,571	111,183
Total net assets	<u>\$ 516,013</u>	<u>\$ 488,924</u>	<u>\$ 376,587</u>	<u>\$ 373,742</u>	<u>\$ 892,600</u>	<u>\$ 862,666</u>

*Table 1* presents an analysis of the city's net assets as of December 31, 2010. The city's assets exceeded its liabilities by \$892.6 million at the close of the current fiscal year. By far the largest portion of the city's net assets (79%) reflects its investment of \$706.0 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, \$52.1 million (6%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted assets, \$134.6 million (15%), 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 \$65.5 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 \$12.9 million, or 2%, compared to 2009. This increase is due to current year asset acquisitions and construction projects. This is discussed below in "Capital Assets" in more detail. Restricted net assets decreased \$6.4 million, or 11%, compared to 2009. This decrease is

primarily due to use of restricted sales tax proceeds for the construction of the firefighting training center and improvements to the Valmont City Park and East Boulder Community Park. The increase of \$23.4 million, or 21%, in unrestricted net assets is from general operations as discussed below.

It is important to note that approximately \$41.0 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 \$29.9 million during 2010. This increase is explained in the government and business-type activities discussion below.

#### **Governmental Activities**

Net assets of governmental activities increased by \$27.1 million during 2010, accounting for 90% of the total increase in the city's net assets. This was \$13.3 million more than the increase of \$13.8 million in 2009.

Revenues during 2010 increased by \$8.8 million compared to 2009. Charges for services increased \$4.8 million partially due to a \$0.9 million increase in building permits and related revenues, and a \$3.2 million increase in payments in lieu of affordable housing. Capital grants and contributions decreased \$3.6 million primarily due to a \$3.3 million decrease in 2010 transportation improvement projects. Sales and use taxes increased \$2.3 million from use taxes collected on government construction projects within the city. Property taxes increased by \$2.5 million partially due to the removal of property tax limitations as explained in Note D.

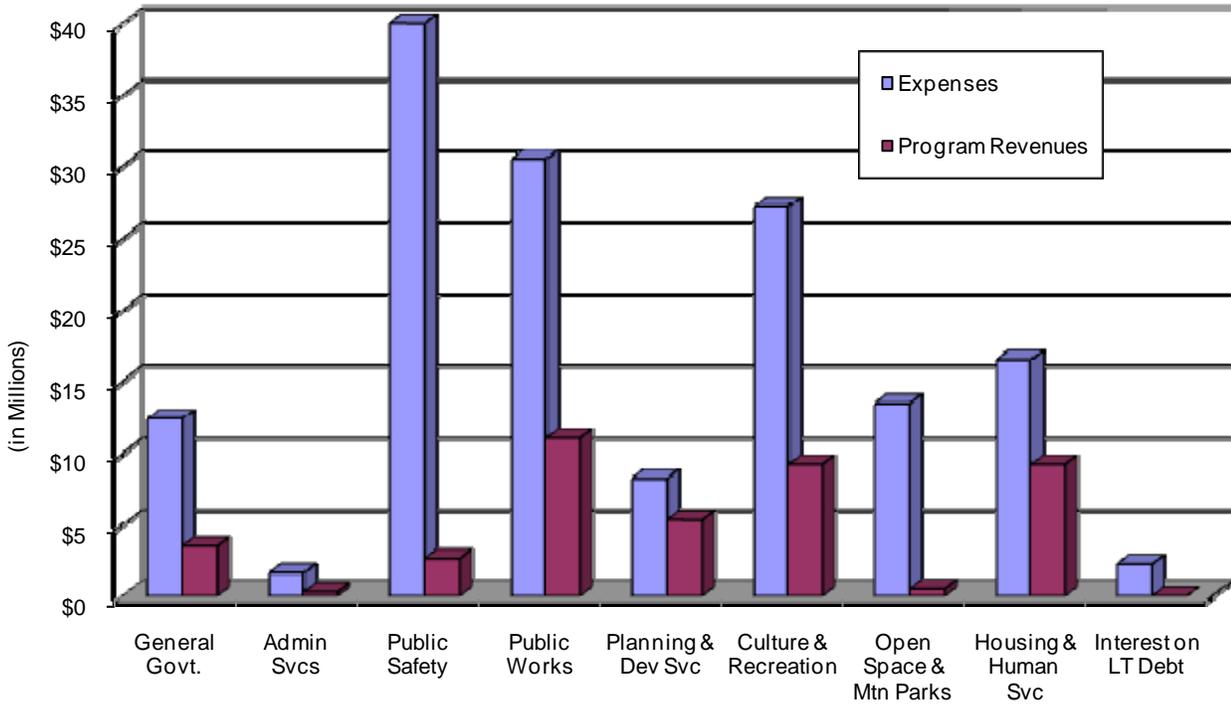
Expenses for 2010 increased \$1.4 million compared to 2009. Some governmental activity functions experienced reductions in 2010 as the city implemented cost cutting measures in response to economic conditions for a combined reduction of \$2.9 million. Interest on long-term debt decreased \$0.5 million due to a reduction in outstanding principal balance for much of the year and the refunding of governmental activity bonds in 2010 and 2009 to lower interest rates. Some function's expenditures increased such as General Government and Housing and Human Services. General Government expense increased \$2.5 million primarily due to \$1.7 million in expenses for the use of education excise tax funds for the Casey Middle School project and \$0.9 million increase in Local Environmental Affairs Division expense. Housing and Human Services expenses increased \$1.8 million primarily due to the various community housing assistance projects underway in 2010 funded by the increased revenues noted above.

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

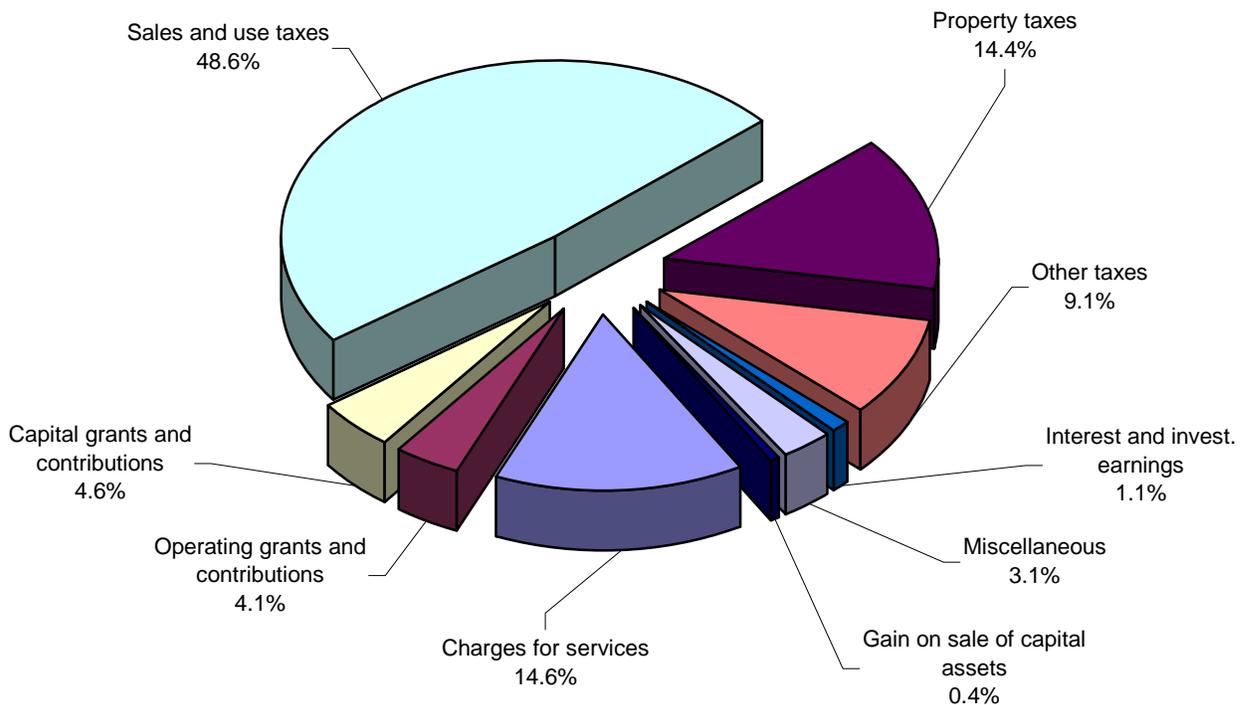
	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program revenues:						
Charges for services	\$ 26,441	\$ 21,560	\$ 47,010	\$ 45,427	\$ 73,451	\$ 66,987
Operating grants and contributions	7,338	6,607	169	136	7,507	6,743
Capital grants and contributions	8,381	11,950	5,610	8,408	13,991	20,358
General revenue:						
Sales and use taxes	87,802	85,457	87	83	87,889	85,540
Property taxes	26,022	23,526	1,704	1,627	27,726	25,153
Other taxes	16,491	15,604	686	659	17,177	16,263
Interest and investment earnings	2,060	2,088	1,226	1,257	3,286	3,345
Miscellaneous revenue	5,633	5,286	81	78	5,714	5,364
Gain on sale of capital assets	805	130	-	80	805	210
Total Revenues	180,973	172,208	56,573	57,755	237,546	229,963
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	12,431	9,945	-	-	12,431	9,945
Administrative Services	1,678	2,139	-	-	1,678	2,139
Public Safety	45,819	45,506	-	-	45,819	45,506
Public Works	30,542	32,634	-	-	30,542	32,634
Planning and Development Services	8,248	8,619	-	-	8,248	8,619
Culture and Recreation	27,200	27,478	-	-	27,200	27,478
Open Space and Mountain Parks	13,548	13,043	-	-	13,548	13,043
Housing and Human Services	16,580	14,745	-	-	16,580	14,745
Interest on long-term debt	2,285	2,820	-	-	2,285	2,820
Business-type activities:						
Water Utility	-	-	20,921	21,051	20,921	21,051
Wastewater Utility	-	-	12,885	13,458	12,885	13,458
Stormwater and Flood Management	-	-	4,454	4,011	4,454	4,011
Parking Services	-	-	7,602	7,385	7,602	7,385
Property and Facility Acquisition	-	-	860	1,009	860	1,009
Total expenses	158,331	156,929	46,722	46,914	205,053	203,843
Excess before extraordinary items and transfers	22,642	15,279	9,851	10,841	32,493	26,120
Extraordinary items	(1,535)	-	(1,024)	-	(2,559)	-
Transfers	5,982	(1,468)	(5,982)	1,468	-	-
Increase in net assets	\$ 27,089	\$ 13,811	\$ 2,845	\$ 12,309	\$ 29,934	\$ 26,120

*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 (49%), followed by charges for services (15%) and property taxes (14%). These ratios are comparable to those for 2009.

**Chart 1: 2010 Expenses and Program Revenues - Governmental Activities**



**Chart 2: 2010 Revenues by Source - Governmental Activities**



## Business-type Activities

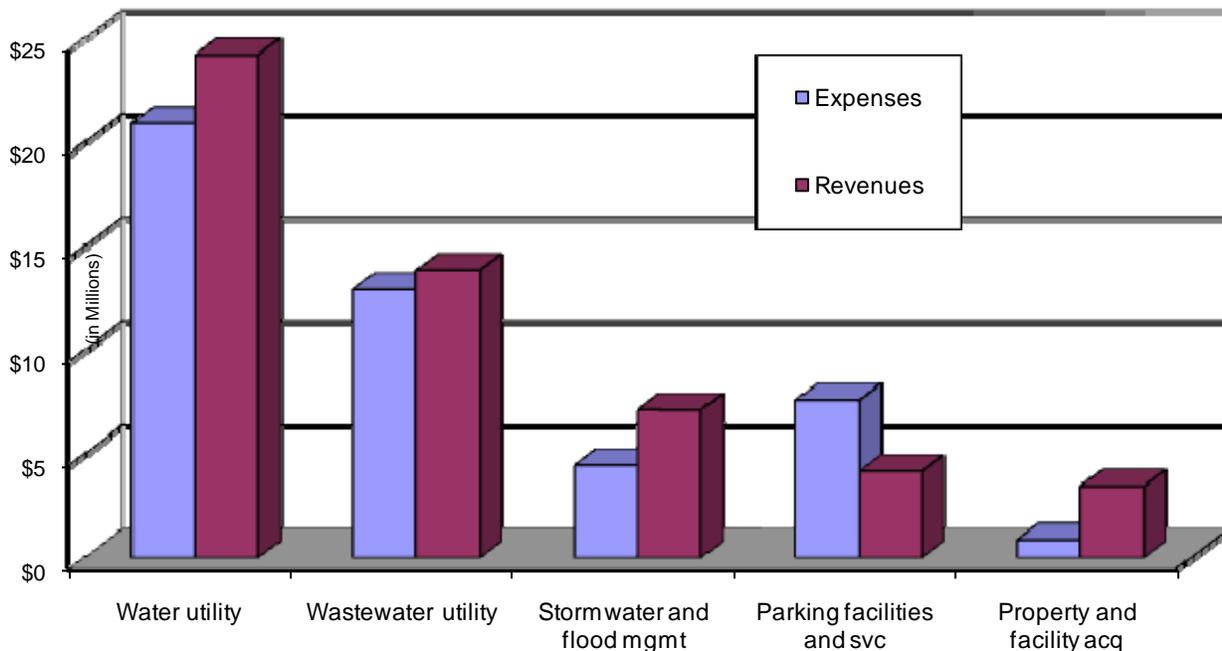
Net assets in business-type activities increased \$2.8 million for 2010, accounting for 10% of the total increase in the city's net assets. This was \$9.5 million less than the increase of \$12.3 million in 2009.

Total business-type revenues decreased \$1.2 million, or 2%, compared to 2009. Utility charges for services increased \$1.6 million due to changes in consumption. Capital grants and contributions decreased by \$2.8 million primarily due to a decrease in plant investment fee revenues resulting from fewer large projects starting in 2010.

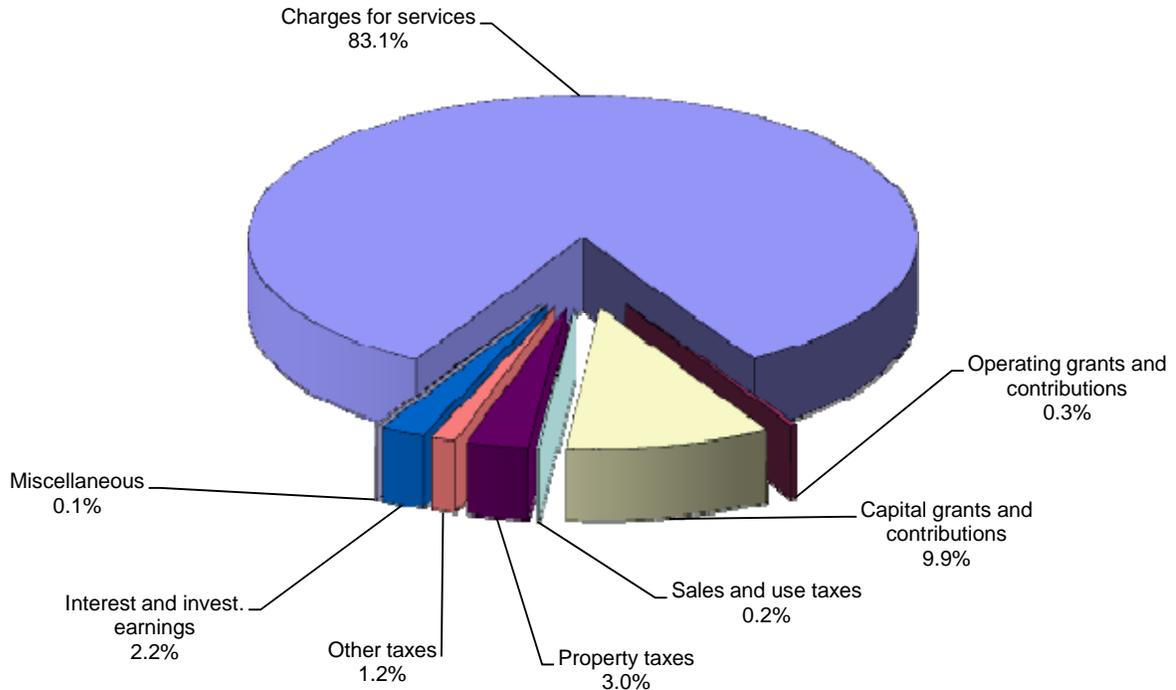
Expenses of business-type activities decreased by \$0.2 million, or less than 1% compared to 2009. The individual activities did not have any significant variances from the prior year as well.

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 72% of total business-type expenses. Charges for services provide the largest share of revenues (83%), followed by capital grants and contributions (10%) and property taxes (3%).

**Chart 3: 2010 Expenses and Program Revenues - Business-type Activities**



**Chart 4: 2010 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, unreserved 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, 2010, the city's governmental funds reported combined ending fund balances of \$84.3 million, an increase of \$0.4 million, or less than 1%, in comparison with the prior year. The fund balance of the General Fund increased by \$2.9 million to \$26.3 million at December 31, 2010. General Fund revenues increased by \$5.4 million, primarily from increases in sales and use taxes of \$1.1 million due to large construction projects at government institutions within the city, increases in general property tax revenues of \$2.0 million partially due to the removal of property tax limitations as explained in Note D, increase in franchise taxes of \$1.1 largely due to energy costs increases in 2010, increases in license, permits and fines of

\$0.6 from increased citations, and various increases in other revenues. General Fund expenditures increased by \$3.1 million for a variety of reasons. General Government expenditures increased primarily due to \$1.7 million in expenses for the use of education excise tax funds for the Casey Middle School project mentioned above. Public Safety expenditures increased \$10.7 million primarily due to additional pension contributions from the pension obligation bonds sold in 2010 as explained in Note O and additional fleet maintenance charges. Capital outlay and debt service payments decreased in 2010 by \$10.0 million primarily due to the 2009 repayment of a loan from Boulder County of \$4.9 million and acquisition of real property for a new recycling center in the amount of \$5.4 million. Open Space and Mountain Parks Fund had a fund balance increase of \$2.2 million. Revenues were relatively stable but expenditures increased from 2009 by \$3.3 million largely due to a full year's worth of debt service payments on refunding bonds issued in 2009. The Transportation Fund did not experience any significant change in fund balance for 2010. The Affordable Housing Fund ending fund balance increased by \$1.9 million primarily due to some significant payments in lieu of providing affordable housing within some large residential construction projects. The Fire Training Center Construction Fund ending fund balance decreased by \$2.6 million as construction was completed on the project. Funding was provided by a one year sales tax in 2007. The Permanent Parks and Recreation Fund ending fund balance decreased by \$5.3 million as accumulated funding was used for park improvements and acquisitions in 2010. The fund balances of the other governmental funds had minor increases or decreases, accumulating in the total decrease to other governmental funds balances of \$5.6 million.

Approximately \$68.8 million or 82% of the combined ending fund balance in the governmental funds constitutes unreserved fund balance, which is available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for specific purposes. These reserves have been established for: (1) liquidating existing contracts and purchase orders - \$7.6 million, (2) grantor imposed limitations on use of funds - \$2.5 million, (3) restrictions for capital projects - \$1.7 million (4) restrictions for debt service - \$0.7 million, and (5) restrictions due to non-availability of funds to use for other purposes, such as amounts invested in long term advances between funds, notes receivable, inventory or other assets - \$3.0 million

The General Fund is the primary operating fund of the city. At the end of 2010 the unreserved fund balance of the General Fund was \$22.1 million, while total fund balance was \$26.3 million. As a measure of the General Fund's liquidity, it is useful to compare undesignated fund balance to total fund expenditures and transfers out. Designated fund balances represent amounts that, while the city is not legally constrained from using these fund balances at its discretion within the purposes specified for the respective funds, the City Council has "designated" these resources for various uses – although the City Council could change or remove that designation. For 2010, undesignated fund balances of \$16.9 million represent 16% of total general fund expenditures and transfers out of \$104.8 million. For 2009, undesignated fund balances of \$12.5 million represent 12% of total general fund expenditures and transfers out of \$102.0 million. General Fund unreserved fund balance – including designated fund balance – as a percentage of total expenditures and transfers out were 21% and 19% for 2010 and 2009, respectively.

It should also be noted that for the 2010 budget year the City Council established a minimum target for undesignated 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 2009 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, 2010, the unrestricted net assets of the Water Utility Fund were \$30.1 million, the Wastewater Utility Fund were \$18.9 million, the Stormwater and Flood Management Fund were \$11.4 million, the Boulder Municipal Property Authority were \$0.8 million, the Downtown Commercial District were \$2.0 million and the University Hill Commercial District were \$0.7 million. The total increase in net assets for the proprietary funds was \$2.6 million. Factors concerning these funds have already been addressed in the discussion of the city's business-type activities.

### **General Fund Budgetary Highlights**

The city's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. The final budget for General Fund appropriations including transfers out for 2010 was \$18.9 million greater than the original budget. The primary reasons for this difference are as follows:

- \$0.4 million increase to the General Fund budget for the carryover of encumbrances from 2009 for purchases that were ordered but not received before year end;
- \$1.8 million increase in the General Fund due to capital carryover from 2009. These are projects that were started prior to year end of 2009 with expenditures in 2010;
- \$1.0 million increase in the General Fund due to grant carryover from 2009. This is money that is restricted to the purpose of the grant and cannot be used for anything else;
- \$4.4 million increase in the General Fund due to programs that are in progress and the funding was established in the prior year or for large upcoming projects that will take more funding than a single year will allow. These include Education Access Funding, Boulder Mobile Manor, Economic Vitality programs, Education Excise Tax funding for Casey Middle School and several smaller projects;
- \$0.3 million increase in the General Fund from additional revenue received from grants from various outside agencies;
- \$9.2 million increase in the General Fund from Series 2010 Taxable Pension Obligation Bond proceeds to bring the Old Hire Police Defined Benefit Plan and the Old Hire Fire Defined Benefit Plan up to an acceptable funding status;

- 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 \$2.0 million, or 2%, more than the final budget. Actual expenditures and transfers out were \$6.9 million, or 6%, less than the final budget. The net effect of these differences was a favorable variance in fiscal year-end budgeted fund balance of \$8.9 million. The primary factors contributing to this favorable variance included the following:

- \$0.4 million more in property taxes than budgeted
- \$0.8 million more in franchise fees than budgeted
- \$0.9 million more in licenses, permits and fines than budgeted
- \$1.0 million less in other revenues than budgeted
- \$0.8 million more in transfers in than budgeted
- \$1.8 million less in expenditures for the City Manager Department from carryover of multi-year capital projects into 2011.
- \$0.2 million less in expenditures for the City Attorney Department from personnel vacancies in 2010.
- \$1.8 million less in expenditures for the Local Environmental Action Division from carryover of capital projects into 2011.
- \$0.9 million less in expenditures for the Information Technology Department primarily from carryover of projects into 2011 and other general savings.
- \$0.8 million less in expenditures for the Housing and Human Services Department from general savings and grant program carryovers.

## **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, 2010, amounts to \$891.8 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 \$22.1 million, or 3% from 2009. Net capital assets of governmental activities increased \$23.0 million, or 5%, and those of business-type activities decreased \$0.9 million, or less than 1%.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land and easements	\$ 241,754	\$ 234,736	\$ 74,519	\$ 80,192	\$ 316,273	\$ 314,928
Buildings	46,686	42,095	31,091	32,328	77,777	74,423
Improvements other than buildings	29,116	27,825	3,953	4,256	33,069	32,081
Infrastructure	92,363	98,401	-	-	92,363	98,401
Utility plant in service and undergrounds	-	-	306,455	290,640	306,455	290,640
Machinery, equipment and vehicles	15,301	15,387	6,260	5,687	21,561	21,074
Construction in progress	40,220	24,009	4,044	14,165	44,264	38,174
Total	<u>\$ 465,440</u>	<u>\$ 442,453</u>	<u>\$ 426,322</u>	<u>\$ 427,268</u>	<u>\$ 891,762</u>	<u>\$ 869,721</u>

Some of the major capital asset activities during 2010 included the following:

#### Governmental activities

- Construction in progress of several transportation infrastructure projects, including Broadway - Pine to Iris, \$4.9 million.
- Completion of several transportation infrastructure projects, including Folsom/Spruce Intersection, \$0.3 million and Broadway bike lanes, \$0.8 million.
- Valmont, Dakota Ridge, and East Boulder Community Park Improvements, \$4.7 million.
- New vehicle purchases, \$2.3 million.
- Recognition of \$15.7 million in depreciation expense.

#### Business-type activities

- Boulder Reservoir improvements, \$2.2 million.
- Corroded Pipeline Replacement/Rehab, \$3.1 million.
- Elmer's Two Mile Creek improvements, \$1.0 million.
- Automated Meter Reading Project, \$0.5 million.
- Iris Pump Station \$0.9 million.
- Recognition of \$10.8 million in depreciation expense.

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

## Debt Administration

Table 4 summarizes the city's bonded debt as of the end of 2010 and 2009. At December 31, 2010, the city had total bonded debt (including certificates of participation) of \$172.7 million. Of this amount, \$66.0 million consisted of general obligation debt backed by the full faith and credit of the city. The remainder of \$106.7 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). During 2010, the city issued one refunding bond, one new money bond and pension obligation bonds as detailed out in Note O to the Basic Financial Statements.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 49,590	\$ 58,410	\$ 16,450	\$ 18,071	\$ 66,040	\$ 76,481
Revenue bonds	5,265	6,614	91,205	88,780	96,470	95,394
Pension obligation bonds	9,070	-	-	-	9,070	-
Certificates of Participation	-	-	1,120	1,635	1,120	1,635
Total bonded debt	<u>\$ 63,925</u>	<u>\$ 65,024</u>	<u>\$ 108,775</u>	<u>\$ 108,486</u>	<u>\$ 172,700</u>	<u>\$ 173,510</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 Basic Financial Statements.

## Other Significant Matters

### Governmental Activities

There was an extraordinary expense for the voluntary cleanup at Valmont Butte. Additional information can be found in Note U to the Basic Financial Statements.

### Business-type Activities

As disclosed in Note Z, the Water Utility Fund refunded the Water and Sewer Revenue Bonds, Series 2001 in February 2011 to take general interest savings over the remaining term of the outstanding bonds. This refunding resulted in a net present value benefit of \$1.0 million.

### **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 Finance Director of the City of Boulder Finance Department at 1777 Broadway, Boulder, CO 80302.

## BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Assets

December 31, 2010

(Amounts in 000's)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,040	\$ 1,306	\$ 3,346
Investments	108,064	69,829	177,893
General property tax receivable	27,546	1,750	29,296
Sales tax receivable	10,353	-	10,353
Notes receivable	2,080	842	2,922
Other receivables (net of allowance for doubtful accounts)	10,612	2,708	13,320
Restricted cash	7,148	-	7,148
Restricted investments	4,937	4,681	9,618
Inventory of materials and supplies	81	205	286
Other assets	953	758	1,711
Prepaid net pension obligation	10,167	-	10,167
Capital assets (net of accumulated depreciation):			
Land and easements	241,754	74,519	316,273
Buildings	46,686	31,091	77,777
Improvements other than buildings	29,116	3,953	33,069
Infrastructure	92,363	-	92,363
Utility plant in service and undergrounds	-	306,455	306,455
Machinery, equipment and vehicles	15,301	6,259	21,560
Construction in progress	40,220	4,045	44,265
Total assets	<u>649,421</u>	<u>508,401</u>	<u>1,157,822</u>
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	6,551	1,243	7,794
Contracts and retainage payable	970	469	1,439
Accrued liabilities	7,242	5,131	12,373
Intergovernmental	71	-	71
Internal balances	2,719	(2,719)	-
Other liabilities	428	380	808
Unearned revenue:			
General property taxes	27,546	1,750	29,296
Other	1,700	-	1,700
Deferred credit	-	3,945	3,945
Noncurrent liabilities:			
Due within one year	11,486	12,673	24,159
Due in more than one year	74,695	108,942	183,637
Total liabilities	<u>133,408</u>	<u>131,814</u>	<u>265,222</u>
Net assets:			
Invested in capital assets, net of related debt	395,174	310,791	705,965
Restricted for:			
Voter Limitation	36,992	149	37,141
Grantor Limitation	1,218	-	1,218
Capital projects	12,909	100	13,009
Debt service	696	-	696
Unrestricted	69,024	65,547	134,571
Total net assets	<u>\$ 516,013</u>	<u>\$ 376,587</u>	<u>\$ 892,600</u>

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2010

(Amounts in 000's)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General Government	\$ 13,778	\$ (1,347)	\$ 3,512	19	\$ -
Administrative Services	8,411	(6,733)	191	140	-
Public Safety	43,205	2,614	1,874	855	12
Public Works	31,377	(835)	1,122	2,478	7,467
Planning & Development Services	7,015	1,233	5,421	26	-
Culture and Recreation	26,150	1,050	8,121	229	902
Open Space and Mountain Parks	12,775	773	425	63	-
Housing and Human Services	15,707	873	5,775	3,528	-
Interest on long-term debt	2,285	-	-	-	-
Total governmental activities	<u>160,703</u>	<u>(2,372)</u>	<u>26,441</u>	<u>7,338</u>	<u>8,381</u>
Business-type activities:					
Water utility	19,803	1,118	21,633	-	2,570
Wastewater utility	12,083	802	12,688	37	1,114
Stormwater and flood management	4,258	196	5,080	132	1,926
Parking facilities and services	7,346	256	4,162	-	-
Property and facility acquisition	860	-	3,447	-	-
Total business-type activities	<u>44,350</u>	<u>2,372</u>	<u>47,010</u>	<u>169</u>	<u>5,610</u>
Total government	<u>\$ 205,053</u>	<u>\$ -</u>	<u>\$ 73,451</u>	<u>\$ 7,507</u>	<u>\$ 13,991</u>

General revenues:

Taxes:

Sales and use taxes  
 General property taxes  
 Accomodation 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  
 and transfers

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
\$ (8,900)	\$ -	\$ (8,900)
(1,347)	-	(1,347)
(43,078)	-	(43,078)
(19,475)	-	(19,475)
(2,801)	-	(2,801)
(17,948)	-	(17,948)
(13,060)	-	(13,060)
(7,277)	-	(7,277)
(2,285)	-	(2,285)
<u>(116,171)</u>	<u>-</u>	<u>(116,171)</u>
-	3,282	3,282
-	954	954
-	2,684	2,684
-	(3,440)	(3,440)
-	2,587	2,587
<u>-</u>	<u>6,067</u>	<u>6,067</u>
<u>(116,171)</u>	<u>6,067</u>	<u>(110,104)</u>
87,802	87	87,889
26,022	1,704	27,726
3,199	635	3,834
10,868	-	10,868
1,587	51	1,638
837	-	837
2,060	1,226	3,286
5,633	81	5,714
805	-	805
5,982	(5,982)	-
<u>(1,535)</u>	<u>(1,024)</u>	<u>(2,559)</u>
<u>143,260</u>	<u>(3,222)</u>	<u>140,038</u>
27,089	2,845	29,934
488,924	373,742	862,666
<u>\$ 516,013</u>	<u>\$ 376,587</u>	<u>\$ 892,600</u>

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2010

(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	\$ 417	\$ 282	\$ 99	\$ 562	\$ 1,360
Investments	21,480	15,139	5,265	29,749	71,633
Receivables:					
General property taxes	22,964	-	-	4,582	27,546
Sales and use taxes	4,651	2,661	1,814	1,227	10,353
Accounts	2,336	7	3,119	1,083	6,545
Notes	40	-	-	2,040	2,080
Accrued interest	156	98	34	190	478
Intergovernmental	296	15	1,288	1,176	2,775
Other	60	-	4	39	103
	<u>30,503</u>	<u>2,781</u>	<u>6,259</u>	<u>10,337</u>	<u>49,880</u>
Due from other funds	25	-	-	-	25
Advances to other funds	-	-	-	671	671
Inventory of materials and supplies	14	-	-	67	81
Restricted assets:					
Investments for special purposes	1,540	48	-	922	2,510
Investments for capital projects	1,731	-	-	-	1,731
Investments for debt service	-	649	-	47	696
Total restricted assets	<u>3,271</u>	<u>697</u>	<u>-</u>	<u>969</u>	<u>4,937</u>
Other assets	<u>147</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>151</u>
Total assets	<u>\$ 55,857</u>	<u>\$ 18,899</u>	<u>\$ 11,623</u>	<u>\$ 42,359</u>	<u>\$ 128,738</u>

The accompanying notes are an integral part of this statement.

<u>Liabilities and Fund Equity</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>
<b>Liabilities:</b>					
Accounts and accrued liabilities:					
Vouchers and accounts payable	\$ 1,220	\$ 153	\$ 2,122	\$ 2,027	\$ 5,522
Contracts and retainage payable	25	-	572	234	831
Accrued salaries, wages and amounts withheld from employees	3,070	329	325	1,123	4,847
Intergovernmental	71	-	-	-	71
Due to other funds	5	284	-	25	314
Advances from other funds	1,118	671	-	-	1,789
Other liabilities	132	6	250	41	429
Deferred revenue:					
General property taxes	22,964	-	-	4,582	27,546
Other	970	-	1,000	1,105	3,075
Total liabilities	<u>29,575</u>	<u>1,443</u>	<u>4,269</u>	<u>9,137</u>	<u>44,424</u>
<b>Fund equity:</b>					
Fund balances:					
Reserved for:					
Encumbrances	737	357	4,425	2,103	7,622
Grantor Limitation	1,540	48	-	927	2,515
Capital projects	1,741	-	-	-	1,741
Debt service	-	649	-	47	696
Advances to other funds	-	-	-	671	671
Notes receivable	-	-	-	2,040	2,040
Inventories	14	-	-	67	81
Other assets	147	-	-	4	151
Unreserved:					
Designated:					
Special purposes:					
General Fund	5,231	-	-	-	5,231
Open Space & Mountain Parks Fund	-	514	-	-	514
Transportation Fund	-	-	157	-	157
Nonmajor Special Revenue Funds	-	-	-	687	687
Nonmajor Capital Project Funds	-	-	-	55	55
Undesignated:					
General Fund	16,872	-	-	-	16,872
Open Space & Mountain Parks Fund	-	15,888	-	-	15,888
Transportation Fund	-	-	2,772	-	2,772
Nonmajor Special Revenue Funds	-	-	-	25,105	25,105
Nonmajor Debt Service Funds	-	-	-	446	446
Nonmajor Capital Project Funds	-	-	-	1,070	1,070
Total fund equity	<u>26,282</u>	<u>17,456</u>	<u>7,354</u>	<u>33,222</u>	<u>84,314</u>
Total liabilities and fund equity	<u>\$ 55,857</u>	<u>\$ 18,899</u>	<u>\$ 11,623</u>	<u>\$ 42,359</u>	<u>\$ 128,738</u>

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CITY OF BOULDER, COLORADO

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

Year ended December 31, 2009

(Amounts in 000's)

Total governmental fund balances	\$	84,314
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. This amount is net of accumulated depreciation of \$292,593.		409,565
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.		595
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	\$	5,812
Fire prepaid net pension obligation		<u>4,355</u>
		10,167
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.		88,188
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.		(78,330)
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		10
Intergovernmental revenues		<u>1,504</u>
		<u>1,514</u>
Net assets of governmental activities	\$	<u><u>516,013</u></u>

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, 2010

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans- portation Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
Sales and use taxes	\$ 39,657	\$ 22,552	\$ 15,343	\$ 10,250	\$ 87,802
General property taxes	21,746	-	-	4,276	26,022
Accommodation taxes	3,199	-	-	-	3,199
Franchise taxes	9,023	-	-	1,835	10,858
Specific Ownership & Tobacco taxes	1,586	-	-	1	1,587
Excise taxes	182	-	-	655	837
Charges for services	3,601	60	-	13,578	17,239
Sale of goods	61	-	21	730	812
License, permits and fines	6,954	59	-	3,943	10,956
Intergovernmental	2,266	56	9,754	4,967	17,043
Leases, rents and royalties	216	315	97	1,612	2,240
Interest and investment earnings	482	289	168	506	1,445
Other	477	29	242	460	1,208
Total revenues	<u>89,450</u>	<u>23,360</u>	<u>25,625</u>	<u>42,813</u>	<u>181,248</u>
<b>Expenditures:</b>					
Current:					
General Government	12,121	-	-	1,731	13,852
Administrative Services	8,583	-	-	14	8,597
Public Safety	53,891	81	-	-	53,972
Public Works	4,502	-	24,099	3,369	31,970
Planning & Development Services	43	-	-	7,075	7,118
Culture and Recreation	4,196	-	-	22,156	26,352
Open Space and Mountain Parks	193	10,665	-	341	11,199
Housing and Human Services	5,827	-	-	9,481	15,308
Capital outlay	-	-	-	9,785	9,785
Debt service payments:					
Principal	1,250	6,310	-	2,335	9,895
Interest	333	1,670	-	403	2,406
Base rentals to Boulder Municipal Property Authority Debt Service Fund	594	2,501	133	224	3,452
Total expenditures	<u>91,561</u>	<u>21,227</u>	<u>24,232</u>	<u>56,914</u>	<u>193,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,111)</u>	<u>2,133</u>	<u>1,393</u>	<u>(14,101)</u>	<u>(12,686)</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	9	15	-	-	24
Bonds issued	9,203	-	-	-	9,203
Transfers in	9,099	1,074	64	11,401	21,638
Transfers out	(13,251)	(987)	(1,428)	(2,897)	(18,563)
Total other financing sources (uses)	<u>5,060</u>	<u>102</u>	<u>(1,364)</u>	<u>8,504</u>	<u>12,302</u>
Net change in fund balances	2,949	2,235	29	(5,597)	(384)
Fund balances, beginning of year	<u>23,333</u>	<u>15,221</u>	<u>7,325</u>	<u>38,819</u>	<u>84,698</u>
Fund balances, end of year	<u>\$ 26,282</u>	<u>\$ 17,456</u>	<u>\$ 7,354</u>	<u>\$ 33,222</u>	<u>\$ 84,314</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, 2010

(Amounts in 000's)

Net change in fund balances - total governmental funds \$ (384)

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. This is the amount by which depreciation (\$9,196) was less than capital outlays (\$36,838) in the current period. 27,642

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. (1,362)

Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Examples are revenues from special assessments, property taxes and notes receivable.

Interest on notes receivable	\$ 51	
Special assessments - Public Works	(16)	
Intergovernmental revenue - Public Works	<u>(1,992)</u>	(1,957)

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	(43)	
Administrative Services		
Public Safety	(5,285)	
Public Works	(317)	
Culture and Recreation		
Open Space and Mountain Parks		
Interest and investment earnings	564	
Net transfers to governmental funds	(696)	
Allocation of net profit or (loss)	<u>188</u>	(5,589)

The increase 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. 8,739

Change in net assets of governmental activities \$ 27,089

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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 39,472	\$ 39,472	\$ 39,657	\$ 185
General property taxes	21,293	21,307	21,746	439
Accommodations taxes	3,238	3,238	3,199	(39)
Franchise taxes	7,696	8,209	9,023	814
Specific ownership & tobacco taxes	1,684	1,684	1,586	(98)
Excise taxes	-	-	182	182
Charges for services	3,472	3,577	3,601	24
Sale of goods	61	107	61	(46)
Licenses, permits and fines	6,012	6,071	6,954	883
Intergovernmental	950	2,368	2,266	(102)
Leases, rents and royalties	233	233	216	(17)
Interest and investment earnings	638	688	650	(38)
Other	726	1,454	467	(987)
Total revenues	<u>85,475</u>	<u>88,408</u>	<u>89,608</u>	<u>1,200</u>
Expenditures:				
Current:				
General Government	10,486	17,230	12,354	4,876
Administrative Services	9,069	9,526	8,799	727
Public Safety	44,588	53,953	53,785	168
Public Works	4,769	4,795	4,619	176
Planning & Development Services	49	49	43	6
Culture and Recreation	4,393	4,411	4,232	179
Open Space and Mountain Parks	188	188	195	(7)
Housing and Human Services	4,978	6,577	5,827	750
Debt service payments:				
Principal	1,000	1,250	1,250	-
Interest	64	254	254	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	601	601	601	-
Real Estate Rentals & Leases	29	29	28	1
Total expenditures	<u>80,214</u>	<u>98,863</u>	<u>91,987</u>	<u>6,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,261</u>	<u>(10,455)</u>	<u>(2,379)</u>	<u>8,076</u>

(continued)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Sale of capital assets	-	-	9	9
Bonds issued	-	9,203	9,203	-
Transfers in	8,018	8,305	9,109	804
Transfers out	<u>(13,251)</u>	<u>(13,464)</u>	<u>(13,413)</u>	<u>51</u>
Total other financing sources (uses)	<u>(5,233)</u>	<u>4,044</u>	<u>4,908</u>	<u>864</u>
Net change in fund balance	\$ <u>28</u>	\$ <u>(6,411)</u>	2,529	\$ <u>8,940</u>
Encumbrances, end of year			738	
Fund balance, beginning of year, basis of budgeting			<u>25,726</u>	
Fund balance, end of year, basis of budgeting			28,993	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			352	
Accrued salaries, wages and amounts withheld from employees			(2,881)	
Change in accrued interest payable			(21)	
Due to other funds			(5)	
Due from other funds				
Advances from other funds			<u>(156)</u>	
Fund balance, end of year, GAAP basis			\$ <u>26,282</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, 2010

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Sales and use taxes	\$ 21,847	\$ 21,847	\$ 22,552	\$ 705
Charges for services	-	-	60	60
Licenses, permits and fines	-	-	59	59
Intergovernmental	-	56	56	-
Leases, rents and royalties	325	325	315	(10)
Interest and investment earnings	325	325	395	70
Other	-	-	29	29
Total revenues	22,497	22,553	23,466	913
Expenditures:				
Current:				
Public Safety	81	81	81	-
Open Space and Mountain Parks	13,884	14,362	11,049	3,313
Debt service payments:				
Principal	6,310	6,310	6,310	-
Interest	1,223	1,223	1,223	-
Base rentals to Boulder Municipal Property				
Authority Debt Service Fund	2,641	2,641	2,641	-
Total expenditures	24,139	24,617	21,304	3,313
Excess (deficiency) of revenues over (under) expenditures	(1,642)	(2,064)	2,162	4,226
Other financing sources (uses):				
Sale of capital assets	-	-	15	15
Transfers in	1,082	1,082	1,074	(8)
Transfers out	(1,659)	(1,659)	(1,658)	1
Total other financing sources (uses)	(577)	(577)	(569)	8
Net change in fund balance	\$ (2,219)	\$ (2,641)	1,593	\$ 4,234
Encumbrances, end of year			357	
Fund balance, beginning of year, basis of budgeting			14,249	
Fund balance, end of year, basis of budgeting			16,199	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			223	
Accrued salaries, wages and amounts withheld from employees			(309)	
Interfund Transaction between Perm Prks & Open Space			1,343	
Fund balance, end of year, GAAP basis			\$ 17,456	

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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 14,860	\$ 14,860	\$ 15,343	\$ 483
Sale of goods and capital assets	-	-	21	21
Intergovernmental	7,799	17,922	9,754	(8,168)
Leases, rents and royalties	84	84	97	13
Interest and investment earnings	300	300	172	(128)
Other	435	885	242	(643)
Total revenues	<u>23,478</u>	<u>34,051</u>	<u>25,629</u>	<u>(8,422)</u>
Expenditures:				
Current:				
General Government	442	442	-	442
Public Works	21,667	38,461	28,527	9,934
Debt service payments:				
Base rentals to Boulder Municipal Property Authority Debt Service Fund	133	133	133	-
Total expenditures	<u>22,242</u>	<u>39,036</u>	<u>28,660</u>	<u>10,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,236</u>	<u>(4,985)</u>	<u>(3,031)</u>	<u>1,954</u>
Other financing sources (uses):				
Transfers in	-	64	64	-
Transfers out	<u>(1,428)</u>	<u>(1,428)</u>	<u>(1,428)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,428)</u>	<u>(1,364)</u>	<u>(1,364)</u>	<u>-</u>
Net change in fund balance	\$ <u>(192)</u>	\$ <u>(6,349)</u>	(4,395)	\$ <u>1,954</u>
Encumbrances, end of year			4,425	
Fund balance, beginning of year, basis of budgeting			<u>7,556</u>	
Fund balance, end of year, basis of budgeting			7,586	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			73	
Accrued salaries, wages and amounts withheld from employees			<u>(305)</u>	
Fund balance, end of year, GAAP basis			\$ <u>7,354</u>	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Net Assets

Proprietary Funds

December 31, 2010

(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	\$ 614	\$ 419	\$ 214
Investments	32,920	22,471	11,472
Receivables:			
General property taxes	-	-	-
Accounts	334	84	1
Charges for services	883	618	245
Notes - current installments	-	-	25
Accrued interest	221	143	72
Intergovernmental	27	-	32
Total Receivables	<u>1,465</u>	<u>845</u>	<u>375</u>
Due from other funds	-	-	-
Advances to other funds	50	-	-
Inventory of materials and supplies	204	-	1
Other assets - prepaid expenses	-	-	-
Total current assets	<u>35,253</u>	<u>23,735</u>	<u>12,062</u>
Noncurrent assets:			
Advances to other funds	822	-	-
Notes receivable - less current installments	-	-	-
Restricted assets:			
Cash for capital projects	-	-	-
Investments for bond reserves	3,069	170	325
Investments for capital projects	100	670	-
Total restricted assets	<u>3,169</u>	<u>840</u>	<u>325</u>
Other assets -			
Deferred charges	161	246	78
Capital assets:			
Land and easements	20,329	1,633	15,782
Buildings	1,257	2,058	764
Improvements other than buildings	79	392	954
Utility plant in service	255,965	125,733	-
Undergrounds - drainage facilities	-	-	68,245
Vehicles	-	-	-
Machinery and equipment	4,636	2,979	1,611
	<u>282,266</u>	<u>132,795</u>	<u>87,356</u>
Less accumulated depreciation	<u>(88,104)</u>	<u>(43,962)</u>	<u>(17,565)</u>
	194,162	88,833	69,791
Construction in progress	1,431	2,109	504
Total capital assets, net of accumulated depreciation	<u>195,593</u>	<u>90,942</u>	<u>70,295</u>
Total noncurrent assets	<u>199,745</u>	<u>92,028</u>	<u>70,698</u>
Total assets	<u>234,998</u>	<u>115,763</u>	<u>82,760</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Other Enterprise Fund University Hill Commercial District	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 46	\$ 13	\$ 1,306	\$ 680
-	2,282	684	69,829	36,431
-	1,723	27	1,750	-
-	-	-	419	369
-	-	-	1,746	-
11	-	-	36	-
22	16	4	478	223
-	4	-	63	-
<u>33</u>	<u>1,743</u>	<u>31</u>	<u>4,492</u>	<u>592</u>
289	-	-	289	-
-	-	-	50	59
-	-	-	205	-
-	-	-	-	227
<u>322</u>	<u>4,071</u>	<u>728</u>	<u>76,171</u>	<u>37,989</u>
-	-	-	822	187
806	-	-	806	-
-	-	-	-	7,148
-	347	-	3,911	-
-	-	-	770	-
<u>-</u>	<u>347</u>	<u>-</u>	<u>4,681</u>	<u>7,148</u>
-	273	-	758	57
33,998	2,333	444	74,519	101
6,433	38,333	-	48,845	70,840
-	5,206	58	6,689	8,411
-	-	-	381,698	-
-	-	-	68,245	-
-	-	-	-	25,068
-	1,545	330	11,101	7,627
<u>40,431</u>	<u>47,417</u>	<u>832</u>	<u>591,097</u>	<u>112,047</u>
<u>(2,645)</u>	<u>(16,433)</u>	<u>(110)</u>	<u>(168,819)</u>	<u>(60,164)</u>
<u>37,786</u>	<u>30,984</u>	<u>722</u>	<u>422,278</u>	<u>51,883</u>
-	-	-	4,044	3,992
<u>37,786</u>	<u>30,984</u>	<u>722</u>	<u>426,322</u>	<u>55,875</u>
<u>38,592</u>	<u>31,604</u>	<u>722</u>	<u>433,389</u>	<u>63,267</u>
<u>38,914</u>	<u>35,675</u>	<u>1,450</u>	<u>509,560</u>	<u>101,256</u>

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Assets,  
continued

Proprietary Funds

December 31, 2010

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	\$ 584	\$ 502	\$ 134
Contracts and retainage payable	172	14	283
Accrued salaries, wages and amounts withheld from employees	349	234	78
Accrued interest	142	168	6
Accrued claims liability (current portion)	-	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	-
Other liabilities	215	19	131
Deferred revenue -			
General property taxes	-	-	-
Other	-	-	-
General obligation bonds payable (current portion)	-	-	-
Revenue bonds payable (current portion)	3,835	2,385	320
Certificates of participation (current portion)	-	-	-
Lease purchase revenue notes payable (current portion)	-	-	-
Capitalized lease obligations (current portion)	-	-	-
Compensated absences payable (current portion)	88	52	34
Total current liabilities	<u>5,385</u>	<u>3,374</u>	<u>986</u>
Non-current liabilities:			
Accounts and accrued liabilities:			
Contracts and retainage payable	-	-	-
Accrued landfill cleanup liability	-	2,531	-
Accrued cleanup liability	-	1,024	-
Accrued claims liability	-	-	-
Deferred credit - future water rights	3,945	-	-
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)	36,580	45,843	2,466
Certificates of participation	-	-	-
Lease purchase revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	526	509	25
Retiree health care benefit	57	44	15
Total non-current liabilities	<u>41,108</u>	<u>49,951</u>	<u>2,506</u>
Total liabilities	<u>46,493</u>	<u>53,325</u>	<u>3,492</u>
Net assets:			
Invested in capital assets, net of related debt	158,247	43,554	67,833
Restricted for:			
Voter Limitation	-	-	-
Capital projects	100	-	-
Unrestricted	30,158	18,884	11,435
Total net assets	<u>\$ 188,505</u>	<u>\$ 62,438</u>	<u>\$ 79,268</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Other Enterprise Fund University Hill Commercial District	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 19	\$ 4	\$ 1,243	\$ 1,037
-	-	-	469	139
-	74	12	747	146
289	225	-	830	61
-	-	-	-	871
-	-	-	-	-
-	-	-	-	-
-	12	1	378	-
-	1,723	27	1,750	-
-	-	-	-	25
-	1,345	-	1,345	-
-	-	-	6,540	-
545	-	-	545	-
4,070	-	-	4,070	-
-	-	-	-	194
-	-	-	174	-
<u>4,904</u>	<u>3,398</u>	<u>44</u>	<u>18,091</u>	<u>2,473</u>
-	-	-	-	-
-	-	-	2,531	-
-	-	-	1,024	-
-	-	-	-	1,089
-	-	-	3,945	-
-	-	-	-	-
-	15,408	-	15,408	-
-	-	-	84,889	-
575	-	-	575	-
6,739	-	-	6,739	-
-	-	-	-	7,763
-	106	18	1,184	167
-	26	3	145	18
<u>7,314</u>	<u>15,540</u>	<u>21</u>	<u>116,440</u>	<u>9,037</u>
<u>12,218</u>	<u>18,938</u>	<u>65</u>	<u>134,531</u>	<u>11,510</u>
25,857	14,578	722	310,791	47,919
-	144	5	149	-
-	-	-	100	-
<u>839</u>	<u>2,015</u>	<u>658</u>	<u>63,989</u>	<u>41,827</u>
<u>\$ 26,696</u>	<u>\$ 16,737</u>	<u>\$ 1,385</u>	375,029	<u>\$ 89,746</u>

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

1,558  
\$ 376,587

CITY OF BOULDER, COLORADO

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

Proprietary Funds

Year ended December 31, 2010

(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	\$ 21,594	\$ 12,655	\$ 5,038
Leases, rents and royalties	-	-	-
Total operating revenues	<u>21,594</u>	<u>12,655</u>	<u>5,038</u>
Operating expenses:			
Personnel	6,082	4,090	1,509
Non-personnel	4,982	3,233	1,637
Depreciation and amortization	<u>5,025</u>	<u>3,140</u>	<u>1,059</u>
Total operating expenses	<u>16,089</u>	<u>10,463</u>	<u>4,205</u>
Operating income (loss)	<u>5,505</u>	<u>2,192</u>	<u>833</u>
Nonoperating revenues (expenses):			
Interest and investment earnings	564	410	169
Leases, rents and royalties	39	34	41
Intergovernmental revenue	-	37	132
Sales and use tax	-	-	-
General property taxes	-	-	-
Accommodations taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(2,004)	(1,681)	(111)
Contribution expense - future water rights	(1,870)	-	-
Gain (loss) on sale of capital assets	(34)	(87)	(8)
Other, net	<u>11</u>	<u>26</u>	<u>26</u>
Total nonoperating revenues (expenses)	<u>(3,294)</u>	<u>(1,261)</u>	<u>249</u>
Income (loss) before capital contributions and transfers	2,211	931	1,082
Capital contributions	2,570	1,113	1,926
Extraordinary item	-	(1,024)	-
Transfers in	167	59	91
Transfers out	<u>(1,323)</u>	<u>(992)</u>	<u>(325)</u>
Changes in net assets	3,625	87	2,774
Total net assets, beginning of year	<u>184,880</u>	<u>62,351</u>	<u>76,494</u>
Total net assets, end of year	<u>\$ 188,505</u>	<u>\$ 62,438</u>	<u>\$ 79,268</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Other <u>Enterprise Fund</u> University Hill Commercial District	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ -	\$ 3,762	\$ 240	\$ 43,289	\$ 14,914
<u>3,448</u>	<u>-</u>	<u>-</u>	<u>3,448</u>	<u>-</u>
<u>3,448</u>	<u>3,762</u>	<u>240</u>	<u>46,737</u>	<u>14,914</u>
-	1,419	246	13,346	2,436
-	3,227	194	13,273	5,998
<u>143</u>	<u>1,537</u>	<u>36</u>	<u>10,940</u>	<u>6,546</u>
<u>143</u>	<u>6,183</u>	<u>476</u>	<u>37,559</u>	<u>14,980</u>
<u>3,305</u>	<u>(2,421)</u>	<u>(236)</u>	<u>9,178</u>	<u>(66)</u>
43	29	11	1,226	564
-	160	-	274	20
-	-	-	169	111
-	87	-	87	-
-	1,678	26	1,704	-
-	635	-	635	-
-	50	1	51	-
(717)	(557)	-	(5,070)	(61)
-	-	-	(1,870)	-
-	-	-	(129)	(60)
-	23	1	87	122
<u>(674)</u>	<u>2,105</u>	<u>39</u>	<u>(2,836)</u>	<u>696</u>
2,631	(316)	(197)	6,342	630
-	-	-	5,609	396
-	-	-	(1,024)	-
-	1,752	271	2,340	-
<u>(6,498)</u>	<u>(1,513)</u>	<u>(44)</u>	<u>(10,695)</u>	<u>(6,342)</u>
(3,867)	(77)	30	2,572	(5,316)
<u>30,563</u>	<u>16,814</u>	<u>1,355</u>		<u>95,062</u>
\$ <u>26,696</u>	\$ <u>16,737</u>	\$ <u>1,385</u>		\$ <u>89,746</u>

