



BOULDER COUNTY, COLORADO

Comprehensive Annual Financial Report

December 31, 2002

(With Independent Auditors' Report Thereon)



BOULDER COUNTY, COLORADO
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2002

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BOULDER COUNTY, COLORADO

Comprehensive Annual Financial Report

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Administrative Services Department

Financial Services Division

2020 13th Street • Boulder, Colorado 80302 • (303) 441-3505

July 19, 2003

The Board of County Commissioners
and Citizens of Boulder County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, in conjunction with the applicable extensions obtained, we hereby issue the comprehensive annual financial report of Boulder County for the fiscal year ended December 31, 2002.

This report consists of management's representations concerning the finances of Boulder County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Boulder County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Boulder County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Boulder County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Boulder County's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Boulder County for the fiscal year ended December 31, 2002 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Boulder County's financial statements for the fiscal year ended December 31, 2002 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Boulder County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance requirements involving the administration of federal awards. These reports are available in Boulder County's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Boulder County's MD&A can be found immediately following the report of the independent auditors.

Paul Danish
County Commissioner

Ronald K. Stewart
County Commissioner

Tom Mayer
County Commissioner

Profile of the Government

Boulder County is an exciting, special and spectacular 750 square miles. Located in north central Colorado, it almost forms a rectangle except for its western boundary which is the Continental Divide. The County is a political subdivision of the State government, created to carry out the will of the state. It is governed by a three-member Board of County Commissioners. Each Commissioner is elected at-large by the voters of the County and must reside in the district for which he or she is elected. There are also seven other elected officials – Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, Surveyor, and Treasurer.

The County provides a wide range of services to its residents including public safety, highways and streets, parks and open space, health and social services, public improvements, planning, zoning, and general administration.

The annual budget serves as the foundation for Boulder County's financial planning and control. The Board of County Commissioners enacts resolutions approving the budget by fund, appropriating the budget, and setting the County mill levy on or before December 15, per State Statute 39-1-111, CRS. Any increase to the adopted budget requires that a supplemental budget and appropriation be approved by the Commissioners at a public hearing, with prior published notice of the proposed change. Expenditures may not legally exceed the appropriations approved by the Board of Commissioners. The appropriations are established by function and activity. Administrative control is maintained through the County's accounting system, at the appropriation level. Elected Officials or Department Directors may reallocate budgets within an appropriation without approval of the Commissioners.

Factors Affecting Financial Condition

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

Local economy. Boulder County like the national economy is anticipated to show moderate growth in 2003. Unemployment after hitting a high of 5.6 in the first quarter of 2002 dropped to 5.2 in the second and third quarters. In the fourth quarter, the rate continued to drop to 5%.

Retail sales in 2002 were lower than in 2001 primarily because of flat retail sales statewide along with the formation of Broomfield County in November of 2001. At year end, retail sales are down 11.8% compared to 2001.

The state is currently expected to experience another year of restricted water use along with the economic impacts of such. This may have the affect of cities reducing the number of building permits in order to conserve water.

The County continues to offer an attractive community for business. The decision of businesses to locate in Boulder County is related to the fact that the County offers new residents and businesses a highly educated work force, the University of Colorado and an environment which includes mountains, thousands of acres of open space, parks, bike paths and other amenities.

Population growth in Colorado and in Boulder County has caused an outcry from citizens who are more concerned about the surging population than any other one issue. It is estimated that Boulder County is now losing 5,869 acres of farmland per year to development. Boulder County, the City of Boulder and some of the other cities in the County have implemented, or are considering implementing, policies which will serve to substantially reduce the rate of growth in coming years.

While the general supply of housing in the County is increasing, the supply of affordable housing is decreasing. Continuing efforts on the part of municipalities to limit residential and industrial growth are exacerbating the problem of affordable housing. There are a growing number of persons who work in the County, but live elsewhere in order to find affordable housing. The increased traffic and associated air pollution due to the longer commuting distances are secondary problems with which elected officials must deal.

Overall, the economy in Boulder County is good and appears to be improving. The leading economic index for the County is continuing to improve and should lead to a more robust job market and income growth towards the later part of 2003.

Long-term financial planning. On December 31, 2002, the County entered into a debt service forward delivery agreement with a financial institution under the approval of the Board of County Commissioners. The County entered into this agreement for purposes of managing its investments by increasing the predictability of its cash flow from earnings on its investments and not for purposes of speculation. Under this agreement, the County makes monthly payments to the financial institution in sufficient amount to make the County's semi-annual bond payments. In return, the County received an upfront lump-sum amount of \$3,000,000 on December 31, 2002. The \$3,000,000 represents the present value of interest proceeds expected to be earned and was recognized as deferred revenue to be amortized through 2019. The County's Open Space bond series 1996, 1998, 2000A, 2000B, 2001, and 2002 are included in this agreement.

In its' continuing commitment to the preservation of open space, the County has issued \$30,800,000 in Open Space Capital Improvement Fund Bonds, Series 2002. The bonds are payable from revenue generated by the pledged 0.10% sales and use tax dedicated to open space, from the open space surplus account and from the general fund if necessary. The bonds mature annually beginning in 2004 with final payment in 2019. Interest with rates from 3.00% to 5.00% is payable semi-annually.

Cash management policies and practices. The County Treasurer is responsible for the collection, distribution and investment of all monies for the County funds, exclusive of the Boulder County Retirement Trust and Health Department funds. It is the Treasurer's policy to adhere to the following principles which are listed in priority order:

- *Minimize risk of principal
- *Provide for liquidity needed to meet cash flow demands of the County
- *Achieve the highest reasonable rate of return on invested funds.

Authorized investments are controlled by Colorado Statutes and include, but are not limited to, the following:

- * U.S. Treasury securities
- * U.S. Agency securities
- * Certificates of Deposit in eligible banks
- * Repurchase agreements collateralized by authorized investments
- * Local Government Pooled Trusts
- * Highest rated commercial paper.

Income on investments for 2002 was \$3,462,149. The average yield on investments managed by the Treasurer was 2.71 % in 2002, compared to 4.52% in 2001.

Risk management. The County maintains a limited self-insurance program in an internal service fund. The program is made up of a self-funded medical and dental plan which began in 1983, a workers' compensation plan which began in 1990, and a property/casualty plan which began in 1985. The County assumes the risk for the first \$150,000 for each medical claim, the first \$300,000 for each workers' compensation occurrence, the first \$100,000 for each property occurrence and the first \$250,000 for each liability occurrence, except for aircraft liability coverage which has no County retention. Third-party insurance is purchased to protect the County above these amounts. The County also carries a crime policy with a \$10,000 deductible, and an equipment breakdown policy with a \$2,500 deductible. Medical and dental claims are processed by a third-party administrator. The property/casualty plan and the workers' compensation plan are fully self-administered. The primary source of funding for these programs is property taxes. Resources to pay potential claims are accumulated in an internal service fund. Various risk control techniques including employee training in the areas of accident prevention, supervision, ergonomics, cultural diversity and sexual harassment have been implemented to minimize losses.

Additional information on Boulder County's risk management activity can be found in Note 15 in the notes to the basic financial statements.

Pension and other postemployment benefits. Effective January 1, 1985, the County withdrew from the Colorado County Officials and Employees Retirement Association (CCOERA) and formed the Boulder County Retirement Savings Plan (BCRSP) (the Plan). Under this Plan, which was established by resolution of the Board of County Commissioners, the County provides retirement benefits for all employees that work at least 20 hours per week through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to contribute to the Plan after one month of service. Under this Plan, the County contributes 6% of an eligible employee's compensation to the Plan. Each participant may make pre-tax and after-tax contributions to the Plan, up to the IRS limits each year. Of the County's contribution for each employee, 3% is always 100% vested, and the remaining 3% is fully vested after six years of service. Employees are fully vested in their own contributions and allocated earnings immediately. All employees previously enrolled under the CCOERA plan became 100% vested and will receive any accumulations due them from that plan upon their termination as County employees. County contributions for, and interest forfeited by, employees who leave employment before six years of service are used to reduce the County's current-period contribution requirement.

Additional information on Boulder County's pension arrangements and postemployment benefits can be found in Note 14 in the notes to the basic financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Boulder County for its comprehensive annual financial report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Boulder County has received a Certificate of Achievement for the last twelve consecutive years (fiscal years ended 1990-2001). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

I would like to express my appreciation to the entire Boulder County Financial Services Division staff. Their dedication, professionalism, documentation, attention to detail, and teamwork made the timely preparation of this report possible. In addition, I would also like to thank County personnel in the offices of Administrative Services, Budget Office, Assessor, Community Services, Land Use, Parks and Open Space, Sheriff, and Treasurer, who made many contributions to this report.

Finally, appreciation is expressed for the support of the Board of County Commissioners.

Respectfully,

Robert D. Lamb, CPA
Financial Services Manager

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder County,
Colorado

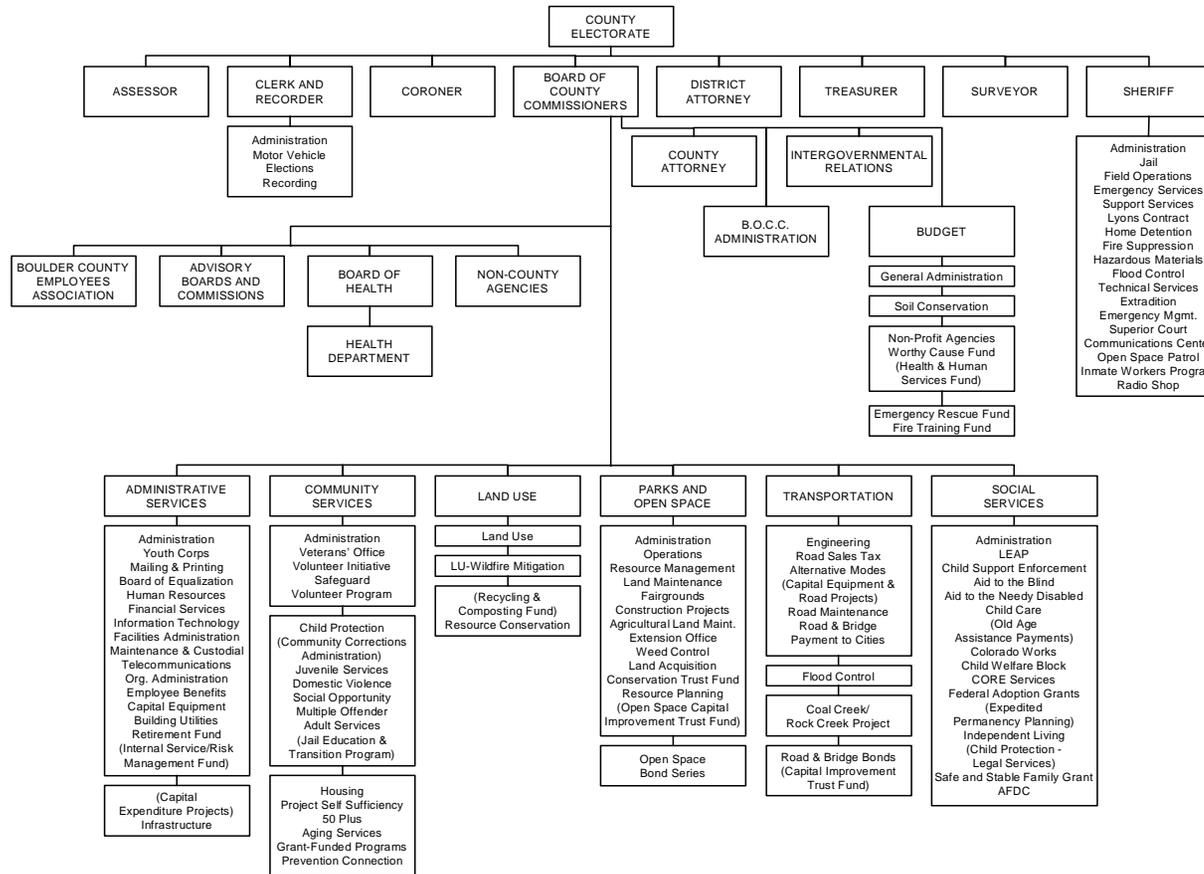
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



ORGANIZATIONAL CHART – JANUARY 2003

BOULDER COUNTY, COLORADO

List of Principal Officials

Elected Officials:

Current Term Expires:

Commissioner	Ronald K. Stewart, Chair	2005
Commissioner	Paul D. Danish	2005
Commissioner	Tom Mayer	2007
Assessor	Cindy Domenico	2007
Clerk & Recorder	Linda Salas	2007
Coroner	Tom Faure	2007
District Attorney	Mary Keenan	2005
Sheriff	Joe Pelle	2007
Surveyor	John Emery	2007
Treasurer	Bob Hullinghorst	2007

Appointed Department Directors:

Arlen Stokes	Administrative Services
Ruth Rodriguez	Community Services
Lawrence Hoyt	County Attorney
Dickey Lee Hullinghorst	Intergovernmental Relations
Graham Billingsley	Land Use
Ronald K. Stewart	Parks & Open Space
Christine Highnam	Social Services
Larry Matel	Transportation

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KPMG LLP
Suite 2700
707 Seventeenth Street
Denver, CO 80202

Independent Auditors' Report

The Board of County Commissioners
Boulder County, Colorado:

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boulder County, Colorado (the County), as of and for the year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County'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 activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 2 to the basic financial statements, during 2002 the County implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. In addition, during 2002, the County implemented the provisions of GASB Statements No. 36, *Receipt Reporting for Certain Shared Nonexchange Revenues*; No. 39, *Determining Whether Certain Organizations are Component Units*, and No. 41, *Budgetary Comparison Schedules – Perspective Differences*.

In accordance with *Government Auditing Standards*, we have also issued our reported dated June 27, 2003, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.



KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

The accompanying management's discussion and analysis and budgetary comparison schedules are not a required part of the basic financial statements but are supplementary information required by 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 County's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information included in the introductory section and the statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

June 27, 2003

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

As management of Boulder County, we offer readers of Boulder County's financial statements this narrative overview and analysis of the financial activities of Boulder County for the fiscal year ended December 31, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

The County has adopted a new financial reporting model as promulgated by the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, the County is not required to restate prior periods for purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of the government-wide information will be presented.

Financial Highlights

The assets of Boulder County exceeded its liabilities at the close of the most recent fiscal year by \$273,875,434 (net assets). Of this amount, \$65,415,703 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Boulder County's governmental funds reported combined ending fund balances of \$98,732,326, an increase of \$3,262,086 in comparison with the prior year. Approximately 68% of this total amount, \$67,370,206, is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$25,798,937, or 30% of total general fund expenditures.

Boulder County's total bonded debt increased by \$23,515,000 (14%) during the current fiscal year. The key factor in this increase was the issuance of \$30,800,000 in Open Space Capital Improvement Fund Bonds Series 2002.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Boulder County's basic financial statements. Boulder County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 Boulder County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Boulder County's assets and liabilities, with the difference between the two reported as net assets. This statement reports all of the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Boulder County is improving or deteriorating.

The statement of activities presents information showing how the government'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 (e.g., uncollected taxes and earned but unused vacation leave).

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Both of the government-wide financial statements distinguish functions of Boulder County 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 Boulder County include general government, conservation, urban redevelopment/housing, public safety, health and welfare, economic development, highways and streets, and intergovernmental. The business-type activity of Boulder County includes only the Boulder County Recycling Center.

The Resource Conservation Fund accounts for the County's recycling operations, which are primarily funded by site collections and the sale of recyclables. Previous to 2002, the Recycling Composting Authority was reported as a governmental fund-type discrete component unit in the County's comprehensive annual financial report (CAFR). Effective January 1, 2002, the intergovernmental agreement for the Recycling and Composting Authority expired, the Authority was dissolved, and the related activity is now included as part of Boulder County as the Resource Conservation enterprise fund. In changing from a governmental fund-type component unit to a proprietary fund-type enterprise fund, a restatement of total net assets as of January 1, 2002, is necessary for the Resource Conservation fund. The restated beginning net assets amount of \$15,563,832 consists of capital assets at January 1, 2002 of \$14,504,556, and fund balance of \$1,059,276.

The government-wide financial statements include not only Boulder County itself (known as the primary government), but also a legally separate Health Department for which Boulder County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Boulder County Retirement Savings Trust and the Gunbarrel General Improvement District, although also legally separate, function for all practical purposes as a department of Boulder County, and therefore have been included as an integral part of the primary government.

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. Boulder County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Boulder County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Government 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 a government's near-term financing requirements needed to support the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to reconcile the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, explaining the relationship between them. By doing so, readers may better understand the long-term impact of the government's near-term financing 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.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Boulder County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Social Services Fund and the Open Space Capital Improvement Fund, all of which are considered to be major funds. Data from fourteen other governmental funds are combined into a single, aggregated presentation.

Proprietary funds. Boulder County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Boulder County uses an enterprise fund to account for the Resource Conservation Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Boulder County's various functions. Boulder County uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of outside parties, including other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Boulder County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic 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 Boulder County's budgetary comparison schedules for the General Fund and Social Services Fund which demonstrate compliance with their respective annual appropriated budget.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Boulder County, governmental activities assets exceeded liabilities by \$258,820,032 at the close of the most recent fiscal year.

The largest portion of Boulder County's net assets (75%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Boulder County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Boulder County'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.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Boulder County's Net Assets

	Governmental activities	Business-type activity	Total
	2002	2002	2002
Current and other assets	\$ 212,755,246	2,003,843	214,759,089
Capital assets	353,367,506	13,935,228	367,302,734
Total assets	<u>566,122,752</u>	<u>15,939,071</u>	<u>582,061,823</u>
Long-term liabilities outstanding	198,896,069	7,162	198,903,231
Other liabilities	108,406,651	876,507	109,283,158
Total liabilities	<u>307,302,720</u>	<u>883,669</u>	<u>308,186,389</u>
Net assets:			
Invested in capital assets, net of related debt	190,349,413	13,935,228	204,284,641
Restricted	4,175,090	—	4,175,090
Unrestricted	64,295,529	1,120,174	65,415,703
Total net assets	<u>\$ 258,820,032</u>	<u>15,055,402</u>	<u>273,875,434</u>

An additional portion of Boulder County's net assets (1.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$65,415,703 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Boulder County 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.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Governmental activities. Governmental activities increased Boulder County's net assets by \$21,413,168 thereby accounting for 100% of the total growth in the net assets. Key elements of this increase are as follows:

Boulder County's Change in Net Assets

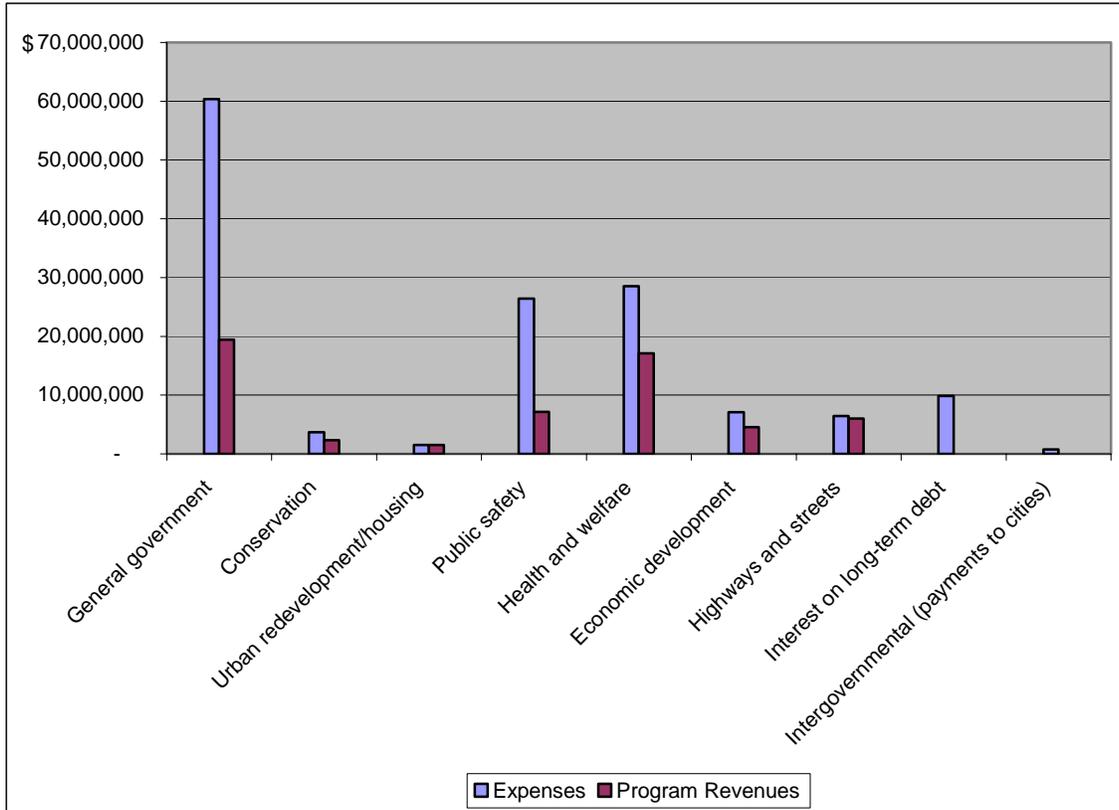
	<u>Governmental activities</u>	<u>Business-type activity</u>	<u>Total</u>
	<u>2002</u>	<u>2002</u>	<u>2002</u>
Revenues:			
Program revenues:			
Charges for services	\$ 18,983,000	2,821,379	21,804,379
Operating grants and contributions	38,396,540	12,500	38,409,040
Capital grants and contributions	698,381	—	698,381
General revenues:			
Property taxes	78,637,017	—	78,637,017
Sales taxes	17,808,296	—	17,808,296
Specific ownership taxes	7,155,651	—	7,155,651
Interest earnings	3,462,149	—	3,462,149
Total revenues	<u>165,141,034</u>	<u>2,833,879</u>	<u>167,974,913</u>
Expenses:			
General government	60,301,127	—	60,301,127
Conservation	3,623,533	3,351,553	6,975,086
Urban redevelopment/housing	1,535,882	—	1,535,882
Public safety	26,876,513	—	26,876,513
Health and welfare	28,537,484	—	28,537,484
Economic development	7,105,134	—	7,105,134
Highways and streets	7,065,748	—	7,065,748
Interest on long-term debt	8,451,982	—	8,451,982
Intergovernmental	767,170	—	767,170
Total expenses	<u>144,264,573</u>	<u>3,351,553</u>	<u>147,616,126</u>
Increase (decrease) in net assets before transfers	20,876,461	(517,674)	20,358,787
Transfers	<u>(9,244)</u>	<u>9,244</u>	<u>—</u>
Increase (decrease) in net assets	20,867,217	(508,430)	20,358,787
Net assets – January 1, 2002, as previously reported	237,952,815	—	237,952,815
Change in entity	<u>—</u>	<u>15,563,832</u>	<u>15,563,832</u>
Net assets – January 1, 2002, as restated	<u>237,952,815</u>	<u>15,563,832</u>	<u>253,516,647</u>
Net assets – December 31, 2002	\$ <u>258,820,032</u>	<u>15,055,402</u>	<u>273,875,434</u>

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Expenses and Program Revenues – Governmental Activities

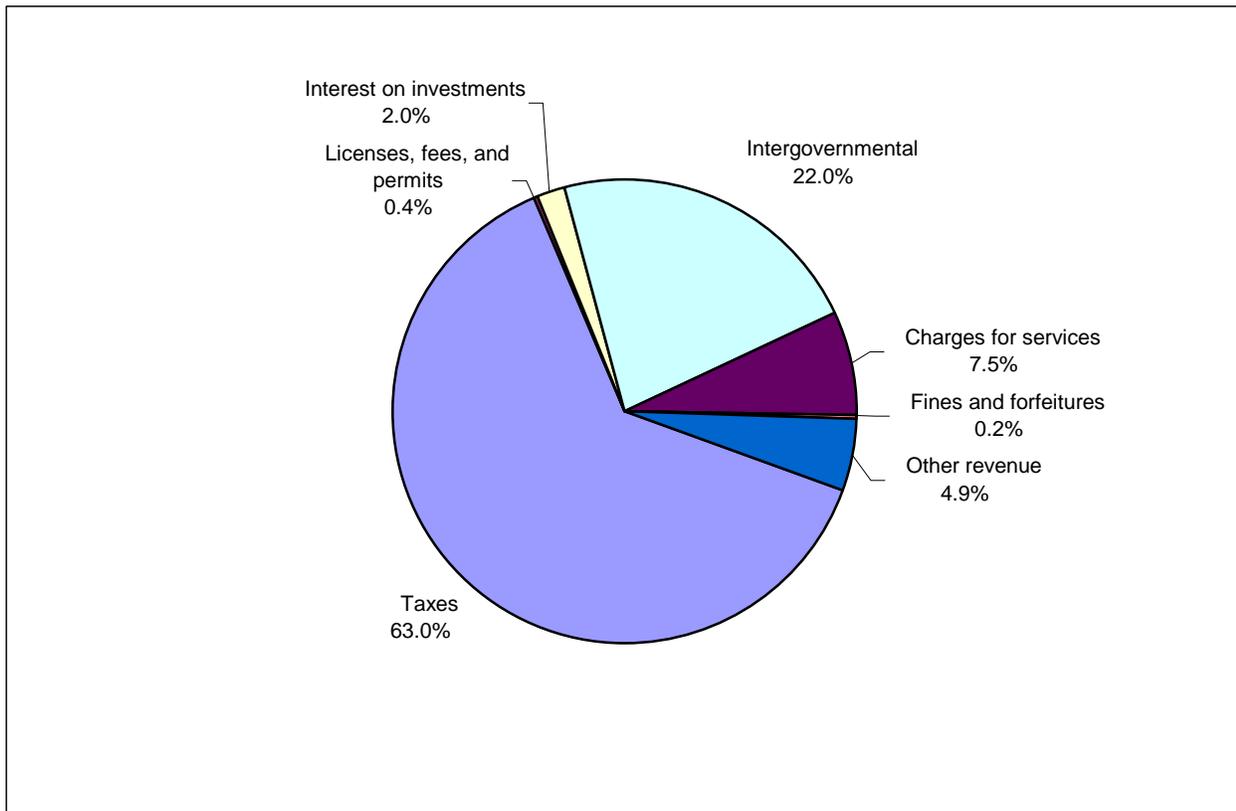


BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

Revenues by Source – Governmental Activities



Business-type activities. Business-type activities decreased Boulder County's net assets by \$508,430. This decrease was the result of operations of Boulder County's Recycling Center.

