

BOULDER COUNTY, COLORADO



Photo by Charles Pfeil

Comprehensive Annual
Financial Report

Year Ended December 31, 2003

BOULDER COUNTY, COLORADO

Comprehensive Annual Financial Report

December 31, 2003

(With Independent Auditors' Report Thereon)

BOULDER COUNTY, COLORADO
Comprehensive Annual Financial Report
December 31, 2003

Table of Contents

	Page
Introductory Section	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
Financial Section	
Independent Auditors' Report	11
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	24
Statement of Activities	25
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	26
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets	27
Statement of Revenues, Expenditures, and Changes in Fund Balance	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
Statement of Net Assets	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets	31
Statement of Cash Flows	32
Fiduciary Funds:	
Statement of Fiduciary Net Assets	33
Statement of Changes in Fiduciary Net Assets	34
Notes to Basic Financial Statements	35
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	68
Budgetary Comparison Schedule – Special Revenue – Social Services Fund	71
Notes to Required Supplementary Information	72

BOULDER COUNTY, COLORADO
 Comprehensive Annual Financial Report
 December 31, 2003

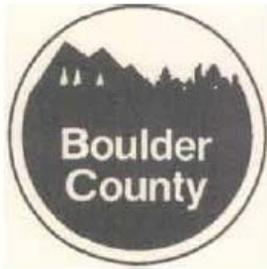
Table of Contents

	Page
Supplementary Information	
Combining and Individual Fund Statements	
Nonmajor Governmental Funds:	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	78
Special Revenue Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	82
Capital Projects Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	85
Combining Statement of Changes in Assets and Liabilities – Agency Funds – Fiduciary – Public Trustee Fund and Agency Fund	86
Schedule of Budgetary Compliance	87
Statistical Section (Unaudited)	
General History:	
Table #1 – General Governmental Expenditures by Function – Last Ten Fiscal Years	90
Table #2 – Ratio Composition of General Governmental Expenditures by Function – Last Ten Fiscal Years	94
Table #3 – General Governmental Revenues by Source – Last Ten Fiscal Years	98
Table #4 – Ratio Composition of General Governmental Revenues by Source – Last Ten Fiscal Years	100
Table #5 – General Governmental Tax Revenues by Source – Last Ten Fiscal Years	102
Assessments and Taxes:	
Table #6 – Property Tax Levies and Collections – Last Ten Fiscal Years	104
Table #7 – Assessed and Estimated Actual Value of Property – Last Ten Fiscal Years	106
Table #8 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Assessed/Collected Years	108
Table #9 – Property Tax Rates – County Levy Detailed by Fund – Last Ten Assessed/Collected Years	110
Long-Term Debt:	
Table #10 – Computation of Legal Debt Margin	112
Table #11 – Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	113

BOULDER COUNTY, COLORADO
Comprehensive Annual Financial Report
December 31, 2003

Table of Contents

	Page
Miscellaneous:	
Table #12 – Principal Taxpayers	114
Table #13 – Demographic Statistics – Last Ten Fiscal Years	116
Table #14 – Salaries of Principal Officials	118
Table #15 – Assessed Property Value, New Construction, and Bank Deposits – Last Ten Fiscal Years	120
Table #16 – Miscellaneous Statistics	122
GIS Map of State of Colorado	124
Map of Boulder County	125
S.E.C. Disclosure Subsection:	
Table A – Boulder County History of Funding Sources for Open Space Land Acquisition	128
Table B – Projected Open Space Revenues vs. Commitments	130
Table C – General Fund Information	132
Table D – Open Space Sales/Use Tax Collection History	133



Post Office Box 471 • Boulder, Colorado 80306

Administrative Services Department

Financial Services Division

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

May 21, 2004

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 generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the comprehensive annual financial report of Boulder County for the fiscal year ended December 31, 2003.

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, 2003 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, 2003 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 legal requirements involving the administration of federal awards. These reports are available in Boulder County's separately issued Single Audit Report.

Paul Danish
County Commissioner

Ronald K. Stewart
County Commissioner

Tom Mayer
County Commissioner

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.

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 Official 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 2004. Unemployment after hitting a high of 5.8% in the second quarter of 2003 dropped to 4.7% in the fourth quarter. Retail sales in 2003 were \$6,386,680 as compared to \$6,110,464 in 2002, an increase of 4.5%.

Home prices in Boulder County grew at a rate of 1.07% in 2003 which was much lower than the national average of 8%. However, this was seen as a leveling of high increases in prior years, as the strong rate of appreciation at the end of the 1990s could not continue indefinitely.

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 somewhat sluggish but appears to be improving. The leading economic index for the County is flat but is expected to increase and should lead to a more robust job market and income growth in the first half of 2004.

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 2003 was \$7,155,651. The average yield on investments managed by the Treasurer was 1.53% in 2003, compared to 2.71% in 2002.

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 worker's compensation occurrence, the first \$100,000 for each property occurrence, and the first \$250,000 for each liability occurrence. Third-party insurance is purchased to protect the County above these amounts. The County also carries a crime policy with a \$25,000 deductible, and an equipment breakdown policy with a \$5,000 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 notes 14 and 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 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 in 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 \$12,000, 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.

On December 18, 2003, the board of county commissioners adopted resolution 2003-156 authorizing the County of Boulder to apply for affiliation with the Colorado Public Employees' Retirement Association (PERA). On April 1, 2004, Boulder County withdrew from BCRSP and established membership with PERA.

Additional information on Boulder County's pension arrangements and postemployment benefits can be found in note 13 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, 2002. 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 thirteen consecutive years (fiscal years ended 1990-2002). 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,

A handwritten signature in black ink, appearing to read 'R. Lamb', with a long horizontal flourish extending to the right.

Robert D. Lamb, CPA
Financial Services Manager

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2002

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.



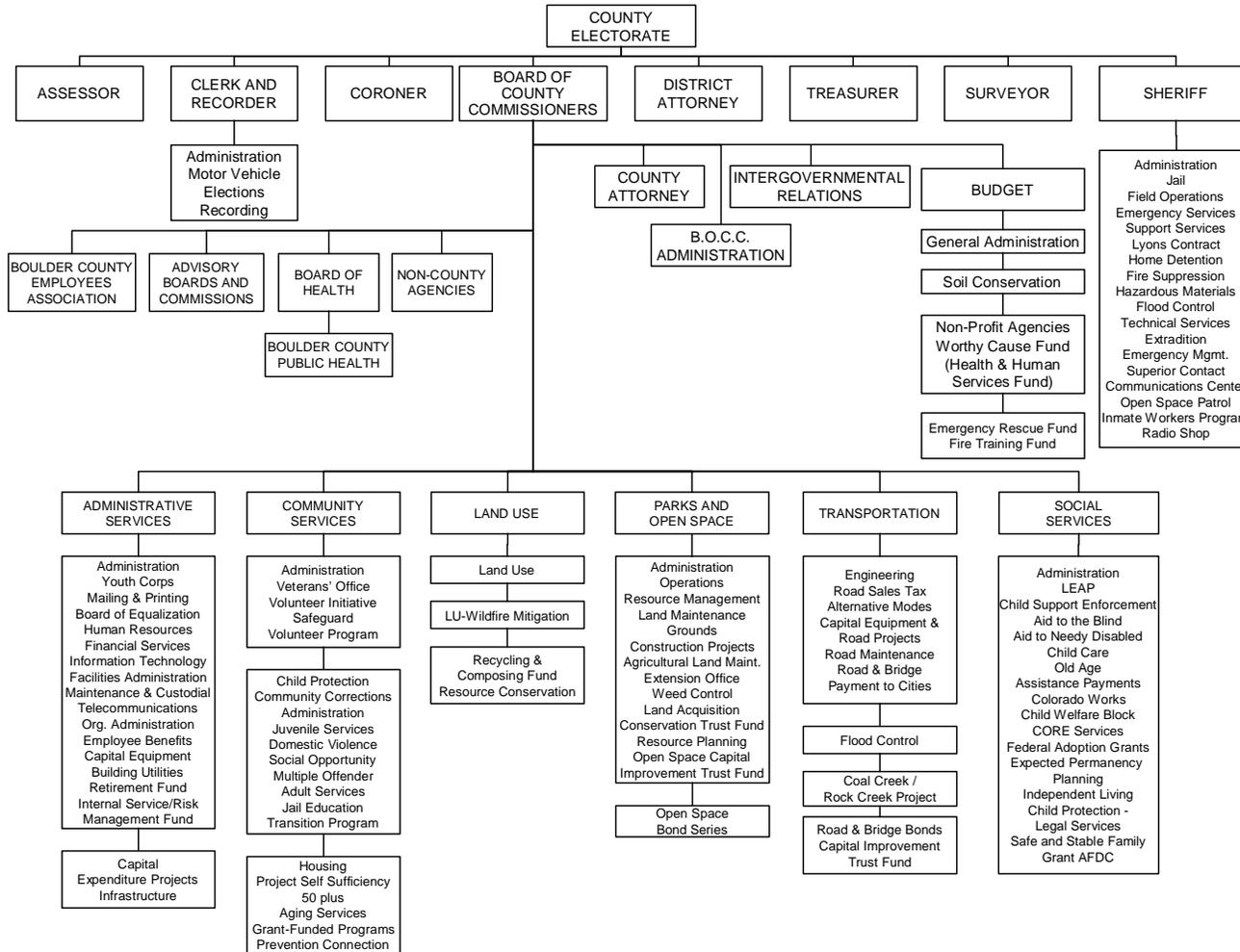
President

Executive Director

BOULDER COUNTY, COLORADO

Organizational Chart

December 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 and 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 and Open Space
Christine Highnam	Social Services
Larry Matel	Transportation

THIS PAGE INTENTIONALLY LEFT BLANK

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 activities, 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, 2003, 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 did not audit the financial statements of the Housing Authority of Boulder County (the Authority), which is both a major fund and 65 percent and 74 percent, respectively, of the assets and revenues of the business type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for the Authority, is based on the report of other auditors.

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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2003, 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.

In accordance with *Government Auditing Standards*, we have also issued our reported dated May 21, 2004 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.

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 statements, the schedule of budgetary compliance, statistical section, and S.E.C. disclosure subsection 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 statements and the schedule of budgetary compliance have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors 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, the statistical section, and S.E.C. disclosure subsection has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

May 21, 2004

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

As management of Boulder County, we offer readers of the Boulder County's basic financial statements this narrative overview and analysis of the financial activities of Boulder County for the fiscal year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

The assets of Boulder County exceeded its liabilities at the close of the most recent fiscal year by \$309,846,571 (net assets). Of this amount, \$70,029,098 (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 \$80,100,959, a decrease of \$18,631,367 in comparison with the prior year. Approximately 92% of this total amount, \$73,922,458, 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 \$22,070,735, or 26% of total general fund expenditures.

In Resolution 2003-16 adopted by the board of county commissioners on January 14, 2003, the Board constituted itself as the governing body of the Boulder County Housing Authority. Due to this change, the Boulder County Housing Authority has been incorporated into the financial statements of Boulder County as a blended component unit and is shown as the Boulder County Housing Authority Fund.

Boulder County's total debt increased \$7,195,508 (4.0%) during the current fiscal year. The key factor in this increase was the inclusion of Boulder County Housing Authority's debt of \$14,939,504.

Overview of the Basic Financial Statements

This discussion and analysis are 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. 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, 2003

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, and highways and streets. The business-type activities of Boulder County include Boulder County Resource Conservation and Boulder County Housing Authority.

Previous to 2003, the Housing Authority was a governmental entity independent of the County, governed by a seven-member board which now serves in an advisory capacity. Effective January 1, 2003, the Housing Authority became a blended component unit of the County, and is governed by a board comprised of the County's elected board of county commissioners. The Authority meets the definition of and operates as an enterprise fund of the County. The beginning net assets of the Authority is \$10,025,972, and capital assets, net of depreciation, at January 1, 2003 is \$22,790,216.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 maintains eighteen 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 fifteen 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 Boulder County Resource Conservation and the Boulder County Housing Authority. Internal service funds are an accounting device used to accumulate the allocated 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, they have been included within governmental activities in the government-wide financial statements.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

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. These schedules demonstrate compliance with their respective annual appropriated budget.

Government-wide Financial Analysis

As noted earlier, increases or decreases net assets may serve over time as a useful indicator of a government's financial position. In the case of Boulder County, assets exceeded liabilities by \$309,846,571 at the close of the most recent fiscal year.

The largest portion of Boulder County's net assets (76%) 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's Net Assets

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 195,498,825	216,755,246	3,614,555	2,003,843	199,113,380	218,759,089
Capital assets, net of accumulated depreciation	393,501,886	349,367,506	37,070,732	13,935,228	430,572,618	363,302,734
Total assets	<u>\$ 589,000,711</u>	<u>566,122,752</u>	<u>40,685,287</u>	<u>15,939,071</u>	<u>629,685,998</u>	<u>582,061,823</u>
Long-term liabilities outstanding	\$ 192,952,846	198,896,069	15,016,399	7,162	207,969,245	198,903,231
Other liabilities	110,785,541	108,406,651	1,084,641	876,507	111,870,182	109,283,158
Total liabilities	<u>\$ 303,738,387</u>	<u>307,302,720</u>	<u>16,101,040</u>	<u>883,669</u>	<u>319,839,427</u>	<u>308,186,389</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 212,385,705	190,349,413	22,131,228	13,935,228	234,516,933	204,284,641
Restricted	4,111,371	4,353,898	1,189,167	—	5,300,538	4,353,898
Unrestricted	68,765,248	64,116,721	1,263,852	1,120,174	70,029,100	65,236,895
Total net assets	<u>\$ 285,262,324</u>	<u>258,820,032</u>	<u>24,584,247</u>	<u>15,055,402</u>	<u>309,846,571</u>	<u>273,875,434</u>

Note: Certain 2002 amounts have been reclassified to conform with 2003 financial statement presentation.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

An additional portion of Boulder County's net assets (1.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$70,029,100 of unrestricted net assets 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. The same situation held true for the prior fiscal year.

There was an increase of \$24,746,216 in total assets, \$15,217,371 in total liabilities, and \$9,528,845 in total net assets in business-type activities. This increase is due primarily to the inclusion of the Boulder County Housing Authority on January 1, 2003.

There was an increase of \$22,877,959 in total assets in governmental activities. This increase is due primarily to a voter-approved tax levy effective January 1, 2003 to support Boulder County's Health and Human Services fund, an increase in sales tax which remains uncollected at year-end, and capital asset acquisitions funded from operating revenues.

Boulder County's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program revenues:						
Charges for services	\$ 19,285,025	18,983,000	5,631,207	2,821,379	24,916,232	21,804,379
Operating grants and contributions	42,624,127	38,396,540	6,233,665	12,500	48,857,792	38,409,040
Capital grants and contributions	1,362,179	698,381	15,197	—	1,377,376	698,381
General revenues:						
Property taxes	88,855,998	78,637,017	—	—	88,855,998	78,637,017
Sales taxes	19,124,793	17,808,296	—	—	19,124,793	17,808,296
Specific ownership taxes	7,313,192	7,155,651	—	—	7,313,192	7,155,651
Grants and contributions not restricted to specific program	—	—	351,703	—	351,703	—
Interest earnings	2,187,488	3,462,149	39,175	—	2,226,663	3,462,149
Total revenues	<u>180,752,802</u>	<u>165,141,034</u>	<u>12,270,947</u>	<u>2,833,879</u>	<u>193,023,749</u>	<u>167,974,913</u>
Expenses:						
General government	56,052,530	60,301,127	—	—	56,052,530	60,301,127
Conservation	4,658,215	3,623,533	3,716,428	3,351,553	8,374,643	6,975,086
Urban redevelopment/housing	21,388	1,535,882	8,787,755	—	8,809,143	1,535,882
Public safety	29,454,318	26,876,513	—	—	29,454,318	26,876,513
Health and welfare	35,958,810	28,537,484	—	—	35,958,810	28,537,484
Economic development	8,138,262	7,105,134	—	—	8,138,262	7,105,134
Highways and streets	9,009,069	7,065,748	—	—	9,009,069	7,065,748
Interest on long-term debt	9,741,299	8,451,982	747,766	—	10,489,065	8,451,982
Intergovernmental	792,744	767,170	—	—	792,744	767,170
Total expenses	<u>153,826,635</u>	<u>144,264,573</u>	<u>13,251,949</u>	<u>3,351,553</u>	<u>167,078,584</u>	<u>147,616,126</u>

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Increase (decrease) in net assets before transfers	\$ 26,926,167	20,876,461	(981,002)	(517,674)	25,945,165	20,358,787
Transfers	(483,875)	(9,244)	483,875	9,244	—	—
Increase (decrease) in net assets	26,442,292	20,867,217	(497,127)	(508,430)	25,945,165	20,358,787
Net assets – January 1, 2003	258,820,032	237,952,815	15,055,402	—	273,875,434	237,952,815
Change in entity	—	—	10,025,972	15,563,832	10,025,972	15,563,832
Net assets – January 1, 2003	258,820,032	237,952,815	25,081,374	15,563,832	283,901,406	253,516,647
Net assets – December 31, 2003	\$ 285,262,324	258,820,032	24,584,247	15,055,402	309,846,571	273,875,434

Governmental Activities – Governmental activities increased Boulder County's net assets by \$26,442,292, thereby accounting for 74% of the total growth in the net assets. Key elements of this increase are as follows:

Operating grants and contributions increased \$4,227,587 primarily as a result of two new grants. One grant of \$2,735,000 was received from the state for the St. Vrain corridor project and the other grant for \$360,974 was received from the federal government for the farm protection program.

Property taxes increased \$10,218,981 primarily as a result of a voter-approved increase of 1.5 mils in November of 2002 effective January 1, 2003. The increase was designated for developmental disabilities, health programs, and human services programs.

The sales tax increase of \$1,316,497 is primarily a result of a 1% increase in sales tax to support transportation construction projects.

General government expenses decreased \$4,248,597 primarily due to the addition of the Housing Authority, which previously was an entity external to the County. As such, expenses for services previously provided by the general government to the Housing Authority are now eliminated internally when reimbursed between the entities.

Public safety expenses increased \$2,577,805 primarily as a result of increased personnel services primarily within in the sheriff operations.

Health and welfare expenses increased \$7,421,326 as a result of increased spending in the developmental disabilities fund which provides services to people with developmental disabilities, the health and human services 2002 fund which supplements agencies which have had a reduction in funding due to state budgetary limitations, and the worthy cause tax fund which provides funding to various nonprofit agencies.

Highways and streets expenses increased \$1,943,321 primarily as a result of an accelerated road maintenance schedule as required in the 0.1% sales tax increase for transportation projects.

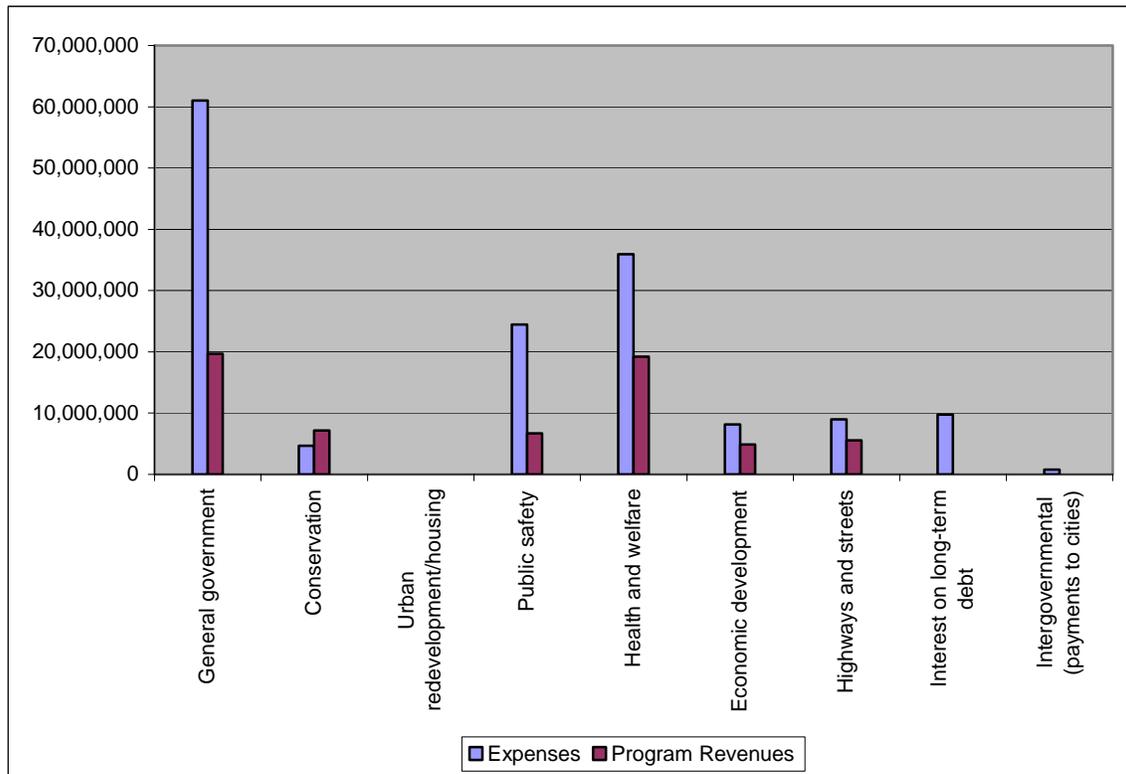
The remaining changes in revenue and expenses of approximately \$17 million paralleled inflation and growth in the demand for services and were consistent with prior year.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

Expenses and Program Revenues – Governmental Activities – year ended December 31, 2003.