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

273

Change in net assets of business-type activities

\$ 2,845

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2010

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ 21,384	\$ 12,548	\$ 5,064
Receipts from interfund services provided	-	-	-
Other receipts (payments)	25	20	26
Payments to suppliers	(4,147)	(2,095)	(1,365)
Payments to employees	(6,065)	(4,180)	(1,516)
Payment for interfund services used	<u>(1,118)</u>	<u>(802)</u>	<u>(195)</u>
Net cash provided (used) by operating activities	<u>10,079</u>	<u>5,491</u>	<u>2,014</u>
Cash flows from noncapital financing activities:			
Payments from (to) other funds on advances	47	-	-
Leases, rents and royalties	39	34	41
Intergovernmental revenue	-	37	132
Transfers in	-	-	-
Transfers out	<u>(1,323)</u>	<u>(992)</u>	<u>(325)</u>
Net cash provided (used) by noncapital financing activities	<u>(1,237)</u>	<u>(921)</u>	<u>(152)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(8,578)	(3,024)	(2,586)
Proceeds from sale or transfer of property and equipment	-	-	-
Contractual payment - future water rights	(2,433)	-	-
Proceeds on long-term bonds issued	-	10,211	3,250
Payment to refunded bond escrow agent	-	-	(4,124)
Cost of issuance paid	-	(139)	(87)
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,410)	(1,925)	(420)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,876)	(1,841)	(140)
Payment received on note receivable due from County for sale of land	-	-	-
Proceeds from insurance claims	-	-	-
Capital contributions	<u>1,869</u>	<u>439</u>	<u>2,056</u>
Net cash provided (used) for capital related financing activities	<u>(15,428)</u>	<u>3,721</u>	<u>(2,051)</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Other Enterprise Fund University Hill Commercial District	Total	Governmental Activities Internal Service Funds
\$ 3,518	\$ 3,762	\$ 240	\$ 46,516	\$ 245
-	-	-	-	14,647
-	17	-	88	104
-	(3,020)	(149)	(10,776)	(5,916)
-	(1,392)	(242)	(13,395)	(2,467)
-	(212)	(44)	(2,371)	-
<u>3,518</u>	<u>(845)</u>	<u>(195)</u>	<u>20,062</u>	<u>6,613</u>
-	-	-	47	57
-	160	-	274	20
-	2,450	27	2,646	80
-	1,725	256	1,981	396
<u>(161)</u>	<u>(1,513)</u>	<u>(44)</u>	<u>(4,358)</u>	<u>(6,237)</u>
<u>(161)</u>	<u>2,822</u>	<u>239</u>	<u>590</u>	<u>(5,684)</u>
-	(115)	-	(14,303)	(7,021)
-	-	-	-	5,355
-	-	-	(2,433)	-
-	-	-	13,461	-
-	-	-	(4,124)	-
-	-	-	(226)	-
(2,730)	(1,255)	-	(10,740)	811
(787)	(700)	-	(5,344)	(59)
160	-	-	160	-
-	-	-	-	18
-	-	-	4,364	-
<u>(3,357)</u>	<u>(2,070)</u>	<u>-</u>	<u>(19,185)</u>	<u>(896)</u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2010

(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	\$ (31,029)	\$ (20,042)	\$ (10,143)
Proceeds from sale and maturities of investment securities	36,504	11,602	10,080
Interest on investments	<u>1,106</u>	<u>388</u>	<u>290</u>
Net cash provided (used) in investing activities	<u>6,581</u>	<u>(8,052)</u>	<u>227</u>
Net increase in cash and cash equivalents	(5)	239	38
Cash and cash equivalents, January 1	<u>619</u>	<u>180</u>	<u>176</u>
Cash and cash equivalents, December 31	\$ <u><u>614</u></u>	\$ <u><u>419</u></u>	\$ <u><u>214</u></u>
Reconciliation of cash and cash equivalents to balance sheet amounts:			
Equity in pooled cash and cash equivalents	\$ <u>614</u>	\$ <u>419</u>	\$ <u>214</u>
	\$ <u><u>614</u></u>	\$ <u><u>419</u></u>	\$ <u><u>214</u></u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property <u>Authority</u>	Downtown Commercial <u>District</u>	Other <u>Enterprise Fund</u> University Hill Commercial <u>District</u>	<u>Total</u>	Governmental <u>Activities</u> Internal Service <u>Funds</u>
\$ -	\$ (2,260)	\$ (588)	\$ (64,062)	\$ -
-	2,302	531	61,019	-
<u>-</u>	<u>57</u>	<u>17</u>	<u>1,858</u>	<u>29,953</u>
-	99	(40)	(1,185)	29,953
<u>-</u>	<u>6</u>	<u>4</u>	<u>282</u>	<u>29,986</u>
-	40	10	1,025	-
<u>-</u>	<u>46</u>	<u>14</u>	<u>1,307</u>	<u>29,986</u>
\$ -	\$ 46	\$ 13	\$ 1,306	\$ -
<u>-</u>	<u>46</u>	<u>13</u>	<u>1,306</u>	<u>-</u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continued

Proprietary Funds

Year ended December 31, 2010

(Amounts in 000's)

	Water Utility <u>Fund</u>	Wastewater Utility <u>Fund</u>	Stormwater and Flood Management <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 5,505	\$ 2,192	\$ 833
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of deferred charges	5,025	3,140	1,059
Other nonoperating revenues (expenses)	12	26	26
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(130)	(75)	(1)
Charges for services receivable	(80)	(32)	27
Due from other funds	-	-	-
Inventory of materials and supplies	5	-	(1)
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(288)	336	78
Accrued salaries, wages and amounts withheld from employees	32	(50)	3
Accrued claims liability	-	-	-
Other liabilities	13	-	-
Deferred revenue	-	-	-
Compensated absences	(30)	(51)	(14)
Retiree health care benefit	15	11	4
Rebatable arbitrage payable	-	(6)	-
Total adjustments	<u>4,574</u>	<u>3,299</u>	<u>1,181</u>
Net cash provided (used) by operating activities	\$ <u>10,079</u>	\$ <u>5,491</u>	\$ <u>2,014</u>
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From internal service funds	167	59	91
Other	677	674	677
Financed through accounts, contracts and retainage payable	(45)	28	(364)
Assets transferred to other funds	(83)	-	-
Increase (Decrease) in fair value of investments	<u>(510)</u>	<u>(329)</u>	<u>(167)</u>
	\$ <u>206</u>	\$ <u>432</u>	\$ <u>237</u>

The accompanying notes are an integral part of this statement.

Boulder Municipal Property Authority	Downtown Commercial District	Other Enterprise Fund University Hill Commercial District	Total	Governmental Activities Internal Service Funds
\$ <u>3,305</u>	\$ <u>(2,421)</u>	\$ <u>(236)</u>	\$ <u>9,178</u>	\$ <u>-</u>
143	1,537	36	10,940	-
-	23	1	88	6,546
-	-	-	(206)	-
-	-	-	(85)	-
70	-	-	70	-
-	-	-	4	-
-	(5)	1	122	-
-	10	1	(4)	-
-	-	-	-	(52)
-	(6)	(1)	6	-
-	-	-	-	(45)
-	10	2	(83)	-
-	7	1	38	10
-	-	-	(6)	-
<u>213</u>	<u>1,576</u>	<u>41</u>	<u>10,884</u>	<u>6,459</u>
\$ <u>3,518</u>	\$ <u>(845)</u>	\$ <u>(195)</u>	\$ <u>20,062</u>	\$ <u>6,459</u>
-	27	16	360	-
-	-	-	2,028	-
-	(94)	-	(475)	-
(6,337)	-	-	(6,420)	-
<u>-</u>	<u>(37)</u>	<u>(10)</u>	<u>(1,053)</u>	<u>-</u>
\$ <u>(6,337)</u>	\$ <u>(104)</u>	\$ <u>6</u>	\$ <u>(5,560)</u>	\$ <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, 2010

(Amounts in 000's)

Assets:

Equity in pooled cash and cash equivalents	\$ 8
Investments:	
U.S. Treasuries	206
U.S. Agencies & Instrumentalities	993
Mutual Funds	22,921
Equity Securities	3,453
Local Government Investment Pools	36
Money Market Funds	72
Real Estate Investment Trust	402
Corporate Bonds	223
Other	-
Receivables:	
Accrued interest	9
Total assets	<u>28,323</u>

Liabilities:

Accounts and accrued liabilities:	
Vouchers and accounts payable	2
Accrued pensions payable	145
Due to other funds	-
Deferred revenue	-
Total liabilities	<u>147</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>28,176</u>
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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, 2010

(Amounts in 000's)

Additions:	
Pension contributions:	
City of Boulder	\$ 9,859
Employees	<u>27</u>
Total contributions	<u>9,886</u>
Investment earnings (loss)	2,217
Less investment expense	<u>(66)</u>
Net investment income (loss)	<u>2,151</u>
Total additions	<u>12,037</u>
Deductions:	
Benefits	2,505
Administrative	<u>30</u>
Total deductions	<u>2,535</u>
Net increase	9,502
Net assets held in trust for pension benefits:	
Beginning of year	<u>18,674</u>
End of year	<u><u>\$ 28,176</u></u>

The accompanying notes are an integral part of this statement.

## 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, 2010

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, 2010

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. 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

**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 primary government and its 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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 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, 2010

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 & Poors 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, 2010

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, 2010

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 2010 totaled \$135,776.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 to land other than buildings	20 years
Infrastructure	20-75 years
Utility plant in service	30-40 years
Undergrounds	30-75 years
Machinery and equipment	3-20 years
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, 2010

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 Equity

In the *fund financial statements*, governmental funds report *reservations* of fund balance for amounts that are legally restricted by outside parties for specific purposes and for amounts that are not available for appropriation. *Designations* result from management's plans regarding future use. Proprietary funds report *restrictions* of net assets for those amounts that are legally restricted by outside parties for a specific purpose.

*Reserves* – Governmental fund reserves have been established to liquidate existing contracts and purchase orders, fund capital projects in future fiscal periods, and for gifts and memorials and other restricted purposes. Included in General Fund reserves are moneys collected under the Colorado Contraband Forfeiture Act. These funds will be used for the specific purpose of law enforcement activities.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Fund Equity

*Designations* – Designations set aside portions of unreserved fund balances as determined by management and represent tentative plans for future use of financial resources. City management has determined the following designation of unreserved fund balances:

*Special Purposes* – The city has designated education excise tax revenues in the General Fund to promote the development of public educational facilities and services. The General Fund has also designated monies for economic vitality programs. Additional designations, including funds to cover liquidations of compensated absences, have been set aside in the Special Revenue and Capital Project Funds.

In the *government-wide financial statements*, applicable net assets are categorized as *restricted* rather than as reserved. 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).

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, 2010 totaled \$7,008,200, consisting of \$3,068,830 for the Water Utility Fund, \$840,389 for the Wastewater Utility Fund, \$324,984 for the Stormwater and Flood Management Fund, \$347,467 for the Downtown Commercial District Fund, and \$2,426,530 for other governmental funds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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

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

The government fund balance sheet 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	\$ 241,653	\$ 101	\$ 241,754
Buildings	19,768	70,840	90,608
Improvements other than buildings	40,075	8,411	48,486
Infrastructure	361,659	0	361,659
Machinery and equipment	2,775	32,695	35,470
Construction in progress	<u>36,228</u>	<u>3,992</u>	<u>40,220</u>
Total capital assets	702,158	116,039	818,197
Less accumulated depreciation	<u>292,593</u>	<u>60,164</u>	<u>352,757</u>
Capital assets, net	<u>\$ 409,565</u>	<u>\$ 55,875</u>	<u>\$ 465,440</u>

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

General obligation bonds	\$ 49,683
Taxable obligation bonds	9,201
Revenue bonds	5,350
Capital lease	7,764
Compensated absences	10,574
Loans Payable	500
Retiree health care benefits payable	<u>955</u>
Total governmental activities long-term liabilities	84,027
Plus: interest payable	704
amortization of loss on refunding	12
accrued liability for clean up costs	1,535
Less: internal service fund long-term liabilities	<u>(7,948)</u>
Governmental fund long-term liabilities	<u>\$ 78,330</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that “debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of the \$173 increase are as follow (amounts in 000’s):

Debt issued and additions:	
Issuance of pension obligation bonds	\$ (9,070)
Issuance of capital leases	(7,957)
Premiums received on new issuances	(133)
Increase in compensated absences	(1,156)
Increase in retiree health care benefit	<u>(254)</u>
Total debt issued or incurred	<u>(18,570)</u>
Principal repayments and reductions:	
Repayments	9,895
Amortization of debt premium	314
Amortization of deferred loss on bond refundings	<u>(215)</u>
Bond payments	9,994
Arbitrage liability payments	158
Compensated absences	<u>481</u>
Total repayments and reductions	<u>10,633</u>
Net change in governmental activities long-term liabilities	(7,937)
Other long-term liabilities:	
Clean-up costs Valmont Butte	(1,535)
Deferral of cost of issuance of 2010 debt	191
Amortization of cost of issuance	<u>(120)</u>
Total change in governmental activities long-term liabilities	(9,401)
Less: change in accrued interest payable	67
Less: change in internal service fund long-term liabilities	<u>7,972</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>(1,362)</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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) \$381,463 increase to the General Fund budget for the encumbrance carryover from 2009 for purchases that were ordered but not received before year end;
- 2) \$1,799,718 increase in the General Fund due to capital carryover from 2009. These are projects that were started prior to year end of 2009 with expenditures in 2010;
- 3) \$987,318 increase in the General Fund due to grant carryover from 2009 and new grant programs. This is money that is restricted to the purpose of the grant and cannot be used for anything else;
- 4) \$4,393,469 increase in the General Fund due to projects that are in progress and the funding was established in the prior year or for a large upcoming project that will take more funding than a single year will allow. These include the Boulder Community Media, Education Access Funding, Renewable Energy Program, Boulder Mobile Manor, Economic Vitality programs, and several smaller projects;
- 5) \$163,718 increase in the General Fund from additional revenue received from grants from various outside agencies;
- 6) \$2,676,476 increase in the Affordable Housing Fund from capital carryover from 2009. These are projects that were started prior to year end of 2009 with expenditures in 2010;
- 7) \$4,500,000 increase in the Affordable Housing Fund from additional revenue received from housing developers as cash received in lieu of providing affordable housing in their project.
- 8) \$5,444,780 increase to the Transportation Fund budget for the encumbrance carryover from 2009 for purchases that were ordered but not received before year end;
- 9) \$7,636,758 increase in the Transportation Fund due to capital carryover from 2009. These are projects that were started prior to year end of 2009 with expenditures in 2010;
- 10) \$7,960,000 increase in the Facility Renovation and Replacement Fund from additional revenue received through a capital lease purchase through our Energy Savings Performance Contract (ESPC), Phases I and II.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010

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.

At December 31, 2010, the city believes it was in compliance with TABOR. (See Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE E - DEPOSITS AND INVESTMENTS

At December 31, 2010, the city had the following in cash and investments (in 000's):

Cash and Deposits	\$3,354
Investments	<u>222,967</u>
Total	\$ <u>226,321</u>

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

<i>Citywide Investments</i>	
Equity in pooled cash and cash equivalents	\$ 3,345
Investments	177,895
Restricted investments	<u>16,767</u>
	<u>198,007</u>
<i>Fiduciary Fund Investments</i>	
Equity in pooled cash and cash equivalents	9
Investments	<u>28,305</u>
Total	\$ <u>226,321</u>

**Deposits**

*Custodial Credit Risk – deposits.* For deposits, this is the risk that in the event of a bank failure, the city's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2010, 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, 2010

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2010, the carrying amount of the city's deposits was \$3,326,521 and the bank balance was \$4,422,817. 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, 2010, all of the city's deposits are fully insured by FDIC.

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

As of December 31, 2010, the city had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value (000's)</u>
Local Government	
Investment Pools	\$ 13,979
Money Market Mutual Funds	7,148
US Treasuries	9,141
US Instrumentalities	<u>164,394</u>
Total	\$ <u>194,662</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 & Pooors or Aa2 by Moody's.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

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

As of December 31, 2010, the city held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings	
		Standard & Poors	Moody's
US Instrumentalities			
FHLB	67,090	AAA	Aaa
FNMA	26,706	AAA	Aaa
FFCB	40,845	AAA	Aaa
FHLMC	29,753	AAA	Aaa
Local Government Investment Pools			
Colostrust	13,979	AAAm	Aaa
Money Market Mutual Funds			
Duetsche Bank	7,148	AAAm	Aaa

*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, 2010, the weighted average maturity of the city's pooled investment portfolio was 1.74 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
US Treasuries	\$ 9,141	1.14
FHLB	67,090	1.91
FNMA	26,706	2.19
FFCB	40,845	1.95
FHLMC	29,753	1.67
Local Government Investment Pools	13,979	.003
Money Market Mutual Funds	7,148	.003
Total Fair Value	\$ <u>194,662</u>	
Portfolio weighted average maturity		<u>1.68</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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.

On December 31, 2010, the city 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.

On December 31, 2010, the city had \$7,147,772 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, 2010

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, 2010:

<u>Issuer</u>	<u>Fair Market Value (in 000’s)</u>	<u>Percentage of Total Portfolio</u>
Federal Home Loan Bank	\$ 67,090	34%
Federal Farm Credit Bureau	40,845	21%
Federal National Mortgage Association	26,706	14%
Federal Home Loan Mortgage Corporation	29,753	15%

**Investments – Fiduciary Funds**

As of December 31, 2010, 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	\$ 36	\$ 36	\$ -	\$ -	\$ -	\$ -
US Treasuries	206	13	5	188	-	-
US Instrumentalities and Agencies	993	380	325	151	56	81
Corporate Bonds	<u>223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>	<u>-</u>
<b>Subtotal</b>	<u>1,458</u>	<u>\$ 429</u>	<u>\$ 330</u>	<u>\$ 339</u>	<u>\$ 279</u>	<u>\$ 81</u>
Money Market Funds	72					
Mutual Funds	22,921					
Equities	3,453					
Real Estate Investment Trust	<u>402</u>					
<b>Total</b>	<u>\$ 28,306</u>					

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 revised on June 11, 2008 and adopted on August 18, 2008 has specific guidelines regarding purchases in the equities portfolio. For the fixed income portfolio, it requires that at least 90% of the securities must have a rating of no less than “BBB” by Moody’s, Standard and Poors or Fitch and no more than 30% of the portfolio’s market value shall be rated less than “A”, unless the manager has specific written authorization. The “Old Hire” Fire Pension Fund investment policy was revised on September 26, 2008, and formally adopted on November 17, 2008. This policy has specific guidelines regarding purchases of equities for the portfolio. The pension policies were not updated in 2010.

At December 31, 2010 the pension plans held investments with credit ratings as follows:

Issuer	Fair Value (000’s)	Ratings	
		Standard & Poors	Moody’s
Local Government			
Investment Pools	\$ 36	AAAm	Aaa
US Instrumentalities	993	AAA	Aaa
Corporate Bonds	223	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 portfolio shall have between 15 – 85 percent in equities. The policy also states that equity holdings in any one company should not exceed more than 10% of the market 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, 2010, 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, 2010

NOTE E - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments – Fiduciary Funds (continued)**

In the revised investment policy, which was adopted on August 18, 2008, the “Old Hire” Police Pension Fund has also specified risk tolerance not to exceed a 8.6 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 Balanced	44%	47%	50%
Domestic Large Cap Core	7%	10%	13%
Domestic Small Cap Core	1%	4%	7%
International Equity	11%	14%	17%
Real Estate	2%	5%	8%
Commodity Futures	2%	5%	8%
Global Fixed Income	2%	5%	8%
Hedge Funds	7%	10%	13%

The “Old Hire” Fire Pension Plan has specified a risk tolerance not to exceed a 8 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	20%	23%	26%
Domestic Small/Mid Cap	8%	11%	14%
High Yield	3%	6%	9%
International Equity	10%	13%	16%
Domestic Fixed Income	27%	30%	33%
Global Fixed Income	2%	5%	8%
Commodities	0%	3%	6%
Floating Rate Corp. Loans	3%	6%	9%
REITs	0%	3%	6%

At December 31, 2010 the asset class allocations were within the maximum limits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 1.5 in 2010. The "Old Hire" Police pension portfolio increased in value by 12.46% while the targeted rate of return was 6.50%. The Fire Pension Fund investment policy specifies a targeted rate of return of 7.50%. The "Old Hire" Fire pension portfolio increased in value by 12.08%. 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. These funds were not invested long enough to determine an accurate return at December 31, 2010.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 2010 for collection in 2011 of \$22,964,109 in the General Fund, \$2,557,759 in the Special Revenue Funds, \$2,025,190 in the Capital Projects Funds and \$1,749,871 in the Enterprise Funds, are included in receivables and deferred revenue at December 31, 2010. These taxes are classified as deferred revenues since they are not normally available to the city until mid-2011 and are budgeted for in 2011.

NOTE G – NOTES RECEIVABLE

The December 31, 2010 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	\$ -	\$ -	\$ 11	\$ 806
City Manager Office		40		
HHS Construction Loan	-	2,040	-	-
Special assessments	-	-	25	-
	\$ <u>-</u>	\$ <u>2,080</u>	\$ <u>36</u>	\$ <u>806</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010, no allowance for doubtful accounts was recognized.

The December 31, 2010, 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	\$ 6,254	\$ 419	\$ 6,673
Charges for services	0	1,746	1,746
Accrued interest	700	457	1,157
Interest on long-term note receivable	119	22	141
Intergovernmental	3,442	63	3,505
Other	<u>97</u>	<u>0</u>	<u>97</u>
	\$ <u>10,612</u>	\$ <u>2,707</u>	\$ <u>13,319</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE I - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010, 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	\$ 234,736	\$ 8,622	\$ (1,604)	\$ 241,754
Construction in progress	<u>24,009</u>	<u>22,977</u>	<u>(6,766)</u>	<u>40,220</u>
Total capital assets, not being depreciated	<u>258,745</u>	<u>31,599</u>	<u>(8,370)</u>	<u>281,974</u>
Capital assets being depreciated:				
Buildings	82,264	8,450	(106)	90,608
Improvements other than buildings	45,258	4,504	(1,276)	48,486
Infrastructure	360,878	1,631	(850)	361,659
Machinery and equipment	<u>36,304</u>	<u>3,634</u>	<u>(4,468)</u>	<u>35,470</u>
Total capital assets, being depreciated	<u>524,704</u>	<u>18,219</u>	<u>(6,700)</u>	<u>536,223</u>
Less accumulated depreciation for:				
Buildings	40,169	3,759	(6)	43,922
Improvements other than buildings	17,433	2,001	(64)	19,370
Infrastructure	262,477	6,851	(32)	269,296
Machinery and equipment	<u>20,917</u>	<u>3,130</u>	<u>(3,878)</u>	<u>20,169</u>
Total accumulated depreciation	<u>340,996</u>	<u>15,741</u>	<u>(3,980)</u>	<u>352,757</u>
Total capital assets, being depreciated, net	<u>183,708</u>	<u>2,478</u>	<u>(2,720)</u>	<u>183,466</u>
Governmental Activities capital assets, net	<u>\$ 442,453</u>	<u>\$ 34,077</u>	<u>\$ (11,090)</u>	<u>\$ 465,440</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE I - CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and easements	\$ 80,192	\$ 664	\$ (6337)	\$ 74,519
Construction in progress	<u>14,165</u>	<u>2,999</u>	<u>(13,120)</u>	<u>4,044</u>
Total capital assets, not being depreciated	<u>94,357</u>	<u>3,663</u>	<u>(19,457)</u>	<u>78,563</u>
Capital assets being depreciated:				
Buildings	48,655	190	-	48,845
Improvements other than buildings	6,682	7	-	6,689
Utility plant in service and undergrounds	425,871	24,072	-	449,943
Machinery and equipment	<u>11,016</u>	<u>1,538</u>	<u>(1,453)</u>	<u>11,101</u>
Total capital assets, being depreciated	<u>492,224</u>	<u>25,807</u>	<u>(1,453)</u>	<u>516,578</u>
Less accumulated depreciation for:				
Buildings	16,327	1,427	-	17,754
Improvements other than buildings	2,426	310	-	2,736
Utility plant in service and undergrounds	135,231	8,257	-	143,488
Machinery and equipment	<u>5,329</u>	<u>835</u>	<u>-</u>	<u>4,841</u>
Total accumulated depreciation	<u>159,313</u>	<u>10,829</u>	<u>(1,323)</u>	<u>168,819</u>
Total capital assets, being depreciated, net	<u>332,911</u>	<u>14,978</u>	<u>( 130)</u>	<u>347,759</u>
Business-type Activities capital assets, net	<u>\$ 427,268</u>	<u>\$ 18,641</u>	<u>\$ (19,587)</u>	<u>\$ 426,322</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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	\$ 69
Administrative Services	542
Public Safety	85
Public Works	13,192
Culture and Recreation	1,530
Open Space and Mountain Parks	258
Housing & Human Services	<u>65</u>
Total depreciation expense – Governmental Activities	\$ <u>15,741</u>

Business-type Activities:

Water Utility	\$ 4,988
Wastewater Utility	3,123
Stormwater and Flood Management	1,049
Parking facilities and services	1,526
Property and facility acquisition	<u>143</u>
Total depreciation expense – Business-type Activities	\$ <u>10,829</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 \$250,000 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 \$3,000,000 per liability with an annual aggregate policy limit of \$6,000,000, 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 2011 and will address claims as of December 31, 2010.

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, 2009 and 2010, were as follows (amounts in 000's):

	<u>2009</u>	<u>2010</u>
Estimated claims payable January 1	\$ 772	\$ 920
Current year claims and changes in estimates	249	505
Claim payments	<u>(101)</u>	<u>(403)</u>
Estimated claims payable December 31	\$ <u>920</u>	\$ <u>1,022</u>
Claims payable due within one year	\$ <u>100</u>	\$ <u>176</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 2011 and will address claims as of December 31, 2010.