Financial Analysis of the Government's Funds

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

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

As of the year ended December 31, 2002, Boulder County's governmental funds reported combined ending fund balances of \$98,732,326, an increase of \$3,262,086 in comparison with the prior year. Approximately 68% of this total amount (\$67,370,206) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to a reserve for emergencies (\$2,870,372), 2) a reserve for prepaid items and inventory (\$178,808), 3) to a reserve for debt service (\$90,000), and 4) a reserve for escrow fees (\$1,214,718).

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

The General Fund is the chief operating fund of Boulder County. For the year ended December 31, 2002, unreserved fund balance of the General Fund was \$25,798,937, while total fund balance reached \$26,627,514. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29.5% of total General Fund expenditures, while total fund balance represents 30.5% of the same amount.

The fund balance of Boulder County's General Fund decreased by \$2,846,423 during the current fiscal year. Expenditures exceeded revenues by (\$2,701,958), the sale of fixed assets added \$3,200,847, and net transfers within the primary government of (\$3,345,312) decreased fund balance.

The Social Services Fund has a total fund balance of \$3,058,817 all of which is unreserved. This represents a decrease of \$88,280 from the prior year's fund balance of \$3,147,097.

The Open Space Capital Improvement Fund, Bond Series 1994, 2000, and 2001 has a total fund balance of \$37,734,327. Of this amount, \$27,008,222 is reserved for capital construction. The remaining balance of \$10,726,105 is unreserved. The overall change from the prior year's fund balance of \$34,205,587 was an increase of \$3,528,740. The increase is due primarily to the additional bonds sold in 2002 for \$30,800,000 less current year capital expenditures.

Proprietary funds. Boulder County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the Boulder County Recycling Center (Resource Conservation) at the end of the year amounted to \$1,120,174, and those for the Risk Management Internal Service Fund amounted to \$2,205,365.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures totaled \$11,983,936 and are briefly summarized as follows:

- \$6.3 million in General Government activities including \$5.6 million for the purchase of land and \$0.3 million in increases allocated to the Clerk and Recorder's Office for the election.
- \$4.5 million for Open Space acquisitions
- \$0.7 million in increases allocated to the Sheriff's Office primarily from a grant
- \$0.3 million in increases allocated to Coal Creek/Rock Creek for Coal Creek Trail
- \$0.8 million in increases to other miscellaneous expenditures.

Of this increase, \$9.3 million was to be funded out of increases to revenues and the sale of fixed assets. The remaining \$2.7 million was funded from fund balance.

Differences between the final amended budget and expenditures totaled \$10,539,722 and are briefly summarized as follows:

- \$0.9 million in General Government, Organizational Administration including \$0.7 million less than budgeted for compensated absences.
- \$5.2 million in General Government, General Administration indicating \$4.0 less than budget in salaries and benefits, \$1.5 million less than budgeted for capital asset acquisitions, \$.06 million more than budgeted on insurance expenditures.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

- \$2.8 million less than budgeted for Open Space land acquisitions.
- \$1.6 million less than budgeted for other miscellaneous expenditures

Capital Assets and Debt Administration

Capital Assets. Boulder County's investment in capital assets, net of related debt, for its governmental and business-type activities as of December 31, 2002 total \$204,284,641. This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- A major remodel at the Health and Social Services building of \$0.1 million
- The construction of a new wing at the Justice Center for \$2.4 million
- Land purchased for the new Parks & Office Space and Fleet Maintenance Facility of \$2.0 million
- New Open Space purchases of \$32.0 million
- Various remodels of government buildings of \$1.6 million.

Boulder County's Capital Assets (net of depreciation)

	<u>Governmental activities</u> <u>2002</u>	<u>Business-type activity</u> <u>2002</u>	<u>Total</u> <u>2002</u>
Land	\$ 289,085,249	882,782	289,968,031
Land development rights and other	4,065,296	—	4,065,296
Construction in Progress	4,177,346	13,692	4,191,038
Buildings	44,955,194	10,661,101	55,616,295
Equipment	7,089,839	2,377,653	9,467,492
Improvements	116,029	—	116,029
Infrastructure	3,878,553	—	3,878,553
Total	<u>\$ 353,367,506</u>	<u>13,935,228</u>	<u>367,302,734</u>

Long-term debt. At the end of the current fiscal year, Boulder County had total bonded debt outstanding of \$188,020,000 all within the governmental activities. All of Boulder County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Boulder County's total bonds payable and bond premium increased by \$24,576,301 (15%) during the current fiscal year. The key factor in this increase was a \$30.8 million revenue bond issuance for Open Space Capital Improvement Fund Bonds, Series 2002.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2002

During the year, Boulder County completed a debt forward agreement for \$3 million. The County entered into this agreement for purposes of managing its investments by increasing the predictability of its cash flow from earnings on its investments and not for purposes of speculation.

Economic Factors and Next Year's Budgets and Rates

Per the April 2003 Boulder County Business Report, the unemployment rate for Boulder County during the fourth quarter of 2002 was 5%, which was 1.5% higher than in 2001. This compares to the state's unemployment rate of 5.9%.

Retail sales for Boulder County were 11.8% lower in 2002 than they were in 2001. This was primarily due to flat retail sales statewide along with the establishment of Broomfield County in November of 2001.

Construction in Boulder County has dropped off in 2002, the number of building permits decreasing by 39% compared to 2001. Corporate layoffs in the high tech area were the primary reason for a decrease in single-family housing.

The April 2003 Boulder County Business Report projected the economy will expand in 2003 which will support modest growth in the state and in Boulder County. The report further indicated that during 2003 unemployment is expected to drop as well.

These factors were taken into account when developing the budget for 2003.

Requests for Information

This financial report is designed to provide a general overview of Boulder County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Boulder County, Financial Services Division, 2020 13th Street, Boulder, CO, 80302.

BOULDER COUNTY, COLORADO

Statement of Net Assets

December 31, 2002

Assets	Primary government		Total	Component unit
	Governmental activities	Business-type activity		Health Department
Equity in treasurer's cash and investments	\$ 77,022,583	1,505,219	78,527,802	1,417,535
Property taxes receivable	91,289,175	—	91,289,175	—
Due from other governmental units	2,821,367	—	2,821,367	621,129
Due from component unit	103,871	—	103,871	—
Internal balances	12,968	(12,968)	—	—
Interest receivable	442,116	—	442,116	—
County goods and services receivable	7,596,188	511,592	8,107,780	38,173
Prepaid items and other	143,574	—	143,574	7,319
Inventories	89,166	—	89,166	—
Restricted cash, cash equivalents and investments	32,822,282	—	32,822,282	30,112
Deferred charges – issuance costs	411,956	—	411,956	—
Capital assets, net of accumulated depreciation:				
Land	289,085,249	882,782	289,968,031	—
Land development rights and other	4,065,296	—	4,065,296	—
Construction in progress	4,177,346	13,692	4,191,038	—
Buildings and improvements	44,955,194	10,661,101	55,616,295	—
Equipment	7,089,839	2,377,653	9,467,492	66,900
Improvements other than buildings	116,029	—	116,029	32,077
Infrastructure	3,878,553	—	3,878,553	—
Total assets	<u>566,122,752</u>	<u>15,939,071</u>	<u>582,061,823</u>	<u>2,213,245</u>
Liabilities				
Accounts payable	4,988,601	873,780	5,862,381	340,379
Deferred revenue	96,003,366	—	96,003,366	153,525
Due to other governmental units	68,684	—	68,684	—
Due to primary government	—	—	—	37,487
Accrued liabilities	1,718,605	2,727	1,721,332	115,751
Accrued interest payable	1,356,970	—	1,356,970	—
Escrows payable	4,013,747	—	4,013,747	—
Other liabilities	256,678	—	256,678	—
Noncurrent liabilities:				
Due within one year:				
Claims payable	2,675,739	—	2,675,739	—
Bonds payable	7,680,000	—	7,680,000	—
Bond premium	63,996	—	63,996	—
Compensated absences	53,834	—	53,834	47,326
Due more than one year:				
Claims payable	1,221,413	—	1,221,413	—
Bonds payable	180,340,000	—	180,340,000	—
Bond premium	997,305	—	997,305	—
Compensated absences	5,863,782	7,162	5,870,944	414,511
Total liabilities	<u>307,302,720</u>	<u>883,669</u>	<u>308,186,389</u>	<u>1,108,979</u>
Net Assets				
Invested in capital assets, net of related debt	190,349,413	13,935,228	204,284,641	98,977
Restricted for:				
Emergencies	2,870,372	—	2,870,372	36,962
Debt service	90,000	—	90,000	—
Escrow fees	1,214,718	—	1,214,718	—
MSO contingency	—	—	—	200,000
Unrestricted	<u>64,295,529</u>	<u>1,120,174</u>	<u>65,415,703</u>	<u>768,327</u>
Total net assets	<u>\$ 258,820,032</u>	<u>15,055,402</u>	<u>273,875,434</u>	<u>1,104,266</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Activities

Year ended December 31, 2002

		<u>Program revenues</u>		
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Function:				
Primary government activities:				
General government	\$ 60,301,127	11,736,307	7,695,709	—
Conservation	3,623,533	1,016,127	599,496	687,526
Urban redevelopment/housing	1,535,882	1,529,673	—	—
Public safety	26,876,513	3,677,424	3,443,879	10,855
Health and welfare	28,537,484	436,017	16,698,144	—
Economic development	7,105,134	—	4,529,981	—
Highways and streets	7,065,748	587,452	5,429,331	—
Interest on long-term debt	8,451,982	—	—	—
Intergovernmental (payments to cities)	767,170	—	—	—
Total governmental activities	<u>144,264,573</u>	<u>18,983,000</u>	<u>38,396,540</u>	<u>698,381</u>
Business-type activity:				
Resource conservation	3,351,553	2,821,379	12,500	—
Total primary government	<u>\$ 147,616,126</u>	<u>21,804,379</u>	<u>38,409,040</u>	<u>698,381</u>
Component unit:				
Health Department	\$ 9,741,949	1,149,720	4,577,759	—
General revenues:				
Taxes:				
Property				
Sales				
Specific ownership				
Interest earnings				
Grants and contributions not restricted to specific programs				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, January 1, 2002, as previously reported				
Change in entity				
Net assets, January 1, 2002, as restated				
Net assets, December 31, 2002				

See accompanying notes to basic financial statements.

Net (expense) revenue and changes in net assets			
Primary government			Component Unit
Governmental activities	Business-type activity	Total	Health Department
\$ (40,869,111)	—	(40,869,111)	—
(1,320,384)	—	(1,320,384)	—
(6,209)	—	(6,209)	—
(19,744,355)	—	(19,744,355)	—
(11,403,323)	—	(11,403,323)	—
(2,575,153)	—	(2,575,153)	—
(1,048,965)	—	(1,048,965)	—
(8,451,982)	—	(8,451,982)	—
(767,170)	—	(767,170)	—
(86,186,652)	—	(86,186,652)	—
—	(517,674)	(517,674)	—
(86,186,652)	(517,674)	(86,704,326)	—
—	—	—	(4,014,470)
78,637,017	—	78,637,017	—
17,808,296	—	17,808,296	—
7,155,651	—	7,155,651	—
3,462,149	—	3,462,149	25,730
—	—	—	4,337,881
107,063,113	—	107,063,113	4,363,611
(9,244)	9,244	—	—
107,053,869	9,244	107,063,113	4,363,611
20,867,217	(508,430)	20,358,787	349,141
237,952,815	—	237,952,815	755,125
—	15,563,832	15,563,832	—
237,952,815	15,563,832	253,516,647	755,125
\$ 258,820,032	15,055,402	273,875,434	1,104,266

BOULDER COUNTY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2002

Assets	General fund	Social services fund	Open Space Capital Improvement Fund, Bond series 1994, 2000, and 2001	Other governmental funds	Total governmental funds
Equity in Treasurer's cash and investments	\$ 27,518,942	4,766,670	10,589,671	28,722,178	71,597,461
Restricted cash and investments	5,181,685	—	27,008,222	632,375	32,822,282
Property taxes receivable	70,445,802	4,631,376	—	16,211,997	91,289,175
Due from other governmental units	—	778,564	—	1,294,963	2,073,527
Due from component unit	46,400	—	—	57,471	103,871
Interest receivable	215,596	—	106,919	92,299	414,814
County goods and services receivable	2,530,530	—	1,942,569	2,921,713	7,394,812
Due from other funds	910,854	—	1,429,649	748,696	3,089,199
Prepaid items	83,042	—	—	6,600	89,642
Inventories	64,342	—	—	24,824	89,166
Total assets	\$ 106,997,193	10,176,610	41,077,030	50,713,116	208,963,949
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,744,334	1,003,798	95,808	1,985,317	4,829,257
Due to other funds	2,585,691	20,370	—	294,759	2,900,820
Deferred revenue	70,736,539	5,796,900	3,241,800	16,682,810	96,458,049
Due to other governmental units	—	—	—	68,684	68,684
Accrued liabilities	1,091,428	252,458	4,365	367,534	1,715,785
Escrows payable	4,013,747	—	—	—	4,013,747
Other liabilities	197,940	44,267	730	2,344	245,281
Total liabilities	80,369,679	7,117,793	3,342,703	19,401,448	110,231,623
Fund balances:					
Reserved for:					
Emergencies	164,287	—	—	2,706,085	2,870,372
Prepaid items and inventories	147,384	—	—	31,424	178,808
Debt service	—	—	—	90,000	90,000
Escrow fees	516,906	—	—	697,812	1,214,718
Capital construction	—	—	27,008,222	—	27,008,222
Unreserved, reported in:					
General fund	25,798,937	—	—	—	25,798,937
Special revenue funds	—	3,058,817	—	20,772,114	23,830,931
Capital projects funds	—	—	10,726,105	7,014,233	17,740,338
Total fund balances	26,627,514	3,058,817	37,734,327	31,311,668	98,732,326
Total liabilities and fund balances	\$ 106,997,193	10,176,610	41,077,030	50,713,116	208,963,949

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Reconciliation of Total Governmental Fund Balances on the Governmental Funds Balance Sheet to Net Assets of Governmental Activities on the Statement of Net Assets

December 31, 2002

Total governmental fund balances	\$ 98,732,326
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	353,367,506
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(188,020,000)
Bond premium	(1,061,301)
Compensated absences	(5,917,616)
Accrued interest payable	(1,356,970)
Long-term asset:	
Deferred charges – issuance costs	411,956
Other long-term assets are not available to pay current expenditures and, therefore, are deferred in the funds.	454,683
Internal service funds are used by management to charge the costs of insurance and other services to individual funds (excluding compensated absences of \$4,083 from internal services). The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets (including claims payable).	<u>2,209,448</u>
Net assets of governmental activities	<u>\$ 258,820,032</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Revenues, Expenditures
and Changes in Fund Balance

Governmental Funds

Year ended December 31, 2002

	General fund	Social services fund	Open Space Capital Improvement Fund, Bond series 1994, 2000, and 2001	Other governmental funds	Total governmental funds
Revenues:					
Taxes	\$ 65,039,835	4,377,787	12,443,052	21,466,644	103,327,318
Licenses, fees, and permits	618,253	—	—	24,872	643,125
Interest on investments	1,332,752	—	1,552,589	438,132	3,323,473
Intergovernmental	4,035,906	14,104,858	424,297	17,586,082	36,151,143
Charges for services	11,714,316	—	—	430,042	12,144,358
Fines and forfeitures	323,725	—	—	—	323,725
Other revenue	1,569,013	6,169	50,294	6,480,766	8,106,242
Total revenues	84,633,800	18,488,814	14,470,232	46,426,538	164,019,384
Expenditures:					
Current:					
General government	48,559,098	—	—	15,640,153	64,199,251
Conservation	6,532,453	—	33,424,652	1,402,827	41,359,932
Urban redevelopment/housing	1,515,173	—	—	—	1,515,173
Public safety	23,460,333	—	—	3,942,189	27,402,522
Health and welfare	4,160,683	19,017,702	—	5,009,514	28,187,899
Economic development	2,163,630	—	—	4,933,386	7,097,016
Highways and streets	944,388	—	—	11,569,158	12,513,546
Intergovernmental	—	—	—	779,293	779,293
Debt service:					
Principal	—	—	3,335,000	3,950,000	7,285,000
Interest and fiscal charges	—	—	5,446,433	3,023,214	8,469,647
Total expenditures	87,335,758	19,017,702	42,206,085	50,249,734	198,809,279
Deficiency of revenues under expenditures	(2,701,958)	(528,888)	(27,735,853)	(3,823,196)	(34,789,895)
Other financing sources (uses):					
Proceeds from sale of capital assets	3,200,847	—	2,083,797	1,174,000	6,458,644
Bond proceeds	—	—	30,800,000	—	30,800,000
Bond premium	—	—	1,066,634	—	1,066,634
Child support retainage refund	—	435,947	—	—	435,947
Transfers in	1,352,208	4,661	12,027	6,840,826	8,209,722
Transfers out	(4,697,520)	—	(2,697,865)	(1,523,581)	(8,918,966)
Total other financing sources (uses)	(144,465)	440,608	31,264,593	6,491,245	38,051,981
Net change in fund balance	(2,846,423)	(88,280)	3,528,740	2,668,049	3,262,086
Fund balances, January 1	29,473,937	3,147,097	34,205,587	28,643,619	95,470,240
Fund balances, December 31	\$ 26,627,514	3,058,817	37,734,327	31,311,668	98,732,326

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Reconciliation of Net Changes in Governmental Fund Balances on the
Statement of Revenues, Expenditures, and Changes in Fund Balances to
Change in Net Assets of Governmental Activities on the Statement of Activities

Year ended December 31, 2002

Net change in fund balances – total governmental funds		\$ 3,262,086
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 useful lives and reported as depreciation expense. This is the amount by which estimated useful lives and capital outlays exceeded depreciation in the current period:		
Capital assets additions	\$ 52,805,156	
Depreciation expense	<u>(4,057,259)</u>	
Excess of capital outlay over depreciation		48,747,897
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets:		
Donations of capital assets	273,381	
Proceeds from sale of capital assets	(6,458,644)	
Loss on sale of capital assets	<u>(926,164)</u>	
		(7,111,427)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Earned but unavailable revenue	356,055	
Property taxes related to prior years	<u>(82,409)</u>	
		273,646
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.		
Repayment of principal includes:		
Bond proceeds	(30,800,000)	
Bond premium	(1,066,634)	
Bond payments	7,285,000	
Bond issuance costs	<u>437,703</u>	
		(24,143,931)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences (including internal service of \$4,083)	(1,460,382)	
Amortization of issuance costs	(25,747)	
Amortization of bond premium	5,333	
Accrued interest payable	<u>17,665</u>	
		(1,463,131)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, telecommunications, printing, and fleet services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities:		
Transfer into internal service	700,000	
Internal service fund profit allocation	<u>602,077</u>	
		1,302,077
Change in net assets of governmental activities		\$ <u><u>20,867,217</u></u>

See accompanying notes to basic financial statements

BOULDER COUNTY, COLORADO

Statement of Net Assets

Proprietary Funds

December 31, 2002

	<u>Enterprise fund Resource conservation</u>	<u>Internal service fund Risk management</u>
Assets		
Current assets:		
Equity in Treasurer's cash and investments	\$ 1,505,219	5,425,122
Interest receivable	—	27,302
County goods and services receivable	511,592	201,376
Due from other funds	9,244	728,346
Prepaid items	—	53,933
Total current assets	<u>2,026,055</u>	<u>6,436,079</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation:		
Land	882,782	—
Construction in progress	13,692	—
Buildings	10,661,101	—
Equipment	2,377,653	—
Total noncurrent assets	<u>13,935,228</u>	<u>—</u>
Total assets	<u>\$ 15,961,283</u>	<u>6,436,079</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 873,780	159,344
Due to other funds	22,212	155,917
Accrued liabilities	2,727	2,820
Total current liabilities	<u>898,719</u>	<u>318,081</u>
Noncurrent liabilities:		
Accrued compensated absences	7,162	4,083
Estimated health and dental claims	—	1,442,038
Estimated insurance claims	—	2,455,114
Other liabilities	—	11,398
Total noncurrent liabilities	<u>7,162</u>	<u>3,912,633</u>
Total liabilities	<u>905,881</u>	<u>4,230,714</u>
Net Assets		
Invested in capital assets, net of related debt	13,935,228	—
Unrestricted	1,120,174	2,205,365
Total net assets	<u>15,055,402</u>	<u>2,205,365</u>
Total liabilities and net assets	<u>\$ 15,961,283</u>	<u>6,436,079</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Revenues, Expenses
and Changes in Fund Net Assets

Proprietary Funds

Year ended December 31, 2002

	<u>Enterprise fund</u>	<u>Internal service fund</u>
	<u>Resource conservation</u>	<u>Risk management</u>
Operating revenue:		
Sales of recyclable materials	\$ 2,821,379	—
Charges for services	—	161,984
Charges for services – other funds	—	1,951,033
Contributions – employee	—	2,074,083
Contributions – County	—	6,887,394
Contributions – miscellaneous	—	137,464
Land use claims recovery and other	—	197,161
	<hr/>	<hr/>
Total operating revenue	2,821,379	11,409,119
	<hr/>	<hr/>
Operating expenses:		
Cost of sales	838,190	—
General administration	349,413	201,715
General professional services	1,577,680	—
Depreciation	586,270	—
Property and casualty claims	—	356,827
Health and dental claims	—	9,967,410
Workers' compensation claims	—	414,433
Land use claims	—	—
	<hr/>	<hr/>
Total operating expenses	3,351,553	10,940,385
	<hr/>	<hr/>
Operating income (loss)	(530,174)	468,734
Nonoperating revenues:		
Interest on investments	—	133,343
Donations	12,500	—
	<hr/>	<hr/>
Income (loss) before transfers	(517,674)	602,077
Transfers in	9,244	700,000
	<hr/>	<hr/>
Change in net assets	(508,430)	1,302,077
Total net assets, as previously reported – January 1	—	903,288
Change in reporting entity	15,563,832	—
	<hr/>	<hr/>
Total net assets, restated – January 1	15,563,832	903,288
	<hr/>	<hr/>
Total net assets – December 31	\$ 15,055,402	2,205,365
	<hr/>	<hr/>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2002

	<u>Enterprise fund Resource conservation</u>	<u>Internal service fund Risk management</u>
Cash flows from operating activities:		
Cash received from employer	\$ —	6,887,394
Cash received from employees	—	2,074,082
Cash received from charges for services	4,454,943	2,365,299
Cash received from miscellaneous sources	—	184,353
Cash paid to suppliers	(3,239,605)	(80,853)
Cash paid for general claims	—	(1,255,109)
Cash paid for health and dental claims	—	(9,718,813)
Net cash provided by operating activities	<u>1,215,338</u>	<u>456,353</u>
Cash flows from noncapital financing activities:		
Transfers in	9,244	700,000
Donations	12,500	—
Net cash flows provided by noncapital financing activities	<u>21,744</u>	<u>700,000</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(16,942)	—
Cash flows from investing activities:		
Investment earnings	—	133,343
Net increase in cash and cash equivalents	<u>1,220,140</u>	<u>1,289,696</u>
Cash and equivalents, January 1	<u>285,079</u>	<u>4,135,426</u>
Cash and equivalents, December 31	\$ <u>1,505,219</u>	\$ <u>5,425,122</u>
Net operating income (loss)	\$ (530,174)	468,734
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation expense	586,270	—
Decrease in interest receivable	—	503
Decrease (increase) in County goods and services receivable	1,642,808	(31,080)
(Increase) decrease in due from other funds	(9,244)	282,859
Decrease in donations	(12,500)	—
Increase in prepaid expenses	—	(34,274)
(Decrease) increase in accounts payable	(490,342)	32,699
Increase in due to other funds	22,212	126,016
Increase in accrued liabilities	6,308	133
Increase in health and dental claims	—	248,597
Decrease in insurance claims	—	(634,122)
Decrease in other liabilities	—	(3,712)
Total adjustments	<u>1,745,512</u>	<u>(12,381)</u>
Net cash provided by operating activities	\$ <u>1,215,338</u>	\$ <u>456,353</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Fiduciary Net Assets

Fiduciary Funds

Year ended December 31, 2002

Assets	Pension Trust Pension Trust Fund	Agency
Equity in Treasurer's cash and investments	\$ —	10,100,635
Investments	66,790,639	—
Restricted cash	—	1,129,164
Property tax receivable	—	237,945,345
Other receivables	632,053	—
Total assets	<u>\$ 67,422,692</u>	<u>249,175,144</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 29,393	178,517
Accrued liabilities	—	7,186
Other liabilities	—	806,785
Escrow payable	—	136,676
Undistributed taxes and other collections	—	9,345,726
Due to taxing units	—	237,952,414
Due to other funds	—	747,840
Total liabilities	29,393	249,175,144
Net assets:		
Held in trust for employee retirement benefits	<u>67,393,299</u>	<u>—</u>
Total liabilities and net assets	<u>\$ 67,422,692</u>	<u>249,175,144</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO
Statement of Changes in Fiduciary Net Assets
Year ended December 31, 2002

Additions to net assets:	
Contributions:	
Boulder County	\$ 3,707,957
Boulder County employees	4,002,350
Investment income	2,216,220
Net realized and unrealized losses	<u>(11,150,221)</u>
Total additions (decreases)	<u>(1,223,694)</u>
Deductions from net assets:	
Benefit payments	4,292,599
Administrative expenses	<u>212,325</u>
Total deductions	<u>4,504,924</u>
Net decrease in plan assets	(5,728,618)
Net assets available for plan benefits:	
Beginning of year	<u>73,121,917</u>
End of year	<u><u>\$ 67,393,299</u></u>

See accompanying notes to financial statements.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. A summary of the significant accounting policies of Boulder County, Colorado (the County) applied in the preparation of these financial statements follow.