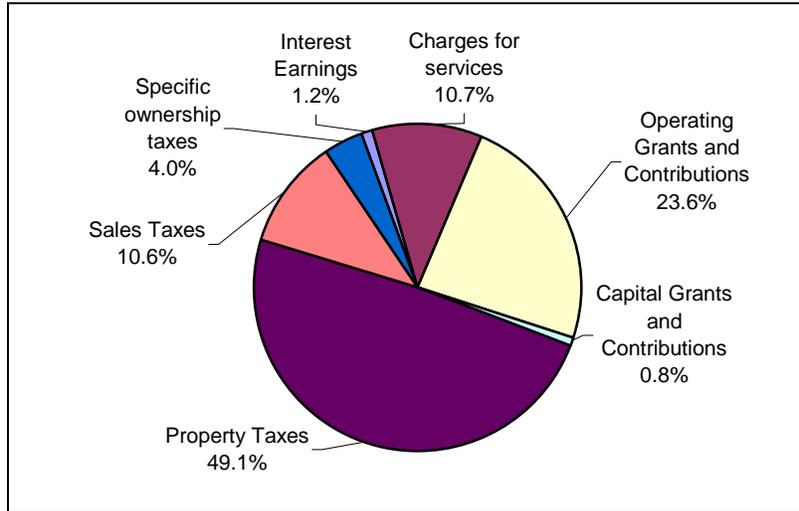


BOULDER COUNTY, COLORADO

Management’s Discussion and Analysis

December 31, 2003

Revenues by Source – Governmental Activities – year ended December 31, 2003.



Business-Type Activities – Business-type activities increased Boulder County’s net assets by \$9,528,845, accounting for 26% of the total growth in the government’s net assets. This increase was primarily the result of the Boulder County Housing Authority becoming part of the County.

For the housing authority fund, net assets decreased less than 1% from December 31, 2002 to \$9,956,462.

The change in net assets was a result of a net loss for the Housing Authority of \$69,510 for 2003, a 110.1% decrease from 2002. This was primarily due to a combination of a decrease in other revenues, an increase in both administrative expenses and maintenance and operations expenses, and significantly lower capital funds grants, offset by \$468,000 in capital transfers from Boulder County.

Rental income, which includes amounts earned directly from tenants as well as rental subsidies from HUD and Rural Development totaled \$2,323,109 for the year. Tenant rental income was \$1,695,180 and rental subsidy income totaled \$627,929.

The Authority increased its notes and mortgages payable by \$818,029 in 2003. The activity underlying this increase is outlined below:

Rehabilitate and enhance the Powell and Meadows buildings and related infrastructure	\$ 2,006,000
The acquisition of 505 W. Geneseo in Lafayette	319,533
Principal payments on existing loans	<u>(1,507,504)</u>
Net change in notes and mortgages payable	<u>\$ 818,029</u>

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

Bonds payable decreased by 2.1% due to the regularly scheduled principal payments on the bond issued in 1998. Interest expense for the bonds was \$225,494 in 2003.

Resource Conservation activities were consistent with prior year and reflected inflation and the growth in demand for services.

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 near-term inflows, outflows, 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 end of the current fiscal year, Boulder County's governmental funds reported combined ending fund balances of \$80,100,959, a decrease of \$18,631,367 in comparison with the prior year. Approximately 92% of this total amount \$(73,922,458) 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 \$(3,163,042), 2) to a reserve for prepaid items and inventory \$(266,669), 3) to a reserve for debt service \$(90,000), 4) to a reserve for escrow fees \$(858,329), and 5) to a reserve for capital transactions \$(1,800,461).

The general fund is the chief operating fund of Boulder County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$22,070,735, while total fund balance reached \$23,321,789. 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 26% of total general fund expenditures, while total fund balance represents 27% of the same amount.

The fund balance of Boulder County's general fund decreased by \$3,305,725 during the current fiscal year. Although revenues exceeded expenditures by \$3,992,046 and the sale of capital assets added \$1,998,424, net transfers out within the primary government of \$(9,296,195) decreased fund balance.

The Social Services Fund has a total fund balance of \$5,583,242, all of which is unreserved. This represents an increase of \$2,524,425 from the prior year's fund balance of \$3,058,817. This increase is due primarily to a voter-approved property tax levy of 1.5 mils for Health and Human Services, as well as recognition of revenues generated by State Senate Bills 91-94 and 91-80.

The Open Space Capital Improvement Fund, Bond Series 1994, 2000, and 2001 has a total fund balance of \$15,074,819. Of this amount, \$1,800,461 is reserved for capital construction. The remaining balance of \$13,274,358 is unreserved. The overall change from the prior year's fund balance of \$37,734,327 was a decrease of \$22,659,508. The decrease is due to continuing purchases of open space, as dictated by the 2002 open space bond issuance made during 2003.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

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 \$1,256,588 and those for the Risk Management Internal Service Fund amounted to \$1,069,208. For the fiscal year, the unrestricted net assets of the Boulder County Recycling Center decreased by \$(427,617) while the unrestricted net assets in the risk management internal services fund decreased by \$(1,136,157). The addition of the Boulder County Housing Authority decreased total unrestricted net assets by \$(69,510) for proprietary funds.

General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budgeted expenditures were approximately \$3.7 million and can be briefly summarized as follows:

- \$1.4 million in increases for Open Space acquisitions
- \$0.4 million in increases allocated to the Sheriff's Office for multiple projects
- \$0.3 million in increases allocated to Coal Creek/Rock Creek for Coal Creek Trail
- \$0.4 million in increases allocated to Community Services for Powell building development
- \$1.2 million in increases to other miscellaneous expenditures

Of this increase, \$3.3 million was funded from fund balance.

Differences between the final amended budgeted expenditures totaled a variance of approximately \$10.8 million and are briefly summarized as follows:

- \$7.0 million increase in General Government activities, including \$4.4 million in transfers to the component unit, \$0.5 million in salary reserves, and \$0.6 million in capital expenditures
- \$1.1 million increase for Open Space acquisitions
- \$0.6 million increase in Community Services activities
- \$2.4 million in increases to other miscellaneous expenditures

These increases are offset by approximately \$0.3 million in various decreases.

Asset and Debt Administration

Capital Assets – Boulder County's investment in capital assets for its governmental and business-type activities as of December 31, 2003 amount to \$430,572,618 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

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

- Addition of Housing Authority capital assets of \$22.8 million at beginning of year plus current year additions and building improvements of \$1.4 million including improvements of the Powell and Meadow properties
- New Open Space purchases of \$27 million

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

Boulder County's Capital Assets (Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 319,656,260	289,085,249	5,367,571	882,782	325,023,831	289,968,031
Land development rights & other	5,015,296	4,065,296	—	—	5,015,296	4,065,296
Construction in progress	8,868,594	4,177,346	—	13,692	8,868,594	4,191,038
Buildings and improvements	44,485,946	44,955,194	29,547,181	10,661,101	74,033,127	55,616,295
Equipment	8,527,515	7,089,839	2,155,980	2,377,653	10,683,495	9,467,492
Improvements other than buildings	849,593	116,029	—	—	849,593	116,029
Infrastructure	6,098,682	3,878,553	—	—	6,098,682	3,878,553
Total	<u>\$ 393,501,886</u>	<u>353,367,506</u>	<u>37,070,732</u>	<u>13,935,228</u>	<u>430,572,618</u>	<u>367,302,734</u>

Additional information on Boulder County's capital assets can found in the notes to the basic financial statements.

Long-Term Debt – At the end of the current fiscal year, Boulder County had total bonded debt outstanding of \$185,135,000. All of Boulder County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Total debt increased by \$7,195,508 due to the addition of \$14,939,504 in notes and mortgages payable and revenue bonds as of year-end added by the County when the Housing Authority was incorporated into the County. This increase was offset by principal payments made by the County to pay of its own revenue bonds.

Boulder County's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2003	2002	2003	2002	2003	2002
Notes and mortgages payable (change in entity)	\$ —	—	10,144,504	—	10,144,504	—
Revenue bonds and premium	181,337,305	189,081,301	4,795,000	—	186,132,305	189,081,301
Total	<u>\$ 181,337,305</u>	<u>189,081,301</u>	<u>14,939,504</u>	<u>—</u>	<u>196,276,809</u>	<u>189,081,301</u>

Economic Factors and Next Year's Budgets and Rates

The U.S. Department of Labor Bureau of Labor Statistics shows the average unemployment rate for Boulder County during the fourth quarter of 2003 was 4.8%, which was 4% lower than in 2002. This compares to the state's unemployment rate of 5.6%.

Retail sales for Boulder County were 4.5% higher in 2003 than they were in 2002 as the economy began to rebound.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2003

Home prices in Boulder County grew at a rate of 1.07% in 2003 which was lower than the national average of 8%. However, this was seen as a leveling of high increases in prior years as the rate of appreciation at the end of the 1990s could not continue indefinitely.

Per the Boulder County Business Report, the economy is expected to expand in 2004 which will support modest growth in the state and in Boulder County. During 2004, unemployment is expected to continue to drop as well.

These factors were taken into account when developing the budget for 2004.

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, 2003

Assets	Primary government		Total	Component unit
	Governmental activities	Business-type activities		Public health
Equity in treasurer's cash and investments	\$ 80,383,358	1,660,210	82,043,568	1,303,033
Property taxes receivable	94,717,451	—	94,717,451	—
Accounts receivable	—	404,623	404,623	—
Notes receivable	—	127,264	127,264	—
Due from other governmental units	10,755,310	72,000	10,827,310	693,307
Due from component unit	169,903	—	169,903	—
Internal balances	998,921	(998,921)	—	—
Interest receivable	247,640	1,837	249,477	—
County goods and services receivable	2,320,434	557,564	2,877,998	30,310
Prepaid items	112,636	96,436	209,072	7,703
Inventories	155,554	—	155,554	—
Restricted cash and cash equivalents	5,251,409	1,189,167	6,440,576	246,025
Deferred charges – issuance costs	386,209	504,375	890,584	—
Capital assets, net of accumulated depreciation:				
Land	319,656,260	5,367,571	325,023,831	—
Land development rights and other	5,015,296	—	5,015,296	—
Construction in progress	8,868,594	—	8,868,594	—
Buildings and improvements	44,485,946	29,547,181	74,033,127	28,823
Equipment	8,527,515	2,155,980	10,683,495	124,388
Improvements other than buildings	849,593	—	849,593	—
Infrastructure	6,098,682	—	6,098,682	—
Total assets	<u>589,000,711</u>	<u>40,685,287</u>	<u>629,685,998</u>	<u>2,433,589</u>
Liabilities				
Accounts payable	5,342,021	666,435	6,008,456	256,587
Deferred revenue	97,604,310	—	97,604,310	108,232
Due to other governmental units	250,908	18,133	269,041	—
Due to primary government	—	—	—	21,039
Accrued liabilities	1,496,934	34,711	1,531,645	121,704
Accrued interest payable	1,965,546	90,806	2,056,352	—
Escrows payable	1,305,936	102,358	1,408,294	93,426
TABOR liability	2,550,947	—	2,550,947	—
Other liabilities	268,939	172,198	441,137	—
Liabilities:				
Due within one year:				
Claims payable	2,961,132	—	2,961,132	—
Notes and mortgages payable	—	3,256,782	3,256,782	—
Bonds payable	9,015,000	110,000	9,125,000	—
Premium on bond issuance	63,996	—	63,996	—
Compensated absences	570,556	11,790	582,346	48,400
Due more than one year:				
Claims payable	1,373,617	—	1,373,617	—
Notes and mortgages payable	—	6,887,722	6,887,722	—
Bonds payable	171,325,000	4,685,000	176,010,000	—
Premium on bond issuance	933,309	—	933,309	—
Compensated absences	6,710,236	65,105	6,775,341	471,575
Total liabilities	<u>303,738,387</u>	<u>16,101,040</u>	<u>319,839,427</u>	<u>1,120,963</u>
Net Assets				
Invested in capital assets, net of related debt	212,385,705	22,131,228	234,516,933	153,211
Restricted for:				
Emergencies	3,163,042	—	3,163,042	36,555
Debt service	90,000	—	90,000	—
Escrow fees	858,329	1,189,167	2,047,496	—
Health/Human Services including balance to Ballot 1A	—	—	—	152,599
Unrestricted	68,765,248	1,263,852	70,029,100	970,261
Total net assets	<u>\$ 285,262,324</u>	<u>24,584,247</u>	<u>309,846,571</u>	<u>1,312,626</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Activities

Year ended December 31, 2003

	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (expense) revenue and changes in net assets</u>			<u>Component unit Public health</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Primary government</u>		<u>Total</u>	
					<u>Governmental activities</u>	<u>Business-type activities</u>		
Governmental activities:								
Primary government:								
General government	\$ 56,052,530	12,965,409	6,727,898	—	(36,359,223)	—	(36,359,223)	—
Conservation	4,658,215	1,810,328	4,014,387	1,362,179	2,528,679	—	2,528,679	—
Urban redevelopment/housing	21,388	—	—	—	(21,388)	—	(21,388)	—
Public safety	29,454,318	3,924,126	2,781,930	—	(22,748,262)	—	(22,748,262)	—
Health and welfare	35,958,810	2,651	19,228,302	—	(16,727,857)	—	(16,727,857)	—
Economic development	8,138,262	14,727	4,868,731	—	(3,254,804)	—	(3,254,804)	—
Highways and streets	9,009,069	567,784	5,002,879	—	(3,438,406)	—	(3,438,406)	—
Interest on long-term debt	9,741,299	—	—	—	(9,741,299)	—	(9,741,299)	—
Intergovernmental (payments to cities)	792,744	—	—	—	(792,744)	—	(792,744)	—
Total governmental activities	<u>153,826,635</u>	<u>19,285,025</u>	<u>42,624,127</u>	<u>1,362,179</u>	<u>(90,555,304)</u>	<u>—</u>	<u>(90,555,304)</u>	<u>—</u>
Business-type activities:								
Resource conservation	3,716,428	3,233,973	—	15,197	—	(467,258)	(467,258)	—
Housing Authority	9,535,521	2,397,234	6,233,665	—	—	(904,622)	(904,622)	—
Total business-type activities	<u>13,251,949</u>	<u>5,631,207</u>	<u>6,233,665</u>	<u>15,197</u>	<u>—</u>	<u>(1,371,880)</u>	<u>(1,371,880)</u>	<u>—</u>
Total primary government	<u>\$ 167,078,584</u>	<u>24,916,232</u>	<u>48,857,792</u>	<u>1,377,376</u>	<u>(90,555,304)</u>	<u>(1,371,880)</u>	<u>(91,927,184)</u>	<u>—</u>
Component unit:								
Health department	\$ 11,011,521	1,196,582	5,175,027	—	—	—	—	(4,639,912)
General revenues:								
Taxes:								
Property					\$ 88,855,998	—	88,855,998	—
Sales					19,124,793	—	19,124,793	—
Specific ownership					7,313,192	—	7,313,192	—
Interest earnings					2,187,488	39,175	2,226,663	14,706
Grants and contributions not restricted to specific programs					—	351,703	351,703	4,833,566
Total general revenues					<u>117,481,471</u>	<u>390,878</u>	<u>117,872,349</u>	<u>4,848,272</u>
Transfers					<u>(483,875)</u>	<u>483,875</u>	<u>—</u>	<u>—</u>
Total general revenues and transfers					<u>116,997,596</u>	<u>874,753</u>	<u>117,872,349</u>	<u>4,848,272</u>
Change in net assets					<u>26,442,292</u>	<u>(497,127)</u>	<u>25,945,165</u>	<u>208,360</u>
Net assets, January 1					<u>258,820,032</u>	<u>15,055,402</u>	<u>273,875,434</u>	<u>1,104,266</u>
Change in entity					<u>—</u>	<u>10,025,972</u>	<u>10,025,972</u>	<u>—</u>
Net assets, December 31					<u>\$ 285,262,324</u>	<u>24,584,247</u>	<u>309,846,571</u>	<u>1,312,626</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2003

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	\$ 23,080,732	4,765,916	11,847,519	35,504,284	75,198,451
Restricted cash	2,108,689	1,072,737	1,800,461	269,522	5,251,409
Property taxes receivable	71,731,643	3,461,320	—	19,524,488	94,717,451
Due from other governmental units	2,130,489	1,363,322	4,061,702	3,199,797	10,755,310
Due from component unit	35,513	—	—	64,327	99,840
Interest receivable	61,822	—	146,662	31,591	240,075
County goods and services receivable	807,273	—	403,368	407,129	1,617,770
Due from other funds	2,224,605	—	113,879	483,309	2,821,793
Prepaid items	99,946	—	—	11,169	111,115
Inventory	115,985	—	—	39,569	155,554
Total assets	\$ 102,396,697	10,663,295	18,373,591	59,535,185	190,968,768
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,001,960	484,977	164,482	2,558,264	5,209,683
Due to other funds	344,112	671,712	29,511	364,850	1,410,185
Deferred revenue	71,929,663	3,461,160	3,099,065	19,895,465	98,385,353
Due to other governmental units	—	—	—	250,908	250,908
Accrued liabilities	1,103,223	280,653	4,984	105,107	1,493,967
Escrows payable	1,305,936	—	—	—	1,305,936
TABOR liability	2,183,170	129,408	—	238,369	2,550,947
Other liabilities	206,844	52,143	730	1,113	260,830
Total liabilities	79,074,908	5,080,053	3,298,772	23,414,076	110,867,809
Fund balances:					
Reserved for:					
Emergencies	456,957	—	—	2,706,085	3,163,042
Prepaid items and inventory	215,931	—	—	50,738	266,669
Debt service	—	—	—	90,000	90,000
Escrow fees	578,166	—	—	280,163	858,329
Capital transactions	—	—	1,800,461	—	1,800,461
Unreserved, reported in:					
General fund	22,070,735	—	—	—	22,070,735
Special revenue funds	—	5,583,242	—	24,349,800	29,933,042
Capital projects funds	—	—	13,274,358	8,644,323	21,918,681
Total fund balances	23,321,789	5,583,242	15,074,819	36,121,109	80,100,959
Total liabilities and fund balances	\$ 102,396,697	10,663,295	18,373,591	59,535,185	190,968,768

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Reconciliation of Total Governmental Fund Balances to
the Statement of Net Assets

December 31, 2003

Total governmental fund balances	\$ 80,100,959
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.	393,501,886
Long-term liabilities and related deferred charges, 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	(180,340,000)
Premium on bond issuance	(997,305)
Compensated absences (excluding internal service of \$6,662)	(7,274,130)
Accrued interest payable	(1,965,546)
Deferred charges – issuance costs	386,209
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds.	781,043
Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,069,208
Net assets of governmental activities	<u>\$ 285,262,324</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, 2003