Changes in the estimated claims payable for the Workers Compensation Insurance Fund during the years ended December 31, 2009 and 2010, was as follows (amounts in 000's):

	<u>2009</u>	<u>2010</u>
Estimated claims payable January 1	\$ 727	\$ 781
Current year claims and changes in estimates	849	982
Claim payments	<u>(795)</u>	<u>(825)</u>
Estimated claims payable December 31	\$ <u>781</u>	\$ <u>938</u>
Claims payable due within one year	\$ <u>660</u>	\$ <u>695</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE K – ACCRUED LIABILITIES

The December 31, 2010, 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	\$ 5,003	\$ 746	\$ 5,749
Accrued interest	704	830	1,534
Accrued liability – landfill cleanup	-	2,531	2,531
Accrued liability – cleanup costs	<u>1,535</u>	<u>1,024</u>	<u>2,559</u>
	<u>\$ 7,242</u>	<u>\$ 5,131</u>	<u>\$ 12,373</u>

NOTE L - PROPERTY TAX OVERCOLLECTION LIABILITY

The 2009 mill levy for the city of Boulder for taxes collected in 2010, resulted in an excess of the Amendment One allowable property tax revenues by \$16,011. 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 fund:

<u>Fund</u>	<u>Net Overcollection</u>
General Fund	\$ 11,226
Library Fund	177
Permanent Parks and Recreation Fund	1,883
CHAP Fund	2,725

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010

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 off the accrued liability will be collected through user rate charges. The December 31, 2010, 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, 2010

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:

2011	1,652,539
2012	1,653,910
2013	1,653,835
2014	1,653,250
2015	1,655,004
and 2016 through 2017	3,398,083

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, 2010, deferred credit balance was \$3,944,718.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE O - LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2010 (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	\$ 58,410	\$ -	\$ (8,727)	\$ 49,683	\$ 7,895
Taxable obligation bonds	-	9,203	(3)	9,201	310
Revenue bonds	<u>6,614</u>	<u>-</u>	<u>(1,264)</u>	<u>5,350</u>	<u>1,260</u>
Total bonds payable	65,024	9,203	(9,994)	64,234	9,465
Loans payable	500	-	-	500	250
Capital Lease Purchase Agreements	-	7,957	-	7,957	194
Compensated absences	9,899	1,156	(481)	10,574	706
Estimated claims payable (Note J)	1,701	1,393	(1,133)	1,961	871
Retiree health care benefit	701	254	-	955	-
Rebatable arbitrage payable	<u>158</u>	<u>-</u>	<u>(158)</u>	<u>-</u>	<u>-</u>
Governmental activity long-term debt	\$ <u>77,983</u>	\$ <u>19,963</u>	\$ <u>(11,766)</u>	\$ <u>86,181</u>	\$ <u>11,486</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	\$ 18,071	\$ -	\$ (1,318)	\$ 16,753	\$ 1,345
Revenue bonds	<u>88,780</u>	<u>13,422</u>	<u>(10,773)</u>	<u>91,429</u>	<u>6,540</u>
Total bonds payable	106,851	13,422	(12,091)	108,182	7,885
Certificates of participation	1,635	-	(515)	1,120	545
Lease purchase revenue notes	13,024	-	(2,215)	10,809	4,069
Compensated absences	1,441	78	(161)	1,358	174
Retiree health care benefit	107	39	-	146	-
Rebatable arbitrage payable	<u>6</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>
Business-type activities long-term debt	\$ <u>123,064</u>	\$ <u>13,539</u>	\$ <u>(14,988)</u>	\$ <u>121,615</u>	\$ <u>12,673</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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 Y for pledged revenue information.

General obligation bonds outstanding at December 31, 2010, 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%	\$ 20,730	\$ 26,115
Governmental activities – refunding	2.50 – 4.30	28,860	45,050
Business-type activities	3.00 – 4.20	9,425	12,500
Business-type activities – refunding	3.00 - 4.00	<u>7,025</u>	<u>7,730</u>
		<u>\$ 66,040</u>	<u>\$ 91,395</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 to Maturity</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$ 7,895	\$ 1,827	\$ 1,345	\$ 596	\$ 11,663
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
2016-2020	13,610	1,918	6,600	1,234	23,362
2021-2025	1,610	502	2,640	222	4,974
2026-2030	1,530	156	-	-	1,686
Total liability	49,590	9,211	16,450	4,010	79,261
Plus bond premium	754	-	352	-	1,106
Less refunding bond charges	<u>(661)</u>	<u>-</u>	<u>(49)</u>	<u>-</u>	<u>(710)</u>
Net liability	<u>\$ 49,683</u>	<u>\$ 9,211</u>	<u>\$ 16,753</u>	<u>\$ 4,010</u>	<u>\$ 79,657</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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.

**2010 Bond Issuance**

On October 26, 2010, the city sold \$9,070,000 of its Taxable Pension Obligation Bonds Series 2010, maturing on October 1, 2030. The bonds were purchased by Robert W. Baird & Co., Inc., at a net effective interest rate of 4.29 percent. The closing on the bonds occurred on October 26, 2010. The bonds were issued for the purpose of funding ongoing required pension obligations for retired fire and police officers. The Series 2010 Bonds maturing on and after October 1, 2021 shall be callable for redemption at the option of the City, in whole or in part, and if in part in such order of maturities as the City shall determine and by lot within a maturity on October 1, 2020 and on any date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

Taxable Pension obligation bonds outstanding at December 31, 2010, 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>\$9,070</u>	<u>\$9,070</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE O - LONG-TERM DEBT (CONTINUED)

Taxable Pension Obligation Bonds (continued)

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>	
2011	\$ 310	\$ 329	\$ 639
2012	340	348	688
2013	345	341	686
2014	355	334	689
2015	360	327	687
2016-2020	1,980	1,452	3,432
2021-2025	2,400	1,036	3,436
2026-2030	<u>2,980</u>	<u>452</u>	<u>3,432</u>
Total liability	9,070	4,619	13,689
Plus bond premium	<u>131</u>	<u>-</u>	<u>131</u>
Total liability	<u>\$ 9,201</u>	<u>\$ 4,619</u>	<u>\$ 13,820</u>

Revenue Bonds

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

**2010 Bond Issuance**

On September 7, 2010 the city sold \$9,980,000 of its Water and Sewer Bonds Series 2010. These bonds will mature on on December 1, 2030. The bonds were purchased by Wells Fargo Advisors at a net effective interest rate of 2.84%. The closing on the bonds was October 12, 2010. Bonds maturing on and after December 1, 2021 shall be callable for redemption at the option of the City, in whole or in part, and if in part in such order of maturities as the City shall determine and by lot within a maturity on December 1, 2020, and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE O - LONG-TERM DEBT (CONTINUED)

Revenue Bonds (continued)

**2010 Bond Refunding**

On June 8, 2010, the city issued \$3,165,000 in Storm Water and Flood Management Revenue Refunding Bonds with an average coupon rate of 2.71 percent to refund \$4,100,000 of outstanding 1998 Series Storm Water and Flood Management Revenue Refunding Bonds with an average coupon rate of 5.05 percent. Proceeds of \$3,249,842 plus prior debt service funds of 1,287,215, less \$87,417 in underwriting fees, other closing costs, and a \$324,984 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 1998 Series bonds. The 1998 Series bonds were called and fully retired on July 13, 2010. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$38,835. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective interest method. The city completed the current refunding to reduce its total debt services payments over the next eight and a half years by \$953,534 and to obtain a net present value benefit of \$868,627.

Revenue bonds outstanding at December 31, 2010, 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%	\$ 5,265	\$ 6,485
Business-type activities	2.00 – 5.00	65,685	84,055
Business-type activities – refunding	2.00 – 4.125	<u>25,520</u>	<u>38,110</u>
		\$ <u>96,470</u>	\$ <u>128,650</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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>	
2011	\$ 1,260	\$ 158	\$ 6,540	\$ 3,788	\$ 11,746
2012	1,295	120	6,790	3,545	11,750
2013	1,340	81	6,880	3,293	11,594
2014	1,370	41	7,145	3,034	11,590
2015	-	-	7,425	2,742	10,167
2016-2020	-	-	33,695	9,021	42,716
2021-2025	-	-	19,675	3,001	22,676
2026-2030	-	-	<u>3,055</u>	<u>305</u>	<u>3,360</u>
Total liability	5,265	400	91,205	28,729	125,599
Plus bond premium	108	-	998	-	1,106
Less refunding bond charges	<u>(23)</u>	-	<u>(774)</u>	-	<u>( 797)</u>
Total liability	\$ <u>5,350</u>	\$ <u>400</u>	\$ <u>91,429</u>	\$ <u>28,729</u>	\$ <u>125,908</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, 2010, 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	4.95 – 5.00%	\$ <u>1,120</u>	\$ <u>5,750</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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>	
2011	\$ 545	\$ 56	\$ 601
2012	<u>575</u>	<u>29</u>	<u>604</u>
Total liability	\$ <u>1,120</u>	\$ <u>85</u>	\$ <u>1,205</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, 2010, 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>10,809</u>	\$ <u>23,518</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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>	
2011	\$ 4,070	\$ 588	\$ 4,658
2012	1,426	352	1,778
2013	1,364	276	1,640
2014	1,340	203	1,543
2015	1,006	135	1,141
2016-2020	<u>1,603</u>	<u>142</u>	<u>1,745</u>
Total liability	\$ <u>10,809</u>	\$ <u>1,696</u>	\$ <u>12,505</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 retire paid to Boulder County on December 16, 2009. The remaining \$500,000 due will be paid in two \$250,000 increments on September 1, 2011 and 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, 2010

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 second 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, 2010 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>7,957</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>	
2011	\$ 194	\$ 312	\$ 506
2012	357	288	645
2013	393	273	666
2014	392	259	651
2015	415	243	658
2016-2020	2,598	945	3,543
2021-2025	3,432	360	3,792
2026	<u>176</u>	<u>2</u>	<u>178</u>
Total liability	\$ <u>7,957</u>	\$ <u>2,682</u>	\$ <u>10,639</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010 (amounts in 000's):

	<u>Governmental Activities</u>	<u>Business- type Activities</u>
Accrued vacation	\$ 6,650	\$ 721
Accrued sick pay	1,510	231
Accrued appreciation bonus	2,243	406
Accrued compensation time	<u>171</u>	<u>-</u>
	<u>\$ 10,574</u>	<u>\$ 1,358</u>

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that \$706,234 of governmental activities and \$174,013 of business-type activities liabilities will be paid in 2011. 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.

Rebatable Arbitrage

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, 2010. These calculations were made taking into consideration the Investment Instructions, the No Arbitrage Certificate and the relevant portions of the Trust Indenture for each of the bond issues. As of December 31, 2010 no liability was recognized in the Statement of Net Assets as a noncurrent liability for governmental activities. In the Proprietary Funds Statement of Net Assets, no liability was recognized as a noncurrent liability.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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, 2010, 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, 2010

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, 2010 is as follows (amounts in 000's):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	CDBG	\$ 19
	HOME	6
Boulder Municipal Property Authority	General	5
	Open Space and Mountain Parks	<u>284</u>
		\$ <u>314</u>

Some of the most significant interfund receivable/payable balances are amounts owed to the Boulder Municipal Property Authority for base rentals equal to accrued interest on debt at December 31, 2010. All balances will be repaid within one year.

**Advances to/from other funds**

The composition of interfund advances receivable and payable balances as of December 31, 2010, is as follows (amounts in 000's):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Permanent Parks Fund	Open Space Mountain Parks Fund	\$ 671
Water Utility Fund	General Fund	872
Property and Casualty Insurance Fund	General Fund	77
Fleet Fund	General Fund	<u>169</u>
		\$ <u>1,789</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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

The Open Space Mountain Parks Fund owes the Permanent Parks Fund \$671,334 at December 31, 2010 for funding the purchase of open space land from the Permanent Parks Fund in 2007. The advance agreement did not include interest and will be repaid with three annual payments beginning in 2009.

The General Fund owes the Water Utility Fund \$871,695 at December 31, 2010 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 \$77,565 at December 31, 2010 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 2010.

The General Fund owes the Fleet Fund \$168,802 at December 31, 2010 for funding assistance in the implementation of new parking technology in 2007. This advance will be repaid over 10 years with forty equal quarterly payments including 5% interest beginning in 2008.

**Interfund transactions**

There are various types of interfund transactions which occur between funds. The following information describes the city's material 2010 transfers (amounts in 000's).

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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount Transferred</u>
General	Major governmental funds:	
	Open Space and Mountain Parks	\$ 987
	Transportation	1,210
	Nonmajor governmental funds	2,584
	Enterprise funds:	
	Water Utility	1,133
	Wastewater Utility	802
	Stormwater and Flood Management	210
	Downtown Commercial District	1513
	University Hill Commercial District	44
	Internal service funds	<u>616</u>
		<u>\$ 9,099</u>

*Library Revenue Transfer* – The General Fund made quarterly payments totaling \$6,178 to the Library Fund to subsidize library operations.

*Parking Meter Revenue Transfer* – The General Fund made monthly payments to the Downtown Commercial District and University Hill Commercial District totaling \$1,752 and \$271, respectively, for meter revenues collected in the General Fund.

*Parks & Recreation Revenue Fund Transfer* – The General Fund made quarterly payments totaling \$1,617 to the Recreation Activity Fund to subsidize recreation activities.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

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

**Interfund transactions (Continued)**

*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	\$ 2,117
	Transportation	202
	Nonmajor governmental funds	22
	Enterprise funds:	
	Water Utility	189
	Wastewater Utility	189
	Stormwater and Flood Management	114

*Mountain Parks Transfer* – The General Fund made quarterly payments totaling \$912 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 \$641 annual payment of sales tax in excess of debt service to the General Fund in accordance with the bond sale ordinance.

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2010, Boulder Housing Partners received grant funding of \$1,492,935. 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 2010 totaling \$171,080.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE Q – RELATED PARTY TRANSACTIONS (CONTINUED)

During 2010, 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, 2010.

Downtown Boulder Business Improvement District (DBBID) is a separate related organization as explained in Note A1. During 2010, the city contracted with DBBID for Pearl Street Mall maintenance services in the amount of \$82,524.

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 purchase a home 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

At December 31, 2010, net assets of \$136,682 and \$4,590, respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

Net assets in the CHAP, .15 Cent Sales Tax, .25 Cent Sales Tax, Climate Action Plan Tax, Open Space and Mountain Parks, Transit Pass General Improvement District, and Transportation Special Revenue Funds, are restricted for special purposes by citizen vote. Net assets in the Library Special Revenue Fund are restricted for special purposes by city charter.

Net assets in the Airport Special Revenue Fund are restricted for airport operations by Federal grant requirements.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE S - RESTRICTED NET ASSETS (CONTINUED)

Net assets are restricted for capital projects in the Transportation Development Special Revenue Fund by citizen vote. Net assets in the Fire Training Center and Parks Acquisition Bond Capital Project Funds are restricted for capital projects by citizen vote. Net assets are restricted for capital projects in the Lottery Special Revenue Fund by State requirement and in the Permanent Parks and Recreation Capital Project Fund by city charter.

NOTE T – DESIGNATED FUND BALANCES

At December 31, 2010, governmental fund balances were *designated for special purposes* as follows (amounts in 000's):

Fund	Education Excise Tax	Under- grounding Cost Share	Economic Vitality	Comp. Absences	Renew- able Energy	Cyber Café	Library Renova- tion	Rebatable Arbitrage	Boulder Recycle Row	Total
Major governmental funds:										
General	\$ 4,323	\$ -	\$ -	\$ -	\$ 139	\$ 114	\$ 436	\$ -	\$ 219	\$ 5,231
Special Revenue Funds										
Open Space & Mountain Parks	-	-	-	356	-	-	-	158	-	514
Transportation	-	-	-	157	-	-	-	-	-	157
Total major funds	4,323	-	-	513	139	114	436	158	219	5,902
Other governmental funds:										
Special revenue funds:										
Transportation Development	-	113	-	-	-	-	-	-	-	113
Planning & Development Services	-	-	-	342	-	-	-	-	-	342
Affordable Housing	-	-	-	3	-	-	-	-	-	3
CHAP	-	-	-	14	-	-	-	-	-	14
.15 Cent Sales Tax	-	-	-	33	-	-	-	-	-	33
.25 Cent Sales Tax	-	-	-	175	-	-	-	-	-	175
Airport	-	-	-	7	-	-	-	-	-	7
Total nonmajor special revenue funds	-	113	-	574	-	-	-	-	-	687
Capital project funds:										
Permanent Parks & Recreation	-	-	-	55	-	-	-	-	-	55
Total designated fund balance	\$ 4,323	\$ 226	\$ -	\$ 1,716	\$ 139	\$ 114	\$ 436	\$ 158	\$ 219	\$ 6,644

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE U - 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. The city has accrued estimated clean-up costs of \$2.5 million as of fiscal year end December 31, 2010.

Dushanbe Teahouse Property – The city and Xcel engaged a consultant to conduct an initial soil and groundwater investigation to determine whether the site was the potential source of groundwater contamination found in the general vicinity. Results from the investigation indicate that there is some soil and groundwater contamination at the site. Further investigations are being planned to determine any actions that may be necessary. The city is unable to estimate any potential costs of clean-up at this time.

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, 2009, the city has paid \$1,705,662 to the Shelter under this agreement.

3. Single Audit

The city follows the single audit concept under the provisions of the Single Audit Act of 1984, as amended in 1999. 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

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE U - COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Single Audit (Continued)

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.

4. Construction Commitments

At December 31, 2010, city funds were obligated under contractual commitments for various construction or equipment acquisition projects as follows:

<u>Fund</u>	<u>Committed</u>
General	\$ 748
Capital Development	128
Lottery	128
Planning & Development Services	162
.15 Cent Sales Tax	52
.25 Cent Sales Tax	297
Library	48
Climate Action Plan	73
Open Space Fund	357
Transportation	4,425
Transportation Development	845
Gifts & Contributions	5
Community Development Block Grant (CDBG)	1
Permanent Parks and Recreation	429
Fire Training Center Construction	<u>41</u>
Total Governmental Funds	\$ <u>7,739</u>
Water Utility	2,816
Wastewater Utility	639
Stormwater and Flood Management	322
CAGID	145
UHGID	<u>32</u>
Total Enterprise Fund	\$ <u>3,954</u>
Telecommunications	86
Worker Compensation Insurance	39
Fleet	215
Computer Replacement	0
Equipment Replacement	28
Facility Renovation and Replacement	<u>7,894</u>
Total Internal Service Funds	\$ <u>8,262</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - PENSION AND RETIREMENT PLANS

The city's employees are covered under four separate retirement plans and two deferred compensation plans (Note W). 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
1,210	PERA	\$ 4,693	8.000 %	\$ 8,100	13.700 %
2	Old Hire Police	4	2.000	5,985	*
3	Old Hire Fire	23	7.833	3,874	*
163	Police and Fire Money Purchase – Police employees	729	6.200	1,623	13.800
100	Police and Fire Money Purchase – Fire employees – International Association of Firefighters	612	8.000	841	11.000
5	ICMA 401(a)	45	8.000	77	13.700
4	ICMA 457	<u>2</u>	8.000	<u>2</u>	10.000
	Totals	\$ <u>6,108</u>		\$ <u>15,502</u>	

\* Lump sum contribution requirements calculated by actuary plus \$9,000,000 in proceeds of City of Boulder Taxable Pension Obligation Bonds, Series 2010. These bonds were allocated as follows: \$5,469,000 for the Old Hire Police Defined Benefit Plan and \$3,531,000 for the Old Hire Fire Defined Benefit Plan.

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 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, 2010

NOTE V - 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>2</u>	<u>3</u>
Total	<u>53</u>	<u>52</u>

The city’s annual pension costs and net pension obligation for the two plans for the year ended December 31, 2010 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)	\$ 638	\$ 479
Interest on net pension obligation (NPO)	(36)	(72)
Adjustment to ARC	<u>40</u>	<u>71</u>
Annual Pension Cost	642	478
City contributions	<u>(5,985)</u>	<u>(3,874)</u>
Increase (Decrease) in NPO	(5,343)	(3,396)
Net Pension Obligation (Prepaid) Beginning of Year	<u>(469)</u>	<u>(959)</u>
Net Pension Obligation (Prepaid) End of Year	\$ <u>(5,812)</u>	\$ <u>(4,355)</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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>
<u>“Old Hire” Police Defined Benefit Plan</u>				
2010	\$ 642	\$5,985	932%	\$ (5,812)
2009	\$ 407	471	116%	(469)
2008	422	472	112%	(405)
<u>“Old Hire” Fire Defined Benefit Plan</u>				
2010	\$ 478	\$ 3,874	810%	\$(4,355)
2009	204	315	154%	(959)
2008	228	314	138%	(848)

The “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan financial statements as of December 31, 2010, 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, 2010

NOTE V - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension Plans (Continued)

Plan net assets as of December 31, 2010, are as follows (amounts in 000's):

	“Old Hire” Police Defined <u>Benefit Plan</u>	“Old Hire” Fire Defined <u>Benefit Plan</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 4	\$ 4
Investments		
US Treasuries	194	12
US Instrumentalities	786	207
Mutual Funds	10,107	12,814
Equity Securities	3,453	-
Local Government Investment Pools	18	18
Money Market Funds	68	4
Real Estate Investment Trust	402	-
Corporate Bonds	223	-
Other	-	-
Accrued Interest	<u>7</u>	<u>2</u>
Total assets	15,262	13,061
Liabilities:		
Vouchers and accounts payable	2	-
Accrued pensions payable	<u>80</u>	<u>65</u>
Total liabilities	<u>82</u>	<u>65</u>
Net assets held in trust for pension benefits	\$ <u>15,180</u>	\$ <u>12,996</u>

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - PENSION AND RETIREMENT PLANS (CONTINUED)

City Administered Pension Plans (Continued)

The changes in plan net assets for December 31, 2010, 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	\$ 5,985	\$ 3,874
Employees	<u>4</u>	<u>23</u>
Total contributions	5,989	3,897
Investment earnings (loss)	1,160	1,057
Less investment expense	<u>(33)</u>	<u>(33)</u>
Net investment income (loss)	<u>1,127</u>	<u>1,024</u>
Total additions (reductions)	<u>7,116</u>	<u>4,921</u>
Deductions:		
Benefits	1,383	1,122
Administrative	<u>15</u>	<u>15</u>
Total deductions	<u>1,398</u>	<u>1,137</u>
Net increase (decrease)	5,718	3,784
Net assets held in trust for pension benefits:		
Beginning of year	<u>9,462</u>	<u>9,212</u>
End of year	\$ <u>15,180</u>	\$ <u>12,996</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, 2010

NOTE V - 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 benefits for *Former Members* are: \$875.50 for those receiving a disability retirement and \$515.00 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, 2010

NOTE V - 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, 2010, one employee had elected the DROP. For Note V 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. Benefits for disability retirees who retired prior to January 1, 1987, are eligible for a minimum benefit of \$875.50. 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 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 2010, the city contributed \$5,984,893 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. This contribution included \$5,469,000 from the proceeds of the City of Boulder Taxable Pension Obligation Bonds, Series 2010. Administrative expenditures are recorded when incurred and are financed by the Plan.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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 2010, 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, 2010

NOTE V - 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: \$875.50 for those receiving a normal or disability retirement and \$515.00 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, 2010

NOTE V - 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, 2010, three 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. Benefits for normal or disability retirees who retired prior to January 1, 2000, are eligible for a minimum benefit of \$875.50. 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 death benefit of \$100.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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 2010 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 2010, the city contributed \$3,874,297 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. This included \$3,531,000 from the proceeds of the City of Boulder Taxable Pension Obligation Bonds, Series 2010. 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 2010, this is projected to be \$2,666 per pay period.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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, 2010

NOTE V - 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 W - 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 2010 (1.80 percent of total payroll for the calendar year 2009, and 1.40 percent of total payroll for the calendar year 2008). 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 2010 (1.00 percent of total payroll for the calendar year 2009 and 0.50 percent of total payroll for the calendar year 2008).

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; however no member contributions are required.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA)

For the years ending December 31, 2010, 2009, and 2008, the city of Boulder's contributions to the LGDTF, including the amounts allocated to the HCTF, were \$8,100,438, \$7,687,491, and \$7,013,000, 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, 2010, 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, 2010. The city's contribution requirement for the year ended December 31, 2010, was 11% of covered payroll. The employee contributions were 8% of covered payroll.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE V - 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 preretirement 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, 2010

NOTE V - 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 2010, 2009, and 2008, the city paid \$259,175, \$205,575 and \$189,000, 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 W - 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, 2010

NOTE X – OTHER POST EMPLOYMENT 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, 2010, 2009, and 2008 were \$603,098, \$612,597, and \$601,000, 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, 2010

NOTE X – OTHER POST EMPLOYMENT 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)	\$ 636,994
Interest on prior year net OPEB obligation	36,342
Adjustment to ARC	<u>(31,669)</u>
Annual OPEB cost	641,667
Contributions made	<u>347,587</u>
Increase in net OPEB obligation	294,080
Net OPEB obligation – beginning of year	<u>807,589</u>
Net OPEB obligation – end of year	\$ <u>1,101,669</u>

The city’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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>
2008	\$ 588,359	47.8%	\$ 600,469
2009	\$ 555,811	62.7%	\$ 807,589
2010	\$ 641,667	54.2%	\$ 1,101,669

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE X – OTHER POST EMPLOYMENT 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, 2010

NOTE X – OTHER POST EMPLOYMENT 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, 2010

NOTE Y – PLEDGED REVENUES

**Water and Sewer Revenues Pledged**

The city has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$88,460,000 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, 2010 is \$111,619,325. Principal and interest paid for the current year and total customer net revenues were \$10,053,716 and \$18,427,000, 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 \$2,745,000 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, 2010 is \$3,091,500. Principal and interest paid for the current year and total customer net revenues were \$559,679 and \$3,329,000, 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 \$36,985,000 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 \$36,985,000 in bonds are payable from the Open Space Fund sales tax revenues and \$31,720,000 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, 2010

NOTE Y – 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, 2010 is \$43,236,420. Principal and interest paid for the current year and total pledged sales tax revenues were \$7,980,332 and \$22,551,510, 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 \$10,030,000 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, 2010 is \$10,951,450. Principal and interest paid for the current year and total pledged sales tax revenues were \$2,177,700 and \$6,406,680, 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 \$1,050,000 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, 2010 is \$1,117,160. Principal and interest paid for the current year and total pledged sales tax revenues were \$559,170 and \$1,537,602, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE Y – 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%, to repay \$1,040,000 in outstanding bonds. 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 mature through 2011. Annual principal and interest payments on the bonds are expected to require less than 12 percent of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2010 is \$1,083,680. Principal and interest paid for the current year and total pledged sales tax revenues were \$1,084,680 and \$9,849,494, respectively.

**Downtown Commercial District Revenues Pledged**

The city has pledged a portion of future sales tax revenues to repay \$9,425,000 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 \$7,025,000 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, 2010 is \$20,459,363. Principal and interest paid for the current year and total pledged revenues were \$1,954,739 and \$3,529,947, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE Y – 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, 2010, BMPA currently has \$11,929,144 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 \$13,709,527 with annual requirements ranging from \$4,614,987 in 2011 to \$69,366 in 2020. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging \$4,414,390 over the last ten years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were \$3,447,062 and \$3,447,062, 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, 2010, there are currently \$5,750,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2010 is \$8,078,975. 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 \$440,576 and \$440,576, respectively.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE Z – SUBSEQUENT BOND REFUNDINGS

On February 22, 2011, the city issued Water and Sewer Revenue Refunding Bonds in the amount of \$18,335,000 to advance refund the Water and Sewer Revenue Bonds, Series 2001 outstanding in the amount of \$18,705,000. The purpose of the refunding was to realize general interest savings over the remaining term of the bonds. The series 2011 refunding bonds have an average interest rate of 3.6217% and a scheduled final maturity date of December 1, 2016. The refunding resulted in a net present value benefit to the Water Utility Fund of \$1,001,852 from interest savings.

## 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 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 Liability Entry Age (b)</u>	<u>Total Unfunded (Overfunded) Actuarial 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%

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%
	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.

## 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.

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.

.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.

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.

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.

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NONMAJOR SPECIAL REVENUE FUNDS,  
(CONTINUED)

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

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

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

NONMAJOR DEBT SERVICE FUNDS

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

General Obligation Debt Service Fund - Financing is provided by investments accumulated for the retirement of specific notes payable that were retired in 1999. Earnings on those investments continue to fund paying agent and other debt administration fees.

.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:

1996 Parks Acquisition Bond Fund - to account for 1996 bond proceeds to be utilized for the acquisition of park properties and the construction of parks and recreation facilities.

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.