(a) *Financial Reporting Entity*

The County is a political subdivision organized in 1861 under the statutes of the State of Colorado. A three-member Board of County Commissioners (the Board) governs the County. Each commissioner is elected at-large by the voters of the County and must reside in the district for which he or she is elected. There are also seven other elected officials – assessor, clerk and recorder, coroner, sheriff, district attorney, treasurer and surveyor.

The County provides a wide range of services to its residents including public safety, highways and streets, parks and open space, health and social services, public improvements, planning, zoning and general administration. Water, sanitation, fire, utilities, schools, recreation and library services are provided to County residents by a variety of public and private entities, depending on property location.

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity*, has specified the criteria to be used in defining the financial reporting entity:

The financial reporting entity consists of the primary government and its component units.

A primary government is any state, general-purpose local, or special-purpose government, which meets the following criteria: a) it has a separately elected governing body; b) it is legally separate; and c) it is fiscally independent of other state and local governments. A primary government consists of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. In general, the nature and significance of the component unit's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present Boulder County (the primary government) and its component unit. The component units included in the County's reporting entity are reported using the blended and the discretely presented methods. The blended method reports the financial data of the component unit as part of the primary government. The blended method is used when either of the following circumstances are present: 1) the component unit's governing body is substantively the

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

same as the governing body of the primary government; or 2) the component unit provides services entirely or almost entirely to the primary government. The discretely presented method is used when a component unit does not meet the criteria for blending. The component unit column in the government-wide financial statements include the financial data of the County's discrete component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The following component units are included in the accompanying financial statements:

Blended Component Units

Boulder County Retirement Savings Trust (Pension Trust Fund) – This is a trust established by agreement between the Board of County Commissioners and the Boulder County Board of Retirement for the purpose of providing retirement benefits exclusively for Boulder County employees. The Pension Trust Fund is reported as a fiduciary fund.

Gunbarrel General Improvement District Fund (the District) – This is a subdivision of the State of Colorado created for the purpose of constructing certain public improvements to be located within the district and governed by a board comprised of the County's elected Board of County Commissioners. The District is reported as a capital projects fund.

Discretely Presented Component Unit

Boulder County Health Department (the Health Department) – This is a quasi-municipal organization organized by authority of state statute and resolution of the County Commissioners on March 25, 1952. According to state statute, the Commissioners appoint the governing board. In addition, the County appropriates significant funds for the Health Department's operations. The Health Department provides services to the residents of the County.

Complete financial statements for the individual component units may be obtained at the unit's administrative offices.

Boulder County Health Department
3450 Broadway
Boulder, CO 80304

Boulder County Retirement Savings Trust
Finance Department
2020 13th Street
Boulder, CO 80302

Gunbarrel General Improvement District
Finance Department
2020 13th Street
Boulder, CO 80302

(b) *Measurement Focus, Basis of Accounting, and Basis of Presentation*

With the implementation of GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the County's Basic Financial Statements consist of the government-wide financial statements and the fund financial statements. The government-wide financial statements include a Statement of Net Assets and a Statement of Activities, which present the financial activities of the County and its component units, but do not include fiduciary funds or component units that are fiduciary in nature. The government-wide statements are reported using the economic resources measurement focus and the accrual basis of

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

accounting, as are the proprietary fund and fiduciary fund statements. Certain eliminations have been made as prescribed by GASB Statement 34 in regard 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the County's governmental activities and business-type activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the County.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The emphasis of the fund financial statements is on major governmental and enterprise funds, each presented in a separate column. All remaining governmental are aggregated and presented as nonmajor funds in a single column.

Governmental funds are used to account for the County's general government activities. Governmental fund financial statements use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources (i.e., matured).

Property taxes and grant revenue are the primary revenue sources subject to accrual. Property taxes are reported as a receivable and deferred revenue when the levy is certified and as revenue in the period for which it is levied. An allowance for estimated uncollectible taxes has not been recorded since uncollectible amounts are not considered material to the financial statements. The County bills and collects its own property taxes and the taxes for various taxing agencies. Collections and remittance of taxes for the other taxing agencies are accounted for in the Agency Fund.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

The County reports deferred revenue when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has legal claim to them, such as when grant funds are received prior to incurring qualified expenditures and eligibility requirements have not been met. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

A reconciliation of the Fund financial statements to the Government-Wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

The County reports the following major **Governmental funds**:

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

The *Social Services Fund* accounts for public aid programs administered by the County. By State law, Colorado counties are required to maintain a Social Services Fund.

The *Open Space Capital Improvement Funds*, Bond Series 1994, 2000, and 2001 accounts for financial resources to be used for the acquisition of interest in open space real property and access thereto, water rights, and improvement upon open space real property.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred. Operating revenues in the proprietary funds are those revenues that are generated from providing services and producing and delivering goods in connection with the primary ongoing operations of the fund. The principal operating revenue of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All other revenues are reported as nonoperating revenues.

The County reports the following major Proprietary fund:

The *Resource Conservation Fund* accounts for the County's recycling operations, which are primarily funded by site collections and the sale of recyclables. Previous to 2002, the Recycling Composting Authority was reported as a governmental fund-type discrete component unit in the County's comprehensive annual financial report (CAFR). Effective January 1, 2002, the intergovernmental agreement for the Recycling and Composting Authority expired, the Authority was dissolved, and the related activity is now included as part of Boulder County as the Resource Conservation enterprise fund. In changing from a governmental fund-type component unit to a proprietary fund-type enterprise fund, a restatement of total net assets as of January 1, 2002 is necessary for the Resource Conservation Fund. The restated beginning net assets amount of \$15,563,832 consists of capital assets at January 1, 2002 of \$14,504,556, and fund balance of \$1,059,276.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

Additionally, the County reports the following fund types:

The *Internal Service Fund* accounts for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis.

The *Pension Trust Fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The Pension Trust Fund accounts for The Boulder County Retirement Savings Trust.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

The County reports its government-wide and enterprise fund financial statements following all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989. The County has elected not to apply any applicable FASB pronouncements subsequent to November 30, 1989 in accounting and reporting for business-type activities and enterprise funds.

(c) ***Equity in Treasurer's Cash and Investments***

The County accounts for investments under Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which governs accounting for investments. Investments are carried at amortized cost for those investments with remaining maturities of less than 12 months when purchased or at fair value for those investments with maturity dates exceeding 12 months from purchase date.

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Except when required by trust agreements, the operating cash of each fund except the Health Department, and the Retirement Savings Trust is pooled into one bank account not identified with any particular fund. Cash in excess of operating requirements is invested in government obligations and cash equivalents. The accounting records for each fund reflect an equity in pooled cash and investments. Generally, investment income earned as a result of pooling is distributed to the appropriate County funds utilizing a formula based on the monthly average balance of equity in Treasurer's cash and investments of each of the County's funds.

Restricted cash in the Open Space Capital Improvement Fund is composed of funds restricted for debt service expenditures. Restricted cash in the Public Trustee Agency Fund is composed of funds restricted by state statute and miscellaneous funds restricted for use by the Public Trustee. Restricted cash in the General Fund is composed of escrow funds, which are restricted for various purposes.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(d) *Property Tax Receivables and Other Receivables*

Revenues are recorded when received except for property taxes, which are reported as a receivable when the levy is certified. All current taxes receivable are offset by the full amount of the deferred revenue. Taxes are considered earned and due on January 1 in the period for which the tax is levied, following the year it was levied. The first and second halves become delinquent March 1 and June 16, respectively. Interest receivable and sales tax are accrued in the appropriate funds.

(e) *County Goods and Services Receivable*

County goods and services receivable includes amounts due primarily from intergovernmental agreements for public safety, telecommunication, and recycling and composting services provided within the community.

(f) *Due From Other Governmental Units*

Due from other governmental units includes amounts due primarily from federal and state grantors for grant programs. Revenues received in advance of program costs being incurred or eligibility requirements being met, are deferred.

(g) *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures. The prepaid assets recorded in the governmental fund types do not reflect current appropriable resources, and thus, an equivalent portion of fund balance is reserved.

(h) *Capital Assets*

Capital assets, which include property, plant and equipment, and infrastructure assets consisting of roads, streets, highways, bridges and similar items, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are capitalized for the current year, and the County will adopt retroactive reporting requirements by the 2006 fiscal year, as prescribed in GASB 34. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

Estimated useful lives for asset types are as follows:

Buildings	40 years
Equipment	6 – 11 years
Improvements	15 years
Infrastructure	50 years

(i) *Vacation and Sick Leave Benefits*

County policy allows employees to accumulate unused vacation and sick leave up to certain maximum hours. Retiring employees are paid 100% of unused vacation and sick leave, and employees terminating for other reasons are paid 100% of vacation and 50% of unused sick leave. Employees hired after June 1, 1987 are not paid for unused sick leave. Employees of Social Services, regardless of date of hire, are not paid for unused sick leave. The County budgets anticipated expenditures for such absences and payments for excess vested sick leave. The entire compensated absence liability is reported in the government-wide financial statements. A liability is recorded for compensated absences in the governmental funds only if they have matured as a result of employee resignations or retirements. Expenditures or expenses for compensated absences are recorded in the applicable fund upon employee termination.

(j) *Long-term Obligations*

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities of the government-wide statement of net assets, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method over the term of the debt, except for deferred refunding gains (losses) which are amortized using the shorter of the term of either the new or old debt. Bond premiums and discounts, are presented separately and issuance costs are recorded as deferred charges. In the fund financial statements for governmental fund types, bond premiums, discounts, and issuance costs are recognized as expenditures during the current period. Bond proceeds and bond premiums are reported as an other financing source. Bond discounts are reported as an other financing use. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

(k) *Escrows Payable*

Escrows payable represent amounts due to other entities which were collected by the County primarily from E-911 fees for the Boulder County Regional Emergency Telephone Service Authority, state and federal dollars related to forfeitures, and school district fees.

(l) *Fund Balances*

In the fund financial statements, reservations of fund balances represent amounts that are not appropriable or that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. All fund balances not specifically reserved for a particular purpose are considered undesignated, unreserved fund balances.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(m) Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

(n) Change in Accounting Policy

Change in Capitalization Threshold

In following the Government Finance Officers Association best practices recommendation, the County changed its capitalization level from \$2,000 to \$5,000 beginning January 1, 2002. Asset values of the primary government decreased \$6,615,552, including the largest decrease of \$6,507,016 recorded in the governmental funds. The component unit assets decreased by \$433,333 as a result of this policy change.

(2) Implementation of New Accounting Principles

(a) Governmental Accounting Standards Board Statement No. 34

In 2002, the County implemented the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which established a new financial reporting model to be used by state and local governments.

GASB Statement No. 34 requires the presentation of government-wide financial statements prepared using the accrual basis of accounting and economic resources measurement focus for all of the County's activities. Government-wide financial statements distinguish between the County's governmental and business-type activities and activities of discretely presented component units on a statement of net assets and statement of activities. The statement of net assets includes not only current assets and liabilities but also all capital assets (including governmental infrastructure assets) and other long-term assets and liabilities, which were previously reported in the General Fixed Asset Account Group and General Long-Term Debt Account Group. The statement of activities reports all of the County's revenues and costs (including depreciation expense on capital assets) of providing services. Accordingly, the County recorded capital assets and certain other long-term term assets and liabilities in the statement of net assets, and reported all revenues and the cost of providing services using the accrual basis of accounting in the statement of activities.

In addition to the government-wide financial statements, the County has prepared governmental fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. Accordingly, the accounting and financial reporting for the County's General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds is similar to that previously presented in the County's financial statements, although the format of financial statements has been modified by Statement No. 34.

GASB Statement No. 34 also requires that financial statements be accompanied by Management's Discussion and Analysis (MD&A), as required supplementary information, to include a narrative introduction and analytical overview of the County's financial activities. Statement No. 34 also eliminated contributed capital and classified net assets into invested in capital assets net of related debt, restricted, and unrestricted.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(b) Governmental Accounting Standards Board Statement No. 36

In 2002, the County implemented the provisions of GASB Statement No. 36, *Receipt Reporting for Certain Shared Nonexchange Revenues*. This Statement amended GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which the County adopted in 2001, with respect to the manner in which shared nonexchange revenues are accounted for by recipient governments. GASB Statement No. 36 did not have any material impact in the way the County records revenues.

(c) Governmental Accounting Standards Board Statement No. 37

In 2002, the County implemented the provisions of GASB Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*. GASB Statement No. 37 amended GASB Statement No. 34 to clarify certain provisions and modified other provisions that had unintended consequences in some circumstances. Accordingly, the County considered the effects of this Statement when adopting the provisions of GASB Statement No. 34 as described above.

(d) Governmental Accounting Standards Board Statement No. 38

In 2002, the County implemented the provisions of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain note disclosures to be adopted concurrent with the implementation of GASB Statement No. 34. Accordingly, the County revised certain note disclosures to conform to the requirements of GASB Statement No. 38 when adopting the provisions of GASB Statement No. 34 as described above.

(e) Governmental Accounting Standards Board Statement No. 39

In 2002, the County implemented the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amended GASB Statement No. 14, *The Financial Reporting Entity*. GASB Statement No. 39 provides additional guidance to determine whether certain organizations for which a primary government is not financially accountable should be reported as component units based upon the nature and significance of the relationship between them and the primary government. Accordingly, the County did not the change the reporting of any component unit based upon the adoption of the standard.

(f) Governmental Accounting Standards Board Statement No. 41

The County implemented the provisions of GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. GASB Statement No. 41 amended GASB Statement No. 34 to clarify budgetary presentation requirements. Accordingly, the County considered the effects of this statement when adopting the provisions of GASB Statement No. 34 as described above.

(g) Governmental Accounting Standards Board Interpretation No. 6

In 2002, the County implemented the provisions of GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, concurrently with the implementation of GASB Statement No. 34. GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures at the fund level. Accordingly, the County considered the effects of this Statement when adopting the provisions of GASB Statement No. 34 as described above.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

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(3) Related Party Transactions

Boulder County has entered into an agreement with one of its County Commissioners. The County Commissioner, Ron Stewart, serves as both a County Commissioner and the Director of Parks and Open Space. Commissioner Stewart receives no compensation for serving as the Director of Parks and Open Space, which benefits the County in the range of \$6,001 to \$8,641 per month.

(4) Cash, Deposits, and Investments

(a) Deposits

At year-end, the carrying amount of the County's deposits was \$29,229,808 and the bank balance was \$31,127,820. Of the total bank balance, \$1,058,520 was covered by federal depository insurance and \$30,069,300, was uninsured and collateralized with securities held by banks in their trust departments in the County's name. The State's Public Deposit Protection Act (PDPA) precludes the County from requiring banks to hold securities in the County's name.

The carrying amount of deposits for the component unit was \$994,759 and the bank balance was \$994,118. Of the bank balance, \$120,026 was covered by federal depository insurance and \$874,092 was uninsured and collateralized with securities held by banks in their trust departments in the Component unit's name. The State's PDPA is also applicable to the component unit.

The County's and Component unit's deposits are subject to, and are in accordance with, the State of Colorado's PDPA. Under this act, all uninsured deposits are to be fully collateralized. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and is at all times entitled to collect and retain all income derived from those investments without restrictions. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institution's trust department or agent in the "County's or component unit's name," because the collateral pool meets the "held in name of the government" criterion.

(b) Investments

The County's investment portfolio includes investments that bear interest at variable rates or which periodically increase. With respect to these investments, as well as other investments within the County's portfolio, the County is subject to market risk, which represents the exposure to changes in the market, such as a change in interest rates or a change in price or principal value of a security. Additionally, the component unit is exposed to custodial credit risk associated with its investment portfolio. Custodial credit risk is the exposure to the default of counterparties to investment transactions.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

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The County's investments are categorized into these three categories of custodial credit risk:

1. Insured or registered, or securities held by the County or its agent in the County's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the County's name.

At December 31, 2002, the County's investment balances were as follows:

	Category			Fair value
	1	2	3	
U.S. Government securities	\$ 60,000	—	—	60,000
Commercial paper	337,000	—	—	337,000
Repurchase agreements	61,554,890	—	—	61,554,890
Guaranteed investment contract	31,398,185	—	—	31,398,185
Total categorized	\$ 93,350,075	—	—	93,350,075
Investments not categorized (investments are not evidenced by securities):				
Mutual funds				66,790,639
Total investments				\$ 160,140,714

At December 31, 2002, the investment balances of the component unit was as follows:

	Category			Fair value
	1	2	3	
Repurchase agreements	\$ 452,888	—	—	452,888
Total categorized	\$ 452,888	—	—	452,888

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

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A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2002 is as follows:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Governmental and Business-type activities:			
Equity in Treasurer's cash and cash equivalents and investments	\$ 78,527,802	1,417,535	79,945,337
Restricted cash and cash equivalents and investments	<u>32,822,282</u>	<u>30,112</u>	<u>32,852,394</u>
Total governmental and business-type activities	<u>111,350,084</u>	<u>1,447,647</u>	<u>112,797,731</u>
Fiduciary:			
Cash and cash equivalents	10,100,635	—	10,100,635
Restricted cash and cash equivalents	1,129,164	—	1,129,164
Investments	<u>66,790,639</u>	<u>—</u>	<u>66,790,639</u>
Total fiduciary	<u>78,020,438</u>	<u>—</u>	<u>78,020,438</u>
Total	189,370,522	1,447,647	190,818,169
Less deposit balance	<u>(29,229,808)</u>	<u>(994,759)</u>	<u>(30,224,567)</u>
Total investments	<u>\$ 160,140,714</u>	<u>452,888</u>	<u>160,593,602</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(5) Changes in Government, Business Type and Component Unit Capital Assets

	Capital Asset Activity				
	Year ended December 31, 2002				
	Beginning balance January 1, 2002	Increases	Decreases	Transfers	Ending balance December 31, 2002
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 256,010,213	38,973,508	(5,898,472)	—	289,085,249
Land development rights and other	4,075,000	1,449,182	(1,458,886)	—	4,065,296
Construction in progress	1,574,779	3,146,365	—	(543,798)	4,177,346
Total capital assets not being depreciated	<u>261,659,992</u>	<u>43,569,055</u>	<u>(7,357,358)</u>	<u>(543,798)</u>	<u>297,327,891</u>
Capital assets being depreciated:					
Buildings and improvements	67,163,402	3,552,614	—	543,798	71,259,814
Equipment	24,884,292	2,334,018	(762,616)	—	26,455,694
Improvements other than building	115,187	9,330	—	—	124,517
Infrastructure	305,053	3,613,520	—	—	3,918,573
Total capital assets being depreciated	<u>92,467,934</u>	<u>9,509,482</u>	<u>(762,616)</u>	<u>543,798</u>	<u>101,758,598</u>
Less accumulated depreciation					
for:					
Buildings and improvements	(24,650,909)	(1,653,711)	—	—	(26,304,620)
Equipment	(17,730,332)	(2,370,690)	735,167	—	(19,365,855)
Improvements other than building	(647)	(7,841)	—	—	(8,488)
Infrastructure	(15,003)	(25,017)	—	—	(40,020)
Total accumulated depreciation	<u>(42,396,891)</u>	<u>(4,057,259)</u>	<u>735,167</u>	<u>—</u>	<u>(45,718,983)</u>
Total capital assets being depreciated, net	<u>50,071,043</u>	<u>5,452,223</u>	<u>(27,449)</u>	<u>543,798</u>	<u>56,039,615</u>
Governmental activities capital assets, net	<u>\$ 311,731,035</u>	<u>49,021,278</u>	<u>(7,384,807)</u>	<u>—</u>	<u>353,367,506</u>
Business-type activity (resource conservation):					
Capital assets not being depreciated:					
Land	\$ 882,782	—	—	—	882,782
Construction in progress	—	13,692	—	—	13,692
Total capital assets not being depreciated	<u>882,782</u>	<u>13,692</u>	<u>—</u>	<u>—</u>	<u>896,474</u>
Capital assets being depreciated:					
Buildings and improvements	11,072,791	3,678	—	—	11,076,469
Equipment	2,847,967	28,896	(31,296)	—	2,845,567
Total capital assets being depreciated	<u>13,920,758</u>	<u>32,574</u>	<u>(31,296)</u>	<u>—</u>	<u>13,922,036</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

Capital Asset Activity					
Year ended December 31, 2002					
	Beginning balance January 1, 2002	Increases	Decreases	Transfers	Ending balance December 31, 2002
Less accumulated depreciation for:					
Buildings and improvements	\$ (138,456)	(276,912)	—	—	(415,368)
Equipment	(158,556)	(309,358)	—	—	(467,914)
Total accumulated depreciation	<u>(297,012)</u>	<u>(586,270)</u>	<u>—</u>	<u>—</u>	<u>(883,282)</u>
Total capital assets being depreciated, net	13,623,746	(553,696)	(31,296)	—	13,038,754
Business-type activity capital assets, net	<u>\$ 14,506,528</u>	<u>(540,004)</u>	<u>(31,296)</u>	<u>—</u>	<u>13,935,228</u>
Depreciation expense was charged to functions as follows:					
Governmental activities:					
General government	\$ 1,639,582				
Conservation	444,790				
Public safety	994,439				
Health and welfare	49,765				
Economic development	9,108				
Highways and streets	919,575				
Total governmental activities depreciation expense	<u>\$ 4,057,259</u>				
Business-type activities:					
Resource Conservation	<u>\$ 586,270</u>				
Other capital assets:					
Buildings and improvements	\$ 48,809	—	—	—	48,809
Equipment (note 1)	99,796	33,739	(30,494)	—	103,041
Total other capital assets at historical cost	<u>148,605</u>	<u>33,739</u>	<u>(30,494)</u>	<u>—</u>	<u>151,850</u>
Less accumulated depreciation for: (note 2)					
Buildings and improvements	(13,478)	(3,254)	—	—	(16,732)
Equipment	(38,641)	(15,401)	17,901	—	(36,141)
Total accumulated depreciation	<u>(52,119)</u>	<u>(18,655)</u>	<u>17,901</u>	<u>—</u>	<u>(52,873)</u>
Other capital assets, net	<u>\$ 96,486</u>	<u>15,084</u>	<u>(12,593)</u>	<u>—</u>	<u>98,977</u>
Depreciation expense was charged to functions as follows:					
Component unit activities:					
Health Department	<u>\$ 18,655</u>				

See note 1(n) for change in accounting policy for capitalization threshold change.