	General fund	Social Services fund	Open Space Capital Improvement Fund, Bond Series 1994, 2000, and 2001	Other governmental funds	Total governmental funds
Revenues:					
Taxes	\$ 70,332,132	4,830,306	12,140,814	27,654,416	114,957,668
Licenses, fees, and permits	578,738	—	—	23,242	601,980
Interest on investments	884,673	—	857,933	302,943	2,045,549
Intergovernmental	3,703,342	16,192,404	2,822,183	16,580,371	39,298,300
Charges for services	12,802,263	—	2,000	275,548	13,079,811
Fines and forfeitures	317,210	—	—	—	317,210
Other revenue	1,739,299	156,612	—	6,715,940	8,611,851
Total revenues	90,357,657	21,179,322	15,822,930	51,552,460	178,912,369
Expenditures:					
Current:					
General government	44,959,399	—	—	17,371,059	62,330,458
Conservation	8,087,841	—	26,619,116	1,290,621	35,997,578
Public safety	25,160,465	—	—	3,874,024	29,034,489
Health and welfare	4,565,386	19,762,384	—	11,639,308	35,967,078
Economic development	2,500,118	—	—	5,595,143	8,095,261
Highways and streets	1,092,402	—	—	10,094,565	11,186,967
Intergovernmental	—	—	—	786,826	786,826
Debt service:					
Principal	—	—	3,545,000	4,135,000	7,680,000
Interest and fiscal charges	—	—	6,289,838	2,842,885	9,132,723
Total expenditures	86,365,611	19,762,384	36,453,954	57,629,431	200,211,380
Excess (deficiency) of revenues over expenditures	3,992,046	1,416,938	(20,631,024)	(6,076,971)	(21,299,011)
Other financing sources (uses):					
Proceeds from sale of capital assets	1,998,424	—	666,840	486,255	3,151,519
Transfers in	1,102,736	1,256,402	10,616	13,053,974	15,423,728
Transfers out	(10,398,931)	(148,915)	(2,705,940)	(2,653,817)	(15,907,603)
Total other financing sources (uses)	(7,297,771)	1,107,487	(2,028,484)	10,886,412	2,667,644
Net change in fund balance	(3,305,725)	2,524,425	(22,659,508)	4,809,441	(18,631,367)
Fund balance, January 1	26,627,514	3,058,817	37,734,327	31,311,668	98,732,326
Fund balance, December 31	\$ <u>23,321,789</u>	<u>5,583,242</u>	<u>15,074,819</u>	<u>36,121,109</u>	<u>80,100,959</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities

Year ended December 31, 2003

Net change in fund balances – total governmental funds		\$ (18,631,367)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital assets additions	\$ 46,290,525	
Depreciation expense	<u>(4,376,168)</u>	
Excess of capital outlay over depreciation		41,914,357
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net assets:		
Donations of capital assets	1,362,179	
Proceeds from sale of capital assets	(3,151,519)	
Loss on sale of capital assets	<u>(592)</u>	
		(1,789,932)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes related to prior years	(114,466)	
Earned but unavailable revenue	<u>450,781</u>	
		336,315
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 payments	<u>7,680,000</u>	
		7,680,000
Some transactions reported in the statement of activities do not require the use of or provide current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences (including internal service of \$2,579)	(1,360,597)	
Amortization of issuance costs	(25,747)	
Amortization of bond premium	63,996	
Accrued interest	<u>(608,576)</u>	
		(1,930,924)
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:		
Internal service fund profit allocation	<u>(1,136,157)</u>	
		<u>(1,136,157)</u>
Change in net assets of governmental funds		\$ <u><u>26,442,292</u></u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Net Assets

Proprietary Funds

December 31, 2003

Assets	Business-type activities			Governmental activities
	Resource conservation	Housing Authority	Totals	Internal Service funds
Current assets:				
Equity in treasurer's cash and investments	\$ 1,258,841	401,369	1,660,210	5,184,907
Interest receivable	1,837	—	1,837	7,565
County goods and services receivable	557,564	—	557,564	134,891
Accounts receivable	—	404,623	404,623	—
Due from component unit	—	—	—	70,063
Due from other governments	—	72,000	72,000	—
Due from other funds	2,175	—	2,175	157,029
Prepaid and other items	—	96,436	96,436	1,521
Total current assets	<u>1,820,417</u>	<u>974,428</u>	<u>2,794,845</u>	<u>5,555,976</u>
Noncurrent assets:				
Restricted cash and cash equivalents	—	1,189,167	1,189,167	—
Notes receivable	—	127,264	127,264	—
Deferred charges – issuance costs	—	504,375	504,375	—
General capital assets, net of depreciation:				
Land	882,782	4,484,789	5,367,571	—
Buildings	10,397,882	19,149,299	29,547,181	—
Equipment	2,090,533	65,447	2,155,980	—
Total capital assets (net of accumulated depreciation)	<u>13,371,197</u>	<u>23,699,535</u>	<u>37,070,732</u>	<u>—</u>
Total noncurrent assets	<u>13,371,197</u>	<u>25,520,341</u>	<u>38,891,538</u>	<u>—</u>
Total assets	<u>\$ 15,191,614</u>	<u>26,494,769</u>	<u>41,686,383</u>	<u>5,555,976</u>
Liabilities				
Current liabilities:				
Notes and mortgages payable	\$ —	3,256,782	3,256,782	—
Bonds payable	—	110,000	110,000	—
Accounts payable	535,205	131,230	666,435	132,340
Estimated health and dental claims	—	—	—	1,587,515
Due to other funds	18,007	983,089	1,001,096	1,941
Due to other governments	—	18,133	18,133	—
Accrued liabilities	2,753	31,958	34,711	2,967
Accrued interest payable	—	90,806	90,806	—
Total current liabilities	<u>555,965</u>	<u>4,621,998</u>	<u>5,177,963</u>	<u>1,724,763</u>
Current liabilities payable from restricted assets:				
Customer deposits payable	—	172,198	172,198	—
Escrows payable	—	102,358	102,358	—
Total current liabilities payable from restricted assets	<u>—</u>	<u>274,556</u>	<u>274,556</u>	<u>—</u>
Noncurrent liabilities:				
Mortgages and notes payable	—	6,887,722	6,887,722	—
Bonds payable	—	4,685,000	4,685,000	—
Accrued compensated absences	7,864	69,031	76,895	6,662
Estimated insurance claims	—	—	—	2,747,234
Other liabilities	—	—	—	8,109
Total noncurrent liabilities	<u>7,864</u>	<u>11,641,753</u>	<u>11,649,617</u>	<u>2,762,005</u>
Total liabilities	<u>563,829</u>	<u>16,538,307</u>	<u>17,102,136</u>	<u>4,486,768</u>
Net Assets				
Invested in capital assets, net of related debt	13,371,197	8,760,031	22,131,228	—
Restricted	—	1,189,167	1,189,167	—
Unrestricted	1,256,588	7,264	1,263,852	1,069,208
Total net assets	<u>14,627,785</u>	<u>9,956,462</u>	<u>24,584,247</u>	<u>1,069,208</u>
Total liabilities and net assets	<u>\$ 15,191,614</u>	<u>26,494,769</u>	<u>41,686,383</u>	<u>5,555,976</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, 2003

	Business-type activities			Governmental activities
	Resource conservation	Housing Authority	Total	Internal Service funds
Operating revenue:				
Sales of recyclable materials	\$ 3,233,973	—	3,233,973	—
Charges for services	—	2,397,234	2,397,234	79,815
Charges for services – other funds	—	—	—	1,819,099
Contributions – employee	—	—	—	2,806,718
Contributions – county	—	—	—	7,486,477
Contributions – miscellaneous	—	—	—	127,645
Land use claims recovery	—	—	—	25,131
Miscellaneous	—	—	—	136,617
Total operating revenue	<u>3,233,973</u>	<u>2,397,234</u>	<u>5,631,207</u>	<u>12,481,502</u>
Operating expenses:				
Cost of sales	879,620	—	879,620	—
General administration	369,899	2,935,430	3,305,329	224,660
General professional services	1,863,259	—	1,863,259	—
Insurance premiums	17,079	—	17,079	—
Depreciation	586,571	575,599	1,162,170	—
Property and casualty claims	—	—	—	927,737
Property and casualty insurance, professional services, miscellaneous	—	—	—	526,525
Health and dental claims	—	—	—	9,583,029
Health and dental insurance, professional services, miscellaneous	—	—	—	1,167,242
Workers' compensation claims	—	—	—	1,122,670
Workers' compensation insurance, professional services, miscellaneous	—	—	—	143,739
Total operating expenses	<u>3,716,428</u>	<u>3,511,029</u>	<u>7,227,457</u>	<u>13,695,602</u>
Operating loss	<u>(482,455)</u>	<u>(1,113,795)</u>	<u>(1,596,250)</u>	<u>(1,214,100)</u>
Nonoperating revenues (expenses)				
Interest on investments	23,766	15,409	39,175	77,943
HUD income	—	5,793,825	5,793,825	—
Housing assistance	—	(5,279,467)	(5,279,467)	—
Interest expense and amortization	—	(747,766)	(747,766)	—
Gain on sale of capital assets	—	2,741	2,741	—
Management and maintenance fees	—	351,703	351,703	—
Donations	15,197	439,840	455,037	—
Loss before transfers	<u>(443,492)</u>	<u>(537,510)</u>	<u>(981,002)</u>	<u>(1,136,157)</u>
Transfers in	15,875	468,000	483,875	—
Change in net assets	<u>(427,617)</u>	<u>(69,510)</u>	<u>(497,127)</u>	<u>(1,136,157)</u>
Total net assets, January 1	15,055,402	—	15,055,402	2,205,365
Change in reporting entity	—	10,025,972	10,025,972	—
Total net assets, December 31	<u>\$ 14,627,785</u>	<u>9,956,462</u>	<u>24,584,247</u>	<u>1,069,208</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2003

	Business-type activities			Governmental activities
	Resource conservation	Housing Authority	Total	Internal Service fund
Cash flows from operating activities:				
Cash received from employer	\$ —	—	—	7,486,477
Cash received from employees	—	—	—	2,806,718
Cash received from charges for services	3,193,233	2,170,298	5,363,531	2,486,390
Cash received from miscellaneous sources	—	—	—	264,262
Cash paid for general administration	(3,471,910)	(2,269,627)	(5,741,537)	(353,791)
Cash paid for general claims	—	—	—	(1,802,236)
Cash paid for worker compensation claims	—	—	—	(601,184)
Cash paid for health and dental claims	—	—	—	(10,604,794)
Net cash used in operating activities	<u>(278,677)</u>	<u>(99,329)</u>	<u>(378,006)</u>	<u>(318,158)</u>
Cash flows from noncapital financing activities:				
Transfers in	15,875	468,000	483,875	—
Grants and donations	15,197	1,305,901	1,321,098	—
Net cash provided by noncapital financing activities	<u>31,072</u>	<u>1,773,901</u>	<u>1,804,973</u>	<u>—</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(22,539)	(1,482,177)	(1,504,716)	—
Proceeds from debt activities	—	2,325,533	2,325,533	—
Amount of bond principal, interest, and issuance costs	—	(2,251,232)	(2,251,232)	—
Net cash used in capital and related financing activities	<u>(22,539)</u>	<u>(1,407,876)</u>	<u>(1,430,415)</u>	<u>—</u>
Cash flows from investing activities				
Investment earnings	23,766	15,409	39,175	77,943
Net increase (decrease) in cash and cash equivalents	<u>(246,378)</u>	<u>282,105</u>	<u>35,727</u>	<u>(240,215)</u>
Cash and cash equivalents, January 1	<u>1,505,219</u>	<u>1,308,431</u>	<u>2,813,650</u>	<u>5,425,122</u>
Cash and cash equivalents, December 31	\$ <u>1,258,841</u>	\$ <u>1,590,536</u>	\$ <u>2,849,377</u>	\$ <u>5,184,907</u>
Net operating loss:	\$ (482,455)	(1,113,795)	(1,596,250)	(1,214,100)
Adjustments to reconcile net operating loss to net cash used in operating activities:				
Depreciation and amortization	586,571	571,220	1,157,791	—
(Increase) decrease in interest receivable	(1,837)	—	(1,837)	19,737
Increase in county goods and services receivable	(45,972)	—	(45,972)	(3,578)
Decrease in due from other funds	7,069	—	7,069	571,317
Increase in due from other governments	—	(72,000)	(72,000)	—
Increase in accounts receivable	—	(140,799)	(140,799)	—
(Increase) decrease in prepaid expenses	—	(36,118)	(36,118)	52,412
Decrease in accounts payable	(338,576)	(19,887)	(358,463)	(27,004)
(Decrease) increase in due to other funds	(4,205)	983,089	978,884	(153,976)
(Decrease) increase in accrued liabilities	728	(3,155)	(2,427)	2,726
Increase in estimated health and dental claims	—	—	—	145,477
Decrease in estimated insurance claims	—	—	—	(373,104)
Increase in estimated worker compensation claims	—	—	—	665,224
Decrease in other liabilities	—	(267,884)	(267,884)	(3,289)
Total adjustments	<u>203,778</u>	<u>1,014,466</u>	<u>1,218,244</u>	<u>895,942</u>
Net cash used in operating activities	\$ <u>(278,677)</u>	\$ <u>(99,329)</u>	\$ <u>(378,006)</u>	\$ <u>(318,158)</u>
Supplemental disclosure of cash flow information:				
Donated capital assets	\$ 15,197	—	15,197	—

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2003

Assets	Pension trust fund	Agency	Total
Equity in treasurer's cash and investments	\$ —	5,987,298	5,987,298
Investments	87,072,187	—	87,072,187
Restricted cash	—	1,326,927	1,326,927
Property tax receivable	695,915	246,121,331	246,817,246
Prepays	—	360	360
Total assets	<u>\$ 87,768,102</u>	<u>253,435,916</u>	<u>341,204,018</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 26,218	5,885	32,103
Other liabilities	—	1,321,323	1,321,323
Escrow payable	—	79	79
Undistributed taxes and other collections	—	5,414,398	5,414,398
Due to other taxing units	—	246,126,456	246,126,456
Due to other funds	—	567,775	567,775
Total liabilities	26,218	253,435,916	253,462,134
Net Assets			
Held in trust for employee retirement benefits	<u>87,741,884</u>	<u>—</u>	<u>87,741,884</u>
Total liabilities and net assets	<u>\$ 87,768,102</u>	<u>253,435,916</u>	<u>341,204,018</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO
Statement of Changes in Fiduciary Net Assets
Year ended December 31, 2003

Additions to net assets:	
Contributions:	
Boulder county	\$ 4,102,207
Boulder county employees	4,162,354
Total contributions	<u>8,264,561</u>
Investment earnings:	
Investment income	2,056,745
Net realized and unrealized appreciation	13,115,801
Total investment earnings	<u>15,172,546</u>
Less investment expense	177,922
Net investment earnings	<u>14,994,624</u>
Total additions	<u>23,259,185</u>
Deductions from net assets:	
Benefit payments	<u>2,910,600</u>
Total deductions	<u>2,910,600</u>
Net increase in plan assets	20,348,585
Net assets held in trust for plan benefits:	
Beginning of year	<u>67,393,299</u>
End of year	<u>\$ 87,741,884</u>

See accompanying notes to basic financial statements.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(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 significant accounting policies of Boulder County, Colorado (the County) applied in the preparation of these financial statements follows.

(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, conservation, health and welfare, economic development, 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 units. 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 same as the governing body of the primary government; or 2) the component unit provides services

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 columns 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 Presentation

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.

Gunbarrel General Improvement District Fund – 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.

Housing Authority of Boulder County – Established in 1975 to promote and provide quality, affordable housing for lower-income families, the elderly, and disabled people. Previous to 2003, the Housing Authority was a governmental entity independent of the County, governed by a seven-member board which now serves in an advisory capacity. Effective January 1, 2003, the Housing Authority became a component unit of the County and is governed solely by a board comprised of the County's elected board of county commissioners. The Authority meets the definition of and operates as an enterprise fund of the County. The beginning net assets of the Authority is \$10,025,972, and capital assets, net of depreciation, at January 1, 2003 is \$22,790,216.

Discrete Presentation

Boulder County Public Health (Public Health) – is 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 Public Health's operations. Public Health 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 Public Health
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

Housing Authority of Boulder County
3482 North Broadway
Boulder, CO 80304

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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

With the implementation of GASB Statement No. 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 accounting, as are the proprietary fund and fiduciary fund statements. Certain eliminations have been made as prescribed by GASB Statement No. 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 activities. 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. 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 is 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 and enterprise funds 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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

The County considers all revenue available if it is 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 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 when due for collection in the period for which it is levied. An allowance for estimated uncollectible taxes has not been recorded since these 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.

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 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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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

The *Resource Conservation Fund* accounts for the County's recycling operations which are primarily funded by site collections and the sale of recyclables.

The *Housing Authority Fund* accounts for the County's housing assistance programs which are primarily funded through Housing and Urban Development and Rural Development contributions. Previous to 2003, the Housing Authority was not a part of Boulder County and reported its financial statements independently.

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 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***

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 Public Health, the Retirement Savings Trust, and the Housing Authority, 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

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 investment of each of the County's funds.

Restricted cash in the General Fund is composed of escrow funds which are restricted for various purposes. Restricted cash in the Social Services Fund is restricted for usage for various purposes under state statute. Restricted cash in the Open Space Capital Projects fund is composed of funds restricted for debt service expenditures. Restricted cash in the Housing Authority fund is composed of tenants' security deposits, escrow funds, and capital asset replacement project funds. 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 component unit represent funds received from other organizations or individuals to be used for specific purposes.

(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 the general public and nongovernmental entities for fees and permits, and charges for services.

(f) *Due from Other Governmental Units*

Due from other governmental units includes amounts due primarily from intergovernmental agreements for public safety, telecommunication, housing, and recycling and composting services provided within the community, as well as federal and state grantors for grant programs. Grant revenues received prior to meeting eligibility requirements 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

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 by GASB Statement No. 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 fixed 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.

Estimated useful lives for asset types are as follows:

Buildings	30 – 40 years
Equipment	3 – 11 years
Improvements	15 years
Infrastructure	50 years

(i) *Compensated Absences*

County policy for compensated absences allows employees to accumulate unused vacation and sick leave up to certain maximum hours. Employees are eligible for retirement at age 62 or older with 20 years of service. 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. Governmental fund expenditures 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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(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. All fund balances not specifically reserved for a particular purpose are considered undesignated, unreserved fund balances.

(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) Restricted and Unrestricted

Application of restricted and unrestricted resources is made on a case-by-case basis by management depending on overall program resources. Generally, management applies restricted resources then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

(2) 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 between \$6,494 to \$9,351 per month.

Boulder County entered into a contract with Stromquist Farms on August 19, 2003 for the purchase of real estate and associated water rights for \$1,112,912. At the time, Luther Stromquist, the Agricultural Resource Manager for Boulder County Parks and Open Space Department, was a general partner. In the transaction, Luther maintained ownership of the one-third of real estate that he owned through the partnership so that no portion of the sales proceeds went to him while the other general partners sold their portions to the County. In the contract, the County agreed to lease back the real estate acquired by the County to Luther Stromquist for agricultural purposes. Both of these transactions were valued at market rates and were consummated with terms equivalent to those that prevail in arm's-length transactions.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(3) Cash, Deposits, and Investments

(a) Deposits

At year-end, the carrying amount of the County's deposits was \$63,046,110 and the bank balance was \$66,505,732. Of the total bank balance, \$1,114,984 was covered by federal depository insurance and \$65,390,748 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 \$1,549,058 and the bank balance was \$2,034,006. Of the bank balance, \$200,000 was covered by federal depository insurance and \$1,834,006 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 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 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.