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2010

(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	\$ 514	\$ 5	\$ 43	\$ 562
Investments	27,175	258	2,316	29,749
Receivables:				
General property taxes	2,557	-	2,025	4,582
Sales and use taxes	1,046	181	-	1,227
Accounts	1,064	-	19	1,083
Notes	2,040	-	-	2,040
Accrued interest	173	2	15	190
Intergovernmental	1,176	-	-	1,176
Other	39	-	-	39
	<u>8,095</u>	<u>183</u>	<u>2,059</u>	<u>10,337</u>
Advances to other funds	-	-	671	671
Inventory of materials and supplies	67	-	-	67
Restricted assets:				
Investments for special purposes	922	-	-	922
Investments for debt service	-	47	-	47
Total restricted assets	<u>922</u>	<u>47</u>	<u>-</u>	<u>969</u>
Other assets	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>
 Total assets	 <u>\$ 36,777</u>	 <u>\$ 493</u>	 <u>\$ 5,089</u>	 <u>\$ 42,359</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ 1,356	\$ -	\$ 671	\$ 2,027
Contracts and retainage payable	140	-	94	234
Accrued salaries, wages and amounts withheld from employees	1,092	-	31	1,123
Due to other funds	25	-	-	25
Other liabilities	39	-	2	41
Deferred revenue:				
General property taxes	2,557	-	2,025	4,582
Other	1,105	-	-	1,105
Total liabilities	<u>6,314</u>	<u>-</u>	<u>2,823</u>	<u>9,137</u>
Fund equity:				
Fund balances:				
Reserved for:				
Encumbrances	1,633	-	470	2,103
Grantor Limitation	927	-	-	927
Debt service	-	47	-	47
Advances to other funds	-	-	671	671
Notes receivable	2,040	-	-	2,040
Inventories	67	-	-	67
Other assets	4	-	-	4
Unreserved:				
Designated:				
Special purposes	687	-	55	742
Undesignated	25,105	446	1,070	26,621
Total fund equity	<u>30,463</u>	<u>493</u>	<u>2,266</u>	<u>33,222</u>
 Total liabilities and fund equity	 <u>\$ 36,777</u>	 <u>\$ 493</u>	 <u>\$ 5,089</u>	 <u>\$ 42,359</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2010

(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	\$ 8,713	\$ 1,537	\$ -	\$ 10,250
General property taxes	2,387	-	1,889	4,276
Franchise taxes	1,835	-	-	1,835
Specific own & tobacco taxes	1	-	-	1
Excise taxes	520	-	135	655
Charges for services	13,578	-	-	13,578
Sale of goods and capital assets	730	-	-	730
License, permits and fines	3,943	-	-	3,943
Intergovernmental	4,967	-	-	4,967
Leases, rents and royalties	1,607	-	5	1,612
Interest and investment earnings (losses)	522	22	(38)	506
Other	430	-	30	460
Total revenues	<u>39,233</u>	<u>1,559</u>	<u>2,021</u>	<u>42,813</u>
Expenditures:				
Current:				
General Government	1,731	-	-	1,731
Administrative Services	-	14	-	14
Public Works	3,369	-	-	3,369
Planning & Development Services	7,075	-	-	7,075
Culture and Recreation	22,156	-	-	22,156
Open Space and Mountain Parks	341	-	-	341
Housing and Human Services	9,481	-	-	9,481
Capital outlay	-	-	9,785	9,785
Debt service payments:				
Principal	1,840	495	-	2,335
Interest	338	65	-	403
Base rentals to Boulder Municipal Property Authority Debt Service Fund	224	-	-	224
Total expenditures	<u>46,555</u>	<u>574</u>	<u>9,785</u>	<u>56,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,322)</u>	<u>985</u>	<u>(7,764)</u>	<u>(14,101)</u>
Other financing sources (uses):				
Transfers in	11,401	-	-	11,401
Transfers out	<u>(1,861)</u>	<u>(957)</u>	<u>(79)</u>	<u>(2,897)</u>
Total other financing sources (uses)	<u>9,540</u>	<u>(957)</u>	<u>(79)</u>	<u>8,504</u>
Net change in fund balances	2,218	28	(7,843)	(5,597)
Fund balances, beginning of year	<u>28,245</u>	<u>465</u>	<u>10,109</u>	<u>38,819</u>
Fund balances, end of year	<u>\$ 30,463</u>	<u>\$ 493</u>	<u>\$ 2,266</u>	<u>\$ 33,222</u>

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2010

(Amounts in 000's)

<u>Assets</u>	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund	CHAP Fund
Equity in pooled cash and cash equivalents	\$ 94	\$ 25	\$ 108	\$ 88	\$ 39
Investments	5,066	1,361	5,753	4,716	2,069
Receivables:					
General property taxes	-	-	-	-	1,800
Sales and use taxes	-	-	-	-	-
Accounts	-	-	45	-	-
Notes	-	-	-	204	1,836
Accrued interest	31	9	35	29	13
Intergovernmental	-	-	-	-	-
Other	8	-	-	-	5
	<u>39</u>	<u>9</u>	<u>80</u>	<u>233</u>	<u>3,654</u>
Inventory of materials and supplies	-	-	-	-	-
Restricted assets -					
investments for special purposes	-	-	10	-	-
Total restricted assets	-	-	10	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 5,199</u>	<u>\$ 1,395</u>	<u>\$ 5,951</u>	<u>\$ 5,037</u>	<u>\$ 5,762</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts and accrued liabilities:					
Vouchers and accounts payable	\$ -	\$ 67	\$ 51	\$ 163	\$ 91
Contracts and retainage payable	-	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	-	3	329	12	12
Due to other funds	-	-	-	-	-
Other liabilities	-	-	33	-	3
Deferred revenue:					
General property taxes	-	-	-	-	1,800
Other	-	-	18	-	-
Total liabilities	<u>-</u>	<u>70</u>	<u>431</u>	<u>175</u>	<u>1,906</u>
Fund equity:					
Fund balances:					
Reserved for:					
Encumbrances	-	144	146	-	-
Grantor Limitation	-	-	10	-	-
Notes receivable	-	-	-	204	1,836
Inventories	-	-	-	-	-
Other assets	-	-	-	-	-
Unreserved:					
Designated:					
Special purposes	-	-	342	2	15
Undesignated	<u>5,199</u>	<u>1,181</u>	<u>5,022</u>	<u>4,656</u>	<u>2,005</u>
Total fund equity	<u>5,199</u>	<u>1,325</u>	<u>5,520</u>	<u>4,862</u>	<u>3,856</u>
Total liabilities and fund equity	<u>\$ 5,199</u>	<u>\$ 1,395</u>	<u>\$ 5,951</u>	<u>\$ 5,037</u>	<u>\$ 5,762</u>

(continued)

CITY OF BOULDER, COLORADO

Combining Balance Sheet,  
continued

Nonmajor Special Revenue Funds

December 31, 2010

(Amounts in 000's)

<u>Assets</u>	<u>.15 Cent Sales Tax Fund</u>	<u>.25 Cent Sales Tax Fund</u>	<u>Library Fund</u>	<u>Recreation Activity Fund</u>	<u>Climate Action Plan Tax Fund</u>
Equity in pooled cash and cash equivalents	\$ 37	\$ 45	\$ 15	\$ 18	\$ 18
Investments	1,953	2,439	681	730	968
Receivables:					
General property taxes	-	-	749	-	-
Sales and use taxes	290	756	-	-	-
Accounts	-	-	-	49	163
Notes	-	-	-	-	-
Accrued interest	12	17	4	5	6
Intergovernmental	-	88	-	-	-
Other	-	-	6	-	-
	<u>302</u>	<u>861</u>	<u>759</u>	<u>54</u>	<u>169</u>
Inventory of materials and supplies	-	-	-	67	-
Restricted assets -					
investments for special purposes	-	341	-	50	-
Total restricted assets	-	341	-	50	-
Other assets	-	-	4	-	-
	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,292</u>	<u>\$ 3,686</u>	<u>\$ 1,459</u>	<u>\$ 919</u>	<u>\$ 1,155</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts and accrued liabilities:					
Vouchers and accounts payable	\$ 115	\$ 193	\$ 62	\$ 194	\$ 84
Contracts and retainage payable	-	3	-	-	-
Accrued salaries, wages and amounts withheld from employees	29	74	257	333	24
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue:					
General property taxes	-	-	749	-	-
Other	-	12	-	37	-
Total liabilities	<u>144</u>	<u>282</u>	<u>1,068</u>	<u>564</u>	<u>108</u>
Fund equity:					
Fund balances:					
Reserved for:					
Encumbrances	52	320	48	-	73
Grantor Limitation	-	341	-	50	-
Notes receivable	-	-	-	-	-
Inventories	-	-	-	67	-
Other assets	-	-	4	-	-
Unreserved:					
Designated:					
Special purposes	33	175	-	-	-
Undesignated	2,063	2,568	339	238	974
Total fund equity	<u>2,148</u>	<u>3,404</u>	<u>391</u>	<u>355</u>	<u>1,047</u>
Total liabilities and fund equity	<u>\$ 2,292</u>	<u>\$ 3,686</u>	<u>\$ 1,459</u>	<u>\$ 919</u>	<u>\$ 1,155</u>

Airport Fund	Transportation Development Fund	Transit Pass General Improvement District	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
\$ 8	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 514
431	1,003	5	-	-	-	27,175
-	-	8	-	-	-	2,557
-	-	-	-	-	-	1,046
55	745	-	7	-	-	1,064
-	-	-	-	-	-	2,040
3	6	-	3	-	-	173
-	1,027	-	-	44	17	1,176
-	20	-	-	-	-	39
<u>58</u>	<u>1,798</u>	<u>8</u>	<u>10</u>	<u>44</u>	<u>17</u>	<u>8,095</u>
-	-	-	-	-	-	67
-	-	-	521	-	-	922
-	-	-	521	-	-	922
-	-	-	-	-	-	4
<u>\$ 497</u>	<u>\$ 2,820</u>	<u>\$ 13</u>	<u>\$ 531</u>	<u>\$ 44</u>	<u>\$ 17</u>	<u>\$ 36,777</u>
\$ 12	\$ 306	\$ -	\$ -	\$ 11	\$ 7	\$ 1,356
-	137	-	-	-	-	140
7	-	-	-	8	4	1,092
-	-	-	-	19	6	25
3	-	-	-	-	-	39
-	-	8	-	-	-	2,557
5	1,027	-	-	6	-	1,105
<u>27</u>	<u>1,470</u>	<u>8</u>	<u>-</u>	<u>44</u>	<u>17</u>	<u>6,314</u>
-	845	-	5	-	-	1,633
-	-	-	526	-	-	927
-	-	-	-	-	-	2,040
-	-	-	-	-	-	67
-	-	-	-	-	-	4
7	113	-	-	-	-	687
463	392	5	-	-	-	25,105
<u>470</u>	<u>1,350</u>	<u>5</u>	<u>531</u>	<u>-</u>	<u>-</u>	<u>30,463</u>
<u>\$ 497</u>	<u>\$ 2,820</u>	<u>\$ 13</u>	<u>\$ 531</u>	<u>\$ 44</u>	<u>\$ 17</u>	<u>\$ 36,777</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, 2010

(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	-	-	-	-	1,678
Franchise taxes	-	-	-	-	-
Specific ownership & tobacco taxes	-	-	-	-	-
Excise taxes	106	-	-	-	79
Charges for services	158	-	1,506	5,303	-
Sale of goods and capital assets	-	-	4	-	533
Licenses, permits and fines	-	-	3,893	-	-
Intergovernmental	-	882	26	-	-
Leases, rents and royalties	-	-	-	156	2
Interest and investment earnings	82	21	85	110	45
Other	-	-	7	59	-
Total revenues	<u>346</u>	<u>903</u>	<u>5,521</u>	<u>5,628</u>	<u>2,337</u>
Expenditures:					
Current:					
General Government	-	-	-	-	-
Public Works	-	-	-	-	-
Planning & Development Services	-	-	7,075	-	-
Culture and Recreation	-	782	-	-	-
Open Space and Mountain Parks	-	341	-	-	-
Housing and Human Services	-	-	-	3,781	1,609
Debt service payments:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Base rentals to Boulder Municipal Property Authority Debt Service Fund	-	-	-	220	-
Total expenditures	<u>-</u>	<u>1,123</u>	<u>7,075</u>	<u>4,001</u>	<u>1,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>346</u>	<u>(220)</u>	<u>(1,554)</u>	<u>1,627</u>	<u>728</u>
Other financing sources (uses):					
Transfers in	-	-	2,834	321	-
Transfers out	(20)	-	(1,310)	(41)	(41)
Total other financing sources (uses)	<u>(20)</u>	<u>-</u>	<u>1,524</u>	<u>280</u>	<u>(41)</u>
Net change in fund balances	326	(220)	(30)	1,907	687
Fund balances, beginning of year	<u>4,873</u>	<u>1,545</u>	<u>5,550</u>	<u>2,955</u>	<u>3,169</u>
Fund balances, end of year	<u>\$ 5,199</u>	<u>\$ 1,325</u>	<u>\$ 5,520</u>	<u>\$ 4,862</u>	<u>\$ 3,856</u>

(continued)

CITY OF BOULDER, COLORADO

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

Nonmajor Special Revenue Funds

Year ended December 31, 2010

(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	\$ 2,306	\$ 6,407	\$ -	\$ -	\$ -
General property taxes	-	-	700	-	-
Franchise taxes	-	-	-	-	1,835
Specific ownership & tobacco taxes	-	-	-	-	-
Excise taxes	-	-	-	-	-
Charges for services	-	11	158	6,438	-
Sale of goods and capital assets	-	-	-	193	-
Licenses, permits and fines	-	40	-	10	-
Intergovernmental	-	88	-	49	9
Leases, rents and royalties	-	11	9	1,005	-
Interest and investment earnings	22	64	16	11	23
Other	-	66	62	137	4
Total revenues	<u>2,328</u>	<u>6,687</u>	<u>945</u>	<u>7,843</u>	<u>1,871</u>
Expenditures:					
Current:					
General Government	245	-	-	-	1,486
Public Works	-	447	-	-	-
Planning & Development Services	-	-	-	-	-
Culture and Recreation	536	3,866	6,890	9,998	-
Open Space and Mountain Parks	-	-	-	-	-
Housing and Human Services	1,823	-	-	-	-
Debt service payments:					
Principal	-	1,840	-	-	-
Interest	-	338	-	-	-
Base rentals to Boulder Municipal					
Property Authority Debt Service Fund	-	-	-	4	-
Total expenditures	<u>2,604</u>	<u>6,491</u>	<u>6,890</u>	<u>10,002</u>	<u>1,486</u>
Excess (deficiency) of revenues over expenditures	<u>(276)</u>	<u>196</u>	<u>(5,945)</u>	<u>(2,159)</u>	<u>385</u>
Other financing sources (uses):					
Transfers in	448	-	6,178	1,617	-
Transfers out	(36)	(247)	-	(24)	-
Total other financing sources (uses)	<u>412</u>	<u>(247)</u>	<u>6,178</u>	<u>1,593</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over					
Net change in fund balances	136	(51)	233	(566)	385
Fund balances, beginning of year	<u>2,012</u>	<u>3,455</u>	<u>158</u>	<u>921</u>	<u>662</u>
Fund balances, end of year	<u>\$ 2,148</u>	<u>\$ 3,404</u>	<u>\$ 391</u>	<u>\$ 355</u>	<u>\$ 1,047</u>

<u>Airport Fund</u>	<u>Trans- portation Development Fund</u>	<u>Transit Pass General Improvement District</u>	<u>Gifts and Contributions Fund</u>	<u>Community Development Fund</u>	<u>HOME Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,713
-	-	9	-	-	-	2,387
-	-	-	-	-	-	1,835
-	-	1	-	-	-	1
-	335	-	-	-	-	520
4	-	-	-	-	-	13,578
-	-	-	-	-	-	730
-	-	-	-	-	-	3,943
125	1,484	-	-	1,394	910	4,967
424	-	-	-	-	-	1,607
6	25	-	12	-	-	522
-	2	-	93	-	-	430
<u>559</u>	<u>1,846</u>	<u>10</u>	<u>105</u>	<u>1,394</u>	<u>910</u>	<u>39,233</u>
-	-	-	-	-	-	1,731
334	2,576	12	-	-	-	3,369
-	-	-	-	-	-	7,075
-	-	-	84	-	-	22,156
-	-	-	-	-	-	341
-	-	-	-	1,368	900	9,481
-	-	-	-	-	-	1,840
-	-	-	-	-	-	338
-	-	-	-	-	-	224
<u>334</u>	<u>2,576</u>	<u>12</u>	<u>84</u>	<u>1,368</u>	<u>900</u>	<u>46,555</u>
<u>225</u>	<u>(730)</u>	<u>(2)</u>	<u>21</u>	<u>26</u>	<u>10</u>	<u>(7,322)</u>
-	-	3	-	-	-	11,401
<u>(92)</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>(10)</u>	<u>(1,861)</u>
<u>(92)</u>	<u>(14)</u>	<u>3</u>	<u>-</u>	<u>(26)</u>	<u>(10)</u>	<u>9,540</u>
133	(744)	1	21	-	-	2,218
<u>337</u>	<u>2,094</u>	<u>4</u>	<u>510</u>	<u>-</u>	<u>-</u>	<u>28,245</u>
\$ <u>470</u>	\$ <u>1,350</u>	\$ <u>5</u>	\$ <u>531</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>30,463</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Excise taxes	\$ 250	\$ 250	\$ 106	\$ (144)
Charges for services			158	158
Interest and investment earnings	90	90	120	30
Total revenues	<u>340</u>	<u>340</u>	<u>384</u>	<u>44</u>
Expenditures:				
Current:				
Public Works	580	580	-	580
Total expenditures	<u>580</u>	<u>580</u>	<u>-</u>	<u>580</u>
Excess (deficiency) of revenues over (under) expenditures	(240)	(240)	384	624
Other financing uses - transfers out	21	21	(20)	(41)
Payment to refunding bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>21</u>	<u>21</u>	<u>(20)</u>	<u>(41)</u>
Net change in fund balance	\$ <u>(219)</u>	\$ <u>(219)</u>	364	\$ <u>583</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			4,763	
Fund balance, end of year, basis of budgeting			<u>5,127</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>72</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>5,199</u></u>	

CITY OF BOULDER, COLORADO

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

Lottery Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,001	\$ 1,001	\$ 882	\$ (119)
Interest and investment earnings	40	40	38	(2)
Total revenues	<u>1,041</u>	<u>1,041</u>	<u>920</u>	<u>(121)</u>
Expenditures:				
Current:				
Culture and Recreation	675	1,546	798	748
Open Space and Mountain Parks	525	603	469	134
Total expenditures	<u>1,200</u>	<u>2,149</u>	<u>1,267</u>	<u>882</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(159)</u>	\$ <u>(1,108)</u>	(347)	\$ <u>761</u>
Encumbrances, end of year			144	
Fund balance, beginning of year, basis of budgeting			<u>1,512</u>	
Fund balance, end of year, basis of budgeting			1,309	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			19	
Accrued salaries, wages and amounts withheld from employees			<u>(3)</u>	
Fund balance, end of year, GAAP basis			\$ <u><u>1,325</u></u>	

CITY OF BOULDER, COLORADO

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

Planning & Development Services Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 1,530	\$ 1,530	\$ 1,506	\$ (24)
Sale of goods and capital assets	5	5	4	(1)
Licenses, permits and fines	3,170	3,170	3,893	723
Intergovernmental	-	37	26	(11)
Interest and investment earnings	88	88	141	53
Other	-	-	7	7
Total revenues	<u>4,793</u>	<u>4,830</u>	<u>5,577</u>	<u>747</u>
<b>Expenditures:</b>				
Current:				
Planning & Development Services	<u>7,463</u>	<u>8,182</u>	<u>7,208</u>	<u>974</u>
Total expenditures	<u>7,463</u>	<u>8,182</u>	<u>7,208</u>	<u>974</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,670)</u>	<u>(3,352)</u>	<u>(1,631)</u>	<u>1,721</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,854	2,854	2,834	(20)
Transfers out	<u>(1,278)</u>	<u>(1,310)</u>	<u>(1,310)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,576</u>	<u>1,544</u>	<u>1,524</u>	<u>(20)</u>
 Net change in fund balance	 <u>\$ (1,094)</u>	 <u>\$ (1,808)</u>	 (107)	 <u>\$ 1,701</u>
Encumbrances, end of year			146	
Fund balance, beginning of year, basis of budgeting			<u>5,710</u>	
Fund balance, end of year, basis of budgeting			5,749	
<b>Basis of budgeting to GAAP basis reconciliation:</b>				
Fair market value adjustment to investments			80	
Accrued salaries, wages and amounts withheld from employees			<u>(309)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 5,520</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,750	\$ 6,250	\$ 5,303	\$ (947)
Sale of goods and capital assets	74	74	-	(74)
Leases, rents and royalties	156	156	156	-
Interest and investment earnings	53	53	111	58
Other	-	-	59	59
Total revenues	<u>2,033</u>	<u>6,533</u>	<u>5,629</u>	<u>(904)</u>
Expenditures:				
Current:				
Housing and Human Services	2,094	9,270	3,781	5,489
Debt service payments:				
Base rentals to Boulder Municipal Property Authority Debt Service Fund	219	219	220	(1)
Total expenditures	<u>2,313</u>	<u>9,489</u>	<u>4,001</u>	<u>5,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(280)</u>	<u>(2,956)</u>	<u>1,628</u>	<u>4,584</u>
Other financing sources (uses):				
Transfers in	325	325	321	(4)
Transfers out	(41)	(41)	(41)	-
Total other financing sources (uses)	<u>284</u>	<u>284</u>	<u>280</u>	<u>(4)</u>
Net change in fund balance	\$ <u>4</u>	\$ <u>(2,672)</u>	1,908	\$ <u>4,580</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>2,696</u>	
Fund balance, end of year, basis of budgeting			4,604	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			66	
Notes Receivable			204	
Accrued salaries, wages and amounts withheld from employees			<u>(12)</u>	
Fund balance, end of year, GAAP basis			\$ <u>4,862</u>	

CITY OF BOULDER, COLORADO

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

CHAP Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
General property taxes	\$ 1,645	\$ 1,645	\$ 1,678	\$ 33
Excise taxes	150	150	79	(71)
Sale of goods and capital assets	662	662	533	(129)
Leases, rents and royalties	-	-	2	2
Interest and investment earnings	78	78	47	(31)
Total revenues	<u>2,535</u>	<u>2,535</u>	<u>2,339</u>	<u>(196)</u>
<b>Expenditures:</b>				
Current:				
Housing and Human Services	<u>2,491</u>	<u>3,774</u>	<u>1,608</u>	<u>2,166</u>
Total expenditures	<u>2,491</u>	<u>3,774</u>	<u>1,608</u>	<u>2,166</u>
Excess (deficiency) of revenues over (under) expenditures	44	(1,239)	731	1,970
<b>Other financing uses -</b>				
Transfers out	<u>(41)</u>	<u>(41)</u>	<u>(41)</u>	<u>-</u>
Payment to refunding bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(41)</u>	<u>(41)</u>	<u>(41)</u>	<u>-</u>
 Net change in fund balance	 \$ <u>3</u>	 \$ <u>(1,280)</u>	 690	 \$ <u>1,970</u>
Fund balance, beginning of year, basis of budgeting			<u>1,312</u>	
Fund balance, end of year, basis of budgeting			2,002	
<b>Basis of budgeting to GAAP basis reconciliation:</b>				
Fair market value adjustment to investments			31	
Notes Receivable			1,836	
Accrued salaries, wages and amounts withheld from employees			<u>(13)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,856</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, 2010

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Sales and use taxes	\$ 2,384	\$ 2,384	\$ 2,306	\$ (78)
Interest and investment earnings	-	37	37	-
Total revenues	<u>2,384</u>	<u>2,421</u>	<u>2,343</u>	<u>(78)</u>
Expenditures:				
Current:				
General Government	298	443	297	146
Culture and Recreation	565	753	536	217
Housing and Human Services	1,788	2,011	1,837	174
Total expenditures	<u>2,651</u>	<u>3,207</u>	<u>2,670</u>	<u>537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(267)</u>	<u>(786)</u>	<u>(327)</u>	<u>459</u>
Other financing sources (uses):				
Transfers in	-	425	486	61
Transfers out	<u>(38)</u>	<u>(75)</u>	<u>(74)</u>	<u>1</u>
Total other financing sources (uses)	<u>(38)</u>	<u>350</u>	<u>412</u>	<u>62</u>
Net change in fund balance	<u>\$ (305)</u>	<u>\$ (436)</u>	85	<u>\$ 521</u>
Encumbrances, end of year			52	
Fund balance, beginning of year, basis of budgeting			<u>2,011</u>	
Fund balance, end of year, basis of budgeting			<u>2,148</u>	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			29	
Accrued salaries, wages and amounts withheld from employees			<u>(29)</u>	
Fund balance, end of year, GAAP basis			<u>\$ 2,148</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, 2010

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Sales and use taxes	\$ 6,207	\$ 6,207	\$ 6,407	\$ 200
Charges for services	-	-	11	11
Licenses, permits and fines	-	-	40	40
Intergovernmental	200	216	88	(128)
Leases, rents and royalties	15	15	11	(4)
Interest and investment earnings	185	185	93	(92)
Other	(200)	45	66	21
Total revenues	<u>6,407</u>	<u>6,668</u>	<u>6,716</u>	<u>48</u>
Expenditures:				
Current:				
Public Works	450	450	451	(1)
Culture and Recreation	3,492	5,501	4,174	1,327
Debt service payments:				
Principal	1,840	1,840	1,840	-
Interest	338	338	338	-
Total expenditures	<u>6,120</u>	<u>8,129</u>	<u>6,803</u>	<u>1,326</u>
Excess (deficiency) of revenues over (under) expenditures	287	(1,461)	(87)	1,374
Other financing uses -				
Refunding bonds issued	-	11,895	-	(11,895)
Premium on bonds issued	-	592	-	(592)
Transfers out	(247)	(247)	(247)	-
Payment to refunding bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(247)</u>	<u>12,240</u>	<u>(247)</u>	<u>(12,487)</u>
Net change in fund balance	\$ <u>40</u>	\$ <u>10,779</u>	(334)	\$ <u>(11,113)</u>
Encumbrances, end of year			321	
Fund balance, beginning of year, basis of budgeting			<u>3,450</u>	
Fund balance, end of year, basis of budgeting			3,437	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			38	
Accrued salaries, wages and amounts withheld from employees			<u>(71)</u>	
Fund balance, end of year, GAAP basis			\$ <u>3,404</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 588	\$ 588	\$ 700	\$ 112
Charges for services	115	167	158	(9)
Leases, rents and royalties	9	10	9	(1)
Interest and investment earnings	15	15	17	2
Other	24	48	62	14
Total revenues	<u>751</u>	<u>828</u>	<u>946</u>	<u>118</u>
Expenditures:				
Current:				
Culture and Recreation	6,948	7,081	6,941	140
Total expenditures	<u>6,948</u>	<u>7,081</u>	<u>6,941</u>	<u>140</u>
Excess (deficiency) of revenues over (under) expenditures	(6,197)	(6,253)	(5,995)	258
Other financing sources -				
Transfers in	6,198	6,241	6,178	(63)
Total other financing sources (uses)	<u>6,198</u>	<u>6,241</u>	<u>6,178</u>	<u>(63)</u>
Net change in fund balance	\$ <u>1</u>	\$ <u>(12)</u>	183	\$ <u>195</u>
Encumbrances, end of year			48	
Fund balance, beginning of year, basis of budgeting			<u>391</u>	
Fund balance, end of year, basis of budgeting			622	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			9	
Accrued salaries, wages and amounts withheld from employees			<u>(240)</u>	
Fund balance, end of year, GAAP basis			\$ <u>391</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 7,919	\$ 7,919	\$ 6,438	\$ (1,481)
Sale of goods and capital assets	173	173	193	20
Licenses, permits and fines	-	-	10	10
Intergovernmental	-	34	49	15
Leases, rents and royalties	767	767	1,005	238
Interest and investment earnings	-	43	28	(15)
Other	81	194	137	(57)
Total revenues	<u>8,940</u>	<u>9,130</u>	<u>7,860</u>	<u>(1,270)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Culture and Recreation	<u>10,643</u>	<u>10,891</u>	<u>9,984</u>	<u>907</u>
Base rentals to Boulder Municipal Property Authority Debt Service Fund			4	(4)
Total expenditures	<u>10,643</u>	<u>10,891</u>	<u>9,988</u>	<u>903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,703)</u>	<u>(1,761)</u>	<u>(2,128)</u>	<u>(367)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,617	1,617	1,617	-
Transfers out	-	(43)	(24)	19
Total other financing sources (uses)	<u>1,617</u>	<u>1,574</u>	<u>1,593</u>	<u>19</u>
Net change in fund balance	\$ <u>(86)</u>	\$ <u>(187)</u>	(535)	\$ <u>(348)</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>1,194</u>	
Fund balance, end of year, basis of budgeting			659	
<b>Basis of budgeting to GAAP basis reconciliation:</b>				
Fair market value adjustment to investments			10	
Accrued salaries, wages and amounts withheld from employees			<u>(314)</u>	
Fund balance, end of year, GAAP basis			\$ <u>355</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, 2010

