

BOULDER COUNTY COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006**

BOULDER COUNTY, COLORADO

Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2006
(With Independent Auditors' Report Thereon)

Prepared by:

Boulder County Financial Services Division

BOULDER COUNTY, COLORADO
 Comprehensive Annual Financial Report
 December 31, 2006

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Administrative Services Department

Financial Services Division

2020 13th Street • Boulder, Colorado 80302 • (303) 441-3505 • Fax: (303) 441-4524

July 12, 2007

To the Board of County Commissioners and Citizens of Boulder County:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the comprehensive annual financial report of Boulder County for the fiscal year ended December 31, 2006.

This report consists of management's representations concerning the finances of Boulder County. Consequently, management assumes full responsibility for the completeness and reliability 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 US 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 Clifton Gunderson 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, 2006, 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. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that Boulder County's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with US GAAP. The independent auditor's 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 and the Boulder County Housing Authority's separately issued Single Audit Reports.

US 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. 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 741 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 (Board). 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. Commissioners serve four-year terms. 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 the County's financial planning and control. The Board enacts resolutions approving the budget by fund, appropriating the budget, and setting the County mill levy on or before December 22, per State Statute 39-1-111, C.R.S. 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. The appropriations are established by function and activity. Administrative control is maintained through the County's accounting system, at the appropriation level. Elected officials or department directors may reallocate budgets within an appropriation without approval of the Board.

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 the County operates.

Local economy: Boulder County is anticipated to show moderate growth in 2007. Unemployment, after averaging 4.5% for 2005, dropped to 3.43% in the fourth quarter of 2006, with an average rate of 3.7% for the year. Retail sales in 2006 were \$7,497,059,000, as compared to \$7,078,887,000 in 2005 – an increase of 5.9%.

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

According to recent surveys, managing or slowing growth in Boulder County continues to be the primary concern of citizens of the County. Boulder County, the City of Boulder, and some of the other cities in the County have implemented, or are considering implementing, policies that will serve to substantially reduce the rate of growth in coming years.

While the general supply of housing in the County is still increasing, the supply of affordable housing continues to decrease. 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 arising from longer commuting distances are secondary problems with which elected officials must contend.

Overall, the economy in the County continues to improve at a moderate pace. The Boulder County Leading Economic Index has been growing steadily over the past four years, and increased 1.2% in December 2006, compared to the same period in 2005. This should lead to continued moderate job market and income growth in 2007.

Long-term financial planning/Major initiatives: The greatest influence on the development of the 2007 budget was the ongoing designation in the County budget from ballot issue 2005-1A. The voters were asked in County ballot issue 1A to exempt the County from the fiscal year spending and revenue limitations within Colorado Constitutional Amendment One, also known as TABOR (Taxpayers Bill of Rights). Ballot language in 2005-1A allows the property tax mill levy to grow by no more than 0.6 mills annually until it reaches the TABOR allowed maximum of 23.745 mills. The additional property tax revenue received in excess of the base property tax revenue received in 2005 will be allocated by the following percentages: at least 30% on public safety services, 6.67% on environmental sustainability efforts, and at least 20% on health and human services (one-third of which must go to nonprofit organizations). Decisions will be made in the coming years to ensure compliance with 1A ballot provisions.

In 2007, the County opened its new fleet maintenance facility. With the exception of those vehicles related to public safety, this new facility will be providing maintenance services to all County vehicles for many years to come.

In 2007, the County increased the budget in its Capital Expenditure Fund by a total of \$8.1 million. These additional dollars will be used for the completion of the new Communications Center, improvements at the 33rd Street Elections Office, and infrastructure maintenance. Long-term planning includes reviewing expansion alternatives at the Boulder County Justice Center for office and court space for a new 20th Judicial District judge.

Cash management policies and practices: The County Treasurer is responsible for the collection, distribution, and investment of all monies for the County. 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 to meet cash flow demands of the County; and
- *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 Investment Trusts; and
- * Highest rated commercial paper.

Income on investments for the primary government for 2006 was \$7,748,701. The average yield on investments managed by the Treasurer was 5.01% in 2006, compared to 3.19% in 2005.

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 that began in 1983, a workers' compensation plan that began in 1990, and a property/casualty plan that began in 1985. The County assumes the risk for the first \$250,000 for each medical claim, the first \$400,000 for each worker's compensation occurrence, the first \$100,000 for each property occurrence, the first \$250,000 for each liability occurrence, and the first \$350,000 for employment liability claims. 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.