(6) Lease Obligations – Governmental Activities

The County maintains approximately 127 agricultural leases on open space property. Approximately 34% of these leases are crop share leases. These leases are based on a percentage of revenues derived from the crops grown on the land. As yields and crop prices vary greatly from year to year, payments from these leases are not estimable.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

The remaining leases are for land and home rentals. Future minimum lease payments, by year and in the aggregate, under noncancelable operating leases with initial or remaining terms of one year or more at December 31, 2002 are as follows:

	<u>Lease revenue</u>	
Year:		
2003	\$	233,108
2004		134,881
2005		84,753
2006		40,015
2007		11,708
2008-2012		36,500
2013-2017		11,490
2018-2022		6,050

(7) Changes in Long-Term Obligations

The following is a summary of long-term obligations of the County:

	<u>Balance at January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2002</u>	<u>Due in one year</u>
Government activities:					
Claims payable	\$ 4,282,677	10,588,397	10,973,922	3,897,152	2,675,739
Bonds payable	164,505,000	30,800,000	7,285,000	188,020,000	7,680,000
Bond premium	—	1,066,634	5,333	1,061,301	63,996
Compensated absences	4,411,055	1,506,561	—	5,917,616	53,834
Total governmental activities	<u>173,198,732</u>	<u>43,961,592</u>	<u>18,264,255</u>	<u>198,896,069</u>	<u>10,473,569</u>
Business-type activity:					
Resource conservation compensated absences	4,048	3,114	—	7,162	—
Total primary government	<u>173,202,780</u>	<u>43,964,706</u>	<u>18,264,255</u>	<u>198,903,231</u>	<u>10,473,569</u>
Component unit:					
Health Department compensated absences	356,617	105,280	60	461,837	47,326
Total reporting entity	<u>\$ 173,559,397</u>	<u>44,069,986</u>	<u>18,264,315</u>	<u>199,365,068</u>	<u>10,520,895</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(8) Defeased Debt

In 2000, the County entered into a refunding transaction whereby bonds were issued to facilitate the retirement of a portion of the County's Open Space Sales and Use Tax Revenue Bonds Series 1994. Certain proceeds of the Open Space Improvement Trust Fund Bonds, Series 2000A/2000B have been placed in an irrevocable escrow account and invested for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are considered to be defeased and the liability has been removed from the financial statements. The amount of defeased bonds outstanding at December 31, 2002 is \$1,625,000.

(9) Debt Service Forward Delivery Agreement

On December 31, 2002, the County entered into a debt service forward delivery agreement with a financial institution under the approval of the Board of County Commissioners. The County entered into this agreement for purposes of managing its investments by increasing the predictability of its cash flow from earnings on its investments and not for purposes of speculation. Under this agreement, the County makes monthly payments to the financial institution in sufficient amount to make the County's semi-annual bond payments. In return the County received an upfront lump-sum amount of \$3,000,000 on December 31, 2002. The \$3,000,000 represents the present value of interest proceeds expected to be earned and was recognized as deferred revenue to be amortized through 2019. The County's Open Space Bond Series, 1998, 2000A, 2000B, 2001, and 2002 are included in this agreement.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(10) Bonds Payable – Governmental Activities

Annual debt service requirements to maturity for bonded debt are as follows:

<u>Description of bond issue</u>	<u>Beginning balance 01/01/02</u>	<u>Bond issues 2002</u>	<u>Principal retired 2002</u>	<u>Ending balance 12/31/02</u>	<u>Interest paid 2002</u>
Bond #1-Cap Impr. Trust Series B2	\$ 245,000	—	120,000	125,000	13,355
Bond #2-Open Space Sales & Use Tax Rev. Bonds, Series 1994 (see note below)	14,540,000	—	3,335,000	11,205,000	820,622
Bond #3-Gunbarrel GID Gen. Obligation Bonds, Series 1994	1,545,000	—	360,000	1,185,000	84,295
Bond #4-Open Space Capital Impr. Trust Bonds, Series 1995	26,575,000	—	2,395,000	24,180,000	1,301,899
Bond #5-Open Space Capital Impr. Trust Bonds, Series 1998	33,025,000	—	1,075,000	31,950,000	1,622,715
Bond #6-Open Space Capital Impr. Trust Bonds, Series 2000A/ 2000B	38,575,000	—	—	38,575,000	2,200,025
Bond #7-Open Space Capital Impr. Trust Bonds, Series 2001	50,000,000	—	—	50,000,000	2,424,713
Bond #8-Open Space Capital Impr. Trust Bonds, Series 2002	—	30,800,000	—	30,800,000	—
Totals	<u>\$ 164,505,000</u>	<u>30,800,000</u>	<u>7,285,000</u>	<u>188,020,000</u>	<u>8,467,624</u>

Note: The ending balance due on the 1994 bonds (bond #2) on December 31, 1999 was \$23,755,000. Due to a partial defeasance in February 2000, the balance before principal payments in 2000 was \$20,755,000. The \$3,000,000 difference is held in escrow at Cherry Creek Bank. The detail listed above reflects only the County's payments, not payments out of escrow.

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Note: The schedule below does not include amounts held in escrow at Cherry Creek Bank due to a partial defeasance of the 1994 Open Space Bonds in February 2000. In February, \$3,000,000 was held in escrow for future principal payments and \$622,300 was held for future interest payments.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ 7,680,000	9,130,648	16,810,648
2004	9,015,000	9,083,871	18,098,871
2005	9,780,000	8,621,875	18,401,875
2006	10,170,000	8,101,541	18,271,541
2007	11,020,000	7,576,769	18,596,769
2008	12,295,000	7,018,888	19,313,888
2009	13,595,000	6,344,933	19,939,933
2010	9,250,000	5,711,163	14,961,163
2011	9,605,000	5,360,913	14,965,913
2012	10,045,000	4,916,421	14,961,421
2013	10,515,000	4,437,251	14,952,251
2014	11,020,000	3,932,123	14,952,123
2015	11,560,000	3,387,040	14,947,040
2016	12,145,000	2,782,040	14,927,040
2017	12,760,000	2,144,350	14,904,350
2018	13,430,000	1,466,050	14,896,050
2019	14,135,000	751,900	14,886,900
Totals	<u>\$ 188,020,000</u>	<u>90,767,776</u>	<u>278,787,776</u>

The County has issued \$1,000,000 in Capital Improvements Trust Fund Revenue Bonds (Highway User Tax) Series 1992. The bonds are payable from revenue distributed to the County from the Colorado highway users tax fund plus certain investment income. The bonds mature annually beginning in 1994 with final payment in 2003. Interest at rates from 3.75% to 5.50% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	<u>\$ 125,000</u>	<u>6,875</u>	<u>131,875</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

The County has issued \$36,025,000 in Open Space Sales and Use Tax Revenue Bonds Series 1994. The bonds are payable from revenue received by the County from the imposition of a 0.25% sales and use tax. The bonds mature annually beginning in 1996 with final payment in 2005. Interest at rates from 4.55% to 5.75% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ 3,545,000	637,198	4,182,198
2004	3,720,000	440,450	4,160,450
2005	3,940,000	226,550	4,166,550
	<u>\$ 11,205,000</u>	<u>1,304,198</u>	<u>12,509,198</u>

The Gunbarrel General Improvement District has issued \$3,600,000 in General Obligation Bonds Series 1994. The bonds are general obligations of the Gunbarrel District, a component unit, and do not represent a liability of the County. The bonds are payable from revenue received by the Gunbarrel District for general ad valorem taxes. The bonds mature annually beginning in 1995 with final payment in 2005. Interest at rates from 4.1% to 5.6% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ 375,000	65,215	440,215
2004	395,000	44,965	439,965
2005	415,000	23,240	438,240
	<u>\$ 1,185,000</u>	<u>133,420</u>	<u>1,318,420</u>

The County has issued \$35,000,000 in Open Space Capital Improvement Fund Bonds, Series 1996. The bonds are payable from revenue transferred to the Trust Fund from the County's General Fund and other legally available funds. The bonds mature annually beginning in 1998 with final payment in 2010. Interest at rates from 4.1% to 5.25% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ 2,510,000	1,189,055	3,699,055
2004	2,630,000	1,068,892	3,698,892
2005	2,765,000	932,432	3,697,432
2006	2,925,000	772,953	3,697,953
2007	3,085,000	610,231	3,695,231
2008-2010	10,265,000	822,008	11,087,008
	<u>\$ 24,180,000</u>	<u>5,395,571</u>	<u>29,575,571</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

The County has issued \$35,000,000 in Open Space Capital Improvement Fund Bonds, Series 1998. The bonds are payable from revenues from the County's existing ¼% Open Space Sales and Use Tax held in the County's Open Space Sales Tax Capital Improvement Fund Surplus account, from the proceeds of the Bonds, and from the General Fund if necessary. The bonds mature annually beginning in 1999 with final payment in 2009. Interest at rates from 4.5% to 5.25% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ 1,125,000	1,580,790	2,705,790
2004	1,300,000	1,535,790	2,835,790
2005	1,415,000	1,477,290	2,892,290
2006	6,360,000	1,412,200	7,772,200
2007	6,800,000	1,094,200	7,894,200
2008-2009	14,950,000	1,090,800	16,040,800
	<u>\$ 31,950,000</u>	<u>8,191,070</u>	<u>40,141,070</u>

The County has issued \$38,575,000 in Open Space Capital Improvement Fund Bonds, Series 2000A/2000B. The bonds are payable from tax revenues received by the County from the 0.25% sales and use tax imposed in 1994. The bonds mature annually beginning in 2006 with final payment in 2019. Interest with rates from 5.25% to 6.00% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ —	2,200,025	2,200,025
2004	—	2,200,025	2,200,025
2005	—	2,200,025	2,200,025
2006	700,000	2,200,025	2,900,025
2007	750,000	2,161,525	2,911,525
2008-2012	10,275,000	9,857,783	20,132,783
2013-2017	18,070,000	5,910,791	23,980,791
2018-2019	8,780,000	797,700	9,577,700
	<u>\$ 38,575,000</u>	<u>27,527,899</u>	<u>66,102,899</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

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The County has issued \$50,000,000 in Open Space Capital Improvement Fund Bonds, Series 2001. The bonds are payable from revenue generated by the pledged 0.10% sales and use tax dedicated to open space, from the open space surplus account and from the General Fund if necessary. The bonds mature annually beginning in 2004 with final payment in 2019. Interest with rates from 4.25% to 5.00% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ —	2,424,713	2,424,713
2004	185,000	2,424,713	2,609,713
2005	690,000	2,416,850	3,106,850
2006	—	2,387,525	2,387,525
2007	355,000	2,387,525	2,742,525
2008-2012	11,615,000	11,272,589	22,887,589
2013-2017	25,240,000	6,870,013	32,110,013
2018-2019	11,915,000	901,000	12,816,000
	<u>\$ 50,000,000</u>	<u>31,084,928</u>	<u>81,084,928</u>

The County has issued \$30,800,000 in Open Space Capital Improvement Fund Bonds, Series 2002. The bonds are payable from revenue generated by the pledged 0.10% sales and use tax dedicated to open space, from the open space surplus account and from the General Fund if necessary. The bonds mature annually beginning in 2004 with final payment in 2019. Interest with rates from 3.00% to 5.00% is payable semi-annually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2003	\$ —	1,026,778	1,026,778
2004	785,000	1,369,038	2,154,038
2005	555,000	1,345,488	1,900,488
2006	185,000	1,328,838	1,513,838
2007	30,000	1,323,288	1,353,288
2008-2012	7,685,000	6,309,138	13,994,138
2013-2017	14,690,000	3,902,000	18,592,000
2018-2019	6,870,000	519,250	7,389,250
	<u>\$ 30,800,000</u>	<u>17,123,818</u>	<u>47,923,818</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(11) Interfund Transactions

(a) Due To / Due From

The County reports interfund balances between its funds. The Nonmajor governmental fund interfund balances are reported in aggregate. The sum of all balances presented in the table agree with the sum of interfund balances reported in the balance sheet and statement of net assets for governmental and proprietary funds, respectively. All balances result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are expected to be repaid within one year of the financial statement date.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 91,309
	Enterprise Fund	19,498
	Internal Service Fund	155,917
	Agency Fund	623,760
	Social Services	20,370
		<hr/>
		910,854
Open Space Capital Improvement Fund	General Fund	1,338,658
	Nonmajor Governmental Funds	12,027
	Agency Fund	78,964
		<hr/>
		1,429,649
Nonmajor Governmental Funds	General Fund	510,443
	Nonmajor Governmental Funds	190,423
	Enterprise Fund	2,714
	Agency Fund	45,116
		<hr/>
		748,696
Enterprise Fund	General Fund	9,244
Internal Service Fund	General Fund	727,346
	Nonmajor Governmental Funds	1,000
		<hr/>
		728,346
		<hr/>
Total		\$ 3,826,789
		<hr/> <hr/>

In addition, the County reports a balance due from its discrete component unit, the Boulder Health Department. As of December 31, 2002, there is a reporting difference of \$66,384 due to timing differences for amounts in transit paid by the Health Department but not yet received by the County.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(b) Transfers

Transfers are used to move revenues for capital projects, debt service, and subsidies for various County programs in accordance with approved budgets and for the reallocation of certain special revenues. The following is a schedule of the County interfund transfers:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
General Fund	Social Services	\$ 4,661
	Enterprise Fund	9,244
	Internal Services Fund	700,000
	Nonmajor Governmental Funds	3,983,615
		<u>4,697,520</u>
Open Space Capital Improvement Bond Series 1994, 2000, and 2001	Nonmajor Governmental Funds	2,697,865
Non-Major Governmental Funds	General Fund	1,352,208
	Open Space Capital Improvement Bond Series 1994, 2000, and 2001	12,027
	Nonmajor Governmental Funds	159,346
		<u>1,523,581</u>
Total		<u>\$ 8,918,966</u>

All transfers are for routine ongoing operations of the fund, and are consistent with the activities of the fund.

(12) Fund Balances – Reserved

In November 1992, the voters of Colorado approved an amendment to Article X, Section 20 of the State Constitution. A part of the amendment requires each governmental entity to establish an “Emergency Reserve” equal to 3% of fiscal year expenditures. In December 1992, the Boulder County Board of Commissioners passed a resolution which designated the fund balance in the Contingency Fund as the County’s Emergency Reserve. Excess reserves required are designated in the General Fund. At December 31, 2002, the balance in the Emergency Reserve in the Special Revenue Contingency Fund was \$2,706,085 and in the General Fund was \$164,287, respectively, for the primary government and was \$36,962 for the component unit. Additional amounts will be added as required.

A Reserve for Escrow Fees was created in both the General and Road and Bridge Funds. The escrow fees are development permit fees which have been accumulating over a period of time and which were recorded as revenue for the first time in 1992. The revenue is reflected in each of the applicable funds under the category licenses and permits. The fees will be reserved until such time as they are utilized for the purpose for which they are collected. The fees collected are recorded as restricted cash in the General Fund with an interfund payable due to the Special Revenue Fund and a corresponding interfund receivable in the Special Revenue Fund.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(13) Conduit Debt

The Colorado County and Municipality Development Revenue Bond Act, Article 3, Title 29 of Colorado Revised Statutes, 1973, authorizes municipalities to finance one or more projects to promote industry, trade or other economic activity to further the economic health of the County. The Act further authorizes the County to enter into financial agreements with others to provide revenue to pay the bonds authorized and issued and to secure the payment of such bonds.

Revenue bond financing, as authorized by this Act, does not constitute the pledging of credit for a private corporation and does not subject the County to the debt, contract or liability of a private corporation. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reflected in the records or basic financial statements of the County.

As of December 31, 1995, there were six series of Industrial Revenue Bonds (IRB) outstanding and five series of Single Family Mortgage Revenue Bonds. The aggregate principal amount payable for the six series of Industrial Revenue Bonds and the five series of Single Family Mortgage Revenue Bonds issued prior to January 1996 could not be determined; however, their original issue amounts totaled \$48,607,731 and \$66,225,000, respectively. The aggregate principal amount payable for the IRB series issued after January 1, 1996 is \$70,345,000. The aggregate principal amount payable for Mortgage Revenue Bonds series issued after January 1, 1996 is \$30,440,000.

Boulder County has issued four Local Improvement District Bonds. The bonds are payable from revenue generated by special tax assessments imposed against the benefited properties located within the districts. The bonds do not constitute a debt or indebtedness of the County and shall not be considered or held to be a general obligation of the County. Details are as follows:

Palo Park Local Improvement District Bonds were issued in April, 1997 in the amount of \$100,000. They were issued for the purpose of grading, paving and constructing curb, gutter and sidewalk improvements. The bonds mature annually beginning in 1997 with final payment in 2007. Interest at 6.00% is payable semiannually. Boulder County has called in \$85,000 in bonds. Principal debt service to maturity is \$15,000.

Valley Lane Local Improvement District Bonds were issued in April, 1997 in the amount of \$105,000. They were issued for the purpose of grading, paving and constructing curb, gutter and sidewalk improvements. The bonds mature annually beginning in 1997 with final payment in 2007. Interest at 6.50% is payable semi-annually. Boulder County has called in \$79,000 in bonds. Principal debt service to maturity is \$26,000.

North Cedar Brook Local Improvement District Bonds were issued in April, 2000 in the amount of \$110,000. They were issued for the purpose of rehabilitating existing roads, paving and drainage. The bonds mature annually beginning in 2000 with final payment in 2009. Interest at 6.00% is payable semi-annually. Boulder County has called in \$30,000 in bonds. Principal debt service to maturity is \$80,000.

Palo Park #3 Local Improvement District Bonds were issued in April, 2000 in the amount of \$195,000. They were issued for the purpose of rehabilitating existing street, curb, gutter and sidewalk improvements, and installing storm drains. The bonds mature annually beginning in 2000 with final payment in 2009.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

Interest at 6.00% is payable semiannually. Boulder County has called in \$60,000 in bonds. Principal debt service to maturity is \$135,000.

(14) Pension Plan

Effective January 1, 1985, the County withdrew from the Colorado County Officials and Employees Retirement Association (CCOERA) and formed the Boulder County Retirement Savings Plan (BCRSP) (the Plan). Under this Plan, which was established by and can be amended by resolution of the Board of County Commissioners, the County provides retirement benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to contribute to the plan as of the first of the month after having completed one year of service without a break in service. Under this Plan, the County contributes 6% of an eligible employee's compensation to the Plan. Each participant may make "pre-tax" contributions up to 19% of annual compensation not to exceed \$11,000, plus "after-tax" contributions in accordance with the provisions of the Plan. The County's contribution for each employee and interest allocated to the employee's account are fully vested after six years of service. Employees are fully vested in their own contributions and allocated earnings immediately. All employees previously enrolled under the CCOERA plan became 100% vested and will receive any accumulations due them from that plan upon their termination as County employees. County contributions for, and interest forfeited by, employees who leave employment before six years of service are used to reduce the County's current-period contribution requirement.

The fund balance in the Pension Trust Fund of \$67,393,299 is reserved for future retirement benefits. The County's payroll for the year ended December 31, 2002 for all employees was \$72,686,713. Payroll for employees covered by BCRSP was \$65,187,211. The County's contribution, net of forfeitures, was \$3,707,957 and covered employees' voluntary contributions were \$4,002,350 for 2002.

(15) Risk Management

The County, including its component units, is self-insured for risks associated with workers' compensation and property/casualty claims and, therefore, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The total liability for the primary government as well as the component units is recorded in the Risk Management Internal Service Fund.

The County assumes the risk for the first \$300,000 for each workers' compensation occurrence, \$100,000 for each property occurrence and \$250,000 for each casualty occurrence. Excess property/casualty insurance is purchased to protect the County for claims in excess of the above amounts. Under the Governmental Immunity Act, recovery under claims is generally limited to \$150,000 per person and \$600,000 total per occurrence. Certain claims for damages, generally constitutional or statutory violations, are not covered under the Act.

The County also maintains a self-funded health and dental plan in which it assumes the risk for the first \$150,000 per claim. Excess insurance is purchased to protect the County for claims over that amount.

The County has implemented GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and established a Risk Management Fund (an Internal Service Fund) to account for and finance all uninsured risks of loss. With the implementation of GASB No. 10,

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts, and other economic and social factors.

Changes in the balances of claims liabilities for each of the past two years are as follows:

	<u>2002</u>	<u>2001</u>
Unpaid claims, beginning of year	\$ 4,282,677	3,157,152
Incurred claims (including IBNRs)	10,588,397	10,648,168
Claim payments	<u>(10,973,922)</u>	<u>(9,522,643)</u>
Unpaid claims, end of year	<u>\$ 3,897,152</u>	<u>4,282,677</u>

There has been no significant reduction in insurance coverage from the prior year. There have been no settlements exceeding insurance coverage during the last three years.

(16) Commitments and Contingent Liabilities

(a) Risk Management

All funds of the County participate in the program and make payments to the Risk Management Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The claims liabilities reported in the Risk Management Fund at December 31, 2002, are in accordance with GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the report date of the basic financial statements indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

(b) Litigation

Boulder County is a defendant in several lawsuits, including various claims related to activities or employees of the County. The County believes that final settlement of these matters not covered by insurance will not have a material effect on its financial condition or operations.

The County acquired property for open space purposes in December 2000, which is possibly contaminated with hazardous substances. Disposal or placement of hazardous substances would have occurred prior to the County's acquisition of the property. The EPA pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) may require cleanup of the contamination on the site, the amount of which is not currently estimable. Any liability beyond a de minimis landowner settlement negotiated with the EPA would be aggressively litigated.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(c) Purchase Options

The County leases areas of open space land, separated into parcels upon which purchase options may be exercised annually. The continuance of each lease and option is contingent upon the annual lease payment and exercise of each available option in succession. Further details of each lease are as follows:

	<u>Autrey property</u>	<u>Trevarton Lillian property</u>	<u>Parish property</u>	<u>Cemex Parish property</u>
Total acreage	237	2,006	250	804
Number of parcels	10	1	2	2
Total options	\$ 1,048,388	2,415,927	4,151,250	1,600,000
Options exercised through December 31, 2002	<u>831,348</u>	<u>758,863</u>	<u>3,527,500</u>	<u>700,000</u>
Remaining options	\$ <u>217,040</u>	<u>1,657,064</u>	<u>623,750</u>	<u>900,000</u>
				Caribou Ranch property I
	<u>Billings property</u>	<u>Peck property</u>	<u>Almquist property</u>	
Total acreage	326	45	219	2,640
Number of parcels	8	2	11	5
Total options	\$ 1,123,017	611,927	891,793	15,028,267
Options exercised through December 31, 2002	<u>468,132</u>	<u>226,915</u>	<u>521,138</u>	<u>572,759</u>
Remaining options	\$ <u>654,885</u>	<u>385,012</u>	<u>370,655</u>	<u>14,455,508</u>
	<u>Macy property</u>	<u>Tveten property</u>	<u>Golden property</u>	
Total acreage	175	624	147	
Number of parcels	6	6	1	
Total options	\$ 2,002,000	1,739,186	1,000,000	
Options exercised through December 31, 2002	<u>554,400</u>	<u>1,443,180</u>	<u>175,000</u>	
Remaining options	\$ <u>1,447,600</u>	<u>296,006</u>	<u>825,000</u>	

For properties not yet purchased, the County pays an annual rental per acre plus assessed property taxes.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(d) Legal Debt Margin

Per Colorado Revised Statute Section 30-35-201, the County's indebtedness for general obligation bonds shall not exceed 1.5% of total assessed valuation of property in the County. The debt capacity for 2002 as of December 31, 2002 was \$67,849,323. The County does not currently have debt subject to the limitation.

(e) Construction Contracts

The County has construction commitments outstanding of approximately \$2,728,000 with various contractors at December 31, 2002.