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 by the County's agent in the County 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's trust department or agent but not in the County's name.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

At December 31, 2003, the County's investment balances were as follows:

	Category			Fair value
	1	2	3	
U.S. government securities	\$ 6,739,756	—	—	6,739,756
Repurchase agreements	2,159,718	—	—	2,159,718
Guaranteed investment contract	23,852,785	—	—	23,852,785
Total categorized	\$ 32,752,259	—	—	32,752,259
Investments not categorized (investments are not evidenced by securities):				
Mutual funds				87,072,187
Total investments				\$ 119,824,446

A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2003 is as follows:

	Primary government	Component unit	Total
Governmental and business-type activities:			
Equity in treasurer's cash and cash equivalents and investments	\$ 82,043,568	1,303,033	83,346,601
Restricted cash and cash equivalents	6,440,576	246,025	6,686,601
Total governmental and business-type activities	88,484,144	1,549,058	90,033,202
Fiduciary:			
Cash and cash equivalents	5,987,298	—	5,987,298
Restricted cash and cash equivalents	1,326,927	—	1,326,927
Investments	87,072,187	—	87,072,187
Total fiduciary	94,386,412	—	94,386,412
Total	182,870,556	1,549,058	184,419,614
Less deposit balance	(63,046,110)	(1,549,058)	(64,595,168)
Total investments	\$ 119,824,446	—	119,824,446

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(4) Changes in Capital Assets

	Capital asset activity Year ended December 31, 2003					Ending balance December 31, 2003
	Beginning balance January 1, 2003	Beginning balance January 1, 2003 change in entity	Increases	Decreases	Transfers	
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 289,085,249	—	32,949,998	(2,378,987)	—	319,656,260
Land development rights and other	4,065,296	—	1,600,000	(650,000)	—	5,015,296
Construction in progress	4,177,346	—	6,116,779	—	(1,425,531)	8,868,594
Total capital assets not being depreciated	297,327,891	—	40,666,777	(3,028,987)	(1,425,531)	333,540,150
Capital assets being depreciated:						
Buildings and improvements	71,259,814	—	29,950	—	1,425,531	72,715,295
Equipment	26,455,694	—	3,888,249	(1,941,688)	—	28,402,255
Improvements other than buildings	124,517	—	751,713	—	—	876,230
Infrastructure	3,918,573	—	2,316,015	—	—	6,234,588
Total capital assets being depreciated	101,758,598	—	6,985,927	(1,941,688)	1,425,531	108,228,368
Less accumulated depreciation for:						
Buildings and improvements	(26,304,620)	—	(1,924,729)	—	—	(28,229,349)
Equipment	(19,365,855)	—	(2,337,404)	1,828,519	—	(19,874,740)
Improvements other than buildings	(8,488)	—	(18,149)	—	—	(26,637)
Infrastructure	(40,020)	—	(95,886)	—	—	(135,906)
Total accumulated depreciation	(45,718,983)	—	(4,376,168)	1,828,519	—	(48,266,632)
Total capital assets being depreciated	56,039,615	—	2,609,759	(113,169)	1,425,531	59,961,736
Governmental activities capital assets, net	\$ 353,367,506	—	43,276,536	(3,142,156)	—	393,501,886
Business-type activities:						
Capital assets not being depreciated:						
Land	\$ 882,782	4,384,789	100,000	—	—	5,367,571
Construction in progress	13,692	—	—	—	(13,692)	—
Total capital assets not being depreciated	896,474	4,384,789	100,000	—	(13,692)	5,367,571

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

Capital asset activity						
Year ended December 31, 2003						
	Beginning balance January 1, 2003	Beginning balance January 1, 2003 change in entity	Increases	Decreases	Transfers	Ending balance December 31, 2003
Capital assets being depreciated:						
Buildings and improvements	\$ 11,076,469	21,578,209	1,384,918	—	13,692	34,053,288
Equipment	2,845,567	440,646	22,539	(10,087)	—	3,298,665
Total capital assets being depreciated	<u>13,922,036</u>	<u>22,018,855</u>	<u>1,407,457</u>	<u>(10,087)</u>	<u>13,692</u>	<u>37,351,953</u>
Less accumulated depreciation for:						
Buildings and improvements	(415,368)	(3,286,233)	(804,506)	—	—	(4,506,107)
Equipment	(467,914)	(327,195)	(357,663)	10,087	—	(1,142,685)
Total accumulated depreciation	<u>(883,282)</u>	<u>(3,613,428)</u>	<u>(1,162,169)</u>	<u>10,087</u>	<u>—</u>	<u>(5,648,792)</u>
Total capital assets being depreciated	<u>13,038,754</u>	<u>18,405,427</u>	<u>245,288</u>	<u>—</u>	<u>13,692</u>	<u>31,703,161</u>
Business-type activities capital assets, net	<u>\$ 13,935,228</u>	<u>22,790,216</u>	<u>345,288</u>	<u>—</u>	<u>—</u>	<u>37,070,732</u>
Depreciation expense was charged to functions as follows:						
Governmental activities:						
General government	\$ 2,181,325					
Conservation	303,689					
Public safety	902,324					
Health and welfare	62,518					
Economic development	4,315					
Highways and streets	921,997					
Total governmental activities depreciation expense	<u>\$ 4,376,168</u>					
Business-type activities:						
Resource conservation	\$ 586,571					
Housing Authority	575,599					
Total business-type activities depreciation expense	<u>\$ 1,162,170</u>					

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

Capital asset activity						
Year ended December 31, 2003						
	Beginning balance January 1, 2003	Beginning balance January 1, 2003 change in entity	Increases	Decreases	Transfers	Ending balance December 31, 2003
Discretely presented component unit (Health Department):						
Other capital assets:						
Buildings and improvements \$	48,809	—	—	—	—	48,809
Equipment	103,041	—	79,230	(13,220)	—	169,051
Total other capital assets at historical cost	151,850	—	79,230	(13,220)	—	217,860
Less accumulated depreciation for: (note 2)						
Buildings and improvements	(16,732)	—	(3,254)	—	—	(19,986)
Equipment	(36,141)	—	(21,742)	13,220	—	(44,663)
Total accumulated depreciation	(52,873)	—	(24,996)	13,220	—	(64,649)
Other capital assets, net \$	98,977	—	54,234	—	—	153,211
Depreciation expense was charged to functions as follows:						
Component unit activities:						
Health Department \$	24,996					

(5) Lease Receivables – Governmental Activities

The County maintains approximately 152 agricultural leases on open space property as of year-end 2003. Approximately 44% of these leases are crop share and/or grazing leases. The rental income from these leases is based on a percentage of revenues derived from the crops grown on the land or from an “animal equivalent unit” rate for animals grazed on the land. As yields, weather, field conditions, and crop prices vary greatly from year to year, payments from these leases is not considered to be estimable.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

The remaining leases are for land and home/building rentals. In 2003, the Possessory Interest Tax approved in 2002 was implemented and administered by the County Assessor's Office. To minimize the ramifications on the County's agriculture tenants, current leases were amended to change those with three-year terms to one-year leases with two one-year options to renew. Consequently, compared to year-end 2002, future year expected revenue decreased. 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, 2003 are as follows:

	Lease revenue		
	Land	Home	Total
Years:			
2004	\$ 80,634	20,720	101,354
2005	59,478	4,820	64,298
2006	37,600	1,210	38,810
2007	6,478	1,210	7,688
2008	6,152	1,210	7,362
2009-2013	10,192	6,050	16,242
2014-2018	5,030	6,050	11,080
2019-2023	5,000	6,040	11,040

(6) Changes in Long-Term Obligations

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

	Balance at January 1, 2003	Additions	Reductions	Balance at December 31, 2003	Due in one year
Governmental activities:					
Claims payable	\$ 3,897,152	13,445,811	13,008,214	4,334,749	2,961,132
Bonds payable	188,020,000	—	7,680,000	180,340,000	9,015,000
Bond premium	1,061,301	—	63,996	997,305	63,996
Compensated absences	5,917,616	6,556,446	5,193,270	7,280,792	570,556
Total governmental activities	<u>198,896,069</u>	<u>20,002,257</u>	<u>25,945,480</u>	<u>192,952,846</u>	<u>12,610,684</u>
Business-type activities:					
Resource conservation					
Compensated absences	7,162	12,529	11,827	7,864	—
Housing Authority:					
Bonds payable	4,900,000	—	105,000	4,795,000	110,000
Notes and mortgages payable	9,326,474	2,325,534	1,507,504	10,144,504	3,256,287
Compensated absences	59,222	95,872	86,063	69,031	11,790
Total business-type activities	<u>14,292,858</u>	<u>2,433,935</u>	<u>1,710,394</u>	<u>15,016,399</u>	<u>3,378,077</u>
Total primary government	<u>213,188,927</u>	<u>22,436,192</u>	<u>27,655,874</u>	<u>207,969,245</u>	<u>15,988,761</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

	<u>Balance at January 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2003</u>	<u>Due in one year</u>
Component units:					
Public health					
Compensated absences	\$ 461,837	500,637	442,499	519,975	48,400
Total reporting entity	\$ <u>213,650,764</u>	<u>22,936,829</u>	<u>28,098,373</u>	<u>208,489,220</u>	<u>16,037,161</u>

(7) 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, 2003 is \$1,125,000.

(8) 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 semiannual 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. At December 31, 2003 the outstanding balance was \$2,937,865.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(9) Notes and Bonds Payable

(a) Governmental Activities

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

Description of bond issue	Beginning balance January 1, 2003	Bond issues 2003	Principal retired 2003	Ending balance December 31, 2003	Interest paid 2003
Capital Improvement Trust Series 1992	\$ 125,000	—	125,000	—	6,875
Open Space Sales and Use Tax Rev. Bonds, Series 1994 (see note below)	11,205,000	—	3,545,000	7,660,000	637,198
Gunbarrel General Improvement District General Obligation Bonds, Series 1994	1,185,000	—	375,000	810,000	65,215
Open Space Capital Improvement Trust Bonds, Series 1996	24,180,000	—	2,510,000	21,670,000	1,189,055
Open Space Capital Improvement Trust Bonds, Series 1998	31,950,000	—	1,125,000	30,825,000	1,580,790
Open Space Capital Improvement Trust Bonds, Series 2000A/2000B	38,575,000	—	—	38,575,000	2,200,025
Open Space Capital Improvement Trust Bonds, Series 2001	50,000,000	—	—	50,000,000	2,424,713
Open Space Capital Improvement Trust Bonds, Series 2002	<u>30,800,000</u>	<u>—</u>	<u>—</u>	<u>30,800,000</u>	<u>1,026,778</u>
Totals	<u>\$ 188,020,000</u>	<u>—</u>	<u>7,680,000</u>	<u>180,340,000</u>	<u>9,130,649</u>

Note: The ending balance due on the 1994 bonds on 12/31/99 was \$23,775,000. Due to a partial defeasance in February 2000, the balance before principal payments in FY 2000 was \$20,755,000. The \$3,000,000 difference is an amount held in escrow at Cherry Creek Bank. The detail listed above only reflects the County's payments, not payments out of escrow.

Note: The schedule on the following page 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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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
2009-2013	53,010,000	26,770,681	79,780,681
2014-2018	60,915,000	13,711,603	74,626,603
2019	14,135,000	751,900	14,886,900
Totals	\$ <u>180,340,000</u>	<u>81,637,128</u>	<u>261,977,128</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 and final payment was made in 2003. Interest at rates from 3.75% to 5.50% was payable semiannually. The bonds are fully matured.

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 .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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2004	\$ 3,720,000	440,450	4,160,450
2005	3,940,000	226,550	4,166,550
Totals	\$ <u>7,660,000</u>	<u>667,000</u>	<u>8,327,000</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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
2004	\$ 395,000	44,965	439,965
2005	415,000	23,240	438,240
Totals	\$ <u>810,000</u>	<u>68,205</u>	<u>878,205</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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	3,245,000	449,588	3,694,588
2009-2010	7,020,000	372,420	7,392,420
Totals	<u>\$ 21,670,000</u>	<u>4,206,516</u>	<u>25,876,516</u>

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 3.75% to 5.25% is payable semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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	7,250,000	754,200	8,004,200
2009	7,700,000	336,600	8,036,600
Totals	<u>\$ 30,825,000</u>	<u>6,610,280</u>	<u>37,435,280</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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	775,000	2,120,275	2,895,275
2009-2013	12,730,000	9,305,445	22,035,445
2014-2018	19,105,000	4,869,653	23,974,653
2019	4,515,000	270,900	4,785,900
Totals	<u>\$ 38,575,000</u>	<u>25,327,873</u>	<u>63,902,873</u>

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 .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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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	905,000	2,372,438	3,277,438
2009-2013	15,305,000	10,746,413	26,051,413
2014-2018	26,455,000	5,619,500	32,074,500
2019	6,105,000	305,250	6,410,250
Totals	<u>\$ 50,000,000</u>	<u>28,660,214</u>	<u>78,660,214</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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 .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 semiannually. Debt service to maturity is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31:			
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	120,000	1,322,388	1,442,388
2009-2013	10,255,000	6,009,800	16,264,800
2014-2018	15,355,000	3,222,450	18,577,450
2019	3,515,000	175,750	3,690,750
Totals	\$ <u>30,800,000</u>	<u>16,097,040</u>	<u>46,897,040</u>

In November 2003, voters approved \$4,215,000 in Offender Management Capital Improvement Trust Fund Bonds to be issued in 2004. Bond proceeds will be used for construction and equipment costs of a new addiction recovery center and expansion of the County's jail facility. The bonds are payable from revenue generated from the pledged 0.05% sales tax which will be imposed January 1, 2005. The bonds mature annually beginning in 2005 with final payment in 2016. Interest at rates from 2.25% to 3.50% is payable semiannually.

(b) Business-Type Activities

A summary of Boulder County Housing Authority's long-term debt for notes and mortgages payable for the year ended December 31, 2003 is as follows:

	<u>Beginning balance January 1, 2003</u>	<u>Issued 2003</u>	<u>Principal retired 2003</u>	<u>Ending balance December 31, 2003</u>
Prime Haven Rural Development	\$ 229,047	—	929	228,118
Powell – Compass	758,572	—	758,572	—
Powell – Horizon	—	1,394,907	—	1,394,907
Casa Vista Rural Development	30,797	—	1,262	29,535
Casa Vista – CHFA	55,100	—	3,520	51,580
Casa Esperanza Rural Development	345,193	—	12,891	332,302
Casa Esperanza Rural Development	75,614	—	2,824	72,790
Casa Esperanza – Compass	138,224	—	27,765	110,459
EG Property Community First	85,666	—	2,311	83,355
EG Property Community First	147,410	—	3,976	143,434

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

	Beginning balance January 1, 2003	Issued 2003	Principal retired 2003	Ending balance December 31, 2003
EG Property Tom Davidson	\$ 197,275	—	2,877	194,398
EG Property Mariposa Properties	216,000	—	—	216,000
EG Property FHLB Forgivable Loan	16,000	—	—	16,000
Mariposa Properties	136,000	—	—	136,000
Mariposa Properties	136,000	—	—	136,000
Mariposa Properties	136,000	—	—	136,000
Mariposa FHLB Forgivable Loan	40,000	—	3,333	36,667
Mariposa Community First	185,216	—	4,557	180,659
Mariposa Terry Anderson	220,000	—	—	220,000
Mariposa Terry Anderson	220,000	—	—	220,000
Mercy Wells Fargo	336,628	—	5,208	331,420
Mercy	200,000	—	—	200,000
Mercy FHLB Forgivable Loan	39,000	—	3,900	35,100
Mercy Wells Fargo	90,832	—	1,197	89,635
Meadows Compass	600,190	—	600,190	—
Meadows Horizon	—	611,093	—	611,093
Lafayette Affordable Wells Fargo	237,822	—	5,375	232,447
Lafayette Affordable FHLB Forgivable	16,000	—	—	16,000
Lafayette Affordable Community 1st	224,142	—	5,537	218,605
Lafayette Affordable Community 1st	223,201	—	6,021	217,180
Lafayette Affordable Community 1st	222,549	—	3,104	219,445
Lafayette Affordable Wells Fargo	201,627	—	3,854	197,773
Terry (Summer) Compass	505,065	—	10,000	495,065
Beaver Creek (Nederland) Jack Bloss	640,000	—	—	640,000
Beaver Creek (Nederland) Com 1st	52,464	—	2,990	49,474
503-515 Geneseo Westar	597,750	—	13,673	584,077
505 Geneseo Community 1st	—	319,533	—	319,533
517 Geneseo Community 1st	152,652	—	94	152,558
517 Geneseo Carlson	169,000	—	1,358	167,642
Longmont Village Community 1st	610,000	—	131	609,869
Longmont Village Community 1st	310,000	—	66	309,934
Longmont Village Community 1st	131,418	—	28	131,390
Longmont Village 11th Ave Invest	225,000	—	—	225,000
Eagle Place FHLB Forgivable Loan	40,000	—	4,000	36,000
Regal Ct 1 FHLB Forgivable Loan	110,000	—	10,000	100,000
Vehicles Wells Fargo	12,983	—	3,300	9,683
Vehicles Wells Fargo	10,038	—	2,661	7,377
Totals	\$ <u>9,326,475</u>	<u>2,325,533</u>	<u>1,507,504</u>	<u>10,144,504</u>

Interest paid on notes and mortgages payable by the Housing Authority totals \$623,531.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

Future principal and interest payments and maturities for the Authority's notes and mortgages payable subsequent to December 31, 2003 are as follows:

	<u>Principal</u>	<u>Interest</u>
2004	\$ 3,256,782	488,423
2005	1,117,978	341,656
2006	1,290,343	285,160
2007	1,903,674	174,728
2008	728,826	109,615
2009-2013	1,359,166	241,884
2014-2018	131,824	103,025
2019-2023	125,153	89,678
2024-2028	93,748	71,516
2029-2033	57,667	49,872
2034-2038	79,343	17,444
Total	\$ <u>10,144,504</u>	<u>1,973,001</u>

Future principal and interest payments and maturities for the Authority's bonds payable subsequent to December 31, 2003 are as follows:

	<u>Principal</u>	<u>Interest</u>
2004	\$ 110,000	221,399
2005	115,000	217,054
2006	120,000	212,454
2007	120,000	207,594
2008	125,000	202,614
2009-2013	725,000	926,429
2014-2018	905,000	745,319
2019-2023	1,140,000	508,723
2024-2028	1,435,000	210,900
Total	\$ <u>4,795,000</u>	<u>3,452,486</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(10) Interfund Transactions

(a) Due to/Due from

The County reports interfund balances between its funds. The nonmajor 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	\$ 300,524
	Open Space Capital Improvement	
	Bond Series 1994, 2000, and 2001	29,511
	Resource Conservation	18,007
	Housing Authority	983,089
	Internal Service Fund	881
	Agency Fund	434,935
	Social Services	457,658
		<u>2,224,605</u>
Open Space Capital Improvement	General Fund	20,452
	Nonmajor Governmental Funds	8,887
	Agency Fund	84,540
		<u>113,879</u>
Nonmajor Governmental Funds	General Fund	313,230
	Nonmajor Governmental Funds	31,170
	Internal Service Fund	1,060
	Agency Fund	48,300
	Social Services	89,549
		<u>483,309</u>
Resource Conservation	General Fund	<u>2,175</u>
Internal Service	General Fund	8,255
	Social Services	124,505
	Nonmajor Governmental Funds	24,269
		<u>157,029</u>
Total		<u>\$ 2,980,997</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(b) Transfers

Transfers are used to move revenues, capital projects, debt service, and subsidies of 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	Resource Conservation	\$ 15,875
	Housing Authority	468,000
	Nonmajor Funds	9,915,056
		<u>10,398,931</u>
Social Services	General Fund	148,915
Open Space Capital Improvement Bond Series 1994, 2000, and 2001	Nonmajor Governmental Funds	<u>2,705,940</u>
Nonmajor Governmental Funds	General Fund	953,821
	Social Services	1,256,402
	Open Space Capital Improvement Bond Series 1994, 2000, and 2001	10,616
	Nonmajor Funds	<u>432,978</u>
		<u>2,653,817</u>
Total		<u>\$ 15,907,603</u>

(c) Due from Component Unit

Due from Public Health, the discretely presented component unit, totals \$169,903 on the government-wide statement of net assets, while Public Health reports due to primary government of \$21,039. The balance of \$148,864 represents payments in transit from Public Health to County at December 31, 2003.

(11) 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, 2003, the balance in the Emergency Reserve in the Special Revenue Contingency Fund was \$2,706,085 and in the General Fund was \$456,957, both for the primary government and \$35,555 for the component units. 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

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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.

(12) 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 outstanding and five series of Single Family Mortgage Revenue Bonds. The aggregate principal amount payable for the six series of Industrial Revenue Bonds (IRB) 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 \$381,627,802. The aggregate principal amount payable for Mortgage Revenue Bonds series issued after January 1, 1996 is \$30,299,000.

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 semiannually. Boulder County has called in \$79,000 in bonds. Principal debt service to maturity is \$26,000.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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

(13) 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 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 \$12,000, 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 \$87,741,884 is reserved for future retirement benefits. The County's payroll for the year ended December 31, 2003 for all employees was \$77,386,168. Payroll for employees covered by BCRSP was \$69,117,052. The County's contribution, net of forfeitures, was \$4,102,206 and covered employees' voluntary contributions were \$4,162,354 for 2003.