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Franchise taxes	\$ 1,609	\$ 1,644	\$ 1,835	\$ 191
Intergovernmental	-	368	9	(359)
Interest and investment earnings	-	-	21	21
Other	-	-	4	4
Total revenues	1,609	2,012	1,869	(143)
Expenditures:				
Current:				
General Government	1,609	2,601	1,549	1,052
Total expenditures	1,609	2,601	1,549	1,052
Excess (deficiency) of revenues over (under) expenditures	-	(589)	320	909
 Net change in fund balance	\$ -	\$ (589)	320	\$ 909
 Encumbrances, end of year			73	
Fund balance, beginning of year, basis of budgeting			665	
Fund balance, end of year, basis of budgeting			1,058	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			13	
Accrued salaries, wages and amounts withheld from employees			(24)	
Fund balance, end of year, GAAP basis			\$ 1,047	

CITY OF BOULDER, COLORADO

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

Airport Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 4	\$ 4	\$ 4	\$ -
Intergovernmental	3	35	125	90
Leases, rents and royalties	399	399	424	25
Interest and investment earnings	12	12	11	(1)
Total revenues	<u>418</u>	<u>450</u>	<u>564</u>	<u>114</u>
Expenditures:				
Current:				
Public Works	<u>342</u>	<u>374</u>	<u>334</u>	<u>40</u>
Total expenditures	<u>342</u>	<u>374</u>	<u>334</u>	<u>40</u>
Excess (deficiency) of revenues over (under) expenditures	76	76	230	154
Other financing uses -				
Transfers out	<u>(92)</u>	<u>(92)</u>	<u>(92)</u>	<u>-</u>
Total other financing sources (uses)	<u>(92)</u>	<u>(92)</u>	<u>(92)</u>	<u>-</u>
Net change in fund balance	\$ <u>(16)</u>	\$ <u>(16)</u>	138	\$ <u>154</u>
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			<u>333</u>	
Fund balance, end of year, basis of budgeting			471	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			6	
Accrued salaries, wages and amounts withheld from employees			<u>(7)</u>	
Fund balance, end of year, GAAP basis			\$ <u>470</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Excise taxes	\$ 450	\$ 450	\$ 335	\$ (115)
Intergovernmental	-	3,020	1,484	(1,536)
Interest and investment earnings	65	65	52	(13)
Other	100	100	2	(98)
Total revenues	<u>615</u>	<u>3,635</u>	<u>1,873</u>	<u>(1,762)</u>
Expenditures:				
Current:				
Public Works	608	5,410	3,424	1,986
Total expenditures	<u>608</u>	<u>5,410</u>	<u>3,424</u>	<u>1,986</u>
Excess (deficiency) of revenues over (under) expenditures	7	(1,775)	(1,551)	224
Other financing uses -				
Transfers out	(15)	(15)	(14)	1
Total other financing sources (uses)	<u>(15)</u>	<u>(15)</u>	<u>(14)</u>	<u>1</u>
Net change in fund balance	\$ <u>(8)</u>	\$ <u>(1,790)</u>	(1,565)	\$ <u>225</u>
Encumbrances, end of year			845	
Fund balance, beginning of year, basis of budgeting			<u>2,056</u>	
Fund balance, end of year, basis of budgeting			1,336	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			14	
Accrued salaries, wages and amounts withheld from employees			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,350</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 9	\$ 9	\$ 9	\$ -
Specific ownership & tobacco taxes	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total revenues	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Expenditures:				
Current:				
Public Works	<u>13</u>	<u>13</u>	<u>12</u>	<u>1</u>
Total expenditures	<u>13</u>	<u>13</u>	<u>12</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(3)	(3)	(2)	1
Other financing sources - transfers in	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total other financing sources (uses)	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
 Net change in fund balance	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>	 1	 \$ <u><u>1</u></u>
Fund balance, beginning of year, basis of budgeting			<u>4</u>	
Fund balance, end of year, basis of budgeting			<u>5</u>	
 Fund balance, end of year, GAAP basis			 \$ <u><u>5</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,000	\$ 1,839	\$ 1,393	\$ (446)
Total revenues	<u>1,000</u>	<u>1,839</u>	<u>1,393</u>	<u>(446)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>974</u>	<u>1,814</u>	<u>1,368</u>	<u>446</u>
Total expenditures	<u>974</u>	<u>1,814</u>	<u>1,368</u>	<u>446</u>
Excess (deficiency) of revenues over (under) expenditures	26	25	25	-
Other financing uses -				
Transfers out	<u>(26)</u>	<u>(26)</u>	<u>(26)</u>	<u>-</u>
Payment to refunding bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(26)</u>	<u>(26)</u>	<u>(26)</u>	<u>-</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ (1)</u>	 (1)	 <u>\$ -</u>
Encumbrances, end of year			1	
Fund balance, beginning of year, basis of budgeting			<u>-</u>	
Fund balance, end of year, basis of budgeting			<u>-</u>	
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>	

CITY OF BOULDER, COLORADO

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

HOME Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,350	\$ 2,508	\$ 910	\$ (1,598)
Total revenues	<u>1,350</u>	<u>2,508</u>	<u>910</u>	<u>(1,598)</u>
Expenditures:				
Current:				
Housing and Human Services	<u>1,340</u>	<u>2,498</u>	<u>900</u>	<u>1,598</u>
Total expenditures	<u>1,340</u>	<u>2,498</u>	<u>900</u>	<u>1,598</u>
Excess (deficiency) of revenues over (under) expenditures	10	10	10	-
Other financing uses -				
Transfers out	<u>(10)</u>	<u>(10)</u>	<u>(10)</u>	<u>-</u>
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>-</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>-</u></u>	

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2010

(Amounts in 000's)

<u>Assets</u>	General Obligation Debt Service <u>Fund</u>	.15 Cent Sales Tax Debt Service <u>Fund</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ -	\$ 5	\$ 5
Investments	-	258	258
Receivables:			
Sales and use taxes	-	181	181
Accrued interest	-	2	2
	<u>-</u>	<u>183</u>	<u>183</u>
Restricted assets - investments for debt service	<u>-</u>	<u>47</u>	<u>47</u>
Total assets	\$ <u>-</u>	\$ <u>493</u>	\$ <u>493</u>
 <u>Liabilities and Fund Equity</u>			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:			
Fund balances:			
Reserved:			
Debt service	-	47	47
Unreserved:			
Undesignated	-	446	446
Total fund equity	<u>-</u>	<u>493</u>	<u>493</u>
Total liabilities and fund equity	\$ <u>-</u>	\$ <u>493</u>	\$ <u>493</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

Year ended December 31, 2010

(Amounts in 000's)

	General Obligation Debt Service <u>Fund</u>	.15 Cent Sales Tax Debt Service <u>Fund</u>	<u>Total</u>
Revenues:			
Sales and use taxes	\$ -	\$ 1,537	\$ 1,537
Interest and investment earnings	-	22	22
Total revenues	<u>-</u>	<u>1,559</u>	<u>1,559</u>
Expenditures:			
Current:			
Administrative Services	14	-	14
Debt service payments:			
Principal	-	495	495
Interest	-	65	65
Total expenditures	<u>14</u>	<u>560</u>	<u>574</u>
Excess (deficiency) of revenues over (under) expenditures	(14)	999	985
Other financing uses -			
Transfers out	-	(957)	(957)
Net change in fund balances	(14)	42	28
Fund balances, beginning of year	<u>14</u>	<u>451</u>	<u>465</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 493</u>	<u>\$ 493</u>

CITY OF BOULDER, COLORADO

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

General Obligation Debt Service Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest and investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Administrative Services	<u>10</u>	<u>10</u>	<u>14</u>	<u>(4)</u>
Total expenditures	<u>10</u>	<u>10</u>	<u>14</u>	<u>(4)</u>
Excess (deficiency) of revenues over expenditures - basis of budgeting	<u>(10)</u>	<u>(10)</u>	<u>(14)</u>	<u>(4)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(10)</u>	\$ <u>(10)</u>	(14)	\$ <u>(4)</u>
Fund balance, beginning of year, basis of budgeting			<u>14</u>	
Fund balance, end of year, basis of budgeting			-	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>-</u>	
Fund balance, end of year, GAAP basis			\$ <u>-</u>	

CITY OF BOULDER, COLORADO

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

.15 Cent Sales Tax Debt Service Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Sales and use taxes	\$ 1,341	\$ 1,768	\$ 1,537	\$ (231)
Interest and investment earnings	-	23	23	-
Total revenues	<u>1,341</u>	<u>1,791</u>	<u>1,560</u>	<u>(231)</u>
Expenditures:				
Debt service payments:				
Principal	495	495	495	-
Interest	<u>64</u>	<u>64</u>	<u>65</u>	<u>(1)</u>
Total expenditures	<u>559</u>	<u>559</u>	<u>560</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	782	1,232	1,000	(232)
Other financing uses -				
Transfers out	<u>(476)</u>	<u>(926)</u>	<u>(957)</u>	<u>(31)</u>
Total other financing sources (uses)	<u>(476)</u>	<u>(926)</u>	<u>(957)</u>	<u>(31)</u>
 Net change in fund balance	 <u>\$ 306</u>	 <u>\$ 306</u>	 43	 <u>\$ (263)</u>
 Fund balance, beginning of year, basis of budgeting			 <u>446</u>	
Fund balance, end of year, basis of budgeting			489	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			<u>4</u>	
 Fund balance, end of year, GAAP basis			 <u>\$ 493</u>	

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CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2010

(Amounts in 000's)

<u>Assets</u>	1996 Parks Acquisition <u>Bond Fund</u>	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	<u>Total</u>
Equity in pooled cash and cash equivalents	\$ -	\$ 31	\$ 12	\$ 43
Investments	-	1,655	661	2,316
Receivables:				
General property taxes	-	2,025	-	2,025
Accounts	-	-	19	19
Accrued interest	-	11	4	15
Total Receivables	<u>-</u>	<u>2,036</u>	<u>23</u>	<u>2,059</u>
Advances to other funds	<u>-</u>	<u>671</u>	<u>-</u>	<u>671</u>
 Total assets	 <u>\$ -</u>	 <u>\$ 4,393</u>	 <u>\$ 696</u>	 <u>\$ 5,089</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	\$ -	\$ 669	\$ 2	\$ 671
Contracts and retainage payable	-	94	-	94
Accrued salaries, wages and amounts withheld from employees	-	30	1	31
Other liabilities	-	2	-	2
Deferred revenue -				
general property taxes	-	2,025	-	2,025
Total liabilities	<u>-</u>	<u>2,820</u>	<u>3</u>	<u>2,823</u>
 Fund equity:				
Fund balances:				
Reserved for:				
Encumbrances	-	429	41	470
Advances to other funds	-	671	-	671
Unreserved:				
Designated -				
Special purposes	-	55	-	55
Undesignated	-	418	652	1,070
Total fund equity	<u>-</u>	<u>1,573</u>	<u>693</u>	<u>2,266</u>
 Total liabilities and fund equity	 <u>\$ -</u>	 <u>\$ 4,393</u>	 <u>\$ 696</u>	 <u>\$ 5,089</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, 2010

(Amounts in 000's)

	1996 Parks Acquisition <u>Bond Fund</u>	Permanent Parks and Recreation <u>Fund</u>	Fire Training Center Construction <u>Fund</u>	<u>Total</u>
Revenues:				
Taxes:				
General property taxes	\$ -	\$ 1,889	\$ -	\$ 1,889
Excise taxes	-	135	-	135
Leases, rents and royalties	-	5	-	5
Interest and investment earnings (losses)	-	(2)	(36)	(38)
Other	-	11	19	30
Total revenues	<u>-</u>	<u>2,038</u>	<u>(17)</u>	<u>2,021</u>
Expenditures:				
Capital outlay	<u>1</u>	<u>7,231</u>	<u>2,553</u>	<u>9,785</u>
Total expenditures	<u>1</u>	<u>7,231</u>	<u>2,553</u>	<u>9,785</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	(5,193)	(2,570)	(7,764)
Other financing uses -				
Transfers out	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>(79)</u>
Total other financing sources (uses)	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>(79)</u>
Net change in fund balances	(1)	(5,272)	(2,570)	(7,843)
Fund balances, beginning of year	<u>1</u>	<u>6,845</u>	<u>3,263</u>	<u>10,109</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,573</u>	<u>\$ 693</u>	<u>\$ 2,266</u>

CITY OF BOULDER, COLORADO

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

1996 Parks Acquisition Bond Fund

Year ended December 31, 2010

(Amounts in 000's)

	Budgeted amounts		Actual amounts	Variance with final budget - Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	1	1	-
Total expenditures	-	1	1	-
Excess (deficiency) of revenues over expenditures - basis of budgeting	-	(1)	(1)	-
Other financing sources (uses):				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (1)	(1)	\$ -
Encumbrances, end of year			-	
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, basis of budgeting			(1)	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Change in accrued interest payable			-	
Fund balance, end of year, GAAP basis			\$ -	

CITY OF BOULDER, COLORADO

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

Permanent Parks and Recreation Fund

Year ended December 31, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General property taxes	\$ 1,857	\$ 1,857	\$ 1,889	\$ 32
Excise taxes	257	257	135	(122)
Leases, rents and royalties	-	-	5	5
Interest and investment earnings	148	148	102	(46)
Other	7	36	11	(25)
Total revenues	<u>2,269</u>	<u>2,298</u>	<u>2,142</u>	<u>(156)</u>
Expenditures:				
Capital outlay	<u>2,834</u>	<u>8,468</u>	<u>7,659</u>	<u>809</u>
Total expenditures	<u>2,834</u>	<u>8,468</u>	<u>7,659</u>	<u>809</u>
Excess (deficiency) of revenues over (under) expenditures	(565)	(6,170)	(5,517)	653
Other financing uses -				
Transfers in	671	671	671	-
Transfers out	<u>(79)</u>	<u>(79)</u>	<u>(79)</u>	<u>-</u>
Total other financing sources (uses)	<u>592</u>	<u>592</u>	<u>592</u>	<u>-</u>
Net change in fund balance	\$ <u>27</u>	\$ <u>(5,578)</u>	(4,925)	\$ <u>653</u>
Encumbrances, end of year			429	
Fund balance, beginning of year, basis of budgeting			<u>7,420</u>	
Fund balance, end of year, basis of budgeting			2,924	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			21	
Accrued salaries, wages and amounts withheld from employees			(30)	
Payment on advances receivable			<u>(1,342)</u>	
Fund balance, end of year, GAAP basis			\$ <u>1,573</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, 2010

(Amounts in 000's)

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	Variance with final budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest and investment earnings	-	-	43	43
Other	-	-	19	19
Total revenues	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
Expenditures:				
Capital outlay	-	2,998	2,595	403
Total expenditures	<u>-</u>	<u>2,998</u>	<u>2,595</u>	<u>403</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>-</u>	\$ <u>(2,998)</u>	\$ (2,533)	\$ <u>465</u>
Other financing uses -				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	<u>-</u>	<u>(2,998)</u>	(2,533)	<u>465</u>
 Encumbrances, end of year			41	
Fund balance, beginning of year, basis of budgeting			<u>3,177</u>	
Fund balance, end of year, basis of budgeting			685	
 Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			9	
Accrued salaries, wages and amounts withheld from employees			<u>(1)</u>	
Fund balance, end of year, GAAP basis			\$ <u>693</u>	

## 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, 2010

(Amounts in 000's)

	Telecom- munications <u>Fund</u>	Property and Casualty Insurance <u>Fund</u>	Workers Compensation Insurance <u>Fund</u>	Compensated Absences <u>Fund</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 19	\$ 107	\$ 71	\$ 22
Investments	998	5,722	3,791	1,180
Receivables, net:				
Accounts	2	-	-	-
Accrued interest	6	35	23	7
	<u>8</u>	<u>35</u>	<u>23</u>	<u>7</u>
Advances to other funds	-	38	-	-
Other assets - prepaid expenses	-	208	-	-
Total current assets	<u>1,025</u>	<u>6,110</u>	<u>3,885</u>	<u>1,209</u>
Noncurrent assets:				
Restricted assets:				
Cash for capital projects	-	-	-	-
Total restricted assets	-	-	-	-
Advances to other funds, less current	-	39	-	-
Other assets -				
Deferred charges	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	1,675	-	-	-
	<u>1,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	(1,055)	-	-	-
	<u>827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Construction in progress	1,412	-	-	-
Total capital assets, net of accumulated depreciation	<u>2,239</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>2,239</u>	<u>39</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,264</u>	<u>6,149</u>	<u>3,885</u>	<u>1,209</u>
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	58	15	46	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	-	14	13	55
Accrued interest	-	-	-	-
Accrued claims liability (current portion)	-	176	695	-
Deferred revenue	25	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	<u>83</u>	<u>205</u>	<u>754</u>	<u>55</u>
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued claims liability	-	846	243	-
Retiree health care benefit	1	2	2	-
Total non-current liabilities	<u>1</u>	<u>848</u>	<u>245</u>	<u>-</u>
Total liabilities	<u>84</u>	<u>1,053</u>	<u>999</u>	<u>55</u>
Net assets:				
Invested in capital assets, net of related debt	2,239	-	-	-
Unrestricted	941	5,096	2,886	1,154
Total net assets	<u>\$ 3,180</u>	<u>\$ 5,096</u>	<u>\$ 2,886</u>	<u>\$ 1,154</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>
\$	177	\$ 99	\$ 91	\$ 94	\$ 680
	9,504	5,293	4,890	5,053	36,431
	365	-	-	2	369
	58	33	30	31	223
	423	33	30	33	592
	21	-	-	-	59
	19	-	-	-	227
	<u>10,144</u>	<u>5,425</u>	<u>5,011</u>	<u>5,180</u>	<u>37,989</u>
	-	-	-	7,148	7,148
	-	-	-	7,148	7,148
	148	-	-	-	187
	-	-	-	57	57
	-	-	-	101	101
	2,381	-	-	68,252	70,840
	1,437	-	-	6,974	8,411
	25,068	-	-	-	25,068
	21	2,686	3,238	7	7,627
	<u>28,907</u>	<u>2,686</u>	<u>3,238</u>	<u>75,334</u>	<u>112,047</u>
	(15,501)	(1,691)	(2,048)	(39,869)	(60,164)
	13,406	995	1,190	35,465	51,883
	-	668	-	1,912	3,992
	<u>13,406</u>	<u>1,663</u>	<u>1,190</u>	<u>37,377</u>	<u>55,875</u>
	<u>13,554</u>	<u>1,663</u>	<u>1,190</u>	<u>44,582</u>	<u>63,267</u>
	<u>23,698</u>	<u>7,088</u>	<u>6,201</u>	<u>49,762</u>	<u>101,256</u>
	231	114	-	573	1,037
	-	-	-	139	139
	60	-	1	3	146
	-	-	-	61	61
	-	-	-	-	871
	-	-	-	-	25
	-	-	-	194	194
	<u>291</u>	<u>114</u>	<u>1</u>	<u>970</u>	<u>2,473</u>
	-	-	-	7,763	7,763
	167	-	-	-	167
	-	-	-	-	1,089
	12	-	-	1	18
	<u>179</u>	<u>-</u>	<u>-</u>	<u>7,764</u>	<u>9,037</u>
	<u>470</u>	<u>114</u>	<u>1</u>	<u>8,734</u>	<u>11,510</u>
	13,406	1,664	1,190	29,420	47,919
	9,822	5,310	5,010	11,608	41,827
\$	<u>23,228</u>	<u>6,974</u>	<u>6,200</u>	<u>41,028</u>	<u>89,746</u>

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Assets

Internal Service Funds

Year ended December 31, 2010

(Amounts in 000's)

	<u>Telecom- munications Fund</u>	<u>Property and Casualty Insurance Fund</u>	<u>Workers Compensation Insurance Fund</u>	<u>Compensated Absences Fund</u>
Operating revenues:				
Charges for services	\$ 798	\$ 1,510	\$ 1,169	\$ 121
Total operating revenues	<u>798</u>	<u>1,510</u>	<u>1,169</u>	<u>121</u>
Operating expenses:				
Personnel	7	255	316	609
Non-personnel	537	1,246	1,353	-
Depreciation	166	-	-	-
Total operating expenses	<u>710</u>	<u>1,501</u>	<u>1,669</u>	<u>609</u>
Operating income (loss)	<u>88</u>	<u>9</u>	<u>(500)</u>	<u>(488)</u>
Nonoperating revenues (expenses):				
Interest and investment earnings	3	90	54	11
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	111	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	6	-	-	-
Other (net)	-	18	31	-
Total nonoperating revenues (expenses)	<u>120</u>	<u>108</u>	<u>85</u>	<u>11</u>
Income (loss) before capital contributions and transfers	208	117	(415)	(477)
Capital contributions	-	-	-	-
Transfers out	<u>(14)</u>	<u>(156)</u>	<u>(113)</u>	<u>(33)</u>
Changes in net assets	194	(39)	(528)	(510)
Total net assets, beginning of year	<u>2,986</u>	<u>5,135</u>	<u>3,414</u>	<u>1,664</u>
Total net assets, end of year	<u>\$ 3,180</u>	<u>\$ 5,096</u>	<u>\$ 2,886</u>	<u>\$ 1,154</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>6,744</u>	\$ <u>1,722</u>	\$ <u>855</u>	\$ <u>1,995</u>	\$ <u>14,914</u>
<u>6,744</u>	<u>1,722</u>	<u>855</u>	<u>1,995</u>	<u>14,914</u>
1,145	-	23	81	2,436
1,792	358	121	591	5,998
<u>2,042</u>	<u>360</u>	<u>397</u>	<u>3,581</u>	<u>6,546</u>
<u>4,979</u>	<u>718</u>	<u>541</u>	<u>4,253</u>	<u>14,980</u>
<u>1,765</u>	<u>1,004</u>	<u>314</u>	<u>(2,258)</u>	<u>(66)</u>
173	72	76	85	564
-	-	-	20	20
-	-	-	-	111
-	-	-	(61)	(61)
190	(250)	(12)	6	(60)
<u>53</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>122</u>
<u>416</u>	<u>(178)</u>	<u>64</u>	<u>70</u>	<u>696</u>
2,181	826	378	(2,188)	630
-	-	-	396	396
<u>(669)</u>	<u>(12)</u>	<u>(17)</u>	<u>(5,328)</u>	<u>(6,342)</u>
1,512	814	361	(7,120)	(5,316)
<u>21,716</u>	<u>6,160</u>	<u>5,839</u>	<u>48,148</u>	<u>95,062</u>
\$ <u><u>23,228</u></u>	\$ <u><u>6,974</u></u>	\$ <u><u>6,200</u></u>	\$ <u><u>41,028</u></u>	\$ <u><u>89,746</u></u>

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2010

(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	\$ 120	\$ -	\$ 60	\$ -
Receipts from interfund services provided	676	1,510	1,109	121
Other receipts	-	-	31	-
Payments to suppliers	(556)	(1,133)	(1,329)	-
Payments to employees	(7)	(252)	(314)	(664)
Net cash provided (used) by operating activities	<u>233</u>	<u>125</u>	<u>(443)</u>	<u>(543)</u>
Cash flows from noncapital financing activities:				
Payments from (to) other funds on advances	-	37	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	111	-	-	-
Transfers in	-	-	-	-
Transfers out	(14)	(156)	(113)	(33)
Net cash provided (used) by noncapital financing activities	<u>97</u>	<u>(119)</u>	<u>(113)</u>	<u>(33)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,543)	-	-	-
Proceeds from sale of capital assets	6	-	-	-
Proceeds from insurance claims	-	18	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Cost of issuance paid	-	-	-	-
Net cash provided (used) for capital and related financing activities	<u>(1,537)</u>	<u>18</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Purchase of investment securities	(844)	(4,839)	(3,205)	(997)
Proceeds from sale and maturities of investment securities	1,987	4,688	3,657	1,528
Interest on investments	48	144	107	39
Net cash provided (used) in investing activities	<u>1,191</u>	<u>(7)</u>	<u>559</u>	<u>570</u>
Net increase (decrease) in cash and cash equivalents	(16)	17	3	(6)
Equity in pooled cash and cash equivalents, January 1	<u>35</u>	<u>90</u>	<u>68</u>	<u>28</u>
Equity in pooled cash and cash equivalents, December 31	<u>\$ 19</u>	<u>\$ 107</u>	<u>\$ 71</u>	<u>\$ 22</u>
Reconciliation of cash and cash equivalents to balance sheet amounts:				
Equity in pooled cash and cash equivalents	<u>\$ 19</u>	<u>\$ 107</u>	<u>\$ 71</u>	<u>\$ 22</u>

	Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
\$	59	\$ -	\$ -	\$ 6	\$ 245
	6,666	1,722	855	1,988	14,647
	53	-	-	20	104
	(1,798)	(270)	(121)	(709)	(5,916)
	<u>(1,125)</u>	<u>-</u>	<u>(23)</u>	<u>(82)</u>	<u>(2,467)</u>
	<u>3,855</u>	<u>1,452</u>	<u>711</u>	<u>1,223</u>	<u>6,613</u>
	20	-	-	-	57
	-	-	-	20	20
	-	-	-	(31)	80
	-	-	-	396	396
	<u>(669)</u>	<u>(12)</u>	<u>(17)</u>	<u>(5,223)</u>	<u>(6,237)</u>
	<u>(649)</u>	<u>(12)</u>	<u>(17)</u>	<u>(4,838)</u>	<u>(5,684)</u>
	(2,326)	(1,323)	(167)	(1,662)	(7,021)
	125	7	(68)	5,285	5,355
	-	-	-	-	18
	-	-	-	811	811
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59)</u>	<u>(59)</u>
	<u>(2,201)</u>	<u>(1,316)</u>	<u>(235)</u>	<u>4,375</u>	<u>(896)</u>
	(8,037)	(4,476)	(4,136)	(4,274)	(30,808)
	6,840	4,250	3,574	3,429	29,953
	<u>235</u>	<u>119</u>	<u>124</u>	<u>111</u>	<u>927</u>
	<u>(962)</u>	<u>(107)</u>	<u>(438)</u>	<u>(734)</u>	<u>72</u>
	43	17	21	26	105
	<u>134</u>	<u>82</u>	<u>70</u>	<u>68</u>	<u>575</u>
\$	<u><u>177</u></u>	\$ <u><u>99</u></u>	\$ <u><u>91</u></u>	\$ <u><u>94</u></u>	\$ <u><u>680</u></u>
\$	<u><u>177</u></u>	\$ <u><u>99</u></u>	\$ <u><u>91</u></u>	\$ <u><u>94</u></u>	\$ <u><u>680</u></u>