A third-party administrator processes medical and dental claims. The property/casualty plan and the worker's compensation plan are completely self-administered. Resources to pay potential claims are accumulated in an internal service fund. Various risk control techniques have been implemented to minimize losses, including employee training in the areas of accident prevention, supervision, ergonomics, cultural diversity, and sexual harassment. Additional information on the County's risk management activity can be found in the notes to the financial statements.

Pension and other post employment benefits: On December 18, 2003, the Board adopted resolution 2003-156, authorizing the County to apply for affiliation with the Colorado Public Employees' Retirement Association (PERA). On April 1, 2004, Boulder County withdrew from the Boulder County Retirement Savings Plan and established membership with PERA. Under PERA, the County contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Prior to January 1, 2006, the LGDTF was known as the Municipal Division Trust Fund. The LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the County are members of the LGDTF. In 2007, plan members and the County are required to contribute to the LGDTF 8.0% and 11.0% of covered salary, respectively.

Additional information on the County's pension arrangements and post employment benefits can be found in Note 16 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, 2005. 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 reports 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. The County has received a Certificate of Achievement for the last 16 consecutive years (fiscal years ended 1990-2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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, Assessor, Community Services, Land Use, Parks and Open Space, Sheriff, and Treasurer, all of 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, CPFO
Financial Services Division Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Boulder County Colorado

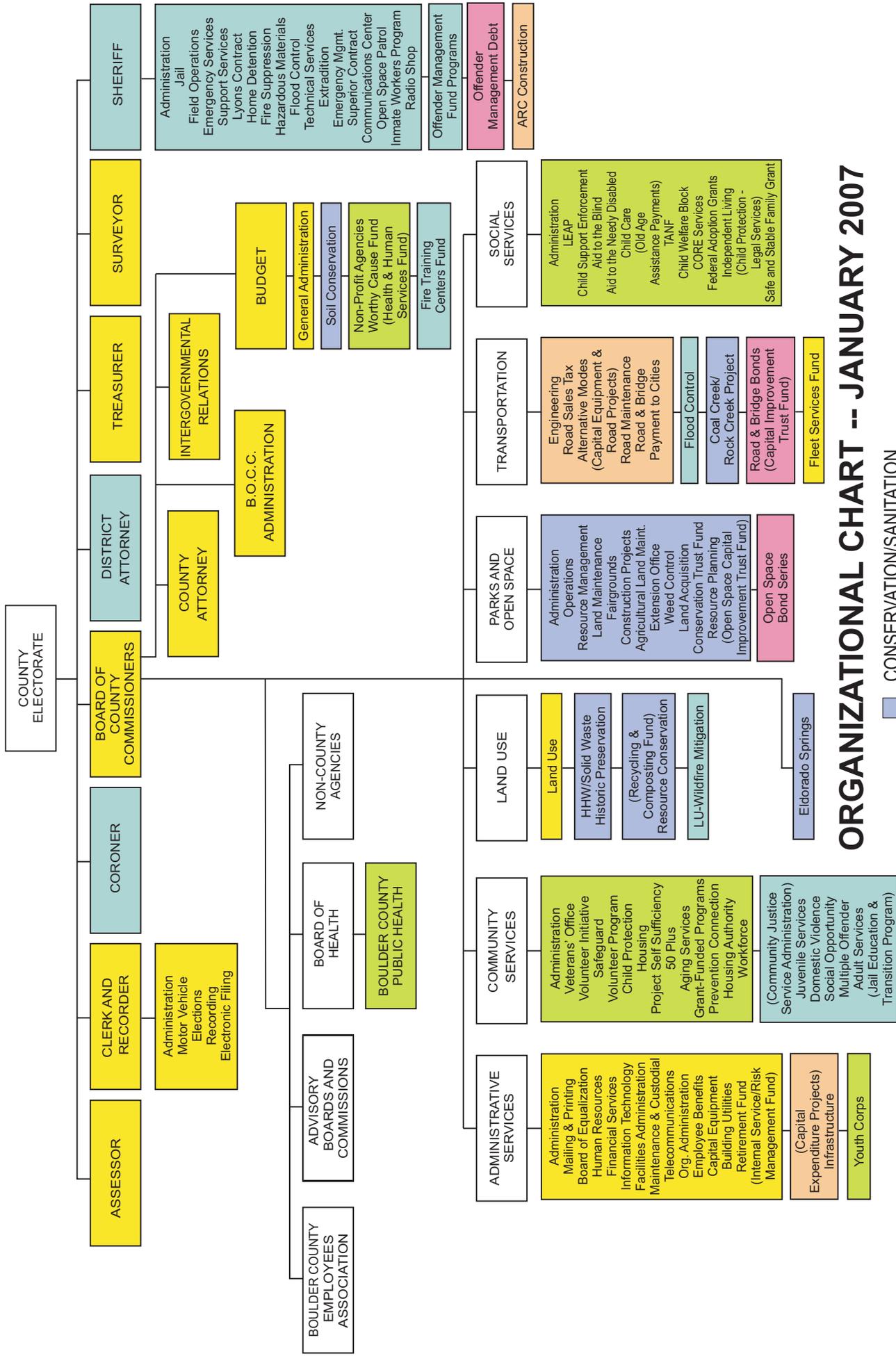
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director