Amendment to Pension Plan

The County has the right to amend the participant's Plan at any time. Any such amendment shall be adopted by formal action of the County Board of Retirement and board of county commissioners. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries; or cause any reduction in the amount credited to the participant's account.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(14) Risk Management

The County, including its component units, is self-insured for risks associated with workers' compensation. The County, including its component units but excluding the Housing Authority, is self-insured for risks associated with 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 disaster. The total liability for the primary government as well as the component units is recorded in the Risk Management Internal Service Fund. The Housing Authority Enterprise Fund carries commercial insurance for the risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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 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, 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 pay-outs, and other economic and social factors.

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

	<u>2003</u>	<u>2002</u>
Unpaid claims, beginning of year	\$ 3,897,152	4,282,677
Incurred claims (including IBNRs)	13,445,811	10,588,397
Claim payments	<u>(13,008,214)</u>	<u>(10,973,922)</u>
Unpaid claims, end of year	<u>\$ 4,334,749</u>	<u>3,897,152</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.

(15) 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.

(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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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. Cleanup of the contamination on the site may be required by the EPA pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Any liability beyond a de minimis landowner settlement negotiated with the EPA would be aggressively litigated.

(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 Dowe Flats property</u>
Total acreage	237.32	2,006.43	250.08	1,604.00
Number of parcels	10	1	2	2
Total options	\$ 1,048,388	2,415,927	4,151,250	7,000,000
Options exercised through December 31, 2003	<u>908,388</u>	<u>876,107</u>	<u>3,602,250</u>	<u>750,000</u>
Remaining options	<u><u>\$ 140,000</u></u>	<u><u>1,539,820</u></u>	<u><u>549,000</u></u>	<u><u>6,250,000</u></u>
	<u>Billings property</u>	<u>Peck property</u>	<u>Almquist property</u>	<u>Caribou Ranch property 1</u>
Total acreage	326.32	45.29	219.10	2,640.00
Number of parcels	8	2	11	5
Total options	\$ 1,123,017	611,927	891,793	14,887,727
Options exercised through December 31, 2003	<u>608,668</u>	<u>228,357</u>	<u>600,089</u>	<u>12,779,838</u>
Remaining options	<u><u>\$ 514,349</u></u>	<u><u>383,570</u></u>	<u><u>291,704</u></u>	<u><u>2,107,889</u></u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

	<u>Macy property</u>	<u>Tveten property</u>	<u>Golden Fredstrom property</u>	<u>Meglemre property</u>
Total acreage	175.00	624.00	147.00	145.63
Number of parcels	6	6	1	3
Total options	\$ 2,002,000	1,766,239	1,000,000	1,462,199
Options exercised through December 31, 2003	<u>646,800</u>	<u>1,766,239</u>	<u>200,000</u>	<u>974,795</u>
Remaining options	\$ <u>1,355,200</u>	<u>—</u>	<u>800,000</u>	<u>487,404</u>

	<u>Cline property</u>	<u>Cal-Wood property</u>	<u>Stromquist Farms property</u>
Total acreage	179.25	974.00	222.58
Number of parcels	1	3	2
Total options	\$ 1,050,000	1,600,000	1,112,911
Options exercised through December 31, 2003	<u>60,000</u>	<u>790,000</u>	<u>390,577</u>
Remaining options	\$ <u>990,000</u>	<u>810,000</u>	<u>722,334</u>

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

(d) Legal Debt Margin

Per Colorado Revised Statutes 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 2003 as of December 31, 2003 was \$70,615,102. The County does not currently have debt subject to this limitation.

(e) Construction Contracts

The County has construction commitments outstanding of approximately \$946,000 with various contractors at December 31, 2003.

(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.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(16) 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 mil 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 11 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 exceeded its revenue and spending limits for 2003. In any year when the limits are exceeded, the excess will be handled in accordance with the provisions of the Amendment. In 2003, the County recorded a liability of \$2,550,947 for the excess and reduced property tax revenue accordingly.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

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

Program	(A)	(B)	(C)	(D)	(E)
	County EBT Authorizations	County Share of Authorizations	Expenditures by County Warrant	County EBT Authorizations plus Expenditures by County Warrant (A + C)	Total expenditures (B + C)
Old Age Pension	\$ 2,397,988	11,474	—	2,397,988	11,474
Low income energy assistance program	605,699	—	—	605,699	—
Temporary assistance for needy families	2,017,737	610,917	201,059	2,218,796	811,976
Regular administration	3,000	—	15,113,295	15,116,295	15,113,295
CWEST/Child welfare	3,989,937	636,484	428,879	4,418,816	1,065,363
Core services	—	—	1,116,479	1,116,479	1,116,479
Aid to the needy disabled	774,843	76,017	—	774,843	76,017
IV-D administration	—	—	1,181,636	1,181,636	1,181,636
CHATS/Child care	3,560,881	343,030	—	3,560,881	343,030
Medicaid transportation	—	—	—	—	—
Aid to the blind	—	—	—	—	—
General assistance	—	—	43,114	43,114	43,114
Miscellaneous	—	—	—	—	—
Subtotal	<u>13,350,085</u>	<u>1,677,922</u>	<u>18,084,462</u>	<u>31,434,547</u>	<u>19,762,384</u>
Food assistance	<u>7,119,682</u>	<u>—</u>	<u>—</u>	<u>7,119,682</u>	<u>—</u>
Grand Total	<u>\$ 20,469,767</u>	<u>1,677,922</u>	<u>18,084,462</u>	<u>38,554,229</u>	<u>19,762,384</u>

- A. Welfare payments authorized by the Boulder County Dept 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 – State of Revenues, Expenditures, and Changes in Fund Balance.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2003

(18) Subsequent Events

(a) *Bond Issuance*

In March 2004, the County issued \$4,215,000 in Offender Management Capital Improvement Trust Fund Bonds, Series 2004. The bond proceeds will be used to fund the construction and equipment costs for the Boulder County jail expansion and the new addiction recovery center. The bonds are payable from revenue generated from the pledged .05% sales tax which will be imposed January 1, 2005. The bonds mature annually beginning in 2005 with final payment in 2016. Interest at rates from 2.25% to 3.50% is payable semiannually.

(b) *Retirement Plan Change*

At a public meeting on December 18, 2003, the board of county commissioners signed resolution # 2003-156 authorizing the County of Boulder to apply for affiliation with the Colorado Public Employees Retirement Association. The County withdrew from the BCRSP to Colorado PERA on April 1, 2004

REQUIRED SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year ended December 31, 2003

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Favorable (unfavorable) variance</u>
Revenues:				
Taxes:				
Property	\$ 69,419,047	69,432,798	67,712,797	(1,720,001)
Specific ownership	3,289,660	2,631,718	2,619,335	(12,383)
Total	<u>72,708,707</u>	<u>72,064,516</u>	<u>70,332,132</u>	<u>(1,732,384)</u>
Licenses, fees, and permits:				
Business	7,000	6,412	7,545	1,133
Nonbusiness	665,300	539,790	571,193	31,403
Total	<u>672,300</u>	<u>546,202</u>	<u>578,738</u>	<u>32,536</u>
Interest on investments	<u>2,500,000</u>	<u>1,000,000</u>	<u>884,673</u>	<u>(115,327)</u>
Intergovernmental:				
Federal grants	71,960	—	—	—
Federal shared revenue	220,000	128,200	151,569	23,369
State grants	2,400	—	954	954
State shared revenue	173,905	143,649	200,382	56,733
Other governmental units	3,432,753	4,229,003	3,350,437	(878,566)
Total	<u>3,901,018</u>	<u>4,500,852</u>	<u>3,703,342</u>	<u>(797,510)</u>
Charges for services:				
Motor vehicle fees – clerk	2,200,000	1,986,212	1,975,416	(10,796)
Recording fees – clerk	3,381,200	4,684,067	4,600,261	(83,806)
Treasurer fees	1,400,000	1,500,000	1,502,864	2,864
Other fees	1,950,666	1,949,047	1,981,713	32,666
Telecommunications	641,708	531,454	618,958	87,504
Parks charges	200,000	222,272	208,880	(13,392)
Sheriff charges	1,345,640	1,433,905	1,499,868	65,963
Miscellaneous	331,440	363,288	414,303	51,015
Total	<u>11,450,654</u>	<u>12,670,245</u>	<u>12,802,263</u>	<u>132,018</u>
Fines and forfeitures	<u>321,160</u>	<u>312,604</u>	<u>317,210</u>	<u>4,606</u>
Other revenue:				
Building rental	768,647	698,908	686,759	(12,149)
Open Space rental	250,000	250,000	707,876	457,876
Grant revenue – other	—	16,800	16,800	—
Miscellaneous	216,860	328,852	327,864	(988)
Total	<u>1,235,507</u>	<u>1,294,560</u>	<u>1,739,299</u>	<u>444,739</u>
Total revenues	<u>92,789,346</u>	<u>92,388,979</u>	<u>90,357,657</u>	<u>(2,031,322)</u>

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year ended December 31, 2003

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Favorable (unfavorable) variance</u>
Expenditures:				
General government:				
Administrative services:				
Personnel services	\$ 6,778,183	6,890,590	6,890,216	374
Operating	2,494,733	2,509,733	2,485,513	24,220
Organizational administration:				
Combined	10,096,140	10,135,225	9,397,940	737,285
Assessor:				
Personnel services	2,250,152	2,250,152	2,249,812	340
Operating	247,826	250,826	243,955	6,871
Building utilities:				
Operating	1,127,971	1,142,322	1,132,203	10,119
County Attorney:				
Personnel services	1,578,648	1,581,709	1,579,627	2,082
Operating	195,241	273,760	250,706	23,054
County commissioners:				
Personnel services	1,111,299	1,111,299	1,110,979	320
Operating	156,224	215,224	204,358	10,866
County Surveyor:				
Operating	2,000	2,000	2,000	—
Clerk and Recorder:				
Personnel services	2,699,768	2,597,049	2,597,048	1
Operating	472,901	812,272	769,173	43,099
General administration:				
Operating	13,725,930	13,990,836	7,980,877	6,009,959
Land use:				
Personnel services	2,073,588	2,092,588	2,092,210	378
Operating	751,042	795,624	707,742	87,882
Telecommunications:				
Personnel services	297,602	297,602	297,557	45
Operating	821,429	821,429	758,788	62,641
Treasurer:				
Personnel services	571,197	571,197	561,534	9,663
Operating	149,858	181,358	169,211	12,147
District Attorney:				
Personnel services	3,266,143	3,274,143	3,274,012	131
Operating	218,495	222,495	203,938	18,557
Total	<u>51,086,370</u>	<u>52,019,433</u>	<u>44,959,399</u>	<u>7,060,034</u>
Conservation:				
Parks and open space:				
Personnel services	3,588,835	3,588,835	3,588,382	453
Operating	3,879,764	5,287,521	4,235,766	1,051,755
Coal Creek/Rock Creek:				
Operating	44,050	406,386	263,693	142,693
Total	<u>7,512,649</u>	<u>9,282,742</u>	<u>8,087,841</u>	<u>1,194,901</u>
Urban Redevelopment/Housing:				
Housing management:				
Personnel services	1,461,393	1,461,393	—	1,461,393
Operating	38,513	38,513	—	38,513
Total	<u>1,499,906</u>	<u>1,499,906</u>	<u>—</u>	<u>1,499,906</u>

BOULDER COUNTY, COLORADO

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year ended December 31, 2003

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Favorable (unfavorable) variance</u>
Public safety:				
Community services:	\$			
Personnel services	3,634,632	3,641,232	3,632,830	8,402
Operating	710,411	1,127,317	531,004	596,313
County Coroner:				
Personnel services	292,675	304,675	298,221	6,454
Operating	259,927	247,927	209,636	38,291
Sheriff:				
Personnel services	15,236,186	15,333,076	15,325,150	7,926
Operating	2,962,219	3,314,521	3,210,355	104,166
Sheriff – communication center:				
Personnel services	1,745,265	1,745,549	1,744,334	1,215
Operating	313,296	313,404	208,935	104,469
Total	<u>25,154,611</u>	<u>26,027,701</u>	<u>25,160,465</u>	<u>867,236</u>
Economic development:				
Nonprofit payments:				
Operating	2,500,118	2,500,118	2,500,118	—
Highways and streets:				
Transportation:				
Personnel services	969,026	969,026	961,992	7,034
Operating	105,236	257,799	130,410	127,389
Total	<u>1,074,262</u>	<u>1,226,825</u>	<u>1,092,402</u>	<u>134,423</u>
Total expenditures	<u>88,827,916</u>	<u>92,556,725</u>	<u>81,800,225</u>	<u>10,756,500</u>
Excess (deficiency) of revenues over expenditures	<u>3,961,430</u>	<u>(167,746)</u>	<u>8,557,432</u>	<u>(8,725,178)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	63,500	277,235	1,998,424	1,721,189
Transfers in	666,925	953,006	1,102,736	149,730
Transfers out	(9,555,038)	(9,555,038)	(10,398,931)	(843,893)
Payments to component unit	—	(59,320)	(4,565,386)	(4,506,066)
Total other financing uses	<u>(8,824,613)</u>	<u>(8,384,117)</u>	<u>(11,863,157)</u>	<u>(3,479,040)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,863,183)</u>	<u>(8,551,863)</u>	<u>(3,305,725)</u>	<u>(5,246,138)</u>
Fund balance, beginning of year			<u>26,627,514</u>	
Fund balance, end of year			<u>\$ 23,321,789</u>	

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

Required Supplementary Information
Special Revenue – Social Services Fund
Budgetary Comparison Schedule

Year ended December 31, 2003

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Favorable (unfavorable) variance</u>
Revenue:				
Taxes:				
Property	\$ 4,554,417	4,554,417	4,460,332	(94,085)
Specific ownership	419,660	419,660	369,974	(49,686)
Total	<u>4,974,077</u>	<u>4,974,077</u>	<u>4,830,306</u>	<u>(143,771)</u>
Intergovernmental	13,069,892	13,069,892	16,192,404	3,122,512
Miscellaneous	7,454	7,454	156,612	149,158
Total revenue	<u>18,051,423</u>	<u>18,051,423</u>	<u>21,179,322</u>	<u>3,127,899</u>
Expenditures:				
Health and welfare:				
Administration salaries, supplies, and other	<u>16,822,589</u>	<u>16,822,589</u>	<u>16,294,931</u>	<u>527,658</u>
Direct assistance:				
Aid to blind	536	536	—	536
Aid to needy disabled	186,880	186,880	76,017	110,863
Core services	1,395,307	1,395,307	1,116,479	278,828
Child welfare	1,170,821	1,170,821	1,065,363	105,458
Day care payments	391,116	391,116	343,030	48,086
General assistance	23,480	23,480	43,114	(19,634)
Old age pensions	23,919	23,919	11,474	12,445
TANF/Colorado Works	<u>500,963</u>	<u>500,963</u>	<u>811,976</u>	<u>(311,013)</u>
Total direct assistance	<u>3,693,022</u>	<u>3,693,022</u>	<u>3,467,453</u>	<u>225,569</u>
Total expenditures	<u>20,515,611</u>	<u>20,515,611</u>	<u>19,762,384</u>	<u>753,227</u>
Excess (deficiency) of revenue over expenditures	<u>(2,464,188)</u>	<u>(2,464,188)</u>	<u>1,416,938</u>	<u>3,881,126</u>
Other financing sources (uses):				
Transfers in	—	—	1,256,402	1,256,402
Transfers out	<u>—</u>	<u>(148,915)</u>	<u>(148,915)</u>	<u>—</u>
Total other financing sources (uses)	<u>—</u>	<u>(148,915)</u>	<u>1,107,487</u>	<u>1,256,402</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (2,464,188)</u>	<u>(2,613,103)</u>	<u>2,524,425</u>	<u>5,137,528</u>
Fund balance, beginning of year			<u>3,058,817</u>	
Fund balance, end of year			<u>\$ 5,583,242</u>	

See accompanying independent auditors' report.

BOULDER COUNTY, COLORADO

Notes to Required Supplementary Information

December 31, 2003

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 Funds.
- (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 mil levy is required in excess of the mil 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, appropriating the budget, and setting the mil levies on or before December 15, per Statute 39-1-111, CRS, after which a budgetary report is published.
- (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, without 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) All appropriations lapse at each year-end.

SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds – Special Revenue Funds

December 31, 2003

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 maintain a Contingency Fund. This fund accounts for monies the county would use to cover contingencies or emergencies, as defined in State statutes.

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 financial resources used by the Boulder Fire Training Board in the construction of training facilities.

Health and Human Services 2002

This fund accounts for financial resources used by Boulder County human services agencies which have had a reduction in funding due to state budgetary limitations.

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds –
Special Revenue Funds

December 31, 2003

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 financial resources used to provide human services funding to various nonprofit agencies.

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds – Capital Projects Funds

December 31, 2003

Capital Project 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 purposes of constructing certain public improvements to be located within the district.

Open Space Capital Improvement Trust 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.

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2003

Assets	Special revenue	Capital projects	Total
Equity in treasurer's cash and investments	\$ 25,492,133	10,012,151	35,504,284
Restricted cash	269,522	—	269,522
Property taxes receivable	13,275,301	6,249,187	19,524,488
Due from other governmental units	3,196,348	3,449	3,199,797
Due from component unit	63,294	1,033	64,327
Interest receivable	31,282	309	31,591
County goods and services receivable	403,326	3,803	407,129
Due from other funds	478,527	4,782	483,309
Prepaid items	11,169	—	11,169
Inventory	39,569	—	39,569
Total assets	<u>\$ 43,260,471</u>	<u>16,274,714</u>	<u>59,535,185</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 1,471,064	1,087,200	2,558,264
Due to other funds	313,511	51,339	364,850
Deferred revenue	13,645,887	6,249,578	19,895,465
Due to other governmental units	250,908	—	250,908
Accrued liabilities	66,431	38,676	105,107
TABOR liability	124,963	113,406	238,369
Other liabilities	921	192	1,113
Total liabilities	<u>15,873,685</u>	<u>7,540,391</u>	<u>23,414,076</u>
Fund balance:			
Reserved for emergencies	2,706,085	—	2,706,085
Reserved for prepaid items and inventory	50,738	—	50,738
Reserved for debt service	—	90,000	90,000
Reserved for escrow fees	280,163	—	280,163
Reserved for capital transactions	—	—	—
Unreserved – undesignated:			
Special revenue	24,349,800	—	24,349,800
Capital projects	—	8,644,323	8,644,323
Total fund balance	<u>27,386,786</u>	<u>8,734,323</u>	<u>36,121,109</u>
Total liabilities and fund balance	<u>\$ 43,260,471</u>	<u>16,274,714</u>	<u>59,535,185</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, 2003

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Total</u>
Revenues:			
Taxes	\$ 22,961,907	4,692,509	27,654,416
Licenses, fees, and permits	23,242	—	23,242
Interest on investments	296,719	6,224	302,943
Intergovernmental	16,570,681	9,690	16,580,371
Charges for services	275,548	—	275,548
Other revenue	6,223,579	492,361	6,715,940
Total revenues	<u>46,351,676</u>	<u>5,200,784</u>	<u>51,552,460</u>
Expenditures:			
Current:			
General government	8,630,375	8,740,684	17,371,059
Conservation	990,621	300,000	1,290,621
Public safety	3,874,024	—	3,874,024
Health and welfare	11,639,308	—	11,639,308
Economic development	5,595,143	—	5,595,143
Highways and streets	10,094,565	—	10,094,565
Intergovernmental	786,826	—	786,826
Debt service:			
Principal	—	4,135,000	4,135,000
Interest and fiscal charges	—	2,842,885	2,842,885
Total expenditures	<u>41,610,862</u>	<u>16,018,569</u>	<u>57,629,431</u>
Excess (deficiency) of revenues over expenditures	4,740,814	(10,817,785)	(6,076,971)
Other financing sources (uses):			
Sale of capital assets	486,255	—	486,255
Transfers in	606,099	12,447,875	13,053,974
Transfers out	(2,653,817)	—	(2,653,817)
Total other financing sources (uses)	<u>(1,561,463)</u>	<u>12,447,875</u>	<u>10,886,412</u>
Net change in fund balance	3,179,351	1,630,090	4,809,441
Fund balance, January 1	<u>24,207,435</u>	<u>7,104,233</u>	<u>31,311,668</u>
Fund balance, December 31	<u>\$ 27,386,786</u>	<u>8,734,323</u>	<u>36,121,109</u>

See accompanying independent auditors' report.