(f) Grants

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, would be immaterial to its financial statements.

(17) Revenue and Expenditure Limitations

The 1992 amendment to Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), limits the revenue raising and spending abilities of the State and local governments, effective December 31, 1992. It prohibits any increase in the mill levy without a vote of the citizens, requires any revenue collected in excess of the fiscal year spending limit to be refunded in the following year, and requires the establishment of an "Emergency Reserve" equal to 3% of fiscal year expenditures. See note 12 for further discussion.

In 1997, the County voters approved two ballot issues related to the amendment. The first requested that \$461,306 in grants from the State, other governments and nonprofit organizations received and expended in 1996 be exempt from the amendment's revenue and spending limitations. The second requested that grants from the State, other governments and nonprofit organizations received and expended in 1997 and future years be exempt from the amendment's revenue and spending limitations.

In 2000, the County voters approved additional exemptions of certain kinds of revenues. The exempted revenues include interest earnings on fund balances, fees paid for contracted Sheriff's services, fees paid pursuant to contracts for public services and public capital facilities, payment of fines, and employee contributions to the County health and dental benefit plans. The change was effective in 2000 and each subsequent year without further voter approval.

Based upon its interpretation of the TABOR Amendment, the County has not exceeded its revenue and spending limits for 2002. In any year when the limits are exceeded, the excess will be handled in accordance with the provisions of the Amendment.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(18) Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures

	(A)	(B)	(C)	(D)	(E)
Program 2002	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations plus Expenditures by County Warrant (col a + col c)	Total Expenditures (col b + col c)
Old Age Pension	\$ 2,188,924	13,725	—	2,188,924	13,725
Low – income energy assistance program	504,753	—	—	504,753	—
Temporary assistance for needy families	1,840,737	432,182	—	1,840,737	432,182
Regular administration	1,595	319	14,465,911	14,467,506	14,466,230
CWEST/Child Welfare	3,550,786	544,595	490,950	4,041,736	1,035,545
Core services	—	—	1,350,172	1,350,172	1,350,172
Aid to the needy disabled	1,069,999	143,013	—	1,069,999	143,013
IV-D administration	—	—	1,156,984	1,156,984	1,156,984
CHATS/Child Care	3,621,156	387,205	—	3,621,156	387,205
Medicaid transportation	—	—	792	792	792
Aid to the blind	20	—	—	20	—
Colorado refugee	219	—	—	219	—
General assistance	—	—	31,854	31,854	31,854
Subtotal	12,778,189	1,521,039	17,496,663	30,274,852	19,017,702
Food assistance	5,395,650	—	—	5,395,650	—
Grand total	\$ 18,173,839	1,521,039	17,496,663	35,670,502	19,017,702

- A. Welfare payments authorized by the Boulder County Department of Social Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit card or by electronic funds transfer (EBT).
- B. County share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County warrants or other County payment methods.
- D. This represents the total cost of the welfare programs that are administered by Boulder County.
- E. This total matches the expenditures on the Social Services Fund – Statement of Revenues, Expenditures and Changes in the Fund Balance.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2002

(19) Subsequent Event

Related Party

The Boulder County Housing Authority (Housing Authority) is a related party to Boulder County. The Housing Authority board is appointed by Boulder County, however, the Housing Authority does not pose a financial burden or benefit on Boulder County nor does Boulder County have the ability to impose its will upon the Housing Authority. Transactions between the Housing Authority and the County consisted of reimbursement payments for County employees working at the Housing Authority in the amount of \$1,518,868.

This relationship changed on January 14, 2003 when the Boulder County Commissioners appointed themselves as the Housing Authority Board. For the fiscal year ending December 31, 2003, the Housing Authority will be reported as a discrete component unit of Boulder County.

REQUIRED SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

Year ended December 31, 2002

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
Property	\$ 61,876,653	61,876,653	62,219,212	342,559
Specific ownership	3,243,259	3,243,259	2,820,623	(422,636)
Total	<u>65,119,912</u>	<u>65,119,912</u>	<u>65,039,835</u>	<u>(80,077)</u>
Licenses and permits:				
Business	7,300	7,300	6,164	(1,136)
Nonbusiness	720,650	720,650	612,089	(108,561)
Total	<u>727,950</u>	<u>727,950</u>	<u>618,253</u>	<u>(109,697)</u>
Interest on investments	3,000,000	3,000,000	1,332,752	(1,667,248)
Intergovernmental:				
Federal grants	27,960	27,960	80,785	52,825
Federal shared revenue	200,000	200,000	20,317	(179,683)
State grants	22,400	22,400	15,597	(6,803)
State shared revenue	133,174	133,174	322,579	189,405
Other governmental units	2,878,408	2,878,408	3,596,628	718,220
Total	<u>3,261,942</u>	<u>3,261,942</u>	<u>4,035,906</u>	<u>773,964</u>
Charges for services:				
Motor vehicle fees – clerk	2,111,000	2,111,000	2,072,835	(38,165)
Recording fees – clerk	3,042,000	3,042,000	3,821,206	779,206
Treasurer fees	1,700,000	1,700,000	1,418,819	(281,181)
Other fees	1,405,270	1,402,270	1,724,066	321,796
Telecommunications	653,055	653,055	702,000	48,945
Parks charges	260,000	260,000	217,630	(42,370)
Sheriff charges	1,249,163	1,249,163	1,412,005	162,842
Miscellaneous	347,300	347,300	345,755	(1,545)
Total	<u>10,767,788</u>	<u>10,764,788</u>	<u>11,714,316</u>	<u>949,528</u>
Fines and forfeitures	347,560	347,560	323,725	(23,835)
Other revenue:				
Open space rental	350,000	350,000	469,901	119,901
Building rental	638,072	638,072	713,026	74,954
Miscellaneous	184,292	184,292	386,086	201,794
Total	<u>1,172,364</u>	<u>1,172,364</u>	<u>1,569,013</u>	<u>396,649</u>
Total revenues	<u>84,397,516</u>	<u>84,394,516</u>	<u>84,633,800</u>	<u>239,284</u>

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

Year ended December 31, 2002

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:				
General government:				
Administrative services:				
Personal services	\$ 6,277,660	6,307,660	6,306,781	879
Operating	2,438,672	2,412,265	2,380,500	31,765
Organizational administration:				
Combined	8,929,408	8,997,505	8,058,262	939,243
Assessor:				
Personal services	2,167,646	2,167,646	2,123,732	43,914
Operating	227,401	228,351	225,908	2,443
Building utilities:				
Operating	1,105,854	1,105,854	1,001,881	103,973
County attorney:				
Personal services	1,352,647	1,352,647	1,351,832	815
Operating	194,641	225,708	210,576	15,132
County commissioners:				
Personal services	1,038,677	1,038,677	1,037,691	986
Operating	154,070	154,496	124,955	29,541
County surveyor:				
Operating	2,000	5,000	4,870	130
Clerk and recorder:				
Personal services	2,670,722	2,796,972	2,796,807	165
Operating	700,035	837,291	820,432	16,859
General administration:				
Operating	13,901,856	19,732,465	14,492,230	5,240,235
Land use:				
Personal services	1,878,660	1,904,990	1,904,859	131
Operating	687,274	717,924	717,106	818
Telecommunications:				
Personal services	280,074	280,074	279,633	441
Operating	821,429	821,429	729,841	91,588
Treasurer:				
Personal services	539,978	539,978	532,821	7,157
Operating	149,528	149,748	148,395	1,353
District Attorney:				
Personal services	3,068,129	3,105,109	3,104,194	915
Operating	216,797	217,915	205,792	12,123
Total	<u>48,803,158</u>	<u>55,099,704</u>	<u>48,559,098</u>	<u>6,540,606</u>
Conservation:				
Parks and open space:				
Personal services	3,305,784	3,247,829	3,246,664	1,165
Operating	1,887,894	6,137,720	3,274,891	2,862,829
Coal Creek/Rock Creek:				
Operating	44,050	351,690	10,898	340,792
Total	<u>5,237,728</u>	<u>9,737,239</u>	<u>6,532,453</u>	<u>3,204,786</u>
Urban redevelopment/housing:				
Housing management:				
Personal services	1,348,240	1,506,240	1,505,699	541
Operating	36,347	36,990	9,474	27,516
Total	<u>1,384,587</u>	<u>1,543,230</u>	<u>1,515,173</u>	<u>28,057</u>

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule

General Fund

Year ended December 31, 2002

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Public safety:				
Community services:				
Personal services	\$ 3,415,654	3,420,559	3,375,327	45,232
Operating	697,708	878,265	610,734	267,531
County coroner:				
Personal services	262,902	262,902	262,883	19
Operating	217,912	264,026	254,718	9,308
Sheriff:				
Personal services	13,917,788	13,999,336	13,995,217	4,119
Operating	2,749,462	3,084,099	2,971,732	112,367
Sheriff – communication center:				
Personal services	1,539,758	1,559,687	1,559,581	106
Operating	312,336	548,502	430,141	118,361
Total	<u>23,113,520</u>	<u>24,017,376</u>	<u>23,460,333</u>	<u>557,043</u>
Economic development:				
Nonprofit payments:				
Operating	<u>2,192,830</u>	<u>2,192,830</u>	<u>2,163,630</u>	<u>29,200</u>
Highways and streets:				
Transportation:				
Personal services	904,585	904,585	880,331	24,254
Operating	94,453	219,833	64,057	155,776
Total	<u>999,038</u>	<u>1,124,418</u>	<u>944,388</u>	<u>180,030</u>
Total expenditures	<u>81,730,861</u>	<u>93,714,797</u>	<u>83,175,075</u>	<u>10,539,722</u>
Excess (deficiency) of revenues over expenditures	<u>2,666,655</u>	<u>(9,320,281)</u>	<u>1,458,725</u>	<u>10,779,006</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	75,000	75,000	3,200,847	3,125,847
Transfers in	1,000,000	1,000,000	1,352,208	352,208
Transfers out	(3,829,312)	(3,839,312)	(4,697,520)	(858,208)
Payments to component unit	—	—	(4,160,683)	(4,160,683)
Total other financing sources (uses)	<u>(2,754,312)</u>	<u>(2,764,312)</u>	<u>(4,305,148)</u>	<u>(1,540,836)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	\$ <u>(87,657)</u>	<u>(12,084,593)</u>	<u>(2,846,423)</u>	<u>9,238,170</u>
Fund balance, beginning of year			<u>29,473,937</u>	
Fund balance, end of year			\$ <u>26,627,514</u>	

See accompanying notes to required supplementary information.

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule

Special Revenue – Social Services Fund

Year ended December 31, 2002

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenue:				
Taxes:				
Property	\$ 4,044,023	4,044,023	4,002,398	(41,625)
Specific ownership	460,249	460,249	375,389	(84,860)
Total	<u>4,504,272</u>	<u>4,504,272</u>	4,377,787	(126,485)
Intergovernmental	12,851,270	12,851,270	14,104,858	1,253,588
Miscellaneous	435,498	435,498	6,169	(429,329)
Total revenue	<u>17,791,040</u>	<u>17,791,040</u>	<u>18,488,814</u>	<u>697,774</u>
Expenditures:				
Health and welfare:				
Administration salaries, supplies and other	16,051,183	16,055,843	15,623,214	432,629
Direct assistance:				
Aid to blind	536	536	—	536
Aid to needy disabled	73,000	73,000	143,013	(70,013)
Core services	1,401,619	1,401,619	1,350,172	51,447
Child welfare	1,101,823	1,101,823	1,035,545	66,278
Day care payments	391,653	391,653	387,205	4,448
General assistance	34,666	34,666	31,854	2,812
Old age pensions	17,496	17,496	13,725	3,771
Medicaid transportation	6,500	6,500	792	5,708
TANF/Colorado Works	251,443	251,443	432,182	(180,739)
Total direct assistance	<u>3,278,736</u>	<u>3,278,736</u>	3,394,488	(115,752)
Total expenditures	<u>19,329,919</u>	<u>19,334,579</u>	<u>19,017,702</u>	<u>316,877</u>
Excess (deficiency) of revenue over expenditures	(1,538,879)	(1,543,539)	(528,888)	1,014,651
Other financing sources (uses):				
Transfers in	—	—	4,661	4,661
Child support retainage refund	—	—	435,947	435,947
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,538,879)</u>	<u>(1,543,539)</u>	(88,280)	<u>1,455,259</u>
Fund balance, beginning of year			<u>3,147,097</u>	
Fund balance, end of year			<u>\$ 3,058,817</u>	

See accompanying notes to required supplementary information.

SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Notes to Required Supplementary Information

December 31, 2002

Budgetary Information

The County budgets on a calendar year, US GAAP basis for all funds except for the Grants and Contingency Funds. The Grants Fund is budgeted on a grant year basis, while the Contingency Fund has no legally adopted budget. The following procedures are used by the County Commissioners in establishing the budgetary data reflected in the required supplementary information:

- (a) The level of budgetary control is established by function and activity within the General Fund, and is established at the fund level for the Special Revenue Funds, the Capital Projects Funds, and the Enterprise Fund.
- (b) On or before August 1, all elected officers and department directors submit preliminary budget data to the Budget Officer.
- (c) On or before August 25, the County Assessor submits assessed valuations and other factors required to compute statutory property tax revenue limits.
- (d) On or before October 15, the Budget Officer submits a balanced budget to the Board of County Commissioners.
- (e) A notice is published and a public hearing is held to obtain taxpayer comments, usually in early October.
- (f) In the event a mill levy is required in excess of the mill levy set in 1992 by Amendment 1 (TABOR), the Board of County Commissioners must have the excess approved by the voters at the November election.
- (g) On or before December 10, the County Assessor submits final assessed valuations to all taxing entities.
- (h) The Board of County Commissioners enacts resolutions approving the budget document, appropriating the budget, and setting the mill levies on or before December 15, per Statute 39-1-111, CRS.
- (i) Expenditures may not legally exceed the appropriations approved by the Board of County Commissioners. The appropriations are at the level described in (a) above. Administrative control is maintained through the County's accounting system, at the appropriation level. Departmental administrators without approval of the Commissioners may reallocate funds within the appropriation level. Any increase to the adopted budget requires that a supplemental budget request and appropriation change be approved by the Commissioners at a public meeting, with prior published notice of the proposed change. Budgeted and appropriated amounts are as originally adopted and amended by the Board of Commissioners throughout the year.
- (j) Once levied, property taxes become an enforceable lien on January 1 of the following year and are payable in two equal installments, on February 28 and June 15. Unpaid taxes become delinquent March 1 and June 16, but the entire balance may be paid by April 30 without penalty.
- (k) At the end of the year, unencumbered appropriations lapse for all funds except for the Grants Fund.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specific purposes.

Road and Bridge Fund – Colorado counties are required by state law to maintain a Road and Bridge Fund. This fund reflects costs related to County road and bridge construction and maintenance except for engineering costs that are recorded in the General Fund.

Recycling Capital Improvement Fund – This fund accounts for proceeds received for the purpose of administering the resource recovery and recycling program, mountain solid waste collection, licensing of trash haulers, and monitoring of the landfill.

Contingency Fund – Colorado counties are required by state law to account for monies the County would use to cover contingencies or emergencies, as defined in state statutes. The majority of reserves required under TABOR are designated in this fund. Excess reserves required are reserved in the General Fund.

Developmental Disabilities Fund – This fund is used to account for monies used for the specific purpose of providing services to people with developmental disabilities.

Emergency Rescue Services Fund – This fund is used to account for Boulder County search and rescue and other emergency services.

Grants Fund – This fund is used to account for all revenue and expenditures of programs funded by federal, state, and/or local grant awards.

Fire Training Fund – This fund accounts for monies used by the Boulder Fire Training Board in the construction of training facilities.

Health and Human Services 2002 – This fund accounts for monies used by Boulder County human services agencies which have had a reduction in funding due to state budgetary limitations.

Retirement Fund – This fund accounts for County contributions to the Boulder County Retirement Trust (a Pension Trust Fund).

Conservation Trust Fund – This fund accounts for revenue received from the state lottery proceeds to be used for the acquisition, development, and maintenance of parks and trail systems within the County.

Worthy Cause Tax Fund – This fund accounts for monies used to provide human services funding to various nonprofit agencies.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Capital Projects Funds

Capital Projects Funds account for financial resources collected and used for the acquisition or construction of major capital facilities.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, projects, and equipment.

Capital Improvement Trust Fund (Roads) – This fund is used to account for financial resources to be used for street, road, and drainage improvements.

Gunbarrel General Improvement District Fund – This fund is used to account for activities of the Gunbarrel General Improvement District, a subdivision of the State of Colorado created for the purpose of constructing certain public improvements to be located within the district.

Open Space Capital Improvement Fund, Bond Series 1996 – This fund is used to account for financial resources to be used for the acquisition of interests in open space real property and access thereto, water rights, and improvement upon open space real property and related debt service.

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2002

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Total</u>
Assets			
Equity in pooled cash and investments	\$ 21,214,123	7,508,055	28,722,178
Restricted cash	542,375	90,000	632,375
Property taxes receivable	12,134,179	4,077,818	16,211,997
Due from other governmental units	1,294,963	—	1,294,963
Due from component unit	57,428	43	57,471
Interest receivable	89,089	3,210	92,299
County goods and services receivable	2,914,290	7,423	2,921,713
Due from other funds	743,337	5,359	748,696
Prepaid expenditures	6,600	—	6,600
Inventory	24,824	—	24,824
	<u>39,021,208</u>	<u>11,691,908</u>	<u>50,713,116</u>
Total assets	\$		
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,555,566	429,751	1,985,317
Due to other funds	247,451	47,308	294,759
Deferred revenue	12,606,186	4,076,624	16,682,810
Due to other governmental units	68,684	—	68,684
Accrued liabilities	333,734	33,800	367,534
Other liabilities	2,152	192	2,344
	<u>14,813,773</u>	<u>4,587,675</u>	<u>19,401,448</u>
Total liabilities			
Fund balance:			
Reserved for emergencies	2,706,085	—	2,706,085
Reserved for inventory and prepaid expenditures	31,424	—	31,424
Reserved for debt service	—	90,000	90,000
Reserved for escrow fees	697,812	—	697,812
Unreserved	20,772,114	7,014,233	27,786,347
	<u>24,207,435</u>	<u>7,104,233</u>	<u>31,311,668</u>
Total fund balance			
Total liabilities and fund balance	\$ <u>39,021,208</u>	<u>11,691,908</u>	<u>50,713,116</u>

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds

Year ended December 31, 2002

	<u>Special revenue</u>	<u>Capital project</u>	<u>Total</u>
Revenues:			
Taxes	\$ 13,500,648	7,965,996	21,466,644
Licenses, fees, and permits	24,872	—	24,872
Interest on investments	417,410	20,722	438,132
Intergovernmental	17,582,514	3,568	17,586,082
Charges for services	430,042	—	430,042
Other revenue	6,180,461	300,305	6,480,766
Total revenues	<u>38,135,947</u>	<u>8,290,591</u>	<u>46,426,538</u>
Expenditures:			
Current:			
General government	8,525,796	7,114,357	15,640,153
Conservation	1,102,827	300,000	1,402,827
Public safety	3,942,189	—	3,942,189
Health and welfare	5,009,514	—	5,009,514
Economic development	4,933,386	—	4,933,386
Highways and streets	11,569,158	—	11,569,158
Intergovernmental	779,293	—	779,293
Debt service:			
Principal	—	3,950,000	3,950,000
Interest and fiscal charges	—	3,023,214	3,023,214
Total expenditures	<u>35,862,163</u>	<u>14,387,571</u>	<u>50,249,734</u>
Excess (deficiency) of revenues over expenditures	<u>2,273,784</u>	<u>(6,096,980)</u>	<u>(3,823,196)</u>
Other financing sources (uses):			
Sale of capital assets	1,174,000	—	1,174,000
Transfers in	313,981	6,526,845	6,840,826
Transfers out	(1,523,581)	—	(1,523,581)
Total other financing sources (uses)	<u>(35,600)</u>	<u>6,526,845</u>	<u>6,491,245</u>
Net change to fund balance	2,238,184	429,865	2,668,049
Fund balance, beginning of year	<u>21,969,251</u>	<u>6,674,368</u>	<u>28,643,619</u>
Fund balance, end of year	<u>\$ 24,207,435</u>	<u>7,104,233</u>	<u>31,311,668</u>

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds – Special Revenue Funds

December 31, 2002

	<u>Road and bridge</u>	<u>Recycling capital improvement</u>	<u>Contingency</u>	<u>Developmental disabilities</u>	<u>Emergency rescue services</u>
Assets					
Equity in pooled cash and investments	\$ 2,241,252	8,041,318	2,706,085	8,351	2,810,349
Restricted cash	18,312	—	—	—	—
Property taxes receivable	1,973,963	—	—	4,527,515	—
Due from other governmental units	—	—	—	—	—
Due from component unit	52	—	—	—	—
Interest receivable	11,370	40,468	—	—	14,143
County goods and services receivable	2,014,492	—	—	—	—
Due from other funds	608,761	—	—	—	—
Prepaid items	6,600	—	—	—	—
Inventory	24,824	—	—	—	—
Total assets	\$ 6,899,626	8,081,786	2,706,085	4,535,866	2,824,492
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 369,844	—	—	—	272,674
Due to other funds	12,537	100,636	—	—	36,466
Deferred revenue	2,446,455	—	—	4,527,367	—
Due to other governmental units	—	—	—	—	—
Accrued liabilities	58,792	—	—	—	—
Other liabilities	211	—	—	—	—
Total liabilities	2,887,839	100,636	—	4,527,367	309,140
Fund balance:					
Reserved for emergencies	—	—	2,706,085	—	—
Reserved for inventory and prepaid items	31,424	—	—	—	—
Reserved for escrow fees	627,640	—	—	—	—
Unreserved – undesignated	3,352,723	7,981,150	—	8,499	2,515,352
Total fund balance	4,011,787	7,981,150	2,706,085	8,499	2,515,352
Total liabilities and fund balance	\$ 6,899,626	8,081,786	2,706,085	4,535,866	2,824,492

See accompanying independent auditors' report.

Grants	Fire training	Health and human services 2002	Retirement	Conservation trust	Worthy cause tax	Nonmajor special revenue funds
40,898	1,489,485	—	774,072	1,716,675	1,385,638	21,214,123
524,063	—	—	—	—	—	542,375
—	—	3,134,209	2,498,492	—	—	12,134,179
1,294,963	—	—	—	—	—	1,294,963
—	—	—	57,376	—	—	57,428
—	7,496	—	—	8,639	6,973	89,089
200,562	276,113	—	147,035	—	276,088	2,914,290
112,018	11,279	—	—	—	11,279	743,337
—	—	—	—	—	—	6,600
—	—	—	—	—	—	24,824
<u>2,172,504</u>	<u>1,784,373</u>	<u>3,134,209</u>	<u>3,476,975</u>	<u>1,725,314</u>	<u>1,679,978</u>	<u>39,021,208</u>
265,938	(11)	—	647,132	—	(11)	1,555,566
8,297	8,550	—	—	59,848	21,117	247,451
—	—	3,134,209	2,498,155	—	—	12,606,186
68,684	—	—	—	—	—	68,684
274,942	—	—	—	—	—	333,734
710	—	—	1,231	—	—	2,152
<u>618,571</u>	<u>8,539</u>	<u>3,134,209</u>	<u>3,146,518</u>	<u>59,848</u>	<u>21,106</u>	<u>14,813,773</u>
—	—	—	—	—	—	2,706,085
—	—	—	—	—	—	31,424
70,172	—	—	—	—	—	697,812
1,483,761	1,775,834	—	330,457	1,665,466	1,658,872	20,772,114
<u>1,553,933</u>	<u>1,775,834</u>	<u>—</u>	<u>330,457</u>	<u>1,665,466</u>	<u>1,658,872</u>	<u>24,207,435</u>
<u>2,172,504</u>	<u>1,784,373</u>	<u>3,134,209</u>	<u>3,476,975</u>	<u>1,725,314</u>	<u>1,679,978</u>	<u>39,021,208</u>

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds – Special Revenue Funds

Year ended December 31, 2002

	<u>Road and bridge</u>	<u>Recycling capital improvement</u>	<u>Contingency</u>	<u>Developmental disabilities</u>	<u>Emergency rescue services</u>
Revenues:					
Taxes	\$ 6,901,151	32,560	—	930,161	—
Licenses and permits	24,872	—	—	—	—
Interest on investments	89,068	177,534	—	—	63,731
Intergovernmental	5,531,420	—	—	301	—
Charges for services	391,809	—	—	—	—
Other revenue	63,527	—	—	—	—
Total revenues	<u>13,001,847</u>	<u>210,094</u>	<u>—</u>	<u>930,462</u>	<u>63,731</u>
Expenditures:					
General government	—	—	—	—	—
Conservation	—	—	—	—	—
Public safety	—	—	—	—	1,029,895
Health and welfare	—	—	—	931,612	—
Economic development	—	—	—	—	—
Highways and streets	11,569,158	—	—	—	—
Intergovernmental	779,293	—	—	—	—
Total expenditures	<u>12,348,451</u>	<u>—</u>	<u>—</u>	<u>931,612</u>	<u>1,029,895</u>
Excess (deficiency) of revenues over expenditures	<u>653,396</u>	<u>210,094</u>	<u>—</u>	<u>(1,150)</u>	<u>(966,164)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	19,326	—	—	—	—
Transfers in	64,460	—	—	—	—
Transfers out	(171,373)	—	—	—	—
Total other financing sources (uses)	<u>(87,587)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	565,809	210,094	—	(1,150)	(966,164)
Fund balance, beginning of year	3,445,978	7,771,056	2,706,085	9,649	3,481,516
Fund balance, end of year	\$ <u><u>4,011,787</u></u>	<u><u>7,981,150</u></u>	<u><u>2,706,085</u></u>	<u><u>8,499</u></u>	<u><u>2,515,352</u></u>

See accompanying independent auditors' report.