ORGANIZATIONAL CHART -- JANUARY 2007

- CONSERVATION/SANITATION
- DEBT SERVICE
- GENERAL GOVERNMENT
- HEALTH & WELFARE/ECONOMIC OPPORTUNITY
- HIGHWAYS & STREETS/CAPITAL BUILDING PROJECTS
- PUBLIC SAFETY/JUDICIAL

BOULDER COUNTY, COLORADO

List of Principal Officials

(In office at the time this report was published)

Elected Officials:

Commissioner - District 2	Ben Pearlman, Chair	2009
Commissioner - District 1	Will Toor	2009
Commissioner - District 3	Tom Mayer	2011
Assessor	Cindy Domenico	2011
Clerk and Recorder	Hillary Hall	2011
Coroner	Tom Faure	2011
District Attorney	Mary Lacy	2009
Sheriff	Joe Pelle	2011
Surveyor	John Emery	2011
Treasurer	Bob Hullinghorst	2011

Current Term Expires:

Appointed Department Directors:

Administrative Services	Keith Ickes
Budget Office	Margaret Parish
Community Services	Robin Bohannon
County Attorney	Lawrence Hoyt
Deputy to Board of County Commissioners	Jana Petersen
Intergovernmental Relations	Dickey Lee Hullinghorst
Land Use	Graham Billingsley
Parks and Open Space	Ronald K. Stewart
Public Health	Chuck Stout
Social Services	Paula McKey
Transportation	Position vacant as of publication date

Independent Auditor's 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 (County) as of and for the year ended December 31, 2006 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boulder County, Colorado as of December 31, 2006, 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 report dated July 12, 2007 on our consideration of County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 11 through 21 and 76 through 82 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 supplementary information and local highway finance report, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section, statistical section, and S.E.C. disclosure subsection listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Greenwood Village, Colorado
July 12, 2007

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2006

As management of Boulder County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County, for the fiscal year ended December 31, 2006. 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 \$453,131,753 (net assets). Of this amount, \$96,041,420 (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 \$108,769,399, a decrease of \$3,060,370 in comparison with the prior year. Approximately 79.6% of this total amount, \$86,642,722, 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 \$27,823,422, or 28.4% of total General Fund expenditures.

The County's total debt decreased \$6,307,687 (2.7%) during the current fiscal year. The key factor in this decrease was the payment of principal on the Open Space Capital Improvement Fund Bonds Series 1996 and 1998.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The 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 the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the 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 the 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).

Both of the government-wide financial statements distinguish functions of the 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 the County include general government, conservation, urban redevelopment/housing, public safety, health and welfare, economic opportunity, highways and streets, and sanitation. The business-type activities of the County include a recycling center and a housing authority.

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2006

The Boulder County Housing Authority was established in 1975 to promote and provide quality, affordable housing for lower-income families, disabled people, and the elderly. Prior to 2003, the Housing Authority was a governmental entity independent of the County, governed by a seven-member board. Effective January 1, 2003, the Housing Authority became a 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 government-wide financial statements include not only Boulder County itself (known as the primary government), but also a legally separate Public Health Department for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. The Housing Authority and the Gunbarrel General Improvement District, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 the 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.

The County maintains nineteen 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, Road and Bridge 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. The 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. The County uses an enterprise fund to account for the Boulder County Recycling Center and for the Boulder County Housing Authority. Internal service funds are an accounting device used to accumulate the allocated costs internally among the County's various functions. The 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.

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 statement

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary comparison schedules for the General Fund, Road and Bridge Fund, and Social Services Fund, which demonstrate compliance with their respective annual appropriated budgets.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$453,131,753 at the close of the most recent fiscal year.

By far, the largest portion of the County's net assets (77.6%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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.

An additional portion of the County's net assets (1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$96,041,420 may be used to meet the government's ongoing obligations to citizens and creditors.