THIS PAGE INTENTIONALLY LEFT BLANK

BOULDER COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds
December 31, 2003

Assets	Road and bridge	Recycling capital improvement	Contingency	Developmental disabilities	Emergency rescue services
Equity in pooled cash and investments	\$ 6,484,208	8,070,125	2,706,085	120,955	1,216,786
Restricted cash	18,614	—	—	—	—
Property taxes receivable	980,104	—	—	4,715,125	—
Due from other governmental units	1,444,508	—	—	—	—
Due from component unit	36	—	—	—	—
Interest receivable	9,512	11,776	—	—	1,775
County goods and services receivable	367,145	—	—	—	—
Due from other funds	280,741	10,579	—	—	1,602
Prepaid expenditures	5,700	—	—	—	—
Inventory	39,569	—	—	—	—
Total assets	<u>\$ 9,630,137</u>	<u>8,092,480</u>	<u>2,706,085</u>	<u>4,836,080</u>	<u>1,220,163</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 294,800	—	—	—	58,782
Due to other funds	12,449	—	—	—	—
Deferred revenue	1,351,816	—	—	4,714,565	—
Due to other governmental units	—	—	—	—	—
Accrued liabilities	60,701	—	—	—	—
TABOR liability	55,116	—	—	—	—
Other liabilities	211	—	—	—	—
Total liabilities	<u>1,775,093</u>	<u>—</u>	<u>—</u>	<u>4,714,565</u>	<u>58,782</u>
Fund balance:					
Reserved for emergencies	—	—	2,706,085	—	—
Reserved for inventory and prepaid expenditures	45,269	—	—	—	—
Reserved for escrow fees	229,652	—	—	—	—
Unreserved – undesignated:					
Special revenue	7,580,123	8,092,480	—	121,515	1,161,381
Total fund balance	<u>7,855,044</u>	<u>8,092,480</u>	<u>2,706,085</u>	<u>121,515</u>	<u>1,161,381</u>
Total liabilities and fund balance	<u>\$ 9,630,137</u>	<u>8,092,480</u>	<u>2,706,085</u>	<u>4,836,080</u>	<u>1,220,163</u>

See accompanying independent auditors' report.

Grants	Fire training	Health and human services 2002	Retirement	Conservation trust	Worthy cause tax	Nonmajor special revenue funds
—	3,249,691	440,534	820,137	2,224,188	159,424	25,492,133
250,908	—	—	—	—	—	269,522
—	—	3,267,583	4,312,489	—	—	13,275,301
1,196,392	277,724	—	—	—	277,724	3,196,348
—	—	—	63,258	—	—	63,294
—	4,742	—	—	3,244	233	31,282
3,801	13	—	32,353	—	14	403,326
52,743	16,241	—	101,506	2,843	12,272	478,527
5,469	—	—	—	—	—	11,169
—	—	—	—	—	—	39,569
<u>1,509,313</u>	<u>3,548,411</u>	<u>3,708,117</u>	<u>5,329,743</u>	<u>2,230,275</u>	<u>449,667</u>	<u>43,260,471</u>
414,901	11	44	685,015	—	17,511	1,471,064
301,062	—	—	—	—	—	313,511
—	—	3,267,102	4,312,404	—	—	13,645,887
250,908	—	—	—	—	—	250,908
4,042	—	1,688	—	—	—	66,431
—	—	—	69,847	—	—	124,963
710	—	—	—	—	—	921
<u>971,623</u>	<u>11</u>	<u>3,268,834</u>	<u>5,067,266</u>	<u>—</u>	<u>17,511</u>	<u>15,873,685</u>
—	—	—	—	—	—	2,706,085
5,469	—	—	—	—	—	50,738
50,511	—	—	—	—	—	280,163
<u>481,710</u>	<u>3,548,400</u>	<u>439,283</u>	<u>262,477</u>	<u>2,230,275</u>	<u>432,156</u>	<u>24,349,800</u>
<u>537,690</u>	<u>3,548,400</u>	<u>439,283</u>	<u>262,477</u>	<u>2,230,275</u>	<u>432,156</u>	<u>27,386,786</u>
<u>1,509,313</u>	<u>3,548,411</u>	<u>3,708,117</u>	<u>5,329,743</u>	<u>2,230,275</u>	<u>449,667</u>	<u>43,260,471</u>

BOULDER COUNTY

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

Nonmajor Governmental Funds – Special Revenue Funds

Year ended December 31, 2003

	Road and bridge	Recycling capital improvement	Contingency	Developmental disabilities	Emergency rescue services
Revenues:					
Taxes	\$ 8,997,863	—	—	4,511,318	—
Licenses, fees, and permits	23,242	—	—	—	—
Interest on investments	98,298	111,330	—	—	18,111
Intergovernmental	5,233,706	—	—	1,698	—
Charges for services	260,821	—	—	—	—
Other revenue	52,894	—	—	—	—
Total revenues	<u>14,666,824</u>	<u>111,330</u>	<u>—</u>	<u>4,513,016</u>	<u>18,111</u>
Expenditures:					
Current:					
General government	—	—	—	—	—
Conservation	—	—	—	—	—
Public safety	—	—	—	—	1,372,082
Health and welfare	—	—	—	4,400,000	—
Economic development	—	—	—	—	—
Highways and streets	10,094,565	—	—	—	—
Intergovernmental	786,826	—	—	—	—
Total expenditures	<u>10,881,391</u>	<u>—</u>	<u>—</u>	<u>4,400,000</u>	<u>1,372,082</u>
Excess (deficiency) of revenues over expenditures	<u>3,785,433</u>	<u>111,330</u>	<u>—</u>	<u>113,016</u>	<u>(1,353,971)</u>
Other financing sources (uses):					
Sale of capital assets	55,626	—	—	—	—
Transfers in	39,561	—	—	—	—
Transfers out	(37,363)	—	—	—	—
Total other financing sources (uses)	<u>57,824</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>3,843,257</u>	<u>111,330</u>	<u>—</u>	<u>113,016</u>	<u>(1,353,971)</u>
Fund balance, January 1	4,011,787	7,981,150	2,706,085	8,499	2,515,352
Fund balance, December 31	<u>\$ 7,855,044</u>	<u>8,092,480</u>	<u>2,706,085</u>	<u>121,515</u>	<u>1,161,381</u>

See accompanying independent auditors' report.

Grants	Fire training	Health and human services 2002	Retirement	Conservation trust	Worthy cause tax	Nonmajor special revenue funds
—	1,734,188	3,376,726	2,607,624	—	1,734,188	22,961,907
—	—	—	—	—	—	23,242
—	38,378	—	—	26,218	4,384	296,719
10,622,115	—	953	934	711,275	—	16,570,681
14,727	—	—	—	—	—	275,548
615,234	—	—	5,555,451	—	—	6,223,579
<u>11,252,076</u>	<u>1,772,566</u>	<u>3,377,679</u>	<u>8,164,009</u>	<u>737,493</u>	<u>1,738,572</u>	<u>46,351,676</u>
398,386	—	—	8,231,989	—	—	8,630,375
31,076	—	—	—	959,545	—	990,621
2,501,942	—	—	—	—	—	3,874,024
2,607,687	—	1,666,333	—	—	2,965,288	11,639,308
5,595,143	—	—	—	—	—	5,595,143
—	—	—	—	—	—	10,094,565
—	—	—	—	—	—	786,826
<u>11,134,234</u>	<u>—</u>	<u>1,666,333</u>	<u>8,231,989</u>	<u>959,545</u>	<u>2,965,288</u>	<u>41,610,862</u>
117,842	1,772,566	1,711,346	(67,980)	(222,052)	(1,226,716)	4,740,814
4,742	—	—	—	425,887	—	486,255
205,564	—	—	—	360,974	—	606,099
<u>(1,344,391)</u>	<u>—</u>	<u>(1,272,063)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,653,817)</u>
<u>(1,134,085)</u>	<u>—</u>	<u>(1,272,063)</u>	<u>—</u>	<u>786,861</u>	<u>—</u>	<u>(1,561,463)</u>
(1,016,243)	1,772,566	439,283	(67,980)	564,809	(1,226,716)	3,179,351
1,553,933	1,775,834	—	330,457	1,665,466	1,658,872	24,207,435
<u>537,690</u>	<u>3,548,400</u>	<u>439,283</u>	<u>262,477</u>	<u>2,230,275</u>	<u>432,156</u>	<u>27,386,786</u>

BOULDER COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds – Capital Projects Funds
December 31, 2003

Assets	Capital projects	Capital improvement trust fund (roads)	Gunbarrel general improvement district	Open space capital improvement fund, bond series 1996	Nonmajor capital projects funds
Equity in treasurer's cash and investments	\$ 9,783,510	16,546	212,045	50	10,012,151
Property taxes receivable	6,249,187	—	—	—	6,249,187
Due from other governmental units	1,229	—	2,220	—	3,449
Due from component unit	1,033	—	—	—	1,033
Interest receivable	—	—	309	—	309
County goods and services receivable	3,803	—	—	—	3,803
Due from other funds	4,509	—	273	—	4,782
Total assets	<u>\$ 16,043,271</u>	<u>16,546</u>	<u>214,847</u>	<u>50</u>	<u>16,274,714</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 1,087,150	—	—	50	1,087,200
Due to other funds	34,793	16,546	—	—	51,339
Deferred revenue	6,249,578	—	—	—	6,249,578
Accrued liabilities	38,676	—	—	—	38,676
TABOR liability	113,406	—	—	—	113,406
Other liabilities	192	—	—	—	192
Total liabilities	<u>7,523,795</u>	<u>16,546</u>	<u>—</u>	<u>50</u>	<u>7,540,391</u>
Fund balance:					
Reserved for debt service	—	90,000	—	—	90,000
Undesignated:					
Capital projects	8,519,476	(90,000)	214,847	—	8,644,323
Total fund balance	<u>8,519,476</u>	<u>—</u>	<u>214,847</u>	<u>—</u>	<u>8,734,323</u>
Total liabilities and fund balance	<u>\$ 16,043,271</u>	<u>16,546</u>	<u>214,847</u>	<u>50</u>	<u>16,274,714</u>

See accompanying independent auditors' report.

BOULDER COUNTY

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

Nonmajor Governmental Funds – Capital Projects Funds

Year ended December 31, 2003

	Capital projects	Capital improvement trust fund (roads)	Gunbarrel general improvement district	Open space capital improvement fund, bond series 1996	Nonmajor capital projects funds
Revenues:					
Taxes	\$ 4,267,736	—	424,773	—	4,692,509
Interest on investments	85	1,000	5,139	—	6,224
Intergovernmental	9,690	—	—	—	9,690
Other revenue	492,361	—	—	—	492,361
Total revenues	<u>4,769,872</u>	<u>1,000</u>	<u>429,912</u>	<u>—</u>	<u>5,200,784</u>
Expenditures:					
Current:					
General government	8,740,684	—	—	—	8,740,684
Conservation	—	—	300,000	—	300,000
Debt service:					
Principal	—	125,000	375,000	3,635,000	4,135,000
Interest and fiscal charges	—	7,175	65,615	2,770,095	2,842,885
Total expenditures	<u>8,740,684</u>	<u>132,175</u>	<u>740,615</u>	<u>6,405,095</u>	<u>16,018,569</u>
Deficiency of revenues over expenditures	<u>(3,970,812)</u>	<u>(131,175)</u>	<u>(310,703)</u>	<u>(6,405,095)</u>	<u>(10,817,785)</u>
Other financing sources:					
Transfers in	6,017,791	24,989	—	6,405,095	12,447,875
Total other financing sources	<u>6,017,791</u>	<u>24,989</u>	<u>—</u>	<u>6,405,095</u>	<u>12,447,875</u>
Net change to fund balance	2,046,979	(106,186)	(310,703)	—	1,630,090
Fund balance, January 1	6,472,497	106,186	525,550	—	7,104,233
Fund balance, December 31	\$ <u>8,519,476</u>	<u>—</u>	<u>214,847</u>	<u>—</u>	<u>8,734,323</u>

See accompanying independent auditors' report.

BOULDER COUNTY

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Fiduciary – Public Trustee Fund and Agency Fund

Year ended December 31, 2003

	<u>Balances at January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at December 31, 2003</u>
Public trustee fund:				
Assets:				
Restricted cash	\$ 1,129,164	1,326,927	1,129,164	1,326,927
Total	<u>\$ 1,129,164</u>	<u>1,326,927</u>	<u>1,129,164</u>	<u>1,326,927</u>
Liabilities:				
Accounts payable	\$ 178,517	5,885	178,517	5,885
Accrued liabilities (balance reclassified to prepaid)	7,186	—	7,546	(360)
Other liabilities	806,785	1,321,323	806,785	1,321,323
Due to other governmental units	136,676	79	136,676	79
Total	<u>\$ 1,129,164</u>	<u>1,327,287</u>	<u>1,129,524</u>	<u>1,326,927</u>
Agency fund:				
Assets:				
Cash	\$ 10,100,635	323,922,463	328,035,800	5,987,298
Property taxes receivable	237,945,345	246,121,331	237,945,345	246,121,331
Total	<u>\$ 248,045,980</u>	<u>570,043,794</u>	<u>565,981,145</u>	<u>252,108,629</u>
Liabilities:				
Undistributed taxes and other collections	\$ 9,345,726	278,912,579	282,843,907	5,414,398
Due to other funds	747,840	8,532,252	8,712,317	567,775
Due to other governmental units	237,952,414	246,201,732	238,027,690	246,126,456
Total for agency fund	<u>\$ 248,045,980</u>	<u>533,646,563</u>	<u>529,583,914</u>	<u>252,108,629</u>
Total – all agency funds:				
Total assets	<u>\$ 249,175,144</u>	<u>571,370,721</u>	<u>567,110,309</u>	<u>253,435,556</u>
Total liabilities	<u>\$ 249,175,144</u>	<u>534,973,850</u>	<u>530,713,438</u>	<u>253,435,556</u>

See accompanying independent auditors' report.

BOULDER COUNTY

Schedule of Budgetary Compliance

Year ended December 31, 2003

The schedule of budgetary compliance is included to show budgetary compliance at the legal level of control for all appropriations not shown elsewhere in this report.

BOULDER COUNTY, COLORADO

Schedule of Budgetary Compliance
Budgeted Nonmajor, Capital Projects Major, and Proprietary Funds

Year ended December 31, 2003

	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Budgeted nonmajor special revenue funds:			
Road and Bridge Fund:			
Local improvement district	\$ 74,790	74,790	—
Payments to cities	830,869	811,815	19,054
Road and bridge	12,369,543	7,358,729	5,010,814
Road sales tax	4,116,424	2,673,420	1,443,004
Recycling Capital Improvement Fund	999,989	—	999,989
Developmental Disabilities Fund	4,400,000	4,400,000	—
Emergency Rescue Services Fund	2,471,516	1,372,082	1,099,434
Workforce Boulder County Fund	3,300,000	3,295,613	4,387
Fire Training Fund	1,775,834	—	1,775,834
Health and Human Services 2002 fund	3,190,198	2,938,396	251,802
Retirement Fund	8,546,092	8,231,990	314,102
Conversation Trust Fund	1,772,630	959,545	813,085
Worthy Cause Tax Fund	3,000,000	2,965,288	34,712
Budgeted Major Capital Projects Fund:			
Open Space Capital Improvement Fund, Bond Series 1994, 2000, and 2001	49,928,706	39,159,894	10,768,812
Budgeted Nonmajor Capital Projects Funds:			
Capital Projects Fund:			
Facilities Management	923,338	545,377	377,961
Infrastructure	1,230,075	895,237	334,838
General Reconstruction	15,064,962	7,300,070	7,764,892
Capital Improvement Trust Fund	148,361	132,175	16,186
Gunbarrel General Improvement District Fund	933,243	740,615	192,628
Open Space Capital Improvement Fund, Bond Series 1996	6,405,095	6,405,095	—
Budgeted Proprietary Funds:			
Risk Management Fund	14,024,290	13,670,471	353,819
Resources Conservation Fund	4,067,858	3,716,429	351,429

See accompanying 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 basic financial statements.

(Unaudited)

BOULDER COUNTY, COLORADO

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	\$ 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
2003	62,330,458	29,034,489	11,186,967	35,967,078	35,997,578

Source: Financial Statements, Boulder County, Colorado, 1997, 1998, 1999, 2000, 2001, 2002, and 2003

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 three years are presented on the following pages

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds as reported in Governmental Fund Financial Statements. 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 fairgrounds.
- (5) Economic Opportunity 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, and includes payments to cities
- (7) Resource Conservation became a business-type activity in 2002.
- (8) In 2003, the Boulder County Housing Authority became a blended component unit. These expenditures are reported in the business-type activity statement

Table #1

	Urban redevelopment housing (8)	Resource conservation (7)	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
	—	N/A	8,095,261	786,826	7,680,000	9,132,723	200,211,380

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>
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, 1994 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 1994 open space bonds and initiation of principal payments on the 1994 open space bonds (previously interest payments only)

Table #1

	<u>Social services</u>	<u>Roads & bridges</u>	<u>Capital projects (4)</u>	<u>Debt service</u>		<u>Total (5)</u>
				<u>Principal</u>	<u>Interest</u>	
\$	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:	General government (2)	Public safety (3)	Highways & streets	Health & welfare	Conservation (4)
1997	27.66%	13.12%	7.06%	22.76%	17.61%
1998	29.84%	13.12%	7.24%	18.25%	18.19%
1999	33.91%	12.20%	6.22%	16.18%	19.01%
2000	28.41%	12.89%	5.74%	15.31%	21.27%
2001	27.10%	12.84%	5.96%	14.67%	24.08%
2002	32.29%	13.78%	6.29%	14.18%	20.80%
2003	31.14%	14.50%	5.59%	17.96%	17.98%

Source: Financial Statements, Boulder County, Colorado, 1997, 1998, 1999, 2000, 2001, 2002, and 2003.