Grants	Fire training	Health and human services 2002	Retirement	Conservation trust	Worthy cause tax	Nonmajor special revenue funds
—	1,752,080	—	2,116,334	—	1,768,362	13,500,648
—	—	—	—	—	—	24,872
—	23,729	—	—	24,536	38,812	417,410
11,612,694	—	—	685	437,414	—	17,582,514
38,233	—	—	—	—	—	430,042
795,397	25	—	5,321,512	—	—	6,180,461
<u>12,446,324</u>	<u>1,775,834</u>	<u>—</u>	<u>7,438,531</u>	<u>461,950</u>	<u>1,807,174</u>	<u>38,135,947</u>
758,876	—	—	7,766,920	—	—	8,525,796
110,009	—	—	—	992,818	—	1,102,827
2,912,294	—	—	—	—	—	3,942,189
2,262,256	—	—	—	—	1,815,646	5,009,514
4,933,386	—	—	—	—	—	4,933,386
—	—	—	—	—	—	11,569,158
—	—	—	—	—	—	779,293
<u>10,976,821</u>	<u>—</u>	<u>—</u>	<u>7,766,920</u>	<u>992,818</u>	<u>1,815,646</u>	<u>35,862,163</u>
1,469,503	1,775,834	—	(328,389)	(530,868)	(8,472)	2,273,784
—	—	—	—	1,154,674	—	1,174,000
222,156	—	—	—	27,365	—	313,981
<u>(1,352,208)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,523,581)</u>
<u>(1,130,052)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,182,039</u>	<u>—</u>	<u>(35,600)</u>
339,451	1,775,834	—	(328,389)	651,171	(8,472)	2,238,184
1,214,482	—	—	658,846	1,014,295	1,667,344	21,969,251
<u>1,553,933</u>	<u>1,775,834</u>	<u>—</u>	<u>330,457</u>	<u>1,665,466</u>	<u>1,658,872</u>	<u>24,207,435</u>

BOULDER COUNTY, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds – Capital Projects Funds
December 31, 2002

	<u>Capital projects</u>	<u>Capital improvement trust fund (Roads)</u>	<u>Gunbarrel general improvement district</u>	<u>Open space capital improvement fund, bond series 1996</u>	<u>Nonmajor capital projects funds</u>
Assets					
Equity in pooled cash and investments	\$ 6,960,377	17,007	530,671	—	7,508,055
Restricted cash	—	90,000	—	—	90,000
Property taxes receivable	4,077,818	—	—	—	4,077,818
Due from component unit	43	—	—	—	43
Interest receivable	—	539	2,671	—	3,210
County goods and services receivable	4,594	—	2,829	—	7,423
Due from other funds	5,359	—	—	—	5,359
Total assets	<u>\$ 11,048,191</u>	<u>107,546</u>	<u>536,171</u>	<u>—</u>	<u>11,691,908</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 429,751	—	—	—	429,751
Due to other funds	35,327	1,360	10,621	—	47,308
Deferred revenue	4,076,624	—	—	—	4,076,624
Accrued liabilities	33,800	—	—	—	33,800
Other liabilities	192	—	—	—	192
Total liabilities	<u>4,575,694</u>	<u>1,360</u>	<u>10,621</u>	<u>—</u>	<u>4,587,675</u>
Fund balance:					
Reserved for debt service	—	90,000	—	—	90,000
Unreserved	6,472,497	16,186	525,550	—	7,014,233
Total fund balance	<u>6,472,497</u>	<u>106,186</u>	<u>525,550</u>	<u>—</u>	<u>7,104,233</u>
Total liabilities and fund balance	<u>\$ 11,048,191</u>	<u>107,546</u>	<u>536,171</u>	<u>—</u>	<u>11,691,908</u>

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds – Capital Projects Funds

Year ended December 31, 2002

	Capital projects	Capital improvement trust fund (Roads)	Gunbarrel general improvement district	Open Space capital improvement fund, bond series 1996	Non-major capital project funds
Revenues:					
Taxes:					
Property	\$ 6,872,881	—	427,084	—	7,299,965
Specific ownership	633,777	—	32,254	—	666,031
Total taxes	<u>7,506,658</u>	<u>—</u>	<u>459,338</u>	<u>—</u>	<u>7,965,996</u>
Interest on investments	—	2,443	18,279	—	20,722
Intergovernmental	3,568	—	—	—	3,568
Miscellaneous revenue	300,305	—	—	—	300,305
Total revenues	<u>7,810,531</u>	<u>2,443</u>	<u>477,617</u>	<u>—</u>	<u>8,290,591</u>
Expenditures:					
General government	7,114,357	—	—	—	7,114,357
Conservation	—	—	300,000	—	300,000
Debt service:					
Principal	—	120,000	360,000	3,470,000	3,950,000
Interest and fiscal charges	—	13,655	84,695	2,924,864	3,023,214
Total debt service	<u>—</u>	<u>133,655</u>	<u>444,695</u>	<u>6,394,864</u>	<u>6,973,214</u>
Total expenditures	<u>7,114,357</u>	<u>133,655</u>	<u>744,695</u>	<u>6,394,864</u>	<u>14,387,571</u>
Excess (deficiency) of revenues over expenditures	<u>696,174</u>	<u>(131,212)</u>	<u>(267,078)</u>	<u>(6,394,864)</u>	<u>(6,096,980)</u>
Other financing sources (uses):					
Transfers in	—	131,981	—	6,394,864	6,526,845
Total other financing sources (uses)	<u>—</u>	<u>131,981</u>	<u>—</u>	<u>6,394,864</u>	<u>6,526,845</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	696,174	769	(267,078)	—	429,865
Fund balance, beginning of year	5,776,323	105,417	792,628	—	6,674,368
Fund balance, end of year	<u>\$ 6,472,497</u>	<u>106,186</u>	<u>525,550</u>	<u>—</u>	<u>7,104,233</u>

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Fiduciary – Public Trustee Fund and Agency Fund

Year ended December 31, 2002

	<u>Balances at January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at December 31, 2002</u>
Public Trustee Fund:				
Assets:				
Restricted cash	\$ 394,871	908,223	173,930	1,129,164
Inventory	3,903	—	3,903	—
Total	<u>\$ 398,774</u>	<u>908,223</u>	<u>177,833</u>	<u>1,129,164</u>
Liabilities:				
Accounts payable	\$ 1,845	176,672	—	178,517
Accrued liabilities	3,789	3,396	—	7,185
Other liabilities	393,140	587,575	173,929	806,786
Escrow payable	—	136,676	—	136,676
Total for Public Trustee Fund	<u>\$ 398,774</u>	<u>904,319</u>	<u>173,929</u>	<u>1,129,164</u>
Agency Fund:				
Assets:				
Equity in Treasurer's cash and investments	\$ 8,992,214	305,376,983	304,268,562	10,100,635
Property taxes receivable	214,085,684	237,945,345	214,085,684	237,945,345
Total	<u>\$ 223,077,898</u>	<u>543,322,328</u>	<u>518,354,246</u>	<u>248,045,980</u>
Liabilities:				
Undistributed taxes and other collections	\$ 8,361,642	260,473,762	259,489,679	9,345,725
Deferred revenue	214,085,684	237,971,207	214,104,477	237,952,414
Due to other funds	630,572	7,667,882	7,550,613	747,841
Due to other governmental units	—	—	—	—
Total for Agency Fund	<u>\$ 223,077,898</u>	<u>506,112,851</u>	<u>481,144,769</u>	<u>248,045,980</u>
Total – all agency funds:				
Total assets	<u>\$ 223,476,672</u>	<u>544,230,551</u>	<u>518,532,079</u>	<u>249,175,144</u>
Total liabilities	<u>\$ 223,476,672</u>	<u>507,017,170</u>	<u>481,318,698</u>	<u>249,175,144</u>

See accompanying notes to independent auditors' report.

BOULDER COUNTY, COLORADO

The statistical tables are intended to provide a broader understanding of Boulder County government and the trends in its financial affairs than is possible from the financial statements.

(Unaudited)

BOULDER COUNTY, COLORADO

General Governmental Expenditures by Function (1)

Last ten fiscal years

Year:		General government (2)	Public safety (3)	Highways & streets	Health & welfare	Conservation (4)
1997	\$	36,463,322	17,296,842	9,309,421	30,012,143	23,211,356
1998		43,739,611	19,240,383	10,610,305	26,760,660	26,664,239
1999		59,001,819	21,222,601	10,819,040	28,150,984	33,076,178
2000		53,791,828	24,400,127	10,868,312	28,985,919	40,280,094
2001		55,145,815	26,138,340	12,138,528	29,853,943	49,007,135
2002		64,199,251	27,402,522	12,513,546	28,187,899	41,359,932

Source: Financial Statements, Boulder County, Colorado, 1997, 1998, 1999, 2000, 2001, and 2002

In 1997, the Finance Office of Boulder County restructured expenditure categories to conform with guidelines published by the Government Finance Officers Association. Expenditures for the previous four years are presented on the following pages

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds. Prior to 2002, data included General, Special Revenue, Capital Projects, Component Unit and Expendable Trust Funds.
- (2) General Government is charged with expenditures for the governing body (Board of County Commissioners), the judicial branch (District Attorney), the Clerk and Recorder, as well as financial and personnel administration.
- (3) Public Safety is charged with expenditures for protection of persons and property, including traffic engineering. Expenditures for the Coroner's office are also reported here
- (4) Conservation is charged with expenditures for conserving and developing natural resources. It includes costs for open space, weed control, trails and the fairground
- (5) Economic development is charged with expenditures for various programs designed to eliminate or alleviate poverty and its causes. It includes grants such as Head Start Work Force Boulder County, and payments to nonprofits
- (6) Intergovernmental is charged with expenditures made by one level or unit of government to another. It includes payments to cities and payments to the Recycling Authority

Table #1

	Urban redevelopment/ housing	Resource conservation	Economic development (5)	Inter- governmental (6)	Debt service		Total
					Principal	Interest	
\$	790,367	557,092	4,839,057	2,285,809	3,355,000	3,724,142	131,844,551
	873,965	642,330	5,801,571	1,854,169	5,405,000	5,011,016	146,603,249
	934,196	2,060,783	5,672,676	1,876,257	6,230,000	4,972,153	174,016,687
	1,204,369	7,367,593	5,605,172	1,057,813	9,360,000	6,431,117	189,352,344
	1,259,273	9,129,706	6,130,088	801,799	6,715,000	7,198,685	203,518,312
	1,515,173	N/A	7,097,016	779,293	7,285,000	8,469,647	198,809,279

BOULDER COUNTY, COLORADO

General Governmental Expenditures by Function (1)

Last ten fiscal years

Year:	<u>Auxiliary services (2)</u>	<u>General government (3)</u>	<u>Health services</u>	<u>Judicial</u>	<u>Public safety</u>
1993	\$ 9,986,196	27,135,716	6,657,423	4,406,004	10,284,240
1994	13,442,821	31,724,934	6,749,993	3,525,352	11,328,718
1995	11,680,900	34,474,574	7,098,714	3,692,500	12,009,265
1996	10,568,711	38,179,830	6,884,415	2,377,941	12,399,154

Source: Financial Statements, Boulder County, Colorado, 1993 through 1996

Notes:

- (1) Includes General, Special Revenue, Capital Projects, Component Unit, and Expendable Trust Funds.
- (2) Auxiliary Services include administration, management and maintenance of parks, fairgrounds, and trails, soil conservation, agricultural extension and land acquisition (including open space purchases).
- (3) General Government includes ordinary operations such as County administration, planning and zoning and other community services and activities not included in Auxiliary Services.
- (4) Capital Projects includes engineering fees.
- (5) In 1994, total expenditures increased due to increased expenditures in Auxiliary Services and Capital Projects.

Auxiliary Services – due to increased expenditures for land acquisition in the General Fund

Capital Projects – due to the sale of open space bonds and subsequent expenditure of a significant portion of the proceeds

In 1995, total expenditures increased due to the expenditure of the bulk of the proceeds of the 1994 open space bonds.

In 1996, total expenditures increased due to initiation of interest payments on the 1996 open space bonds and initiation of principal payments on the 1994 open space bonds (previously interest payments only).

Table #1 (continued)

	Social services	Roads & bridges	Capital projects (4)	Debt service		Total (5)
				Principal	Interest	
\$	21,556,240	8,706,973	1,721,095	1,810,117	597,762	92,861,766
	23,175,078	9,707,544	15,836,403	1,955,000	458,482	117,904,325
	21,774,410	10,821,176	34,255,840	2,215,000	764,352	138,786,731
	22,295,581	10,675,408	25,029,688	5,525,000	3,898,417	137,834,145

BOULDER COUNTY, COLORADO

Ratio Composition of General Governmental Expenditures by Function (1)

Last ten fiscal years

Year:	<u>General government (2)</u>	<u>Public safety (3)</u>	<u>Highways & streets</u>	<u>Health & welfare</u>	<u>Conservation (4)</u>
1997	27.67%	13.12%	7.06%	22.76%	17.61%
1998	29.83%	13.12%	7.24%	18.25%	18.19%
1999	33.89%	12.20%	6.22%	16.18%	19.01%
2000	28.40%	12.89%	5.74%	15.31%	21.27%
2001	27.10%	12.84%	5.96%	14.67%	24.08%
2002	32.31%	13.78%	6.29%	14.18%	20.80%

Source: Financial Statements, Boulder County, Colorado, 1997 to 2002.

In 1997, the Finance Office of Boulder County restructured expenditure categories to conform with guidelines published by the Government Finance Officers Association. Expenditures for the previous six years are presented on the following pages

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds. Prior to 2002, data included General, Special Revenue, Capital Projects, Component Unit and Expendable Trust Funds.
- (2) General Government is charged with expenditures for the governing body (Board of County Commissioners), the judicial branch (District Attorney), the Clerk and Recorder, as well as financial and personnel administration.
- (3) Public Safety is charged with expenditures for protection of persons and property, including traffic engineering. Expenditures for the Coroner's office are also reported here
- (4) Conservation is charged with expenditures for conserving and developing natural resources. It includes costs for open space, weed control, trails and the fairground
- (5) Economic development is charged with expenditures for various programs designed to eliminate or alleviate poverty and its causes. It includes grants such as Head Start, Work Force Boulder County, and payments to nonprofits
- (6) Intergovernmental is charged with expenditures made by one level or unit of government to another. It includes payments to cities and payments to the Recycling Authority

Table #2

Housing	Resource conservation	Economic development (5)	Inter-governmental (6)	Debt service		Total
				Principal	Interest	
0.60%	0.42%	3.67%	1.73%	2.54%	2.82%	100.00%
0.60%	0.44%	3.96%	1.26%	3.69%	3.42%	100.00%
0.54%	1.18%	3.26%	1.08%	3.58%	2.86%	100.00%
0.64%	3.89%	2.96%	0.56%	4.94%	3.40%	100.00%
0.62%	4.49%	3.01%	0.39%	3.30%	3.54%	100.00%
0.76%	N/A	3.57%	0.39%	3.66%	4.26%	100.00%

BOULDER COUNTY, COLORADO

Ratio Composition of General Governmental Expenditures by Function (1)

Last ten fiscal years

	Auxiliary services % of total	General government % of total	Health services % of total	Judicial % of total	Public safety % of total
Year:					
1993	10.75%	29.24%	7.17%	4.74%	11.07%
1994	11.40%	26.91%	5.72%	2.99%	9.61%
1995	8.42%	24.84%	5.11%	2.66%	8.65%
1996	7.67%	27.68%	4.99%	1.73%	9.00%

Source: Financial Statements, Boulder County, Colorado, 1993 through 1996

Notes:

- (1) Includes General, Special Revenue, Capital Projects, Component Unit, and Expendable Trust Funds.
- (2) In 1994 and 1995, expenditures increased due to the sale of open space bonds and subsequent expenditure of a significant portion of the proceeds.
- (3) In 1996, expenditures increased due to initiation of interest payments on the 1996 open space bonds and initiation of principal payments on the 1994 open space bonds (previously interest payments only).

Table #2 (continued)

Social services % of total	Roads & bridges % of total	Capital projects % of total	Debt service		Total % of total
			Principal % of total	Interest % of total	
23.21%	9.38%	1.85%	1.95%	0.64%	100.00%
19.66%	8.23%	13.43%	1.66%	0.39%	100.00%
15.69%	7.80%	24.68%	1.60%	0.55%	100.00%
16.18%	7.75%	18.16%	4.01%	2.83%	100.00%

BOULDER COUNTY, COLORADO
 General Governmental Revenues by Source (1)
 Last ten fiscal years

Year:	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Interest on investments</u>	<u>Inter- governmental</u>
1993	\$ 51,052,007	1,989,958	1,193,630	29,460,910
1994	60,202,473	1,778,266	2,212,907	32,619,190
1995	66,786,584	1,820,443	3,493,428	33,314,651
1996	71,549,460	1,427,696	4,595,809	34,468,687
1997	76,017,029	1,544,551	3,657,705	34,613,723
1998	81,835,935	1,671,887	5,487,684	32,329,421
1999	89,378,688	1,848,813	4,774,842	33,809,866
2000	97,214,983	1,913,886	7,303,057	34,868,100
2001	103,580,919	1,778,965	6,524,454	45,676,293
2002	103,327,318	643,125	3,323,473	36,151,143

Source: Financial Statements, Boulder County, Colorado, 1993 through 2002

Notes:

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds.
 Prior to 2002, data included General, Special Revenue, Capital Projects, Component Unit
 and Expendable Trust Funds.

Table #3

Charges for services	Fines & forfeitures	Contributions & other revenues	Total revenues
6,944,803	146,319	6,451,819	97,239,446
7,697,762	182,443	6,286,082	110,979,123
7,123,394	227,263	5,053,202	117,818,965
7,375,975	314,599	5,961,936	125,694,162
7,713,275	331,952	5,345,681	129,223,916
9,492,240	376,095	6,159,321	137,352,583
10,664,234	388,252	14,529,835	155,394,530
10,329,119	337,849	9,943,184	161,910,178
11,843,431	348,789	13,216,726	182,969,577
12,144,358	323,725	8,106,242	164,019,384

BOULDER COUNTY, COLORADO

Ratio Composition of General Governmental Revenues by Source (1)

Last ten fiscal years

	Taxes % of total	Licenses & permits % of total	Interest on investments % of total	Inter- governmental % of total
Year:				
1993	52.50%	2.05%	1.23%	30.30%
1994	54.26%	1.60%	1.99%	29.39%
1995	56.67%	1.55%	2.97%	28.28%
1996	56.92%	1.14%	3.66%	27.42%
1997	58.81%	1.20%	2.83%	26.79%
1998	59.58%	1.22%	4.00%	23.54%
1999	57.52%	1.19%	3.07%	21.76%
2000	60.04%	1.18%	4.51%	21.54%
2001	56.62%	0.97%	3.57%	24.96%
2002	63.00%	0.39%	2.03%	22.04%

Source: Financial Statements, Boulder County, Colorado, 1993 through 2002

Notes:

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds. Prior to 2002, data included General, Special Revenue, Capital Projects, Component Unit, and Expendable Trust Funds.

Table #4

Charges for services % of total	Fines & forfeitures % of total	Contributions & other revenues % of total	Total revenues % of total
7.14%	0.15%	6.63%	100.00%
6.94%	0.16%	5.66%	100.00%
6.05%	0.19%	4.29%	100.00%
5.87%	0.25%	4.74%	100.00%
5.97%	0.26%	4.14%	100.00%
6.91%	0.27%	4.48%	100.00%
6.86%	0.25%	9.35%	100.00%
6.38%	0.21%	6.14%	100.00%
6.47%	0.19%	7.22%	100.00%
7.40%	0.20%	4.94%	100.00%

Table #5

BOULDER COUNTY, COLORADO
 General Governmental Tax Revenues by Source
 Last ten fiscal years

Year:	<u>Property tax</u>	<u>% of total</u>	<u>Specific ownership</u>	<u>% of total</u>	<u>Sales tax (1)</u>	<u>% of total (1)</u>	<u>Total</u>	<u>% of total</u>
1992	\$ 45,677,201	93.93%	\$ 2,950,898	6.07%	—	0.00%	\$ 48,628,099	100.00%
1993	47,817,648	93.66%	3,234,359	6.34%	—	0.00%	51,052,007	100.00%
1994	50,419,018	83.75%	3,910,810	6.50%	5,872,645	9.75%	60,202,473	100.00%
1995	53,148,350	79.58%	4,310,322	6.45%	9,327,912	13.97%	66,786,584	100.00%
1996	56,999,212	79.66%	4,712,690	6.59%	9,837,558	13.75%	71,549,460	100.00%
1997	60,140,645	79.12%	5,186,250	6.82%	10,690,132	14.06%	76,017,027	100.00%
1998	64,043,688	78.26%	5,578,364	6.82%	12,213,883	14.93%	81,835,935	100.00%
1999	68,948,898	77.14%	6,173,905	6.91%	14,255,885	15.95%	89,378,688	100.00%
2000	72,931,355	75.02%	6,857,456	7.05%	17,426,172	17.93%	97,214,983	100.00%
2001	78,176,496	75.47%	7,356,466	7.10%	18,047,957	17.43%	103,580,919	100.00%
2002	78,637,017	75.90%	7,155,651	6.91%	17,808,296	17.19%	103,600,964	100.00%

Source: Financial Statements, Boulder County, Colorado, 1992 through 2002

Notes:

- (1) Boulder County had no Sales Tax prior to January 1, 1994.

BOULDER COUNTY, COLORADO

Property Tax Levies and Collections

Last ten fiscal years

Tax year/ collected year	Total tax levy (1)	Current year's taxes collected	Percent of current taxes collected	Prior years' taxes collected (2) & (3)	Ratio of total tax collected to total tax levy	Unpaid Current Year's Taxes	Unpaid prior years' taxes (2)	Ratio of all unpaid taxes to total tax levy
1992/1993	\$ 47,395,882	47,255,885	99.70%	\$ 561,763	100.89%	\$ 139,997	529,833	1.12%
1993/1994	50,413,062	50,232,221	99.64%	186,797	100.01%	180,841	199,295	0.40%
1994/1995	53,274,497	53,100,149	99.67%	48,201	99.76%	174,348	295,008	0.55%
1995/1996	56,925,709	56,790,488	99.76%	208,724	100.13%	135,221	106,680	0.19%
1996/1997	60,808,622	60,338,865	99.23%	(198,218)	98.90%	469,757	508,918	0.84%
1997/1998	64,601,011	64,141,135	99.29%	(97,447)	99.14%	459,876	955,395	1.48%
1998/1999	69,290,373	68,867,420	99.39%	301,125	99.82%	422,953	568,165	0.82%
1999/2000	73,168,671	72,844,544	99.56%	191,420	99.82%	324,127	236,221	0.32%
2000/2001	78,430,755	78,006,520	99.46%	6,118	99.47%	424,235	283,338	0.36%
2001/2002	78,183,325	78,078,045	99.87%	224,920	100.15%	105,280	139,661	0.18%

Sources: Boulder County Treasurer
Financial Statements, Boulder County, Colorado, 1993 through 2002

Notes:

- (1) Total Tax Levy does not include levies for Urban Renewal Districts (ex: 1998 Assessed value reported on Table #7 includes \$54,217,220 assessed values for Urban Renewal Districts, but levies for those districts are not included in Boulder County's Total Tax Levy).
- (2) Generally, fluctuations in Prior Years' Taxes amounts from year to year are due to the method of updating data. Prior Years' Taxes are for previous 6 years. The Treasurer's office reports all taxes collected for previous years as "Prior Years' Taxes." Unpaid Prior Years' balance is updated each year; all unpaid tax balances over 6 years old are deleted and the previous year's uncollected is added. 1993/1994 Prior Year's Taxes Collected includes amounts collected for penalties and interest.
- (3) The negative amount in Prior Years' Taxes Collected in 1990/1991 reflects a District Court decision overturning the County Assessor's 1988 reclassification of property. Return of a proportionate share of prior years' taxes was required. The negative amount in Prior Years' Taxes Collected in 1996/1997 and 1997/1998 results from refund of a portion of 1994, 1995, 1996 and 1997 taxes for properties.