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,  
continued

Internal Service Funds

Year ended December 31, 2010

(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)	\$ 88	\$ 9	\$ (500)	\$ (488)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	166	-	-	-
Other nonoperating revenues (expenses)	-	-	31	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	50	-	-	-
Other assets - prepaid expenses	48	3	7	-
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(67)	8	(140)	-
Accrued salaries, wages and amounts withheld from employees	-	2	2	(55)
Deferred revenue	(52)	-	-	-
Accrued claims liability	-	102	157	-
Compensated absences	-	-	-	-
Retiree health care accrual	-	1	-	-
Total adjustments	<u>145</u>	<u>116</u>	<u>57</u>	<u>(55)</u>
Net cash provided (used) by operating activities	<u>\$ 233</u>	<u>\$ 125</u>	<u>\$ (443)</u>	<u>\$ (543)</u>
Noncash investing, capital and financing activities:				
Assets acquired through:				
Capital contributions:				
Financed through accounts, contracts and retainage payable	-	-	-	-
Increase (decrease) in fair value of investments	<u>(45)</u>	<u>(54)</u>	<u>(53)</u>	<u>(40)</u>
	<u>\$ (45)</u>	<u>\$ (54)</u>	<u>\$ (53)</u>	<u>\$ (40)</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>1,765</u>	\$ <u>1,004</u>	\$ <u>314</u>	\$ <u>(2,258)</u>	\$ <u>(66)</u>
2,042	360	397	3,581	6,546
53	-	-	20	104
-	-	-	(1)	49
(19)	-	-	-	39
(6)	88	-	(118)	(235)
7	-	-	(1)	(45)
-	-	-	-	(52)
-	-	-	-	259
10	-	-	-	10
3	-	-	-	4
<u>2,090</u>	<u>448</u>	<u>397</u>	<u>3,481</u>	<u>6,679</u>
\$ <u><u>3,855</u></u>	\$ <u><u>1,452</u></u>	\$ <u><u>711</u></u>	\$ <u><u>1,223</u></u>	\$ <u><u>6,613</u></u>
78	-	67	(139)	6
<u>62</u>	<u>47</u>	<u>48</u>	<u>(98)</u>	<u>(133)</u>
\$ <u><u>140</u></u>	\$ <u><u>47</u></u>	\$ <u><u>115</u></u>	\$ <u><u>(237)</u></u>	\$ <u><u>(127)</u></u>

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SUPPLEMENTARY SCHEDULE

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2010

(Amounts in 000's)

	Interest rates	Dates <u>Issued</u> <u>Maturity</u>	Authorized and issued	Outstanding	Current portion	
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	\$ 14,980	\$ 1,415
Premium on Bonds				170		
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	11,890	1,285
Premium on Refunding Bonds				40		
Refunding Bond Charges				(422)		
Open Space Acquisition Refunding	2.50	7/7/09	8/15/13	6,305	4,850	1,510
Premium on Refunding Bonds				76		
Refunding Bond Charges				(18)		
Parks, Recreation, Muni., Cap., Imp., Ref.	4.00 - 4.30	9/11/01	12/1/12	5,255	1,050	520
Premium on Refunding Bonds				-	1	
Refunding Bond Charges				-	(7)	
Parks, Recreation, Muni., Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	10,030	1,875
Premium on Refunding Bonds				400		
Refunding Bond Charges				(210)		
Library Capital Improvement Refunding	3.50 - 4.20	1/08/02	10/01/11	9,250	1,040	1,040
Premium on Refunding Bonds				1		
Refunding Bond Charges				(4)		
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	5,750	250
Premium on Waste Reduction Bonds				66		
				<u>71,165</u>	<u>49,683</u>	<u>7,895</u>
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	9,070	310
Premium on Pension Obligation Bonds				-	131	
				<u>9,070</u>	<u>9,201</u>	<u>310</u>
Sales Tax Revenue Bonds:						
Open Space Acq. Sales Tax Rev. Ref. Bds	2.50 - 3.00	7/7/09	8/15/14	6,485	5,265	1,260
Premium on Refunding Bonds				-	108	
Refunding Bond Charges				-	(23)	
				<u>6,485</u>	<u>5,350</u>	<u>1,260</u>
Loan Payable - Boulder County	3.00	9/25/2009	9/1/2013	5,441	500	250
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,500	73
All American Investment Group, LLC	3.518	10/25/10	1/25/26	6,457	6,457	121
				<u>7,957</u>	<u>7,957</u>	<u>194</u>
Compensated Absences				-	10,574	706
Retiree Health Care Benefit (OPEB)				-	955	-
Rebatable Arbitrage				-	-	-
				<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities and total supported by sales tax revenues and other financing sources				\$ <u>100,118</u>	\$ <u>84,220</u>	\$ <u>10,615</u>
Business-type Activities:						
Supported by utility revenues:						
Revenue Bonds:						
Water and Sewer	4.00 - 5.50	12/19/01	12/01/21	28,830	18,705	1,360
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	4,540	685
Refunding Bond Charges				-	(71)	-
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	17,910	1,790
Refunding Bond Charges				-	(669)	-
Water and Sewer	3.50 - 5.00	11/15/05	12/01/25	45,245	37,000	1,840
Premium on Bonds				-	696	-
Water and Sewer Revenue Refunding Bonds	3.00 - 3.50	5/01/05	12/01/12	1,110	325	155
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	9,980	390
Premium on Bonds				-	227	
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	2,745	320
Premium on Bonds				-	75	
Refunding Bond Charges				-	(34)	
				<u>122,165</u>	<u>91,429</u>	<u>6,540</u>
Compensated Absences				-	1,234	174
Retiree Health Care Benefit (OPEB)				-	117	-
Rebatable Arbitrage				-	-	-
				<u>-</u>	<u>-</u>	<u>-</u>
Total supported by utility revenues				<u>122,165</u>	<u>92,780</u>	<u>6,714</u>

(continued)

CITY OF BOULDER, COLORADO

Supplementary Schedule

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

December 31, 2010

(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	9,425	570
Premium on Bonds					71	-
Parking Facilities	3.00 - 4.00	5/14/09	8/15/18	7,730	7,025	775
Premium on Refunding Bonds					281	
Refunding Bond Charges					(49)	
				<u>20,230</u>	<u>16,753</u>	<u>1,345</u>
Compensated Absences				-	124	-
Retiree Health Care Benefit (OPEB)				-	29	-
				<u>-</u>	<u>153</u>	<u>-</u>
Total supported by parking revenues				<u>20,230</u>	<u>16,906</u>	<u>1,345</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	5,750	1,120	545
				<u>5,750</u>	<u>1,120</u>	<u>545</u>
Lease Purchase Revenue Notes:						
Boulder Municipal Property Authority:						
Open space acquisition:						
Mardick	Note 1991G	7.00	10/03/91	10/03/11	225	20
Joder	Note 1996A	6.00	4/22/96	4/22/11	1,400	136
Lousberg	Note 1996B	6.00	5/30/96	6/01/11	850	83
Henrikson	Note 1997C	6.00	6/25/97	6/25/12	383	72
Foothills	Note 1997G	7.00	7/16/97	7/16/17	1,095	557
Van Vleet	Note 1999B	6.00	3/5/99	3/5/14	2,500	892
Johnson, Family	Note 2001A-R1	6.00	1/10/01	1/10/11	245	31
Johnson, Wife	Note 2001A-R2	6.00	1/10/01	1/10/11	300	38
Hester	Note 2001B	6.00	6/01/01	6/01/11	580	74
Suits	Note 2001C	6.00	10/31/01	10/31/11	1,675	1,675
Abbott	Note 2001D	6.00	12/05/01	1/14/13	430	168
William & Assoc.	Note 2001E-R1	6.00	11/21/01	11/21/11	230	230
Suits, Enterprises	Note 2001E-R2	6.00	11/21/01	11/21/11	420	420
Edward H. Kolb	Note 2002A-R1	6.00	8/15/02	8/15/12	242	60
John B. Kolb	Note 2002A-R2	6.00	8/15/02	8/15/12	242	60
Frederick M. Kolb	Note 2002A-R3	6.00	8/15/02	8/15/12	242	60
Helayne B. Jones	Note 2003A	6.00	6/20/03	6/20/13	715	260
Dagle	Note 2004A	4.75	12/1/2004	12/01/04	770	351
Gisle	Note 2005A	4.75	2/18/05	2/18/17	1,180	766
Hill	Note 2005B	4.75	4/05/05	4/05/15	910	508
Luchetta	Note 2005C	5.00	8/05/05	8/05/20	720	535
Boulder Valley	Note 2006A	5.00	6/16/06	6/16/16	3,550	2,333
Eisenberg	Note 2006B	5.00	6/07/06	6/07/16	1,206	793
Kolb, Edward H.	Note 2008AR-1	5.00	4/22/08	4/22/18	404	338
Vigil	Note 2008AR-2	5.00	4/22/08	4/22/18	404	338
				<u>20,918</u>	<u>10,798</u>	<u>4,059</u>
Boulder Transit Village acquisition:						
30th & Pearl, LLC	Note 2004B	6.50	10/14/04	1/1/10	2,600	10
				<u>2,600</u>	<u>10</u>	<u>10</u>
				<u>23,518</u>	<u>10,808</u>	<u>4,069</u>
Total supported by base rentals				<u>29,268</u>	<u>11,928</u>	<u>4,614</u>
Total Business-type Activities				<u>\$ 171,663</u>	<u>\$ 121,614</u>	<u>\$ 12,673</u>

## 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, 2010

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.	
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<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).	
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. 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

(Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year				
	2001	2002	2003	2004	2005
Governmental activities:					
Invested in capital assets, net of related debt	\$ 141,073	\$ 167,654	\$ 187,518	\$ 200,574	\$ 329,926
Restricted	61,887	50,206	44,692	41,906	47,497
Unrestricted	28,068	30,829	31,408	34,929	39,282
<b>Total governmental activities</b>					
<b>net assets</b>	<u>\$ 231,028</u>	<u>\$ 248,689</u>	<u>\$ 263,618</u>	<u>\$ 277,409</u>	<u>\$ 416,705</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 229,880	\$ 250,463	\$ 258,051	\$ 266,227	\$ 267,873
Restricted	92	97	103	208	213
Unrestricted	35,670	29,094	32,991	32,862	32,291
<b>Total business-type activities</b>					
<b>net assets</b>	<u>\$ 265,642</u>	<u>\$ 279,654</u>	<u>\$ 291,145</u>	<u>\$ 299,297</u>	<u>\$ 300,377</u>
Primary government:					
Invested in capital assets, net of related debt	\$ 370,953	\$ 418,117	\$ 445,569	\$ 466,801	\$ 597,799
Restricted	61,979	50,303	44,795	42,114	47,710
Unrestricted	63,738	59,923	64,399	67,791	71,573
<b>Total primary government</b>					
<b>net assets</b>	<u>\$ 496,670</u>	<u>\$ 528,343</u>	<u>\$ 554,763</u>	<u>\$ 576,706</u>	<u>\$ 717,082</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.

Fiscal Year				
2006	2007	2008	2009	2010
\$ 343,319	\$ 350,644	\$ 363,896	\$ 379,461	\$395,174
63,452	56,833	59,456	58,197	51,815
20,955	45,771	51,761	51,266	69,024
<u>\$ 427,726</u>	<u>\$ 453,248</u>	<u>\$ 475,113</u>	<u>\$ 488,924</u>	<u>\$516,013</u>
\$ 269,527	\$ 283,633	\$ 295,936	\$ 313,583	\$310,791
220	228	234	242	249
53,147	57,233	65,263	59,917	65,547
<u>\$ 322,894</u>	<u>\$ 341,094</u>	<u>\$ 361,433</u>	<u>\$ 373,742</u>	<u>\$376,587</u>
\$ 612,846	\$ 634,277	\$ 659,832	\$ 693,044	\$ 705,965
63,672	57,061	59,690	58,439	52,064
74,102	103,004	117,024	111,183	134,571
<u>\$ 750,620</u>	<u>\$ 794,342</u>	<u>\$ 836,546</u>	<u>\$ 862,666</u>	<u>\$ 892,600</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Assets

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year			
	2001	2002	2003	2004
Expenses:				
Governmental activities:				
General Government	\$ 7,705	\$ 10,271	\$ 8,073	\$ 7,803
Administrative Services	3,222	4,072	3,907	2,541
Public Safety	32,384	35,127	35,741	37,941
Public Works	22,658	18,720	19,073	19,156
Planning & Development Services	7,660	7,688	7,345	7,021
Culture and Recreation	21,625	22,231	25,113	24,170
Open Space and Mountain Parks	11,752	10,724	9,135	10,425
Housing and Human Services	12,351	10,344	10,452	10,926
Interest on long-term debt	5,126	4,732	4,666	4,496
Total governmental activities expenses	<u>124,483</u>	<u>123,909</u>	<u>123,505</u>	<u>124,479</u>
Business-type activities:				
Water utility	16,835	18,370	18,923	19,058
Wastewater utility	7,075	8,607	8,165	8,352
Stormwater and flood management	2,867	2,823	3,722	4,162
Parking facilities and services	4,571	4,224	4,212	4,478
Property and facility acquisition	1,884	1,852	1,701	1,559
Total business-type activities expenses	<u>33,232</u>	<u>35,876</u>	<u>36,723</u>	<u>37,609</u>
Total primary government expenses	<u>157,715</u>	<u>159,785</u>	<u>160,228</u>	<u>162,088</u>
Program revenue:				
Governmental activities:				
Charges for services:				
General Government	1,608	1,465	1,646	1,788
Administrative Services	258	393	188	281
Public Safety	476	678	742	1,043
Public works	749	950	904	835
Planning & Development Services	4,549	4,214	4,917	4,622
Culture and Recreation	6,329	6,232	7,173	7,090
Open Space and Mountain Parks	269	288	376	386
Housing and Human Services	741	532	730	1,642
Operating grants and contributions:	12,421	4,046	4,291	4,805
Capital grants and contributions	7,169	7,567	10,498	5,900
Total governmental activities program revenue	<u>34,569</u>	<u>26,365</u>	<u>31,465</u>	<u>28,392</u>
Business-type activities:				
Charges for services:				
Water utility	18,501	16,855	20,063	18,180
Wastewater utility	7,431	7,905	8,346	8,488
Stormwater and flood management	3,960	4,248	4,115	4,317
Parking facilities and services	2,777	2,876	2,953	3,193
Property and facility acquisition	4,890	5,063	4,527	4,647
Operating grants and contributions:	535	764	265	148
Capital grants and contributions:	7,028	8,555	4,478	6,091
Total business-type activities program revenues	<u>45,122</u>	<u>46,266</u>	<u>44,747</u>	<u>45,064</u>
Total primary government program revenues	<u>79,691</u>	<u>72,631</u>	<u>76,212</u>	<u>73,456</u>
Net (expense) revenue:				
Governmental activities	(89,914)	(97,544)	(92,040)	(96,087)
Business-type activities	11,890	10,390	8,024	7,455
Total primary government net expense	<u>(78,024)</u>	<u>(87,154)</u>	<u>(84,016)</u>	<u>(88,632)</u>

Fiscal Year					
2005	2006	2007	2008	2009	2010
\$ 7,632	\$ 8,429	\$ 9,846	\$ 10,227	\$ 9,945	\$ 12,431
2,708	3,337	3,182	2,951	2,139	1,678
38,091	37,942	42,221	44,479	45,506	45,819
28,773	32,657	36,030	30,966	32,634	30,542
7,180	7,476	7,657	8,966	8,619	8,248
24,357	25,901	26,573	27,961	27,478	27,200
11,023	12,299	13,156	13,360	13,043	13,548
11,692	14,720	10,420	13,983	14,745	16,580
4,016	4,137	3,872	3,530	2,820	2,285
<u>135,472</u>	<u>146,898</u>	<u>152,957</u>	<u>156,423</u>	<u>156,929</u>	<u>158,331</u>
20,657	21,711	20,767	21,713	21,051	20,921
9,043	10,362	10,849	11,693	13,458	12,885
3,891	3,963	4,197	4,407	4,011	4,454
5,223	5,374	5,549	6,228	7,385	7,602
1,460	1,411	1,316	1,150	1,009	860
<u>40,274</u>	<u>42,821</u>	<u>42,678</u>	<u>45,191</u>	<u>46,914</u>	<u>46,722</u>
<u>175,746</u>	<u>189,719</u>	<u>195,635</u>	<u>201,614</u>	<u>203,843</u>	<u>205,053</u>
1,826	1,783	2,009	2,832	2,819	3,512
116	98	112	268	205	191
1,075	990	1,426	1,640	1,706	1,874
928	719	890	909	803	1,122
5,298	6,289	6,803	6,327	4,587	5,421
7,341	8,057	8,589	9,069	8,448	8,121
369	405	374	367	384	425
1,529	1,527	1,328	3,671	2,608	5,775
3,887	7,039	7,522	8,500	6,607	7,338
9,991	6,514	13,521	6,886	11,950	8,381
<u>32,360</u>	<u>33,421</u>	<u>42,574</u>	<u>40,469</u>	<u>40,117</u>	<u>42,160</u>
21,055	23,570	21,175	21,123	20,201	21,633
10,002	12,126	12,596	12,606	12,748	12,688
4,402	4,607	4,796	4,959	5,084	5,080
3,607	3,808	4,231	4,319	3,939	4,162
5,090	4,444	4,540	4,042	3,455	3,447
196	140	210	168	136	169
6,738	6,618	4,812	10,703	8,408	5,610
<u>51,090</u>	<u>55,313</u>	<u>52,360</u>	<u>57,920</u>	<u>53,971</u>	<u>52,789</u>
<u>83,450</u>	<u>88,734</u>	<u>94,934</u>	<u>98,389</u>	<u>94,088</u>	<u>94,949</u>
(103,112)	(113,477)	(110,383)	(115,954)	(116,812)	(116,171)
10,816	12,492	9,682	12,729	7,057	6,067
<u>(92,296)</u>	<u>(100,985)</u>	<u>(100,701)</u>	<u>(103,225)</u>	<u>(109,755)</u>	<u>(110,104)</u>

(continued)

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Assets (Continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year			
	2001	2002	2003	2004
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
*Sales and use taxes	\$ 72,374	\$ 71,624	\$ 67,891	\$ 71,688
*Property taxes	16,467	17,528	18,432	19,275
**Other taxes	13,430	12,652	13,229	13,799
Accommodation taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Specific Ownership & Tobacco taxes	-	-	-	-
Excise Taxes	-	-	-	-
Interest and investment earnings	7,416	3,641	1,685	1,348
***Miscellaneous	5,403	5,077	6,230	4,312
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(654)	(213)	(498)	(544)
Special item	-	2,942	-	-
Total governmental activities	<u>114,436</u>	<u>113,251</u>	<u>106,969</u>	<u>109,878</u>
Business-type activities:				
Taxes:				
*Sales and use tax increment	-	-	-	-
*Property taxes	719	731	763	805
*Property tax increment	-	-	-	-
**Other taxes	68	68	58	68
Accommodation taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Specific Ownership & Tobacco taxes	-	-	-	-
Excise Taxes	-	-	-	-
Excess tax increment	-	-	-	-
Interest and investment earnings	4,637	2,536	1,262	1,167
***Miscellaneous	(16)	74	886	(1,887)
Gain on Sale of Capital Assets	-	-	-	-
Transfers	654	213	498	544
Extraordinary item	-	-	-	-
Total business-type activities	<u>6,062</u>	<u>3,622</u>	<u>3,467</u>	<u>697</u>
Total primary government	<u>120,498</u>	<u>116,873</u>	<u>110,436</u>	<u>110,575</u>
Changes in net assets:				
Governmental activities	24,522	15,707	14,929	13,791
Business-type activities	17,952	14,012	11,491	8,152
Total primary government	<u>\$ 42,474</u>	<u>\$ 29,719</u>	<u>\$ 26,420</u>	<u>\$ 21,943</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					
2005	2006	2007	2008	2009	2010
\$ 76,624	\$ 80,057	\$ 88,403	\$ 84,867	\$ 85,457	\$ 87,802
19,391	19,854	20,475	21,865	23,526	26,022
15,686	14,053	14,791	-	-	-
-	-	-	3,389	3,049	3,199
-	-	-	9,131	9,121	10,868
-	-	-	1,705	1,587	1,587
-	-	-	2,748	1,847	837
2,315	4,869	6,594	7,875	2,088	2,060
5,125	5,002	6,752	5,025	5,286	5,633
-	-	-	627	130	805
3,439	663	(1,110)	587	(1,468)	5,982
-	-	-	-	-	(1,535)
<u>122,580</u>	<u>124,498</u>	<u>135,905</u>	<u>137,819</u>	<u>130,623</u>	<u>143,260</u>
46	85	99	94	83	87
839	874	912	1,578	1,627	1,704
44	500	563	-	-	-
433	664	766	-	-	-
-	-	-	714	604	635
-	-	-	-	-	-
-	-	-	63	55	51
-	-	-	-	-	-
-	(245)	(703)	-	-	-
1,585	5,215	5,796	5,583	1,257	1,226
(390)	(159)	(25)	165	78	81
-	-	-	-	80	-
(3,439)	(663)	1,110	(587)	1,468	(5,982)
-	3,754	-	-	-	(1,024)
<u>(882)</u>	<u>10,025</u>	<u>8,518</u>	<u>7,610</u>	<u>5,252</u>	<u>(3,222)</u>
<u>121,698</u>	<u>134,523</u>	<u>144,423</u>	<u>145,429</u>	<u>135,875</u>	<u>140,038</u>
19,468	11,021	25,522	21,865	13,811	27,089
9,934	22,517	18,200	20,339	12,309	2,845
<u>\$ 29,402</u>	<u>\$ 33,538</u>	<u>\$ 43,722</u>	<u>\$ 42,204</u>	<u>\$ 26,120</u>	<u>\$ 29,934</u>

CITY OF BOULDER, COLORADO

Statistical Data

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year				
	2001	2002	2003	2004	2005
General Fund:					
Reserved	\$ 2,035	\$ 3,296	\$ 3,586	\$ 3,037	\$ 2,706
Unreserved	17,885	15,359	13,172	13,826	16,631
Total General Fund	<u>\$ 19,920</u>	<u>\$ 18,655</u>	<u>\$ 16,758</u>	<u>\$ 16,863</u>	<u>\$ 19,337</u>
All Other Governmental Funds:					
Reserved	\$ 16,310	\$ 17,590	\$ 9,157	\$ 9,496	\$ 10,228
Unreserved, reported in:					
Special revenue funds	49,892	33,915	35,907	35,739	37,616
Debt service funds	279	343	329	297	301
Capital projects funds	2,005	2,498	2,965	3,549	3,870
Total all other government funds	<u>\$ 68,486</u>	<u>\$ 54,346</u>	<u>\$ 48,358</u>	<u>\$ 49,081</u>	<u>\$ 52,015</u>

Fiscal Year				
2006	2007	2008	2009	2010
\$ 2,784	\$ 2,953	\$ 2,928	\$ 3,934	4,179
18,466	17,600	18,524	19,399	22,103
<u>\$ 21,250</u>	<u>\$ 20,553</u>	<u>\$ 21,452</u>	<u>\$ 23,333</u>	<u>26,282</u>
\$ 32,671	\$ 10,662	\$ 9,857	\$ 17,774	11,338
29,772	38,995	57,409	38,605	45,123
303	334	356	418	446
4,675	13,112	14,449	4,568	1,125
<u>\$ 67,421</u>	<u>\$ 63,103</u>	<u>\$ 82,071</u>	<u>\$ 61,365</u>	<u>\$ 58,032</u>

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Amounts in 000's)

	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Revenues:</b>					
<b>Taxes:</b>					
Sales and use taxes	\$ 72,374	\$ 71,624	\$ 67,891	\$ 71,688	\$ 76,624
General property taxes	16,467	17,528	18,432	19,275	19,391
*Other taxes	13,430	12,652	13,229	13,799	15,686
Accommodation taxes					
Franchise taxes					
Specific Ownership & Tobacco taxes					
Excise taxes					
Charges for services	8,390	7,886	9,560	10,229	10,493
Sale of goods	1,235	1,017	1,816	5,598	1,635
License, permits and fines	7,149	7,375	8,916	8,884	9,337
Intergovernmental	18,339	10,710	13,882	8,788	9,956
Leases, rents and royalties	6,368	1,487	1,575	2,182	1,993
Interest and investment earnings	6,136	2,700	1,587	1,073	1,748
Other	2,639	4,950	2,453	957	1,648
<b>Total revenues</b>	<b>152,527</b>	<b>137,929</b>	<b>139,341</b>	<b>142,473</b>	<b>148,511</b>
<b>Expenditures:</b>					
General Government	8,868	11,505	9,767	9,206	9,291
Administrative Services	8,489	9,235	9,358	7,981	8,021
Public Safety	30,685	32,441	33,837	34,599	35,105
Public Works	27,482	27,347	29,952	23,234	23,374
Planning & Development Services	6,235	6,728	6,329	5,825	6,057
Culture and Recreation	23,385	28,765	24,425	21,509	22,977
Open Space and Mountain Parks	27,243	11,534	7,121	9,809	11,726
Housing and Human Services	11,381	9,477	12,738	14,362	9,925
Rebate of Charges for Services	-	(810)	-	-	-
Capital outlay	3,222	2,231	1,961	1,826	1,390
Debt service payments:					
Principal	7,861	5,160	6,996	8,857	8,322
Interest	7,267	4,679	4,613	4,447	3,961
Base rentals to Boulder Municipal Property Authority Debt Service Fund	4,899	5,063	4,527	4,647	5,090
Cost of issuance - refunding bonds	-	76	-	-	-
<b>Total expenditures</b>	<b>167,017</b>	<b>153,431</b>	<b>151,624</b>	<b>146,302</b>	<b>145,239</b>
<b>Excess of revenues (under) expenditures</b>	<b>(14,490)</b>	<b>(15,502)</b>	<b>(12,283)</b>	<b>(3,829)</b>	<b>3,272</b>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	-	-	-
Notes / loans payable issued	3,880	-	1,940	2,520	-
Bonds issued (including refunding bonds)	5,276	9,275	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	18,837	18,862	24,735	18,805	18,188
Transfers out	(18,912)	(16,662)	(22,277)	(16,668)	(16,052)
Payment to refunding bond escrow agent	(5,190)	(9,194)	-	-	-
<b>Total other financing sources (uses)</b>	<b>3,942</b>	<b>2,281</b>	<b>4,398</b>	<b>4,657</b>	<b>2,136</b>
<b>Net changes in fund balance</b>	<b>\$ (10,548)</b>	<b>\$ (13,221)</b>	<b>\$ (7,885)</b>	<b>\$ 828</b>	<b>\$ 5,408</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>15.2%</b>	<b>11.5%</b>	<b>11.0%</b>	<b>13.2%</b>	<b>13.0%</b>

\* 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	
\$	80,057	\$	88,403	\$	84,867	85,457	87,802
	19,854		20,475		21,865	23,526	26,022
	14,053		14,791		-	-	-
					3,389	3,049	3,199
					9,131	9,121	10,858
					1,705	1,587	1,587
					2,748	1,847	837
	11,375		12,080		16,115	13,982	17,239
	738		2,993		329	318	812
	9,830		10,259		9,910	8,716	10,956
	14,252		19,842		15,192	15,589	17,043
	1,976		329		2,278	2,148	2,240
	3,760		9,910		5,698	1,392	1,445
	1,335		15,192		1,567	1,914	1,208
	<u>157,230</u>		<u>194,274</u>		<u>174,794</u>	<u>168,646</u>	<u>181,248</u>
	9,722		11,705		11,838	11,294	13,852
	8,473		8,599		8,773	8,749	8,597
	36,738		40,327		42,882	43,273	53,972
	27,950		34,479		29,204	32,276	31,970
	6,352		6,796		7,849	7,460	7,118
	23,412		24,179		26,195	27,029	26,352
	17,616		29,919		13,579	10,396	11,199
	13,602		10,431		12,736	13,443	15,308
	-		-		-	-	-
	1,729		1,254		1,840	12,417	9,785
	8,439		8,899		10,331	11,561	9,895
	4,102		3,817		2,552	2,930	2,406
	4,444		4,540		4,042	3,454	3,452
	-		-		-	-	28
	<u>162,579</u>		<u>184,945</u>		<u>171,821</u>	<u>184,282</u>	<u>193,934</u>
	<u>(5,349)</u>		<u>9,329</u>		<u>2,973</u>	<u>(15,636)</u>	<u>(12,686)</u>
	-		-		-	84	24
	-		-		-	5,441	-
	20,482		12,416		-	30,685	9,203
	-		-		-	1,016	-
	18,540		20,259		20,795	20,745	21,638
	(16,354)		(17,948)		(18,706)	(18,410)	(18,563)
	-		(12,311)		-	(27,945)	-
	<u>22,668</u>		<u>2,416</u>		<u>2,089</u>	<u>11,616</u>	<u>12,302</u>
\$	<u>17,319</u>	\$	<u>11,745</u>	\$	<u>5,062</u>	<u>(4,020)</u>	<u>(384)</u>
	11.9%		11.5%		10.8%	10.7%	10.0%

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years

(Amounts in 000's)

Market Sector	2001	2002	2003	2004
Food Stores	\$ 262,668	\$ 286,291	\$ 266,587	\$ 298,690
Eating Places	236,480	249,040	231,091	254,215
Apparel Stores	74,632	72,272	60,280	65,694
Home Furnishings	82,357	86,034	77,585	79,635
General Retail	438,619	418,072	388,291	415,652
Transportation/Utilities	201,209	182,449	179,423	192,758
Automotive Trade	175,261	184,510	166,499	170,452
Building Material-Retail	52,829	54,365	50,528	55,579
Construction Use Tax	87,505	127,219	92,890	89,565
Construction Sales Tax	9,569	9,406	9,086	8,335
Consumer Electronics	45,614	42,258	37,928	41,570
Computer Related Business Sector	206,557	156,316	117,945	139,012
All Other	351,210	334,898	325,301	292,985
Refunds	(4,450)	(6,075)	(12,494)	(1,856)
Total Sales and Use Tax	<u>\$ 2,220,060</u>	<u>\$ 2,197,055</u>	<u>\$ 1,990,940</u>	<u>\$ 2,102,286</u>
Direct city sales tax rate	3.26%	3.26%	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>3.41%</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.