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 three years are presented on the following pages

- (1) Beginning in 2002, data includes General, Special Revenue, and Capital Projects Funds as reported in Governmental Fund Financial Statements. 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 fairgrounds
- (5) Economic Opportunity 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, and includes payments to cities.
- (7) Resource Conservation became a business-type activity in 2002.
- (8) In 2003, the Boulder County Housing Authority became a component unit. These expenditures are reported in the business-type activity statement

Table #2

Urban redevelopment housing (8)	Resource conservation (7)	Economic development (5)	Inter- governmental (6)	Debt service		Total
				Principal	Interest	
0.60%	0.42%	3.67%	1.73%	2.54%	2.83%	100.00%
0.60%	0.44%	3.96%	1.26%	3.69%	3.41%	100.00%
0.54%	1.18%	3.26%	1.08%	3.58%	2.84%	100.00%
0.64%	3.89%	2.96%	0.56%	4.94%	3.39%	100.00%
0.62%	4.49%	3.01%	0.39%	3.30%	3.54%	100.00%
0.76%	0.00%	3.57%	0.39%	3.66%	4.28%	100.00%
0.00%	0.00%	4.04%	0.39%	3.84%	4.56%	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:					
1994 (2)	11.40%	26.91%	5.72%	2.99%	9.61%
1995 (2)	8.42%	24.84%	5.11%	2.66%	8.65%
1996 (3)	7.67%	27.70%	4.99%	1.73%	9.00%

Source: Financial Statements, Boulder County, Colorado, 1994 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

Social services % of total	Roads & bridges % of total	Capital projects % of total	Debt service		Total % of total
			Principal % of total	Interest % of total	
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%	2.81%	100.00%

BOULDER COUNTY, COLORADO

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

	<u>Taxes</u>	<u>Licenses and permits</u>	<u>Interest on investments</u>
Year:			
1994	\$ 60,202,473	1,778,266	2,212,907
1995	66,786,584	1,820,443	3,493,428
1996	71,549,460	1,427,696	4,595,809
1997	76,017,029	1,544,551	3,657,705
1998	81,835,935	1,671,887	5,487,684
1999	89,378,688	1,848,813	4,774,842
2000	97,214,983	1,913,886	7,303,057
2001	103,580,919	1,778,965	6,524,454
2002	103,327,318	643,125	3,323,473
2003	114,957,668	601,980	2,045,549

Source: Financial Statements, Boulder County, Colorado, 1994 through 2003

Notes:

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

Table #3

	<u>Inter- governmental</u>	<u>Charges for services</u>	<u>Fines and forfeitures</u>	<u>Contributions and other revenues</u>	<u>Total revenues</u>
\$	32,619,190	7,697,762	182,443	6,286,082	110,979,123
	33,314,651	7,123,394	227,263	5,053,202	117,818,965
	34,468,687	7,375,975	314,599	5,961,936	125,694,162
	34,613,723	7,713,275	331,952	5,345,681	129,223,916
	32,329,421	9,492,240	376,095	6,159,321	137,352,583
	33,809,866	10,664,234	388,252	14,529,835	155,394,530
	34,868,100	10,329,119	337,849	9,943,184	161,910,178
	45,676,293	11,843,431	348,789	13,216,726	182,969,577
	36,151,143	12,144,358	323,725	8,106,242	164,019,384
	39,298,300	13,079,811	317,210	8,611,851	178,912,369

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:				
1994	54.25%	1.60%	1.99%	29.39%
1995	56.69%	1.55%	2.97%	28.28%
1996	56.92%	1.14%	3.66%	27.42%
1997	58.83%	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	56.61%	0.97%	3.57%	24.96%
2002	63.00%	0.39%	2.03%	22.04%
2003	64.25%	0.34%	1.14%	21.97%

Source: Financial Statements, Boulder County, Colorado, 1994 through 2003

Notes:

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

Table #4

Charges for services % of total	Fines and forfeitures % of total	Contributions and other revenues % of total	Total revenues % of total
6.94%	0.16%	5.67%	100.00%
6.05%	0.19%	4.27%	100.00%
5.87%	0.25%	4.74%	100.00%
5.97%	0.26%	4.12%	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%	7.23%	100.00%
7.40%	0.20%	4.94%	100.00%
7.31%	0.18%	4.81%	100.00%

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>
1994	\$ 50,419,018	83.75%	\$ 3,910,810	6.50%
1995	53,148,350	79.58%	4,310,322	6.45%
1996	56,999,212	79.66%	4,712,690	6.59%
1997	60,140,645	79.11%	5,186,250	6.82%
1998	64,043,688	78.26%	5,578,364	6.82%
1999	68,948,898	77.14%	6,173,905	6.91%
2000	72,931,355	75.02%	6,857,456	7.05%
2001	78,176,496	75.47%	7,356,466	7.10%
2002	78,637,017	75.90%	7,155,651	6.91%
2003	88,519,683	77.00%	7,313,192	6.36%

Source: Financial Statements, Boulder County, Colorado, 1994 through 2003

Notes:

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

Table #5

Sales tax (1)	% of total (1)	Total	% of total
\$ 5,872,645	9.75%	\$ 60,202,473	100.00%
9,327,912	13.97%	66,786,584	100.00%
9,837,558	13.75%	71,549,460	100.00%
10,690,132	14.07%	76,017,027	100.00%
12,213,883	14.92%	81,835,935	100.00%
14,255,885	15.95%	89,378,688	100.00%
17,426,172	17.93%	97,214,983	100.00%
18,047,957	17.43%	103,580,919	100.00%
17,808,296	17.19%	103,600,964	100.00%
19,124,793	16.64%	114,957,668	100.00%

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)
1993/1994	\$ 50,413,062	50,232,221	99.64%	\$ 186,797
1994/1995	53,274,497	53,100,149	99.67%	48,201
1995/1996	56,925,709	56,790,488	99.76%	208,724
1996/1997	60,808,622	60,338,865	99.23%	(198,218)
1997/1998	64,601,011	64,141,135	99.29%	(97,447)
1998/1999	69,290,373	68,867,420	99.39%	301,125
1999/2000	73,168,671	72,844,544	99.56%	191,420
2000/2001	78,430,755	78,006,520	99.46%	6,118
2001/2002	78,183,325	78,078,045	99.87%	224,920
2002/2003	90,859,290	90,763,392	99.89%	279,892

Sources: Boulder County Treasurer
Financial Statements, Boulder County, Colorado, 1993 through 2003

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 Years' Taxes Collected includes amounts collected for penalties and interest.
- (3) 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.
- (4) In 2003, revenues of \$2,550,947 were collected but reclassified to a liability to be repaid to taxpayers in 2005. Tax revenues in the financial statements will be lower due to the reclassification to a liability.

Table #6

Ratio of total tax collected to total tax levy		Unpaid current year's taxes (4)	Unpaid prior years' taxes (2)	Ratio of all unpaid taxes to total tax levy
100.01%	\$	180,841	199,295	0.40%
99.76%		174,348	295,008	0.55%
100.13%		135,221	106,680	0.19%
98.90%		469,757	508,918	0.84%
99.14%		459,876	955,395	1.48%
99.82%		422,953	568,165	0.82%
99.82%		324,127	236,221	0.32%
99.47%		424,235	283,338	0.36%
100.15%		105,280	139,661	0.18%
100.20%		95,898	224,020	0.25%

BOULDER COUNTY, COLORADO
 Assessed and Estimated Actual Value of Property
 Last Ten Fiscal Years

Year:	Real property (2)		Personal property	
	Assessed value	Estimated actual value	Assessed value	Estimated actual value
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
2003	4,311,285,978	39,562,530,109	396,387,471	1,366,853,349

Sources: Boulder County Assessor's Office

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%
 2003 – Residential assessed value = 7.96% Other assessed value = 29%

Levels of value:

1988 level of actual value was used for 1989-1990.
 1990 level of actual value was used for 1991-1992.
 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)</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>	
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%
1,306,975,158	120,165,672	1,427,140,830	4,707,673,449	40,929,383,458	11.50%

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)

	<u>94/95</u>	<u>95/96</u>	<u>96/97</u>	<u>97/98</u>	<u>98/99</u>	<u>99/00</u>	<u>00/01</u>	<u>01/02</u>	<u>02/03</u>	<u>03/04</u>
Boulder County	21.935	22.245	20.897	21.447	21.243	21.762	19.682	19.835	17.621	18.748
School districts:										
Boulder Valley (RE2)	50.349	45.64	46.743	45.344	50.356	44	42.89	34.807	38.524	26.049
Park (R-3)	45.585	43.569	43.393	42.542	42.518	37.798	36.86	30.681	31.015	22.394
St. Vrain (RE1J)	50.452	48.432	48.393	50.022	49.635	44.096	42.173	36.256	41.025	25.878
Thompson (R-2J)	50.598	47.545	51.257	48.24	48.074	52.796	53.027	49.168	48.462	25.645
Cities & towns:										
City of Boulder	9.981	9.189	9.666	11.428	11.438	10.502	10.908	9.301	9.64	11.981
City of Broomfield	13.894	13.894	13.894	13.894	13.894	13.894	13.894	0	0	0
Town of Erie	12.824	10.964	10.165	8.435	7.654	7.288	7.288	7.288	7.288	7.288
Town of Jamestown	9.039	7.244	12.621	13.39	12.32	13.289	13.289	12.343	14.843	5.88
City of Lafayette	15.665	13.629	13.009	13.817	13.034	11.352	11.86	11.13	10.994	8.184
City of Longmont	13.42	13.42	13.42	13.42	13.42	13.42	13.42	13.42	13.42	13.42
City of Louisville	5.82	5.457	5.246	5.246	5.184	4.643	4.767	5.292	5.184	5.184
Town of Lyons	19.522	17.726	17.542	16.211	17.156	15.205	15.205	13.457	13.796	19.522
Town of Nederland	17.274	14.44	14.44	15.486	16.21	14.982	15.546	15.408	15.455	17.274
Town of Superior	3.006	2.709	2.737	2.727	2.594	2.279	2.144	1.836	1.906	12.127
Town of Ward	5.379	5.416	5.416	4.807	5.481	4.232	4.23	3.662	3.474	2.616
Water/sanitation:										
Allenspark (W&S)	4.231	4.058	4.237	4.136	4.381	3.906	4.058	3.711	3.829	4.077
Baseline (W)	5	3.4	1	0.932	0.985	0.985	0.985	0.824	0.869	0.874
Boulder Co. (W)	0	0	0	0	0	0	29.16	19.985	21.51	22.47
Brownsville (W&S)	7.607	7.268	7.493	7.897	8.145	7.846	8.084	6.446	6.576	6.669
Erie (W&S)	1.5	0	0	0	0	0	0	0	0	0
Hoover Hill (W&S)	7.229	6.833	7.003	6.335	10.105	9.727	5.979	6.341	4.618	4.613
Knollwood (W)	3.8	3.73	3.909	3.914	4.152	3.786	3.967	2.981	3.144	3.429
Left Hand (W&S)	11.11	11.11	11.48	18.136	18.35	18.05	19.364	16.462	16.795	17.365
Niwot (s)	0	0	0	0	0	0	0	0	0	0
Northern Colo (W)	1	1	1	1	1	1	1	1	0	1
Pine Brook (W)	11	8.86	8.87	8.38	7.699	7.49	7.8	6.11	5.82	5.795
St. Vrain Left Hand (W)	0.4	0.368	0.368	0.351	0.357	0.328	0.303	0.258	0	0.243
Shannon Estates (W)	0.943	0.943	0.863	0.943	0.943	0.943	0.917	0.76	0.803	0.804

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

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

Table #8

	<u>94/95</u>	<u>95/96</u>	<u>96/97</u>	<u>97/98</u>	<u>98/99</u>	<u>99/00</u>	<u>00/01</u>	<u>01/02</u>	<u>02/03</u>	<u>03/04</u>
Fire Districts:										
Allenspark	6.519	6.303	6.277	5.986	6.124	5.257	5.47	4.757	7.507	7.507
Berthoud	9.047	8.135	8.128	8.128	8.128	7.674	8.924	15.024	15.274	15.274
Boulder Heights	6.752	6.001	6.001	6.001	6.001	5.673	7.992	7.992	7.992	7.992
Boulder Rural	2.41	2.405	4.405	4.405	4.405	4.405	4.405	7.747	7.747	7.747
Cherryvale	4.497	3.482	6.666	6.609	7.055	6.764	6.65	6.325	6.325	8.325
Clover Basin	0	0	30	31.92	31.92	31.92	31.92	16.5	10.64	6.978
Coal Creek	8.678	8.678	8	8	8.2	8.2	8	8	8	8
Eldorado Spgs-Marshall	4.699	4.339	4.391	4.11	4.11	4.11	4.11	4.11	4.11	4.11
Four Mile	11.154	8.572	9.06	7.292	7.292	7.292	7.292	7.292	7.292	3.555
Gold Hill	4.973	3.937	4.167	3.852	3.863	3.746	3.746	3.555	3.555	3.555
High Country	5.137	6.872	6.687	6.402	6.439	6.439	6.439	6.439	8.439	8.439
Hygiene	0.669	0.622	1.655	1.75	3.004	2.75	2.774	2.137	4.099	4.099
Indian Peaks	3.894	3.514	3.698	3.59	3.603	3.112	3.292	3	3.089	2.81
Lafayette Rural	4.44	2.47	2.3	1.776	1.776	1.776	1.776	1.09	2.5	2.5
Left Hand	9.11	6.497	14.007	13.637	13.431	11.967	6.207	11.022	11.022	11.022
Longmont	0	0	0	0	0	0	0	0	0	0
Louisville	3.385	3.186	3.186	3.186	3.186	3.186	3.186	3.186	3.186	3.186
Lyons	7	6.568	6.404	5.581	5.776	4.991	5.224	6.521	6.763	6.755
Mountain View Fire Dist	9.732	9.322	8.781	9.337	9.573	9.085	8.917	8.657	8.577	8.177
Nederland	6.07	5.706	7.5	7.5	11.69	12.147	12.432	11.023	11.715	11.434
North Metro	0	0	0	0	0	0	8.552	8.227	7.909	7.955
Pine Brook Hills	5.643	4.689	4.689	4.689	4.689	4.689	6.189	6.189	6.189	6.189
Sugarloaf	4.944	4.053	7.671	6.915	6.915	6.611	6.611	6.805	6.7	6.716
Sunshine	5.844	4.689	4.689	4.481	8.48	8.48	8.48	8.48	8.48	8.48
West Adams County	8.657	8.831	8.892	9.036	8.6	8.551	0	0	0	0
Special Districts:										
Boulder Central	9.3	8.111	8.375	8.242	6.623	6.526	6.575	5.345	5.544	5.744
Colo Tech Cntr. Metro	56.698	57.502	39	32.234	30	25	25	25	25	23
Downtown Boulder	0	0	0	0	0	5.361	5.175	4.689	5.453	5.595
Estes Valley Rec	2.104	2.061	2.061	1.972	2.034	1.691	1.505	1.279	1.349	1.289
Exempla GID	0	0	0	0	0	0	0	0	25	5
Fairways Metro	6.312	4.901	4.963	4.691	4.691	4.545	3.651	3.108	3.288	3.428
Forest Glen Transit	0	0	0	0	0	0	1.49	1.037	0.91	0.95
Gunbarrel Estates	3.649	3.203	3.203	3.656	3.861	3.616	3.628	3.091	6.785	6.785
Gunbarrel General Imp	0	5.41	4.994	4.402	5.624	5.234	5.234	4.299	3.987	4.161
Lafayette City Cntr GID	0	0	0	0	17	16.745	17	25	26.072	29.587
Lafayette Corporate Campus	0	0	0	0	0	0	0	0	73.963	61.056
Lafayette Tech Center	0	0	0	0	0	0	25	43	98.746	84.319
Longmont Downtown	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31
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	0	0	0	0	0	0	0	2.5	2.061
Northern Colorado Water	0	0	0	0	0	0	0	0	1	1
St Vrain Left Hand Water	0	0	0	0	0	0	0	0	0.245	0.243
Superior Metro #2	25	25	25	25	25	25	25	25	22	8
Superior Metro #3	25	40	25	25	25	25	25	25	22	8
Superior/McCaslin Interchange	0	0	0	0	0	0	0	25.97	35	35
University Hills	4.8	3.863	4.04	3.327	3.424	3.344	3.163	2.504	2.684	2.514
Urban Drainage & Flood	0.696	0.696	0.696	0.668	0.676	0.583	0.594	0.521	0.531	0.533

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
1993/94	14.883	1.824	2.401	—	—	0.250
1994/95	16.282	1.778	1.833	—	—	0.270
1995/96	15.407	1.561	1.696	—	—	0.255
1996/97	16.936	1.500	1.619	—	—	0.245
1997/98	17.226	1.053	1.087	—	—	0.236
1998/99	17.298	1.000	1.123	—	—	0.256
1999/00	15.891	0.709	0.629	—	—	0.209
2000/01	15.405	0.500	1.323	—	—	0.205
2001/02	14.083	0.443	0.907	—	—	0.193
2002/03	15.905	0.207	0.733	—	—	1.000

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

Table #9

Retirement Fund	Self Insurance Fund	Capital Expenditure Fund	Judgment Levy Fund (1)	Total all County Funds
0.505	0.406	1.666	—	21.935
0.566	—	1.516	—	22.245
0.560	—	1.418	—	20.897
0.557	—	0.590	—	21.447
0.577	—	1.064	—	21.243
0.509	—	1.576	—	21.762
0.564	—	1.680	—	19.682
0.486	—	1.916	—	19.835
0.439	—	1.556	—	17.621
0.916	—	1.327	—	20.088

Table #10

BOULDER COUNTY, COLORADO

Computation of Legal Debt Margin

December 31, 2003

Total assessed value, 2003	\$ 4,707,673,449	(2)
Debt limitation: 1.5% of assessed value (1)	\$ 70,615,102	
Debt applicable to limitation:		
Total bonded debt	—	
Total debt applicable to limitation	—	
Legal debt margin	\$ 70,615,102	

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, 2003

<u>Jurisdiction</u>	<u>Net debt outstanding</u>	<u>Percentage applicable to boulder county</u>	<u>Amount applicable to Boulder County</u>
Boulder County	\$ —	N/A	\$ —
School districts	441,084,738	70.83%	312,420,320
Cities & towns	233,598,804	99.81%	233,154,966
Fire protection districts	5,400,000	49.04%	2,648,160
Water & sanitation districts	6,529,462	64.96%	4,241,539
Other special districts	<u>80,533,798</u>	99.86%	<u>80,421,051</u>
Total overlapping bonded debt	<u>\$ 767,146,802</u>	82.50%	<u>\$ 632,886,036</u>

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

Table #12

BOULDER COUNTY, COLORADO

Principal Taxpayers

December 31, 2003

Taxpayer	Type of business	Taxpayer's 2003 assessed valuation	Taxpayer's percentage of total assessed valuation (1)
Xcel Energy	Energy Utility	\$ 65,578,200	1.39%
IBM Corporation	Software Development and Computer	53,493,486	1.14%
Amgen Boulder Inc.	Biotechnology	51,615,190	1.10%
Qwest	Telecommunications Research & Dev	46,260,600	0.98%
Pratt Land Limited Liability Company	Property Management and Development	29,134,360	0.62%
Storage Technology Corporation	Computer Systems Design, Manufacture	15,272,500	0.32%
Roche Colorado Corporation	Pharmaceutical Manufacturer	14,728,110	0.31%
Seagate	Biotechnology	10,219,370	0.22%
Xilinx	Computer Systems Design & Manufacture	9,955,320	0.21%
Black Hills Colorado LLC	Energy Utility	9,656,700	0.21%
	Totals	\$ 305,913,836	6.50%

Source: Boulder County Assessor's Office

Notes:

1. Boulder County's Total Assessed Valuation is \$4,707,673,449.

THIS PAGE INTENTIONALLY LEFT BLANK

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
Fiscal year:					
1994	247,775	2.67%	\$ 26,897	5.68%	32.17
1995	253,850	2.45%	28,448	5.77%	32.36
1996	260,500	2.62%	29,914	5.15%	34.20
1997	266,100	2.15%	31,393	4.94%	33.60
1998	272,700	2.48%	34,181	8.88%	34.20
1999	286,700	5.13%	36,347	6.34%	33.22
2000	291,288	1.60%	39,347	8.25%	33.40
2001	297,786	2.23%	39,551	0.52%	33.73
2002	278,357	(6.52)%	39,784	0.59%	34.00
2003	277,601	(0.27)%	41,936	5.41%	34.28

Population Source: For 1996, Denver Regional Council of Governments
 For 1997, 1998, 1999, Boulder County Land Use Dept.
 For 2000, 2000 US Census
 For 2001, Colorado Division of Local Government, Demographic Section
 For 2002, Colorado Division of Local Government, Demographic Section
 For 2003, Colorado Division of Local Government, Demographic Section

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

Median Age Source: For 1989 to 1995, Colorado Division of Local Government, Demographic Section
 For 1996 – 1998, Denver Regional Council of Governments
 For 2000, 2000 US Census
 For 2001, Colorado Division of Local Affairs, Demographic Section
 For 2002, Colorado Division of Local Affairs, Demographic Section
 For 2003, 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 Department and Colorado Department of Labor and Employment.
 Population and Per Capita Income for 2003 are projected and subject to change based on information from Colorado Department of Local Affairs.