BOULDER COUNTY, COLORADO

Assessed and Estimated Actual Value of Property

Last ten fiscal years

Year:	Real property		Personal property (1)	
	Assessed value	Estimated actual value	Assessed value	Estimated actual value
1993	\$ 2,011,681,619	11,085,409,275	316,051,411	1,741,607,244
1994	2,099,075,692	12,090,345,462	307,841,308	1,773,117,754
1995	2,425,696,288	16,713,110,925	319,427,652	2,200,864,885
1996	2,500,051,742	17,399,487,250	359,508,698	2,502,055,018
1997	2,683,676,312	19,414,798,587	389,528,715	2,818,008,111
1998	2,782,558,686	19,383,373,159	436,450,684	3,040,326,343
1999	3,292,784,680	25,591,553,403	473,096,100	1,631,365,861
2000	3,462,384,175	26,805,533,149	557,301,305	1,921,728,638
2001	3,958,513,427	31,980,313,282	486,719,273	1,678,342,322
2002	4,098,947,342	33,902,866,125	433,916,890	1,496,265,138

Sources: Boulder County Assessor's Office
 Boulder County Finance Office, Accounting Division Mill Levy Records

Notes:

- (1) Exempt Property is not included.
- (2) Total includes Urban Renewal Districts (ex:1999 includes \$69,535,570 Urban Renewal District valuations). Because Boulder County tax revenues do not include levies collected for Urban Renewal Districts, these levies are not included on Table #6.
- (3) Ratio of Total Assessed Value to Total Estimated Actual Value represent composite rates. Specific rates for the various types of property and the levels of valuation are set each year by the Colorado State Legislature.

Rates:

1993-1994 – Residential assessed value = 12.86% Other assessed value = 29%
 1995-1996 – Residential assessed value = 10.36% Other assessed value = 29%
 1997-2000 – Residential assessed value = 9.74% Other assessed value = 29%
 2001 – Residential assessed value = 9.15% Other assessed value = 29%
 2002 – Residential assessed value = 9.15% Other assessed value = 29%

Levels of value:

1992 level of actual value was used for 1993-1994.
 1994 level of actual value was used for 1995-1996.
 1996 level of actual value was used for 1997-1999.

Table #7

<u>Real property</u>	<u>Exemptions</u>		<u>Total (1) & (2)</u>		<u>Ratio of total assessed value to total estimated actual (3)</u>
	<u>Personal property</u>	<u>Total exemptions</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	
878,785,462	35,597,918	914,383,380	2,327,733,030	12,827,016,519	18.15%
713,523,330	34,659,050	748,182,380	2,406,917,000	13,863,463,216	17.36%
821,444,380	41,871,770	863,316,150	2,745,123,940	18,913,975,810	14.51%
835,441,990	39,758,980	875,200,970	2,859,560,440	19,901,542,268	14.37%
955,891,030	37,590,990	993,482,020	3,073,205,027	22,232,806,698	13.82%
957,782,469	38,174,921	995,957,390	3,219,009,370	22,423,699,502	14.36%
890,471,906	127,939,974	1,018,411,880	3,765,880,780	27,222,919,264	13.83%
887,521,378	142,854,402	1,030,375,780	4,019,685,480	28,727,261,787	13.99%
1,223,212,739	150,400,201	1,373,612,940	4,445,232,700	33,658,655,604	13.21%
1,264,202,750	133,829,220	1,398,031,970	4,532,864,232	35,399,131,263	12.81%

Table #8

BOULDER COUNTY, COLORADO

Property Tax Rates

Direct and Overlapping Governments

Last Ten Assessed/Collected Years

Tax rates are per \$1,000 assessed valuation (a rate of 1,000 results in \$1 of revenue for every \$1,000 of assessed valuation)

	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Boulder County		21.935	22.245	20.897	21.447	21.243	21.762	19.682	19.835	17.621
School districts:										
Boulder Valley (RE2)	48.920	50.349	45.640	46.743	45.344	50.356	44.000	42.890	34.807	38.524
Park (R-3)	45.585	45.585	43.569	43.393	42.542	42.518	37.798	36.860	30.681	31.015
St. Vrain (RE1J)	50.716	50.452	48.432	48.393	50.022	49.635	44.096	42.173	36.256	41.025
Thompson (R-2J)	50.925	50.598	47.545	51.257	48.240	48.074	52.796	53.027	49.168	48.462
Cities and towns:										
City of Boulder	9.833	9.981	9.189	9.666	11.428	11.438	10.502	10.908	9.301	9.640
City of Broomfield	13.894	13.894	13.894	13.894	13.894	13.894	13.894	13.894	0.000	0.000
Town of Erie	12.824	12.824	10.964	10.165	8.435	7.654	7.288	7.288	7.288	7.288
Town of Jamestown	9.039	9.039	7.244	12.621	13.390	12.320	13.289	13.289	12.343	14.843
City of Lafayette	10.096	15.665	13.629	13.009	13.817	13.034	11.352	11.860	11.130	10.994
City of Longmont	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420
City of Louisville	5.820	5.820	5.457	5.246	5.246	5.184	4.643	4.767	5.292	5.184
Town of Lyons	19.522	19.522	17.726	17.542	16.211	17.156	15.205	15.205	13.457	13.796
Town of Nederland	17.274	17.274	14.440	14.440	15.486	16.210	14.982	15.546	15.408	15.455
Town of Superior	2.492	3.006	2.709	2.737	2.727	2.594	2.279	2.144	1.836	1.906
Town of Ward	5.485	5.379	5.416	5.416	4.807	5.481	4.232	4.230	3.662	3.474
Water/sanitation:										
Allenspark (W&S)	4.231	4.231	4.058	4.237	4.136	4.381	3.906	4.058	3.711	3.829
Baseline (W)	5.000	5.000	3.400	1.000	0.932	0.985	0.985	0.985	0.824	0.869
Boulder Co. (W)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	29.160	19.985	21.510
Brownsville (W&S)	7.607	7.607	7.268	7.493	7.897	8.145	7.846	8.084	6.446	6.576
Erie (W&S)	1.500	1.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Hoover Hill (W&S)	7.118	7.229	6.833	7.003	6.335	10.105	9.727	5.979	6.341	4.618
Knollwood (W)	3.800	3.800	3.730	3.909	3.914	4.152	3.786	3.967	2.981	3.144
Left Hand (W&S)	11.110	11.110	11.110	11.480	18.136	18.350	18.050	19.364	16.462	16.795
Niwot (s)	0.702	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Northern Colo (W)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.000
Pine Brook (W)	7.423	11.000	8.860	8.870	8.380	7.699	7.490	7.800	6.110	5.820
St. Vrain Left Hand (W)	0.432	0.400	0.368	0.368	0.351	0.357	0.328	0.303	0.258	0.000
Shannon Estates (W)	0.895	0.943	0.943	0.863	0.943	0.943	0.943	0.917	0.760	0.803
Fire districts:										
Allenspark	6.519	6.519	6.303	6.277	5.986	6.124	5.257	5.470	4.757	7.507
Berthoud	9.047	9.047	8.135	8.128	8.128	8.128	7.674	8.924	15.024	15.274
Boulder Heights	6.752	6.752	6.001	6.001	6.001	6.001	5.673	7.992	7.992	7.992
Boulder Rural	2.410	2.410	2.405	4.405	4.405	4.405	4.405	4.405	7.747	7.747
Cherryvale	4.497	4.497	3.482	6.666	6.609	7.055	6.764	6.650	6.325	6.325
Clover Basin	0.000	0.000	0.000	30.000	31.920	31.920	31.920	31.920	16.500	10.640
Coal Creek	8.678	8.678	8.678	8.000	8.000	8.200	8.200	8.000	8.000	8.000
Eldorado Spgs-Marshall	4.699	4.699	4.339	4.391	4.110	4.110	4.110	4.110	4.110	4.110
Four Mile	11.154	11.154	8.572	9.060	7.292	7.292	7.292	7.292	7.292	7.292
Gold Hill	4.973	4.973	3.937	4.167	3.852	3.863	3.746	3.746	3.555	3.555
High Country	5.137	5.137	6.872	6.687	6.402	6.439	6.439	6.439	6.439	8.439
Hygiene	0.669	0.669	0.622	1.655	1.750	3.004	2.750	2.774	2.137	4.099
Indian Peaks	3.894	3.894	3.514	3.698	3.590	3.603	3.112	3.292	3.000	3.089
Lafayette Rural	4.440	4.440	2.470	2.300	1.776	1.776	1.776	1.776	1.090	2.500
Left Hand	9.110	9.110	6.497	14.007	13.637	13.431	11.967	6.207	11.022	11.022
Longmont	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Louisville	3.385	3.385	3.186	3.186	3.186	3.186	3.186	3.186	3.186	3.186
Lyons	7.000	7.000	6.568	6.404	5.581	5.776	4.991	5.224	6.521	6.763
Mountain View Fire Dist	9.732	9.732	9.322	8.781	9.337	9.573	9.085	8.917	8.657	8.577
Nederland	6.070	6.070	5.706	7.500	7.500	11.690	12.147	12.432	11.023	11.715
North Metro	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.552	8.227	7.909
Pine Brook Hills	5.643	5.643	4.689	4.689	4.689	4.689	4.689	6.189	6.189	6.189
Sugarloaf	4.944	4.944	4.053	7.671	6.915	6.915	6.611	6.611	6.805	6.700
Sunshine	5.844	5.844	4.689	4.689	4.481	8.480	8.480	8.480	8.480	8.480
West Adams County	8.657	8.657	8.831	8.892	9.036	8.600	8.551	0.000	0.000	0.000
Special districts:										
Boulder Central	9.300	9.300	8.111	8.375	8.242	6.623	6.526	6.575	5.345	5.544
Colo Tech Cntr. Metro	56.698	56.698	57.502	39.000	32.234	30.000	25.000	25.000	25.000	25.000
Downtown Boulder	0.000	0.000	0.000	0.000	0.000	0.000	5.361	5.175	4.689	5.453
Estes Valley Rec	2.104	2.104	2.061	2.061	1.972	2.034	1.691	1.505	1.279	1.349
Exempla GID	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	25.000
Fairways Metro	6.312	6.312	4.901	4.963	4.691	4.691	4.545	3.651	3.108	3.288
Forest Glen Transit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.490	1.037	0.910
Gunbarrel Estates	3.649	3.649	3.203	3.203	3.656	3.861	3.616	3.628	3.091	6.785
Gunbarrel General Imp	0.000	0.000	5.410	4.994	4.402	5.624	5.234	5.234	4.299	3.987
Lafayette City Cntr GID	0.000	0.000	0.000	0.000	0.000	17.000	16.745	17.000	25.000	26.072
Lafayette Corporate Campus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	73.963
Lafayette Tech Center	0.000	0.000	0.000	0.000	0.000	0.000	0.000	25.000	43.000	98.746
Longmont Downtown	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310
Longmont General	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798
Nederland Community Library	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.500
Northern Colorado Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
St Vrain Left Hand Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.245
Superior Metro #2	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	22.000
Superior Metro #3	25.000	25.000	40.000	25.000	25.000	25.000	25.000	25.000	25.000	22.000
Superior/McCaslin Interchange	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	25.970	35.000
University Hill	4.800	4.800	3.863	4.040	3.327	3.424	3.344	3.163	2.504	2.684
Urban Drainage & Flood	0.696	0.696	0.696	0.696	0.668	0.676	0.583	0.594	0.521	0.531

Sources: Boulder County Finance Office, Accounting Division Mill Levy Records

Notes: W – Water District, S = Sanitation District, W&S = Water & Sanitation District

Table #9

BOULDER COUNTY, COLORADO

Property Tax Rates
 County Levy Detailed By Fund
 Last ten assessed/collected years

Boulder County

Year	General Fund	Road & Bridge Fund	Public Welfare Fund	Solid Waste Fund	Contingency Fund	Developmental Disability Fund	Retirement Fund	Self Insurance Fund	Capital Expenditure Fund	Judgment Levy Fund	Total all County funds
1992/93	14.920	1.969	2.562	0.144	0.000	0.264	0.590	0.432	1.364	0.000	22.245
1993/94	14.883	1.824	2.401	0.000	0.000	0.250	0.505	0.406	1.666	0.000	21.935
1994/95	16.282	1.778	1.833	0.000	0.000	0.270	0.566	0.000	1.516	0.000	22.245
1995/96	15.407	1.561	1.696	0.000	0.000	0.255	0.560	0.000	1.418	0.000	20.897
1996/97	16.936	1.500	1.619	0.000	0.000	0.245	0.557	0.000	0.590	0.000	21.447
1997/98	17.226	1.053	1.087	0.000	0.000	0.236	0.577	0.000	1.064	0.000	21.243
1998/99	17.298	1.000	1.123	0.000	0.000	0.256	0.509	0.000	1.576	0.000	21.762
1999/00	15.891	0.709	0.629	0.000	0.000	0.209	0.564	0.000	1.680	0.000	19.682
2000/01	15.405	0.500	1.323	0.000	0.000	0.205	0.486	0.000	1.916	0.000	19.835
2001/02	14.083	0.443	0.907	0.000	0.000	0.193	0.439	0.000	1.556	0.000	17.621

Source: Boulder County Finance Office, Accounting Division Mill Levy Records

Table #10

BOULDER COUNTY, COLORADO

Computation of Legal Debt Margin

December 31, 2002

Total assessed value, 2002	\$ 4,523,288,213	(2)
Debt limitation: 1.5% of assessed value (1)	67,849,323	
Debt applicable to limitation:		
Total Bonded Debt	—	
Total debt applicable to limitation	—	
Legal debt margin	\$ 67,849,323	

Source: Financial Statements, Boulder County Budget Book 2003

(1) As established by Section 30-35-201, C.R.S., 1973

(2) Total excludes Urban Renewal Districts/Downtown Authority tax increments.

Table #11

BOULDER COUNTY, COLORADO

Computation of Direct and Overlapping Bonded Debt

General Obligation Bonds

December 31, 2002

Jurisdiction	Net debt outstanding	Percentage applicable to Boulder County	Amount applicable to Boulder County
Boulder County	\$ —	n/a	\$ —
School Districts	370,078,738	71.64%	265,124,408
Cities & Towns	102,520,616	99.72%	102,233,558
Fire Protection Districts	7,005,000	51.41%	3,601,271
Water & Sanitation Districts	41,084,882	45.15%	18,549,824
Other Special Districts	60,190,000	58.80%	35,391,720
Total overlapping bonded debt	\$ <u>580,879,236</u>	73.15%	\$ <u>424,900,781</u>

Sources: Boulder County Finance Office (Accounting Division Mill Levy Records)
Tax Districts

Table #12

BOULDER COUNTY, COLORADO

Principal Taxpayers

December 31, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxpayer's 2002 assessed valuation</u>	<u>Taxpayer's percentage of total assessed valuation (1)</u>
Xcel	Energy Utility	\$ 60,580,300	1.34%
Qwest	Telecommunications	56,855,800	1.25%
IBM Corporation	Software Development and Computer	53,699,320	1.18%
Amgen Boulder Inc.	Biotechnology	50,035,433	1.10%
Pratt Land Limited Liability Company	Property Management and Development	27,398,600	0.60%
Storage Technology Corporation	Computer Systems Design Manufacture	18,777,730	0.41%
Seagate	Biotechnology	18,609,550	0.41%
Roche Colorado Corporation	Pharmaceutical Manufacturer	10,667,550	0.24%
Maxtor Corporation	Computer Systems Design & Manufacture	10,534,730	0.23%
Xilinx, Inc.	Computer Systems Design & Manufacture	10,161,440	0.22%
	Totals	<u>\$ 317,320,453</u>	<u>6.98%</u>

Source: Boulder County Assessor's Office

Notes:

(1) Boulder County's Total Assessed Valuation is \$4,532,864,232

Table #13

BOULDER COUNTY, COLORADO

Demographic Statistics

Last ten fiscal years

	Population (1) (3)	Annual population percent change	Per capita income (2)	Annual income percent change (2)	Median age	School enrollment (K-12)	Annual enrollment Percent change	Percent of school enrollment to population	Un- employment rate (4)
Fiscal year:									
1993	241,325	3.38%	\$ 25,451	7.57%	32.20	40,154	1.49%	16.64%	4.5%
1994	247,775	2.67%	26,897	5.68%	32.17	41,304	2.86%	16.67%	3.7%
1995	253,850	2.45%	28,448	5.77%	32.36	39,391	(4.63%)	15.52%	3.9%
1996	260,500	2.62%	29,914	5.15%	34.20	39,588	0.50%	15.20%	3.8%
1997	266,100	2.15%	31,393	4.94%	33.60	40,661	2.71%	15.28%	2.8%
1998	272,700	2.48%	34,181	8.88%	34.20	41,800	2.80%	15.33%	3.3%
1999	286,700	5.13%	36,347	6.34%	33.22	40,277	(3.64%)	14.05%	2.5%
2000	291,288	1.60%	39,347	8.25%	33.40	42,791	6.24%	14.69%	2.4%
2001	297,786	2.23%	39,551	0.52%	33.73	48,629	13.64%	16.33%	3.5%
2002	278,357	(6.52%)	39,784	0.01%	34.00	50,772	4.41%	18.24%	5.2%

Population Source: For 1993 to 1995, Colorado Division of Local Government, Demographic Section
 For 1996, Denver Regional Council of Government;
 For 1997, 1998, 1999 Boulder County Land Use Dept.
 For 2000, 2000 US Census
 For 2001, 2002 Colorado Division of Local Government, Demographic Section

Per Capita Income Source: U.S. Department of Commerce, Bureau of Economic Analysis

Median Age Source: For 1993 to 1995, Colorado Division of Local Government, Demographic Section
 For 1996 – 1998, Denver Regional Council of Government;
 For 2000, 2000 US Census
 For 2001, 2002 Colorado Division of Local Affairs, Demographic Section

School Enrollment Sources: Boulder Valley School District
 St. Vrain Valley School District

Unemployment Source: Colorado Department of Labor and Employment
 For 2000, 2000 Annual Averages/Monthly Expenditure

Notes:

- (1) Figures included in this column represent the most recent data available
- (2) Per Capita Income data is estimated, and is subject to change based on updated information from U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Population and Unemployment subject to change based on updated information from Boulder County Land Use Dep. and Colorado Department of Labor and Employment
 Population and Per Capita Income for 2002 are projected and subject to change based on information from Colorado Department of Local Affairs.

BOULDER COUNTY, COLORADO

Salaries of Principal Officials

December 31, 2002

Elected Officials

	<u>Annual salary</u>
Official:	
District #1 Commissioner	\$ 63,203
District #2 Commissioner	63,203
District #3 Commissioner	56,601
Clerk and Recorder	63,203
Treasurer	63,203
Sheriff	71,293
Coroner	15,996
Assessor	63,203
District Attorney	110,000
Surveyor	Nonsalaried office

Appointed Department Directors

	<u>Annual salary</u>
Department Director:	
County Attorney	\$ 118,561
Transportation Director	101,036
Parks and Open Space Director	Unpaid Position
Land Use Director	101,036
Community Services Director	92,500
Administrative Services Director	111,538
Social Services Director	101,038

Source: Boulder County Personnel Schedule

BOULDER COUNTY, COLORADO

Assessed Property Value, New Construction, and Bank Deposits

Last Ten Fiscal Years

Assessed property value (1)

	Commercial	Residential	Industrial	Agricultural	Natural resources	Total
Fiscal year:						
1993	\$ 644,304,019	1,332,685,876	315,383,965	21,790,458	13,568,712	2,327,733,030
1994	654,189,489	1,396,937,064	318,841,238	22,567,977	14,381,232	2,406,917,000
1995	733,352,712	1,629,871,351	345,795,300	22,554,242	13,550,334	2,745,123,939
1996	776,895,259	1,671,165,107	376,172,608	22,934,071	12,393,395	2,859,560,440
1997	910,848,547	1,752,460,551	375,676,557	23,329,067	10,890,307	3,073,205,029
1998	973,202,533	1,813,492,068	398,814,672	23,239,155	10,260,942	3,219,009,370
1999	1,170,175,330	2,087,963,601	473,778,205	25,630,419	8,333,225	3,765,880,780
2000	1,334,420,536	2,180,232,973	470,562,499	26,266,664	8,202,808	4,019,685,480
2001	1,469,329,149	2,450,345,765	492,202,904	23,936,056	9,418,826	4,445,232,700
2002	1,262,021,092	2,642,613,958	588,699,474	28,464,807	11,064,901	4,532,864,232

Prop Value Sources: Boulder County Assessor's Office & Boulder County Finance Office,
Accounting Division Mill Levy Records

New Construction Source: For 1993 – 1995, Bureau of the Census, Construction Statistics Division
For 1996 – 2000, Boulder County Assessor

Bank Deposit Source: Sheshunoff Information Services, Inc.

Notes:

- (1) Assessed Property Value amounts do not include exempt property.
- (2) Includes incorporated and unincorporated areas of Boulder County.
As of 1996, commercial and industrial statistics for new construction are no longer collected by the Bureau of Census. Increases in 1996 are due to data collection method differences between the Bureau of Census and Boulder County Assessor.
- (3) Bank deposit information includes only banks headquartered in Boulder County. Decreases, starting in 1995, are a result of fewer banks headquartered in the County.
- (4) Information not available.
- (5) Information no longer available in new Assessors Office.