	2005	2006	2007	2008	2009	2010
\$	295,719	\$ 305,797	\$ 315,876	\$ 329,727	\$ 328,338	\$ 327,796
	264,788	281,966	306,927	321,062	311,060	321,904
	69,535	71,349	79,051	82,966	77,259	79,232
	81,784	80,872	85,709	80,115	75,883	76,487
	429,372	453,235	508,536	532,688	515,305	567,786
	203,096	211,510	208,719	231,463	215,137	220,981
	164,197	161,209	173,982	151,612	145,333	157,930
	58,356	87,678	91,274	90,428	82,342	87,238
	132,227	133,395	136,291	103,986	142,739	173,534
	8,126	8,602	11,751	11,960	11,263	14,922
	49,663	54,812	69,954	61,953	50,755	54,843
	162,849	145,538	153,321	158,410	168,124	146,311
	330,152	354,847	344,405	335,698	390,880	351,272
	(2,827)	(3,098)	(2,565)	(3,300)	(8,349)	(5,396)
\$	<u>2,247,037</u>	\$ <u>2,347,712</u>	\$ <u>2,483,231</u>	\$ <u>2,488,768</u>	\$ <u>2,506,069</u>	\$ <u>2,574,840</u>
	3.41%	3.41%	3.56%	3.41%	3.41%	3.41%
	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
	<u>3.56%</u>	<u>3.56%</u>	<u>3.71%</u>	<u>3.56%</u>	<u>3.56%</u>	<u>3.56%</u>

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

City Direct Rates

Tax Year	City Direct Rates							Parks & Rec & General Muni	
	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	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
2001	1.00%	0.38%	-	0.15%	0.40%	0.33%	-	0.60%	0.15%
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%

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%	0.40%	4.10%	7.51%
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%

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CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago

(Amounts in 000's)

Market Sector	2010			2001		
	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	\$ 6,274	7.15%	3	\$ 4,255	5.88%
Automotive Trade	1	2,035	2.32%	1	2,372	3.28%
Computer Related Business Sector	1	1,381	1.57%	2	5,477	7.57%
General Retail, Utilities, & Other	4	9,225	10.51%	4	7,629	10.54%
Total	10	\$ 18,915	21.55%	10	\$ 19,733	27.27%

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

(Amounts in 000's)  
(Unaudited)

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
2001	79,840	-	14,410	998	216	3,985	20,992	85,250	-
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	-

(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				
2,107	6,880	20,505	145	235,328	9,888,073	2.38%	2,377.05
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

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Amounts in 000's)  
(Unaudited)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total	Taxable Sales	Percentage of Taxable Sales (1)	Per Capita
2000	82,695	22,523	105,218	2,257,424	4.66%	1,062.81
2001	79,840	20,992	100,832	2,220,060	4.54%	1,018.51
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

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.

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Debt

December 31, 2010

(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	\$ 374,280	52.60 %	\$ 196,861
Boulder Central Area General Improvement District	16,450	100.00	16,450
Northern Colorado Water Conservancy District (NCWCD)	4,234	18.73	793
Boulder County	-	44.36	-
Urban Drainage and Flood Control District	-	6.62	-
Total Overlapping Debt			214,104
City Direct Governmental Activity Debt			72,691
Total Direct and Overlapping Debt			<u>\$ 286,795</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 2010, each jurisdiction had the following valuations (in 000's):

The City of Boulder	\$	2,566,046
Boulder Valley School District		4,878,665
NCWCD		13,699,135
Boulder County		5,784,706
Urban Drainage & Flood Control		38,751,834

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years

(Amounts in 000's)  
(Unaudited)

	2001	2002	2003	2004
Debt limit	\$ 45,899	\$ 57,372	\$ 57,886	\$ 59,129
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 45,899</u>	<u>\$ 57,372</u>	<u>\$ 57,886</u>	<u>\$ 59,129</u>
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 2010

Assessed value	\$ 2,566,046
Debt limit - 3% of assessed value	<u>76,981</u>
Debt applicable to limit:	
Total bonded debt	66,436
Deductions allowed by law:	
Self-supporting General Obligation bonds	(66,436)
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 76,981</u></u>

2005	2006	2007	2008	2009	2010
\$ 59,120	\$ 62,759	\$ 62,838	\$ 72,496	\$ 76,882	\$ 76,981
-	-	-	-	-	-
<u>\$ 59,120</u>	<u>\$ 62,759</u>	<u>\$ 62,838</u>	<u>\$ 72,496</u>	<u>\$ 76,882</u>	<u>\$ 76,981</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years

(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>
2001	33,244	16,241	17,003	6,856	2.48
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

(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

(Amounts in 000's)

Stormwater and Flood Management Bonds

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<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>
2001	4,298	1,591	2,707	679	3.99
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

(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

(Amounts in 000's)

(Unaudited)

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)		
2001	99	302	12,280	40.699	3.0%	
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%	

(1) Source: The City of Boulder has challenged the 2010 U.S. Census City of Boulder Population presented above. A resolution has not been reached yet.

(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 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	2010			2001		
	Employees	Rank	**Percentage of Total County Employment	Employees	Rank	**Percentage of Total County Employment
University of Colorado at Boulder	7,260	1	4.77%	6,095	1	3.67%
Boulder Valley School District	4,000	2	2.63%			
IBM Corp	3,400	3	2.23%	5,000	2	3.01%
Oracle Corp	3,300	4	2.17%			
St. Vrain Valley School District	3,238	5	2.13%			
Ball Corp	3,100	6	2.04%	1,750	8	1.05%
Level 3 Communications Inc.	2,068	7	1.36%	2,100	6	1.26%
Boulder County	1,808	8	1.19%	1,313	9	0.79%
Covidien	1,697	9	1.12%			
Boulder Community Hospital	1,674	10	1.10%	2,102	5	1.26%
Sun Microsystems Inc				3,380	3	2.03%
Storage Technology Corp				3,000	4	1.81%
Longmont Foods				2,000	7	1.20%
City of Boulder				1,297	10	0.78%
State of Colorado	*					
Boulder Community Hospital						
Seagate Technology LLC						
	<u>31,545</u>		<u>20.73%</u>	<u>28,037</u>		<u>16.87%</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:

\* The statistics for the State of Colorado was not available for the current year. .

\*\* 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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Government:				
City Council	1.00	1.00	1.00	1.00
Municipal Court	19.90	19.90	19.90	17.00
City Attorney	20.00	20.00	20.00	20.00
City Manager- Administration	13.00	13.00	10.00	10.00
City Manager- Downtown & University Hill Mgt	39.00	37.50	38.00	40.50
City Manager- Communications	10.50	11.50	11.50	11.00
City Manager- Urban Renewal Authority	3.00	3.00	3.00	-
Administrative Services:				
Human Resources	18.25	18.25	18.25	15.25
Finance	30.25	30.25	31.25	30.25
Information Technology	36.50	36.50	36.50	35.50
Public Safety:				
Police	279.50	280.50	276.50	256.25
Fire	112.33	113.33	112.33	108.33
Planning & Development Services:	73.20	78.08	73.58	65.00
Environmental Affairs:	4.00	5.00	5.00	4.00
Public Works:				
Administration	16.15	14.22	13.22	4.05
Fleet	17.00	17.05	17.05	17.25
Transportation	67.30	66.33	64.33	64.08
Utilities	140.00	141.42	142.42	148.67
Facility / Asset Management	15.75	15.80	15.80	13.10
Culture and Recreation:				
Parks and Recreation	169.75	159.25	159.25	144.50
Library	91.14	91.39	88.01	71.40
Arts	1.00	1.00	1.00	1.00
Open Space / Mountain Parks:	66.50	75.00	77.00	70.50
Housing and Human Services:	51.68	55.42	55.80	54.55
Total	<u>1,296.70</u>	<u>1,304.69</u>	<u>1,290.69</u>	<u>1,203.18</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

2005	2006	2007	2008	2009	2010
1.00	1.00	1.00	1.00	1.00	-
17.00	17.00	18.50	18.50	18.00	16.25
18.75	18.75	19.70	18.65	18.65	18.65
10.00	10.00	10.00	16.50	16.50	14.30
40.50	40.50	42.25	42.25	42.25	42.25
11.50	11.50	11.50	6.00	6.00	4.00
-	-	-	-	-	-
13.75	14.25	14.63	16.38	16.63	14.88
27.25	27.25	28.87	29.37	28.37	26.37
32.75	32.75	32.75	35.25	35.25	33.50
263.25	263.25	269.25	273.25	273.25	269.50
111.33	111.33	111.33	111.33	112.33	112.33
64.71	64.74	69.36	72.56	76.56	79.47
6.00	6.00	5.50	9.50	10.50	-
-	-	-	-	-	-
16.90	16.90	16.87	16.87	16.87	14.87
62.97	62.97	65.99	68.24	68.69	67.10
150.44	150.44	154.93	155.18	156.23	155.90
13.51	13.51	13.58	14.58	14.58	14.58
149.22	145.25	144.62	145.82	146.99	139.24
78.35	78.95	79.45	80.20	79.95	76.95
1.50	1.50	1.50	1.50	1.50	1.50
69.00	77.58	83.25	92.00	91.00	90.50
52.43	53.42	56.51	56.24	57.42	56.10
<u>1,212.11</u>	<u>1,218.84</u>	<u>1,251.34</u>	<u>1,281.17</u>	<u>1,288.52</u>	<u>1,248.24</u>

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years

(Unaudited)

Function/Program	2001	2002	2003	2004
General Government:				
Municipal Court				
Traffic tickets processed	11,850	8,489	11,738	13,554
General summons processed	3,069	3,187	2,917	3,079
Animal summons processed	452	490	598	752
Arraignments	5,483	4,432	5,192	4,595
Court trials	255	329	219	194
Jury trials	16	10	6	2
Public Safety:				
Police				
Number of police officers	173	176	176	171
DUI arrests	1,369	1,028	748	919
Traffic summons	21,816	14,278	17,275	19,336
Total traffic accidents	4,433	4,298	4,159	4,180
Total calls for service	72,277	66,896	79,738	77,392
Fire				
Number of firefighters	104	103	92	95
Total annual responses	8,370	8,283	8,015	7,735
Percentage of responses within 6 minutes	71%	73%	**	84%
Planning & Development Services:				
Number of applications received	5,891	5,727	5,911	5,698
Number of zoning and environmental code enforcement cases	1,853	1,958	2,594	2,921
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.65 million	2.76 million	2.63 million	2.63 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	397,828	298,325	421,713	416,370
Outdoor pool attendance	49,052	33,402	39,570	34,160
Adult athletics participation	118,216	212,201	204,335	198,944
Recreation class enrollment	25,434	23,401	25,757	25,311
Reservoir attendance	184,000	198,000	200,000	200,000
Rounds of golf	50,195	51,740	45,445	42,955
Library				
Circulation of books, videos, tapes	1,212,046	1,288,814	1,138,367	1,058,470
Remote use of library resources online	152,854	254,756	306,965	562,819
Adults participating in cultural and educational programs	80,561	66,560	65,760	48,802
Attendance at outreach program activities	10,660	7,023	6,054	5,237
Arts				
Participants in Boulder Arts Resource	216	250	275	310
Housing and Human Services:				
Number of permanently affordable housing units added on an annual basis	148	152	192	202

Source: City of Boulder departmental records.

\*\* Indicator not available

2005	2006	2007	2008	2009	2010
11,928	12,554	11,204	13,782	13,260	17,433
3,306	4,249	3,760	4,099	4,510	4,351
707	1,459	1,366	986	1,055	870
4,986	5,030	3,974	4,716	5,543	5,218
185	150	114	93	98	87
6	4	6	9	8	8
171	171	171	171	171	171
1,115	1,163	989	1,089	781	767
18,226	17,914	19,554	21,205	15,304	18,394
3,644	3,552	3,641	3,242	3,405	3,222
79,354	84,747	87,320	78,204	77,745	76,383
95	95	95	95	96	96
8,327	8,679	8,943	8,943	9,730	9,535
85%	69%	80%	80%	72%	77%
5,689	5,642	5,920	5,781	5,532	6,309
3,920	3,260	4,515	3,000	2,821	1,995
2.62 million	2.61 million	2.57 million	2.49 million	2.46 million	2.49 million
412,049	432,901	464,432	453,248	428,682	422,200
41,406	41,558	58,954	58,643	83,335	88,303
198,944	201,040	216,550	234,567	237,292	236,950
24,966	25,818	27,791	26,583	26,671	22,201
117,194	91,207	57,408	48,713	36,582	42,688
48,052	47,966	48,384	49,360	43,348	38,293
1,088,504	1,109,619	1,183,717	1,274,299	1,354,742	1,363,545
737,227	1,630,945	2,028,526	1,792,633	669,217	806,770
54,136	62,211	65,455	66,994	37,319	33,175
5,424	8,647	7,554	14,569	5,796	4,525
456	523	555	625	677	678
61	117	147	163	84	100

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years

(Unaudited)

Function/Program	2001	2002	2003	2004
<b>Public Safety:</b>				
Police				
Number of stations and annexes	4	4	4	3
Fire				
Number of stations	7	7	7	7
<b>Public Works:</b>				
Fleet Services				
Cars, Pickups and Vans	**	**	286	280
Fire Apparatus	11	11	11	11
Other Heavy Trucks and Equipment	**	**	494	503
Total Equipment in Fleet	780	787	791	794
Transportation				
Miles of streets	290	290	290	294
Number of street lights	4,274	4,430	4,517	4,546
Utilities - Water				
Number of water accounts	27,958	28,147	28,273	28,303
Average daily water production (000's)	20,932	18,545	17,529	17,055
Miles of water mains	430	439	440	440
Utilities - Sewer				
Miles of sanitary sewer mains	344	346	345	346
Miles of storm sewers	151	124	124	121
<b>Culture and Recreation:</b>				
Parks and Recreation				
Acres of urban parks	1,911	1,880	1,880	1,880
Library				
Number of libraries	4	4	4	4
Number of library items in collection	430,764	441,656	435,090	408,163
<b>Open Space / Mountain Parks:</b>				
Acres of mountain parks and open space	41,158	42,635	42,766	42,873

Source: City of Boulder departmental records.

(1) Vehicle records were not available prior to 2003

\*\* Indicator not available

2005	2006	2007	2008	2009	2010
3	3	3	3	4	3
7	7	7	7	7	7
282	281	297	311	343	355
11	11	11	11	22	15
493	490	477	658	594	585
786	782	785	980	959	955
285	287	288	289	292	293
4,525	4,562	4,567	4,608	4,638	4,678
28,426	28,555	28,578	28,359	28,458	28,519
17,326	18,187	16,458	16,900	15,400	17,300
441	449	451	451	458	461
348	349	349	351	350	375
138	138	138	150	124	183
1,880	1,880	1,880	1,880	1,880	1,880
4	4	4	4	4	4
418,417	419,339	389,805	389,805	403,960	405,034
43,221	43,497	44,921	45,090	45,091	45,130

## CITY OF BOULDER, COLORADO

## Schedule of Expenditures of Federal Awards

For the year ended December 31, 2010

(amounts in 000's)

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal Program Number	Total Expenditures 1/1/10-12/31/10
Department of Agriculture:		
Passed through Colorado State Forest Service:		
CSFS 2010 - Anemone Hill	10.664	16
CSFS 2010 - Watertank	10.664	40
		<u>56</u>
Department of Housing and Urban Development:		
Direct Programs:		
Community Development Block Grant	14.218	1,216
HOME Investment Partnerships Program	14.239	909
ARRA - Community Development Block Grant Entitlement	14.253	183
		<u>2,308</u>
Department of Interior:		
Direct Program:		
Historic Preservation Fund Grants-In-Aid:		
Colorado Historical Society 2010 CLG	15.904	2
		<u>2</u>
Department of Justice:		
Direct Program:		
Bulletproof Vest Partnership Program - 2009	16.607	12
Edward Byrne Memorial Justice Assistance Grant Program - 2009	16.738	15
Edward Byrne Memorial Justice Assistance Grant Program - 2010	16.738	38
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804	227
Passed through Colorado Department of Revenue:		
Enforcing Underage Drinking Laws Program - 2008	16.727	8
Enforcing Underage Drinking Laws Program - 2009	16.727	29
		<u>329</u>
Highway Planning and Construction:		
Passed through Colorado Department of Transportation:		
Safe Routes to School	20.106	42
Transportation Equity Act	20.205	3,850
ARRA - ADA Access Improvements	20.205	253
ARRA - Folsom & Spruce Intersection Improv	20.205	44
Passed through Congestion Mitigation Air Quality		
Congestion Mitigation Air Quality - Driven to Drive Less	20.205	79
		<u>4,268</u>
Department of Veteran's Affairs		
Direct Programs:		
United States Olympic Committee	64.xxx	14
		<u>14</u>
Department of Energy:		
Direct Programs:		
ARRA - Boulder Canyon Hydro Grant	81.087	273
ARRA - EECBG	81.128	397
		<u>670</u>
Department of Education:		
Passed through Boulder Valley School District		
21st Century Learning Center	84.287	15
		<u>15</u>
Department of Health and Human Services:		
Passed through Colorado Department of Human Services:		
Temporary Assistance to Needy Families		
Boulder County Resource and Referral	93.558	2
Child Care & Development Block Grant:		
School Readiness Grant - ECEC	93.575	90
Early Childhood Systems & EQUIT - ECCBC	93.575	74
ARRA - ECSB	93.713	55
ARRA - EQIT	93.713	26
ARRA - Qualistar Early Learning	93.713	15
ARRA - Qualistar CHATS Grant	93.713	2
Passed through Qualistar Early Learning:		
Child Care Mandatory and Matching Funds of the		
Child Care and Development Fund	93.596	43
		<u>307</u>
		<u><u>\$ 7,969</u></u>

CITY OF BOULDER, COLORADO

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2010

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards included the federal grant activity of the City of Boulder, Colorado for year ended December 31, 2010. 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 Nonprofit 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 they become 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:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Community Development Block Grant	14.218	\$779,283
HOME Investment Partnerships Program	14.239	\$798,647
Community Development Block Grant – American Recovery & Reinvestment Act	14.253	\$169,741

**City of Boulder, Colorado**

**Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2010**

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<b>Number</b>	<b>Comment</b>	<b>Status</b>	<b>Corrective Action or Other Explanation</b>
<b>Findings Related to Financial Statement Audit:</b>			
<b>Significant deficiencies in internal control</b>			
09-II-A	Limited segregation of duties over payroll.	Corrected	

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

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

We have audited the financial statements of the City of Boulder, Colorado as of and for the year ended December 31, 2010, and have issued our report thereon dated June 16, 2011. 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**

In planning and performing our audit, we considered the City of Boulder, Colorado's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Boulder, Colorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Boulder, Colorado's internal control over financial reporting.

*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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Boulder, Colorado'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*.

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

*McGladrey & Pullen, LLP*

Denver, Colorado  
June 16, 2011



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

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

**Compliance**

We have audited the City of Boulder, Colorado's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. City of Boulder, Colorado'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 of Boulder, Colorado's management. Our responsibility is to express an opinion on the City of Boulder, Colorado'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 of Boulder, Colorado'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 of Boulder, Colorado's compliance with those requirements.

In our opinion, the City of Boulder, Colorado 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, 2010.

**Internal Control Over Compliance**

Management of the City of Boulder, Colorado 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 of Boulder, Colorado'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 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 of Boulder, Colorado's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 did not find any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying *schedule of findings and questioned costs* as item 10-III-A. 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.

City of Boulder, Colorado's response to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. We did not audit the City of Boulder, Colorado's response and, accordingly, we express no opinion on it.

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

*McGladrey & Pullen, LLP*

Denver, Colorado  
June 16, 2011

**City of Boulder, Colorado**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2010**

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**I. Summary of the Independent Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiencies identified?
- Noncompliance material to financial statements noted?

- Yes  No
- Yes  None Reported
- Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiencies identified?

- Yes  No
- Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

- Yes  No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
20.205	ARRA - Highway Planning and Construction
14.239	Home Investment Partnership Program
81.128	ARRA - Energy Efficiency and Conservation Block Grant
93.575 and 93.596	Child Care and Development Block Grant Cluster
93.713	ARRA - Child Care and Development Block Grant
16.804	ARRA - Edward Byrne Memorial Justice Assistance Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?

- Yes  No

(Continued)

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2010

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II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

Significant Deficiencies in Internal Control

None Reported

Instance of Noncompliance

None Reported

III. Findings and Questioned Costs for Federal Awards

Significant Deficiencies in Internal Control

10-III-A

Department of Justice  
ARRA – Edward Byrne Memorial Justice Assistance Grant  
Federal Award Year 2010  
CFDA Number: 16.804

Finding: The City of Boulder, Colorado (the City) does not have a policy in place to ensure that subrecipient audits are completed.

Criteria: OMB Circular A-133, dictates that the pass-through entities ensure that the required subrecipient audits were completed as part of the subrecipient monitoring requirements.

Condition: While the City is performing site reviews and inspecting disbursement support, A-133 reports of subrecipients were not being requested.

Questioned Costs: None

Context: The City had 4 subrecipients that received a total of \$138,569 of federal funds, of which the A-133 subrecipient monitoring requirements apply to.

Effect: The granting agency could be unaware of compliance of internal control deficiencies related to A-133 programs of subrecipients.

Cause: The City was unaware that they also needed to obtain and review the A-133 reports of subrecipients.

Recommendation: We recommend the City put in place a policy to ensure subrecipient audits are completed.

Response and corrective action: The City of Boulder Police Department (BPD) will request in writing that each subrecipient agency supply us with a current copy of their A-133 audit. The City has a written policy in place to address the monitoring of subrecipient agencies activities regarding the grant funds as well as ensuring that the subrecipient's audits are completed in compliance with the grant requirements.

(Continued)

**City of Boulder, Colorado**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2010**

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**Instance of noncompliance**

None Reported

**City of Boulder, Colorado**

**Corrective Action Plan  
Year Ended December 31, 2010**

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Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Significant Deficiencies in Internal Control</b>				
10-III-A	City of Boulder, Colorado (the City) does not have a policy in place to monitor subrecipient activities and to ensure that subrecipient audits are completed.	See response and corrective action plan at 10-III-A.	December 31, 2011	Bob Eichen, Finance Director

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Boulder
		YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of City of Boulder		Prepared By: Ken Baird, Financial Analyst Phone: 303-441-3252

**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		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	9,216,143
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,450,813
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,084,131
2. General fund appropriations	4,234,434	b. Snow and ice removal	833,144
3. Other local imposts (from page 2)	8,706,727	c. Other	1,783,866
4. Miscellaneous local receipts (from page 2)	418,005	d. Total (a. through c.)	4,701,140
5. Transfers from toll facilities		4. General administration & miscellaneous	2,480,387
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	3,391,491
a. Bonds - Original Issues		6. Total (1 through 5)	21,239,976
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	13,359,166	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,657,081	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	6,725,741	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	22,741,987	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>	
			21,239,976

**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 Funds	9,611,036	18,507,553	17,848,485	10,270,105	0
General Fund	290,393	4,234,434	3,391,491	1,133,336	0
<b>Total All Funds</b>	<b>9,901,429</b>	<b>22,741,987</b>	<b>21,239,976</b>	<b>11,403,441</b>	<b>0</b>

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	48,266	a. Interest on investments	221,600
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	8,088,180	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	334,933	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	235,349	g. Other Misc. Receipts	196,405
6. Total (1. through 5.)	8,658,461	h. Other	
c. Total (a. + b.)	8,706,727	i. Total (a. through h.)	418,005
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,411,944	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	245,137	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	6,725,741
f. Total (a. through e.)	245,137	g. Total (a. through f.)	6,725,741
4. Total (1. + 2. + 3.f)	2,657,081	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	0	66,407	66,407
b. Engineering Costs	213,446	1,575,106	1,788,552
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	0	0	0
(3). System Preservation	69,364	5,716,048	5,785,412
(4). System Enhancement & Operation	104,221	1,471,551	1,575,772
(5). Total Construction (1) + (2) + (3) + (4)	173,585	7,187,598	7,361,184
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	387,031	8,829,112	9,216,143
			(Carry forward to page 1)
<b>Notes and Comments:</b>			