Table #13

School enrollment (K-12)	Annual enrollment percent change	Percent of school enrollment to population	Unemployment rate
41,304	1.49%	16.67%	3.7%
39,391	(4.63)%	15.52%	3.9%
39,588	0.50%	15.20%	3.8%
40,661	2.71%	15.28%	2.8%
41,800	2.80%	15.33%	3.3%
40,277	(3.64)%	14.05%	2.5%
42,791	6.24%	14.69%	2.4%
48,629	13.64%	16.33%	3.5%
50,772	4.41%	18.24%	5.2%
49,463	(2.58)%	17.82%	4.7%

BOULDER COUNTY, COLORADO

Salaries of Principal Officials

December 31, 2003

Elected Officials

	<u>Annual salary</u>
Official:	
District #1 Commissioner	63,203
District #2 Commissioner	63,203
District #3 Commissioner	63,203
Clerk and Recorder	75,500
Treasurer	75,500
Sheriff	95,000
Coroner	75,500
Assessor	75,500
District Attorney	110,000
Surveyor	Nonsalaried office

Appointed Department Directors

	<u>Annual salary</u>
Department director:	
County Attorney	126,386
Transportation Director	103,562
Parks and Open Space Director	Unpaid Position
Land Use Director	106,668
Community Services Director	99,553
Administrative Services Director	118,328
Social Services Director	113,620

Source: Boulder County Personnel Schedule

THIS PAGE INTENTIONALLY LEFT BLANK

BOULDER COUNTY, COLORADO

Assessed Property Value, New Construction, and Bank Deposits

Last Ten Fiscal Years

Assessed property value (1)

	<u>Commercial</u>	<u>Residential</u>	<u>Industrial</u>	<u>Agricultural</u>	<u>Natural resources</u>	<u>Total</u>
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
2003	1,353,278,590	2,709,520,348	606,560,744	30,023,105	8,290,662	4,707,673,449

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

New Construction Source: For 1989 – 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 Assessor's office

Table #15

Commercial construction		Residential construction		Industrial construction		Bank deposits (3)
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)
(5)	36,380,539	(5)	678,267,813	(5)	48,853,100	(4)

Table 16

BOULDER COUNTY, COLORADO

Miscellaneous Statistics

December 31, 2003

Environment:	
Area in square miles	741
Highest elevation	14,255 feet
Lowest elevation	4,986 feet
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	1,843
Parks and open space:	
County parks and open space (acres)	69,760
County trails maintained (miles)	88
County environment programs (people served)	3,568
County outreach/spec events (people served)	4,789
County cultural/historical events (people served)	2,760
Volunteer work projects (people served)	1,021
Community services (clients served):	
Aging services	163,041
Child protection review teams (cases)	1,543
Justice System Volunteer Program (volunteers)	132
Justice System Volunteer Program (hrs of service)	14,032
Head Start (children)	149
Project Self Sufficiency (single parents and their families)	153
Boulder County Prevention Connection (youth and adults served)	615
Community Action Programs (clients served)	490
Volunteer initiatives	
Web site hits	11,000
Volunteers in Boulder County	7,000
Workforce	20,000
Work First (TANF)	906
Employment first (food stamps):	1,680
Project work together (clients)	200
Volunteers	141
Volunteer hours	2,304

Information comes from various county departments. Highlighted areas indicate additional information or information verification needed.

Table 16

BOULDER COUNTY, COLORADO

Miscellaneous Statistics

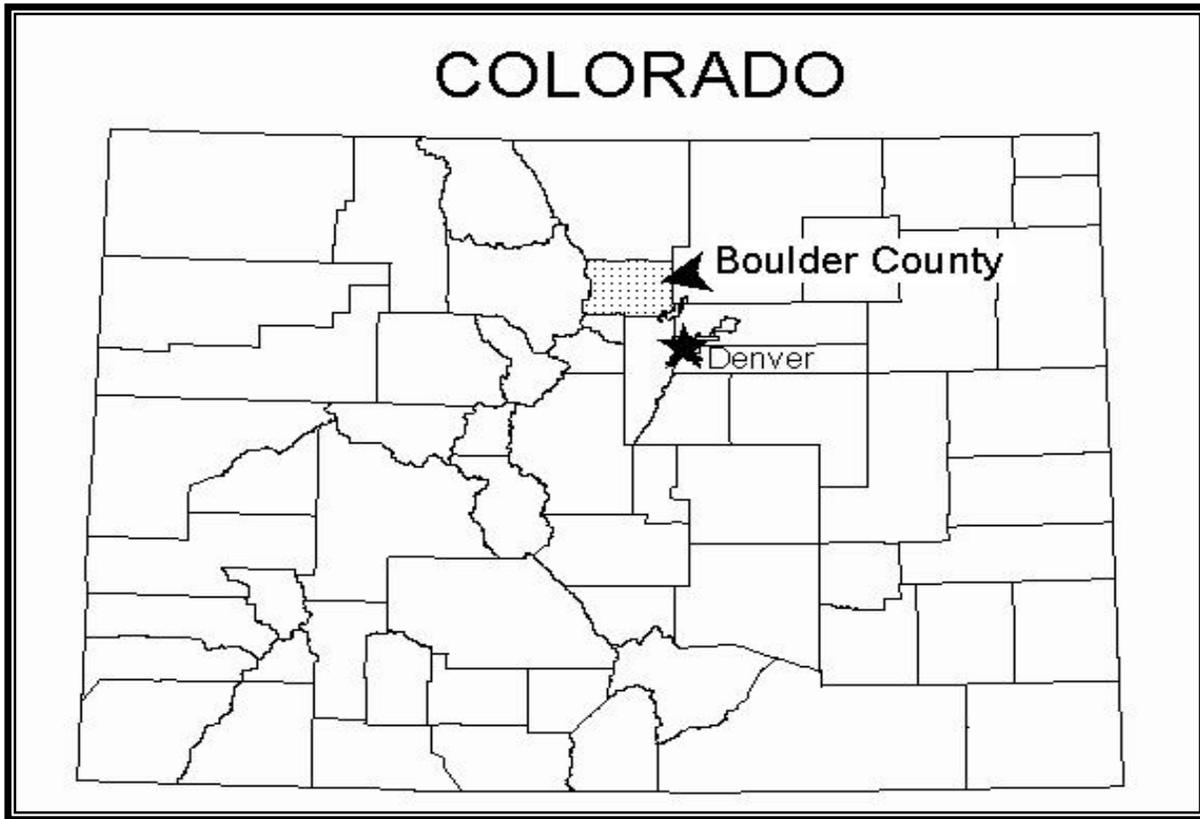
December 31, 2003

Land use/planning/zoning/building:	
Number of permits issued	1,827
Number of building inspections	17,225
Number of zoning and subdivision dockets processed including:	
Nonurban planned unit developments	3
Special uses	13
Subdivision exemptions	20
Oil and gas development reviews	4
Site plan application reviews	117
Sheriff Protection:	
Number of commissioned staff	206
Number of noncommissioned staff	143
Uniform nontraffic crime reports	4,298
Uniform incident reports	2,423
Average daily jail populations	388
Number of vehicles in fleet	106
Detective division cases assigned	1,569
Number of beds in jail	418
Number of people booked in the jail	10,241
Number of people released	10,326
Ratio of operational deputies to inmates	1 to 5
Transportation:	
Miles of County maintained road paved	374.18
Miles of County maintained road gravel	311.44
Miles of County maintained road total	685.75
Mileage of roads within subdivisions	201.80
Mileage of roads outside of subdivisions	483.95
County maintained bridges over 20 feet in length	76.00
Lane miles of County maintained bikeways (County owned)	103.50
Maintenance Equipment/Vehicle Fleet (in units)	252

Sources:

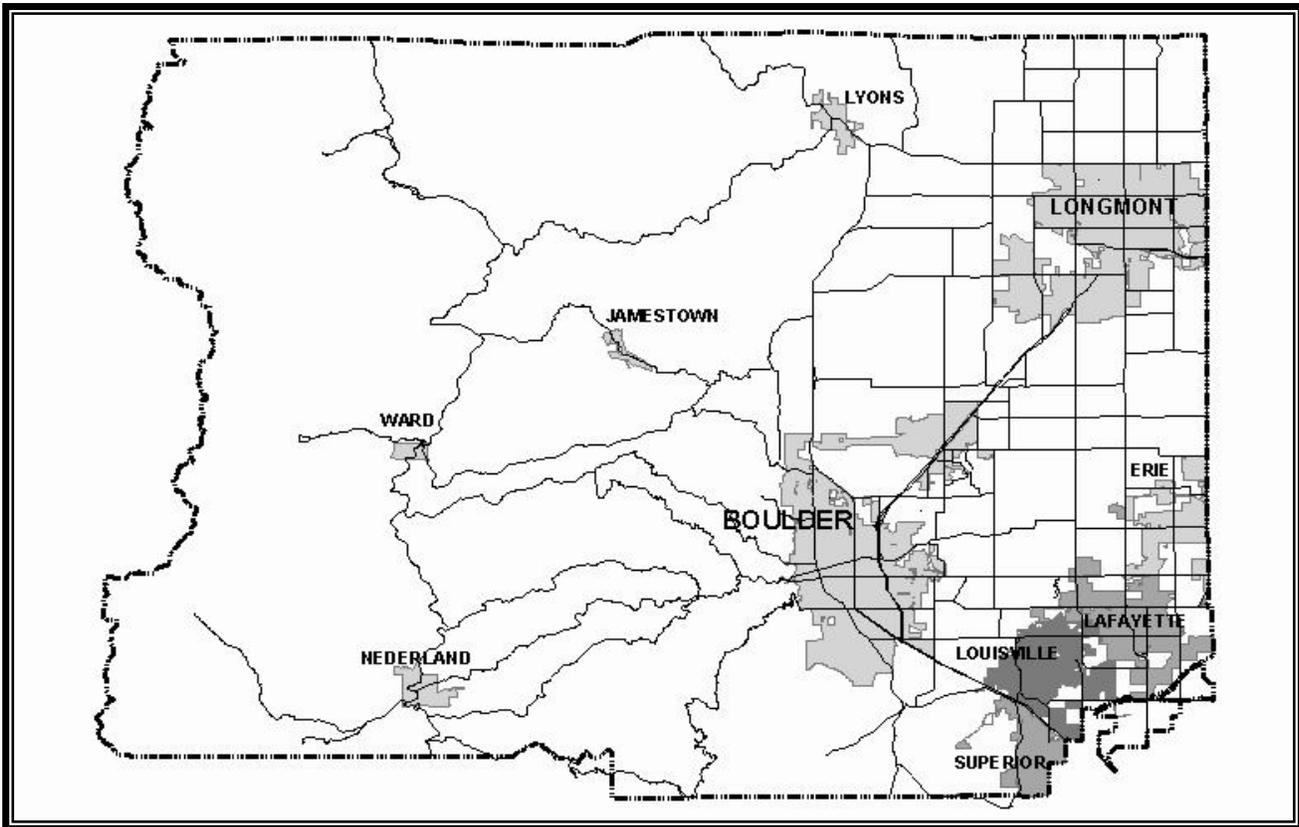
- Boulder County Government Offices: Government
- Parks/open space
- Land use/planning
- Zoning/building
- Transportation
- Community services

Boulder County is located in northern Colorado, USA. The western border of the County is the Continental 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.



THIS PAGE INTENTIONALLY LEFT BLANK

BOULDER COUNTY, COLORADO

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 and Analysis

Basic Financial Statements:

Government-wide Statement of Net Assets

Government-wide Statement of Activities

Fund Financials

Notes to the Financials

Required Supplementary Information

Statistical Section:

Table 6 – Historical Property Tax Levies and Collection

Table 7 – History of Assessed and Estimated Actual Value of Property

Tables 8 and 9 – Historical Property Tax Rates

Table 12 – Ten Principal Property Taxpayers in the County

BOULDER COUNTY, COLORADO
S.E.C. Disclosure Subsection

Boulder County History of Funding Sources for Open Space Land Acquisition

December 31, 2003

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

<u>Year</u>	<u>General Fund (1)</u>	<u>Conservation Trust Fund</u>	<u>Grants (2)</u>	<u>Sales & use tax (3)</u>	<u>Bond proceeds</u>	<u>Total</u>
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	3,833,448	462,275	3,467,499	12,140,813	—	19,904,035
2004 (est)	3,833,448	410,000	—	12,140,813	—	16,384,261
Totals	\$ <u>58,988,129</u>	<u>7,097,596</u>	<u>5,279,878</u>	<u>103,486,086</u>	<u>221,303,332</u>	<u>396,155,021</u>

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 2004, 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, and other miscellaneous grant funding sources.
- (3) In 2002, the tax rate increased by 0.10%. The tax rate will return to 0.25% in 2019.

THIS PAGE INTENTIONALLY LEFT BLANK

BOULDER COUNTY, COLORADO
S.E.C. Disclosure Subsection

Projected Open Space Revenues vs. Commitments

December 31, 2003

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.

No increase in tax revenue is predicted for 2004. A 5% increase in tax revenue is predicted for years 2005-2009. In 2010, we assume no increase over 2009 and reduce the tax amount by 0.1% due to the 0.1% tax expiration. The Open Space tax returns to 0.25% at this time.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:					
Sales tax collections	\$ 12,140,813	12,747,854	13,385,247	14,054,509	14,757,234
General Fund (budgeted)	3,833,448	3,800,000	3,800,000	3,800,000	3,800,000
Lottery (budgeted)	410,000	400,000	400,000	400,000	400,000
Estimated carry forward funds	19,267,958	11,400,866	6,839,809	6,647,851	3,492,970
Interest earnings	167,680	174,974	182,622	190,655	199,087
Miscellaneous revenues	5,917	—	—	—	—
Northwest Parkway IGA's	—	—	1,000,000	1,000,000	1,000,000
Miscellaneous donations	6,830	—	—	—	—
Sale of assets	1,035,676	—	—	—	—
Total revenues	<u>36,868,322</u>	<u>28,523,694</u>	<u>25,607,678</u>	<u>26,093,015</u>	<u>23,649,291</u>
Expended/committed:					
Bond Pymnt, series '94	(4,160,450)	(4,166,550)	—	—	—
Bond Pymnt, series '96	(3,698,893)	(3,697,433)	(3,697,953)	(3,695,231)	(3,694,588)
Bond Pymnt, series '98	(2,835,790)	(2,892,290)	(7,772,200)	(7,894,200)	(8,004,200)
Bond Pymnt, series '00	(2,200,025)	(2,200,025)	(2,900,025)	(2,911,525)	(2,895,275)
Bond Pymnt, series '01	(2,609,713)	(3,106,850)	(2,387,525)	(2,742,525)	(3,277,438)
Bond Pymnt, series '02	(2,154,038)	(1,900,488)	(1,513,288)	(1,353,288)	(1,442,388)
Payroll expenses	(130,507)	(130,507)	(130,507)	(130,507)	(130,507)
Hourly payroll expenses	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Exp for other purposes	(61,719)	—	—	—	—
Committed*(land/water)	(7,491,321)	(3,464,742)	(433,329)	(3,747,769)	(510,214)
Total expended/committed	<u>(25,467,456)</u>	<u>(21,683,885)</u>	<u>(18,959,827)</u>	<u>(22,600,045)</u>	<u>(20,079,610)</u>
Surplus	<u>\$ 11,400,866</u>	<u>6,839,809</u>	<u>6,647,851</u>	<u>3,492,970</u>	<u>3,569,681</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:					
Sales tax collections	\$ 11,067,926	11,067,926	11,067,926	11,067,926	11,067,926
General Fund (budgeted)	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
Lottery (budgeted)	400,000	400,000	400,000	400,000	400,000
Estimated carry forward funds	3,301,606	3,432,420	3,572,404	3,712,516	3,857,710
Interest earnings	154,815	154,815	154,815	154,815	154,814
Miscellaneous revenues	—	—	—	—	—
Northwest Parkway IGA's	—	—	—	—	—
Miscellaneous donations	—	—	—	—	—
Sale of assets	—	—	—	—	—
Total revenues	<u>18,724,347</u>	<u>18,855,161</u>	<u>18,995,145</u>	<u>19,135,257</u>	<u>19,280,450</u>
Expended/committed:					
Bond Pymnt, series '94	—	—	—	—	—
Bond Pymnt, series '96	—	—	—	—	—
Bond Pymnt, series '98	—	—	—	—	—
Bond Pymnt, series '00	(4,794,707)	(4,797,937)	(4,793,672)	(4,796,290)	(4,794,290)
Bond Pymnt, series '01	(6,455,263)	(6,441,263)	(6,438,000)	(6,417,500)	(6,411,000)
Bond Pymnt, series '02	(3,711,450)	(3,713,050)	(3,720,450)	(3,733,250)	(3,721,750)
Payroll expenses	(130,507)	(130,507)	(130,507)	(130,507)	(130,507)
Hourly payroll expenses	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Exp for other purposes	—	—	—	—	—
Committed*(land/water)	(75,000)	(75,000)	(75,000)	(75,000)	(806,964)
Total expended/committed	<u>(15,291,927)</u>	<u>(15,282,757)</u>	<u>(15,282,629)</u>	<u>(15,277,547)</u>	<u>(15,989,511)</u>
Surplus	<u>\$ 3,432,420</u>	<u>3,572,404</u>	<u>3,712,516</u>	<u>3,857,710</u>	<u>3,290,939</u>

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

Table B

2009	2010	2011
15,495,096	11,067,926	11,067,926
3,800,000	3,800,000	3,800,000
400,000	400,000	400,000
3,569,680	3,146,777	3,225,099
207,941	154,816	154,814
—	—	—
—	—	—
—	—	—
—	—	—
<u>23,472,717</u>	<u>18,569,519</u>	<u>18,647,839</u>
—	—	—
(3,697,920)	(3,694,500)	—
(8,036,600)	—	—
(2,852,650)	(4,795,025)	(4,795,125)
(3,933,975)	(2,760,975)	(6,459,938)
(1,418,788)	(3,710,663)	(3,710,663)
(130,507)	(130,507)	(130,507)
(125,000)	(125,000)	(125,000)
—	—	—
(130,500)	(127,750)	(125,000)
<u>(20,325,940)</u>	<u>(15,344,420)</u>	<u>(15,346,233)</u>
<u>3,146,777</u>	<u>3,225,099</u>	<u>3,301,606</u>
2017	2018	2019
11,067,926	11,067,926	11,067,926
3,800,000	3,800,000	3,800,000
400,000	400,000	400,000
3,290,939	2,720,691	2,130,459
154,815	154,815	154,815
—	—	—
—	—	—
—	—	—
—	—	—
<u>18,713,680</u>	<u>18,143,432</u>	<u>17,553,200</u>
—	—	—
—	—	—
—	—	—
(4,798,600)	(4,791,800)	(4,785,900)
(6,402,250)	(6,405,750)	(6,410,250)
(3,703,500)	(3,698,500)	(3,690,750)
(130,507)	(130,507)	(130,507)
(125,000)	(125,000)	(125,000)
—	—	—
(833,132)	(861,416)	(890,690)
<u>(15,992,989)</u>	<u>(16,012,973)</u>	<u>(16,033,097)</u>
<u>2,720,691</u>	<u>2,130,459</u>	<u>1,520,103</u>

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

General Fund Information

December 31, 2003

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 \$91.10 million, is the largest fund in the County’s 2004 budget of \$222 million. Its primary funding sources, as derived from the 2004 consolidated budget summary, are as follows:

Property tax	77.70%
Other revenues (1)	18.70%
Intergovernmental revenues	4.60%
Use of fund balance	<u>(1.00)%</u>
Total	<u><u>100.00%</u></u>

- (1) This includes bond proceeds, sales taxes, specific ownership taxes, motor vehicle fees, recording and filing fees, Treasurer’s fees, building permits, interest earnings, various other fees, rents, and charges for services.

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

Table D

BOULDER COUNTY, COLORADO
SEC Disclosure Subsection
Open Space Sales/Use Tax Collection History
December 31, 2003

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)

<u>Month tax collected</u>	<u>1994 Net State collections</u>	<u>1994 Use tax</u>	<u>1994 total</u>	<u>1995 Net State collections</u>	<u>1995 Use tax</u>	<u>1995 total</u>	<u>1996 Net State collections</u>	<u>1996 Use tax</u>	<u>1996 total</u>
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%
<u>Month tax collected</u>	<u>1997 Net State collections</u>	<u>1997 Use tax</u>	<u>1997 total</u>	<u>1998 Net State collections</u>	<u>1998 Use tax</u>	<u>1998 total</u>	<u>1999 Net State collections</u>	<u>1999 Use tax</u>	<u>1999 total</u>
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%

Table D

BOULDER COUNTY, COLORADO
SEC Disclosure Subsection
Open Space Sales/Use Tax Collection History
December 31, 2003

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)

<u>Month tax collected</u>	<u>2000 Net State collections</u>	<u>2000 Use tax</u>	<u>2000 total</u>	<u>2001 Net State collections</u>	<u>2001 Use tax</u>	<u>2001 total</u>	<u>2002 Net State collections</u>	<u>2002 Use tax</u>	<u>2002 total</u>
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%
<u>Month tax collected</u>	<u>2003 Net State collections</u>	<u>2003 Use tax</u>	<u>2003 total</u>						
Jan	\$ 759,913	146,087	906,000						
Feb	698,907	110,529	809,436						
March	800,882	114,211	915,093						
April	812,576	139,394	951,970						
May	864,799	149,527	1,014,326						
June	951,088	165,803	1,116,891						
July	866,642	196,210	1,062,852						
Aug	925,457	166,695	1,092,152						
Sept	893,514	187,424	1,080,938						
Oct	839,914	197,847	1,037,761						
Nov	802,445	117,367	919,812						
Dec	1,072,639	160,946	1,233,585						
Totals	\$ 10,288,776	1,852,040	12,140,816						
% inc./dec. over pr. yr	(1.35)%	(8.81)%	(2.49)%						

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 0.25% to 0.35%. Both changes were effective 2002.