Table #15

Commercial construction		New construction (2)				Industrial construction		Bank deposits (3)
Number of units	Value	Residential construction		Industrial construction		Number of units	Value	
		Number of units	Value	Number of units	Value			
28	\$ 13,508,496	2,927	\$ 316,908,810	24	\$ 17,212,408			1,507,027,000
69	32,459,818	2,622	293,350,107	24	18,310,886			1,547,717,000
48	39,699,135	3,062	297,757,115	25	14,610,366			891,545,000
166	53,529,345	4,123	325,209,791	53	26,388,138			902,008,000
125	58,919,700	4,383	458,997,800	47	48,969,000			1,148,467,000
194	69,559,380	5,396	553,347,430	60	49,302,410			(4)
105	97,732,600	5,269	681,204,200	65	99,156,000			(4)
182	159,660,345	4,737	680,693,224	58	102,777,414			(4)
77	99,961,800	4,243	648,789,100	152	128,037,500			(4)
(5)	66,147,700	1,717	529,426,463	(5)	68,410,100			(4)

BOULDER COUNTY, COLORADO

Miscellaneous Statistics

December 31, 2002

Environment

Area in Square Miles:	741
Highest Elevation:	14,255'
Lowest Elevation:	4,986'
Average Precipitation:	18.24"
Average Last Freeze:	May 7
Average First Freeze:	Oct 12

Government

County Seat:	Boulder
Form of Government:	10 Elected Officials: Three-Member Board of County Commissioners; Assessor; Clerk & Recorder; Coroner; District Attorney; Sheriff; Surveyor; Treasurer

Number of Department Heads:	7
Number of Other Employees:	2,194

Parks and Open Space

County Parks and Open Space (acres):	69,760
County Trails Maintained (miles):	86
County Environment Programs (people served):	3,551
County Outreach/Spec Events (people served):	3,715
County Cultural/ Historical Events (people served):	3,256
Volunteer Work Projects (people served):	1,387

Community Services (Clients Served)

Aging Services (older residents):	76,567
Child Protection Review Teams (cases):	1,321
Justice System Volunteer Program (volunteers):	119
Justice System Volunteer Program (hrs of service):	12,609
Head Start (children):	164
Project Self Sufficiency (single parents and their families):	155
Boulder County Prevention Connection (youth and adults served):	4,000
Community Action Programs (clients served):	490

Table #16**Land Use/Planning/Zoning/Building**

Number of Permits Issued:	1,873
Number of Building Inspections:	18,036
Number of Zoning and Subdivision Dockets Processed	
Including:	
Nonurban Planned Unit Developments,	1
Special Uses,	8
Subdivision Exemptions,	22
Oil and Gas Development Reviews,	2
and Site Plan Application Reviews	195

Sheriff Protection

Number of Commissioned Staff:	206
Number of Non-commissioned Staff:	143
Uniform non-traffic crime reports:	4,076
Uniform incident reports:	5,030
Average Daily Jail Populations:	384
Number of vehicles in fleet:	106
Detective Division cases assigned:	1,747
Detective Division cases cleared:	1,711
Number of beds in Jail:	406
Number of people booked in the Jail:	11,425
Number of people released:	11,476
Ratio of Operational Deputies to Inmates:	1 to 5

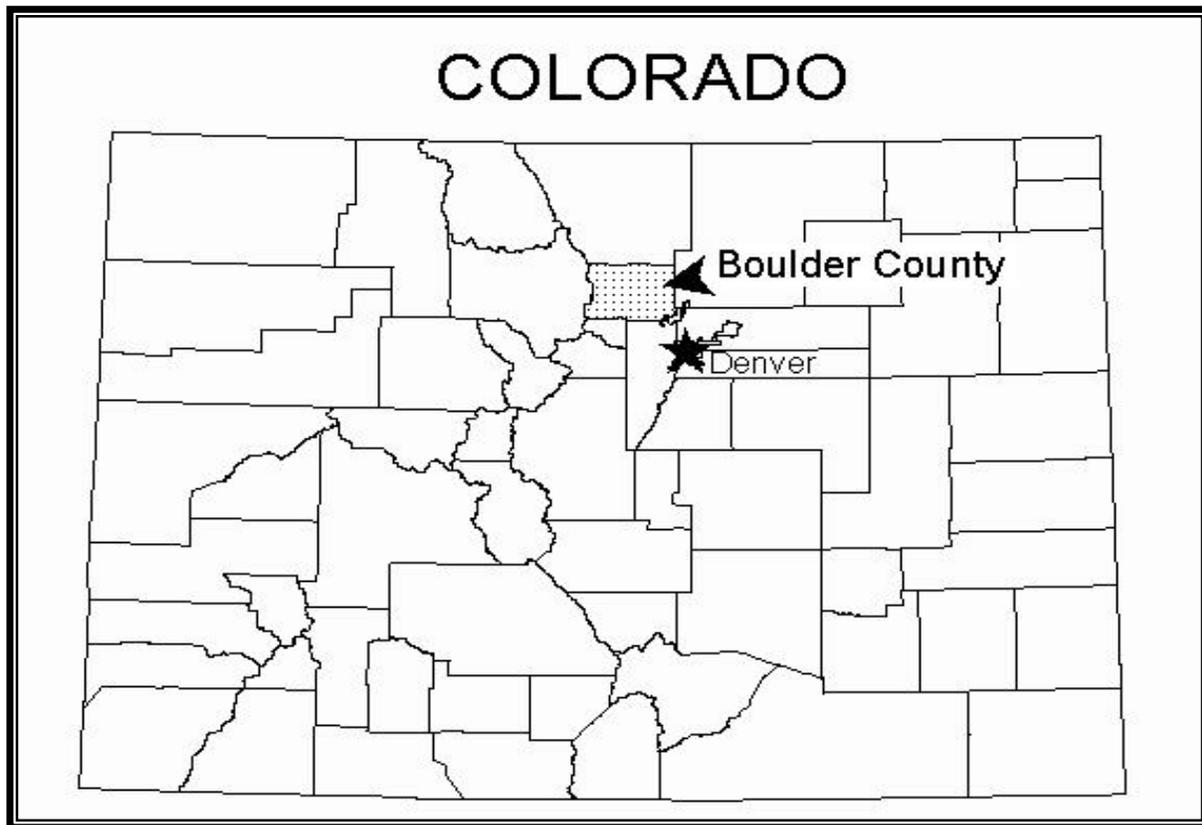
Transportation

Miles of county maintained road paved:	370.71
Miles of county maintained road gravel:	311.44
Miles of county maintained road total:	682.15
Mileage of roads within subdivisions:	201.80
Mileage of roads outside of subdivisions:	480.85
County maintained bridges over 20 feet in length:	84.00
Lane miles of county maintained bikeways (County owned):	92.50
Maintenance Equipment/Vehicle Fleet:	253 units

Sources

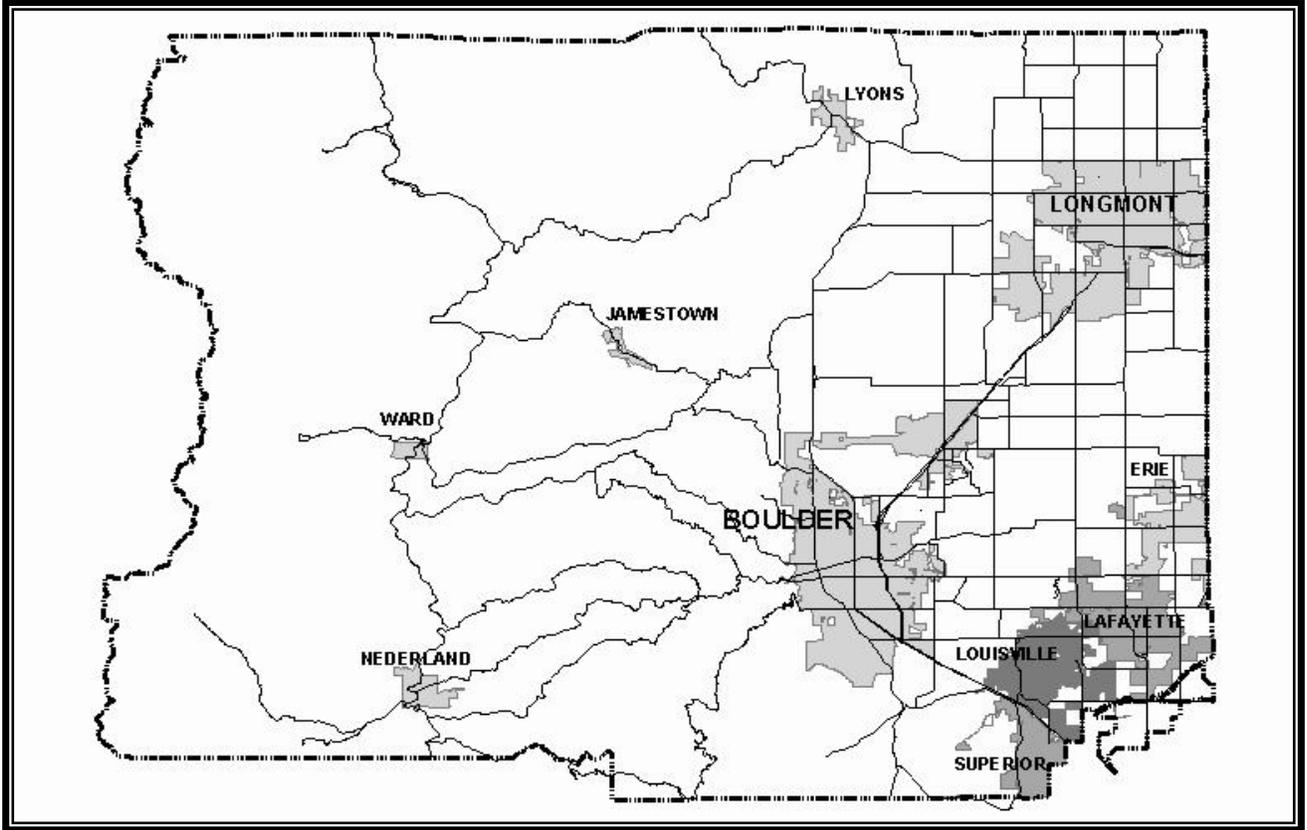
Boulder County Government Offices: Government
Parks/Open Space
Land Use/Planning/
Zoning/Building
Transportation

Divide. The eastern half of the County is rolling plains, and the western half is mountainous.



This map was produced by the Boulder County Geographic Information System (GIS). GIS made its debut in Boulder County in 1987 with the delivery of a PRIME computer and a 9-track tape containing Arc/Info version 3.2 software. For ten years prior to that, the Land Use Department had been using a Want 2200 with coordinate geometry (COGO) software to enter mining claim data.

Currently, GIS technology is used by several County departments and offices and has become an integral part of many government functions. There are several GIS data layers used for scientific analysis, resource management, development, planning, wildfire hazard identification and mitigation, property assessment, production mapping and ad-hoc custom products.



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S.E.C. Disclosure Subsection

The following tables disclose certain information as required by Section (b)(5)(I) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

Table A: Boulder County History of Funding Sources for Open Space Land Acquisition

Table B: Projected Open Space Revenues vs. Commitments

Table C: General Fund Information

Table D: Open Space Sales/Use Tax Collection History

Additionally required annual financial information can be found elsewhere in this document.

Letter of Transmittal

Management's Discussion & Analysis

Basic Financial Statements

Government-wide Statement of Net Assets

Government-wide Statement of Activities

Fund Financial Statements

Notes to the Financial Statements

Required Supplemental Information

Statistical Section

Table 6 - Historical Property Tax Levies & Collection

Table 7 – History of Assessed Valuation

Tables 8 and 9 – Historical Property Tax Rates

Table 12 – Ten Largest Property Taxpayers in the County

BOULDER COUNTY, COLORADO**TABLE A****SEC Disclosure Subsection****BOULDER COUNTY HISTORY OF FUNDING SOURCES FOR OPEN SPACE LAND ACQUISITION
DECEMBER 31, 2002**

The following table presents a history of the County's resources available or proposed to be used for the purchase of open space lands.

YEAR	GENERAL FUND (1)	CONSERVATION TRUST FUND	GRANTS (2)	SALES & USE TAX (3)	BOND PROCEEDS	TOTAL
1985	724,700	253,616				978,316
1986	1,107,040	405,605				1,512,645
1987	1,137,040	238,585				1,375,625
1988	1,391,117	334,893				1,726,010
1989	1,515,196	283,978				1,799,174
1990	1,715,196	263,785				1,978,981
1991	2,150,000	284,561				2,434,561
1992	1,935,000	301,880				2,236,880
1993	2,089,000	302,864				2,391,864
1994	6,117,808	313,779		5,872,634	35,216,363	47,520,584
1995	3,858,027	417,101		6,665,745		10,940,873
1996	4,199,033	392,010	575,000	7,003,101	35,000,000	47,169,144
1997	3,957,590	440,542		7,609,932		12,008,064
1998	3,957,590	406,988		8,703,742	36,358,000	49,426,320
1999	4,000,000	363,422	25,000	9,603,174		13,991,596
2000	3,800,000	391,513	550,000	10,055,707	34,868,358	49,665,578
2001	3,833,448	392,785	287,379	11,247,451	49,536,177	65,297,240
2002	3,833,448	437,414	375,000	12,442,974	30,324,434	47,413,270
2003 (est)	3,800,000	400,000	426,299	13,065,123		17,691,422
Totals	55,121,233	6,625,321	2,238,678	92,269,583	221,303,332	377,558,147

Notes:

- (1) These are the dollars appropriated at January 1 from the General Fund to the Parks/Open Space Department specifically for land acquisition. For 1996 through 2002, the total includes amounts necessary to make the payment on the 1996 series open space bonds.
- (2) Grant funds from Go Colorado; these are State Lottery related funds.
- (3) In 2002 the tax rate increased by .10%. The tax rate will return to .25% in 2019.

BOULDER COUNTY, COLORADO
SEC Disclosure Subsection
Projected Open Space Revenues vs. Commitments
December 31, 2002

Table B

The following table describes the County's long-term open space acquisition program and compares the County's expected revenues available for open space purchases with current commitments for open space purchases. The estimated revenues and expenditures shown in the following table are not intended as a prediction of results. The table should be regarded as a planning document showing how the County currently expects to conduct business in the future. Changes in any assumed facts, such as changes in land values, tax or spending policies or economic fluctuations, would affect the revenues and expenditures contemplated in the table.

A 5% increase in tax revenue is predicted for years 2003-2009. In 2010 we assume no increase over 2009 and reduce the tax amount by .1% due to the .1% tax expiration. The Open Space tax returns to .25% at this time.

All figures are from Finance records with the exception of the line called "Committed (land/water)" which comes from Parks & Open Space.

	2003	2004	2005	2006
Revenues:				
Sales Tax Collections	13,065,123	13,718,379	14,404,298	15,124,513
General Fund (budgeted)	3,800,000	3,800,000	3,800,000	3,800,000
Lottery (budgeted)	400,000	400,000	400,000	400,000
Grants	426,299	0	0	0
Estimated carry forward funds	42,959,739	28,699,054	25,939,543	21,502,876
Interest earnings	915,000	529,439	555,161	582,169
Miscellaneous Revenues	13,157	0	0	0
Northwest Parkway IGA's	0	1,000,000	1,000,000	1,000,000
Sale of Assets	650,935	0	0	0
Total Revenues	62,230,253	48,146,872	46,099,002	42,409,558
Expended/Committed:				
Bond Pymnt, series '94	(4,182,199)	(4,160,450)	(4,166,550)	0
Bond Pymnt, series '96	(3,699,055)	(3,698,893)	(3,697,433)	(3,697,953)
Bond Pymnt, series '98	(2,705,790)	(2,835,790)	(2,892,290)	(7,772,200)
Bond Pymnt, series '00	(2,200,025)	(2,200,025)	(2,200,025)	(2,900,025)
Bond Pymnt, series '01	(2,424,713)	(2,609,713)	(3,106,850)	(2,387,525)
Bond Pymnt, series '02	(1,026,778)	(2,154,038)	(1,900,488)	(1,513,288)
Payroll Expenses	(130,507)	(162,918)	(162,918)	(162,918)
Hourly Payroll Expenses	(220,579)	(125,000)	(125,000)	(125,000)
Exp for other purposes	(231,468)	0	0	0
Committed*(land/water)	(16,710,085)	(4,260,503)	(6,344,572)	(2,762,456)
Total Exp/Committed	(33,531,199)	(22,207,330)	(24,596,126)	(21,321,365)
Surplus/(Shortfall)	28,699,054	25,939,543	21,502,876	21,088,193
<hr/>				
	2012	2013	2014	2015
Revenues:				
Sales Tax Collections	12,506,081	12,506,081	12,506,081	12,506,081
General Fund (budgeted)	3,800,000	3,800,000	3,800,000	3,800,000
Lottery (budgeted)	400,000	400,000	400,000	400,000
Grants	0	0	0	0
Estimated carry forward funds	30,170,438	31,986,160	33,911,051	35,836,070
Interest earnings	483,978	483,978	483,978	483,978
Miscellaneous Revenues	0	0	0	0
Northwest Parkway IGA's	0	0	0	0
Sale of Assets	0	0	0	0
Total Revenues	47,360,497	49,176,219	51,101,110	53,026,129
Expended/Committed:				
Bond Pymnt, series '94	0	0	0	0
Bond Pymnt, series '96	0	0	0	0
Bond Pymnt, series '98	0	0	0	0
Bond Pymnt, series '00	(4,794,707)	(4,797,937)	(4,793,672)	(4,796,290)
Bond Pymnt, series '01	(6,455,263)	(6,441,263)	(6,438,000)	(6,417,500)
Bond Pymnt, series '02	(3,711,450)	(3,713,050)	(3,720,450)	(3,733,250)
Payroll Expenses	(162,918)	(162,918)	(162,918)	(162,918)
Hourly Payroll Expenses	(125,000)	(125,000)	(125,000)	(125,000)
Exp for other purposes	0	0	0	0
Committed*(land/water)	(125,000)	(25,000)	(25,000)	(25,000)
Total Exp/Committed	(15,374,338)	(15,265,168)	(15,265,040)	(15,259,958)
Surplus/(Shortfall)	31,986,160	33,911,051	35,836,070	37,766,171

*Under contract or letter of intent, per schedule from Parks & Open Space Department.

2007	2008	2009	2010	2011
15,880,739	16,674,776	17,508,514	12,506,081	12,506,081
3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
400,000	400,000	400,000	400,000	400,000
0	0	0	0	0
21,088,193	22,029,253	24,429,563	26,448,545	28,259,023
610,528	640,304	671,569	483,978	483,978
0	0	0	0	0
1,000,000	1,000,000	0	0	0
0	0	0	0	0
42,779,459	44,544,333	46,809,646	43,638,604	45,449,082
0	0	0	0	0
(3,695,231)	(3,694,588)	(3,697,920)	(3,694,500)	0
(7,894,200)	(8,004,200)	(8,036,600)	0	0
(2,911,525)	(2,895,275)	(2,852,650)	(4,795,025)	(4,795,125)
(2,742,525)	(3,277,438)	(3,933,975)	(2,760,975)	(6,459,938)
(1,353,288)	(1,442,388)	(1,418,788)	(3,710,663)	(3,710,663)
(162,918)	(162,918)	(162,918)	(162,918)	(162,918)
(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
0	0	0	0	0
(1,865,519)	(512,964)	(133,250)	(130,500)	(25,000)
(20,750,206)	(20,114,771)	(20,361,101)	(15,379,581)	(15,278,644)
22,029,253	24,429,563	26,448,545	28,259,023	30,170,438
2016	2017	2018	2019	
12,506,081	12,506,081	12,506,081	12,506,081	
3,800,000	3,800,000	3,800,000	3,800,000	
400,000	400,000	400,000	400,000	
0	0	0	0	
37,766,171	39,716,272	41,689,063	43,670,154	
483,978	483,978	483,978	483,978	
0	0	0	0	
0	0	0	0	
0	0	0	0	
54,956,230	56,906,331	58,879,122	60,860,213	
0	0	0	0	
0	0	0	0	
0	0	0	0	
(4,794,290)	(4,798,600)	(4,791,800)	(4,785,900)	
(6,411,000)	(6,402,250)	(6,405,750)	(6,410,250)	
(3,721,750)	(3,703,500)	(3,698,500)	(3,690,750)	
(162,918)	(162,918)	(162,918)	(162,918)	
(125,000)	(125,000)	(125,000)	(125,000)	
0	0	0	0	
(25,000)	(25,000)	(25,000)	(25,000)	
(15,239,958)	(15,217,268)	(15,208,968)	(15,199,818)	
39,716,272	41,689,063	43,670,154	45,660,395	

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

General Fund Information
December 31, 2002

Each year, during its budget process, the Board of Commissioners appropriates monies from each fund for specific purposes. Monies appropriated to the Parks and Open Space Department for land acquisition are expected to be the primary source for payment of the 1996 Series Open Space Bonds. Monies in the General Fund balance would also be available, if necessary, as would those in the County Conservation Trust Fund.

The General Fund, at \$98.38 million, is the largest fund in the County's 2003 budget of \$235 million. Its primary funding sources are as follows:

Property tax	70.55%
Other revenues (1)	20.54%
Intergovernmental revenues	3.97%
Use of fund balance	4.94%
	<hr/>
Total	100.00%
	<hr/> <hr/>

(1) This includes specific ownership taxes, licenses and permits, interest on investments, Clerk & Recorder's fees, Treasurer's fees and miscellaneous charges for services.

For a discussion of the General Fund balance, see the Transmittal Letter section with that heading.

BOULDER COUNTY, COLORADO
SEC Disclosure Subsection
 Open Space Sales/Use Tax Collection History
 December 31, 2002

TABLE D

The following table provides the tax collection history for the Open Space Sales and Use Tax.
 Tax effective 01/01/94, expires 12/31/19 (25/100 cent)
 Tax effective 01/01/02, expires 12/31/09 (10/100 cent)

Month Tax Collected	1994 Net State Collections	1994 Use Tax	1994 Total	1995 Net State Collections	1995 Use Tax	1995 Total	1996 Net State Collections	1996 Use Tax	1996 Total
Jan	304,137	5,986	310,123	355,375	42,353	397,728	423,693	61,148	484,841
Feb	315,460	20,910	336,370	402,060	60,462	462,522	428,988	75,916	504,904
March	410,380	41,683	452,063	420,289	98,767	519,056	484,026	70,367	554,393
April	423,639	58,860	482,499	466,775	61,389	528,164	427,988	83,188	511,176
May	424,065	45,298	469,363	458,130	71,304	529,434	531,462	86,468	617,930
June	459,997	47,249	507,246	516,231	88,308	604,539	508,530	104,378	612,908
July	452,140	50,850	502,990	460,032	79,937	539,969	509,307	101,925	611,232
Aug	469,426	116,265	585,691	488,860	125,224	614,084	527,872	94,581	622,453
Sept	500,160	61,693	561,853	531,481	105,299	636,780	541,553	67,206	608,759
Oct	447,891	63,084	510,975	470,622	79,807	550,429	492,034	89,680	581,714
Nov	407,695	60,790	468,485	437,364	86,746	524,110	495,267	74,759	570,026
Dec	576,199	108,777	684,976	638,409	120,521	758,930	644,070	78,695	722,765
Totals	5,191,189	681,445	5,872,634	5,645,628	1,020,117	6,665,745	6,014,790	988,311	7,003,101
% inc./dec. over pr. yr				8.05%	33.20%	11.90%	6.14%	-3.22%	4.82%

Month Tax Collected	1997 Net State Collections	1997 Use Tax	1997 Total	1998 Net State Collections	1998 Use Tax	1998 Total	1999 Net State Collections	1999 Use Tax	1999 Total
Jan	433,586	97,124	530,710	461,421	109,764	571,185	551,210	120,770	671,980
Feb	424,982	65,235	490,217	507,359	109,329	616,688	564,538	100,830	665,368
March	547,460	84,107	631,567	451,391	119,648	571,039	614,291	158,000	772,291
April	509,786	101,288	611,074	653,660	150,201	803,861	522,225	162,256	684,481
May	581,625	100,414	682,039	556,941	144,728	701,669	640,083	132,768	772,851
June	524,650	102,459	627,109	657,641	156,905	814,546	689,839	210,606	900,445
July	541,769	139,311	681,080	582,555	148,950	731,505	724,374	156,511	880,885
Aug	558,826	126,927	685,753	605,281	131,429	736,710	612,799	153,648	766,447
Sept	594,521	116,265	710,786	651,256	145,595	796,851	725,597	159,434	885,031
Oct	532,682	122,208	654,890	644,250	182,303	826,553	649,408	169,339	818,747
Nov	380,679	90,986	471,665	520,307	120,882	641,189	645,794	136,786	782,580
Dec	701,796	131,248	833,044	744,109	147,838	891,947	826,705	175,363	1,002,068
Totals	6,332,362	1,277,572	7,609,934	7,036,171	1,667,572	8,703,743	7,766,863	1,836,311	9,603,174
% inc./dec. over pr. yr	5.02%	22.64%	7.97%	10.00%	23.39%	12.57%	9.41%	9.19%	9.37%

Month Tax Collected	2000 Net State Collections	2000 Use Tax	2000 Total	2001 Net State Collections	2001 Use Tax	2001 Total	2002 Net State Collections	2002 Use Tax	2002 Total
Jan	583,529	150,315	733,844	779,971	197,907	977,878	803,363	137,159	940,522
Feb	567,876	152,221	720,097	774,846	141,554	916,400	838,851	160,660	999,511
March	602,378	202,720	805,098	778,160	160,206	938,366	773,222	186,186	959,408
April	549,679	156,329	706,008	746,693	141,254	887,947	878,213	166,598	1,044,811
May	743,631	192,482	936,113	782,585	135,629	918,214	899,058	192,801	1,091,859
June	631,577	203,674	835,251	978,441	151,581	1,130,022	970,617	151,761	1,122,378
July	691,473	143,501	834,974	734,887	154,703	889,590	862,360	179,147	1,041,507
Aug	721,977	147,984	869,961	802,936	159,458	962,394	866,843	175,545	1,042,388
Sept	776,222	128,803	905,025	857,296	148,399	1,005,695	846,589	137,705	984,294
Oct	731,522	191,028	922,550	743,065	144,792	887,857	800,868	263,252	1,064,120
Nov	638,875	145,453	784,328	699,149	113,506	812,655	801,347	129,618	930,965
Dec	868,620	133,839	1,002,459	809,764	110,668	920,432	1,086,526	134,687	1,221,213
Totals	8,107,359	1,948,349	10,055,708	9,487,793	1,759,657	11,247,450	10,427,857	2,015,119	12,442,976
% inc./dec over pr. Yr	4.20%	5.75%	4.50%	14.55%	-10.72%	10.60%	9.01%	12.68%	9.61%

Note: Figures reflect actual sales tax revenue received by the County. The data has not been normalized to reflect Broomfield becoming its own County. The data has not been normalized to reflect the increase in the County tax rate from .25% to .35%. Both changes were effective 2002.