SUMMARY OF ASSETS AND LIABILITIES

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 251,165,432	\$ 247,036,404	\$ 8,751,379	\$ 7,709,080	\$ 259,916,811	\$ 254,745,484
Capital assets	530,823,354	442,086,587	33,648,158	33,880,894	564,471,512	475,967,481
Total assets	781,988,786	689,122,991	42,399,537	41,589,974	824,388,323	730,712,965
Long-term liabilities outstanding	205,400,278	214,049,657	17,559,254	16,132,951	222,959,532	230,182,608
Other liabilities	146,715,934	141,451,113	1,581,104	2,891,948	148,297,038	144,343,061
Total liabilities	352,116,212	355,500,770	19,140,358	19,024,899	371,256,570	374,525,669
Net assets:						
Invested in capital assets						
net of related debt	333,675,656	256,993,666	17,861,944	18,936,486	351,537,600	275,930,152
Restricted	3,602,216	4,627,577	1,950,517	1,745,876	5,552,733	6,373,453
Unrestricted	92,594,702	72,000,978	3,446,718	1,882,713	96,041,420	73,883,691
Total net assets	\$ 429,872,574	\$ 333,622,221	\$ 23,259,179	\$ 22,565,075	\$ 453,131,753	\$ 356,187,296

BOULDER COUNTY, COLORADO

Management's Discussion and Analysis

December 31, 2006

At the end of the current fiscal year, the 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.

In governmental activities, there was an increase of \$92,865,795 in total assets, a decrease of \$3,384,558 in total liabilities, and an increase of \$96,250,353 in total net assets. This overall increase is due primarily to open space land purchases, along with the retroactive booking of infrastructure assets acquired or constructed from 1980 to 2001, as required by Government Accounting Standards Board (GASB) Statement 34.

In business-type activities, there was an increase of \$809,563 in total assets, an increase of \$115,459 in total liabilities, and an increase of \$694,104 in total net assets. These increases are due to increases in ongoing revenues, which have exceeded similar increases in ongoing expenses.

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 20,342,900	\$ 19,424,385	\$ 6,539,557	\$ 5,937,056	\$ 26,882,457	\$ 25,361,441
Operating grants and contributions	39,375,742	33,662,339	7,171,942	6,104,767	46,547,684	39,767,106
Capital grants and contributions	526,106	243,421	178,236	126,351	704,342	369,772
General revenues:						
Property taxes	108,401,607	101,223,224	—	—	108,401,607	101,223,224
Sales taxes	24,406,908	23,698,593	—	—	24,406,908	23,698,593
Specific ownership taxes	7,718,149	7,556,938	—	—	7,718,149	7,556,938
Grants and contributions not restricted	—	—	243,979	219,455	243,979	219,455
Interest earnings	7,182,054	5,747,061	271,398	178,572	7,453,452	5,925,633
Gain on sale of capital assets	421,992	450,302	—	—	421,992	—
Total revenues	208,375,458	192,006,263	14,405,112	12,566,201	222,780,570	204,572,464
Expenses:						
General government	55,992,512	54,997,225	—	—	55,992,512	54,997,225
Conservation	10,019,933	10,621,331	4,863,819	4,419,034	14,883,752	15,040,365
Public safety	34,440,809	32,078,687	—	—	34,440,809	32,078,687
Health and welfare	41,818,868	39,827,900	—	—	41,818,868	39,827,900
Economic opportunity	9,101,074	9,745,429	—	—	9,101,074	9,745,429
Highways and streets	13,124,693	10,392,095	—	—	13,124,693	10,392,095
Sanitation	1,068,623	577,930	—	—	1,068,623	—
Urban redevelopment/housing	219,887	192,031	9,354,586	10,309,511	9,574,473	10,501,542
Interest on long-term debt	10,004,567	10,700,076	—	—	10,004,567	10,700,076
Total expenses	175,790,966	169,132,704	14,218,405	14,728,545	190,009,371	183,861,249
Increase in net assets before transfers	32,584,492	22,873,559	186,707	(2,162,344)	32,771,199	20,711,215
Transfers	(507,397)	(521,564)	507,397	521,564	—	—
Increase (decrease) in net assets	32,077,095	22,351,995	694,104	(1,640,780)	32,771,199	20,711,215
Net assets - January 1 as reported	333,622,221	307,808,673	22,565,075	24,205,855	356,187,296	332,014,528
Prior period adjustment	64,173,258	3,461,553	—	—	64,173,258	—
Net assets, January 1 as restated	397,795,479	311,270,226	22,565,075	24,205,855	420,360,554	335,476,081
Net assets - December 31	<u>\$ 429,872,574</u>	<u>\$ 333,622,221</u>	<u>\$ 23,259,179</u>	<u>\$ 22,565,075</u>	<u>\$ 453,131,753</u>	<u>\$ 356,187,296</u>

Governmental activities. Governmental activities increased the County's net assets by \$96,250,353; this includes a \$64,173,258 prior period adjustment. Key elements of this increase are as follows:

Operating grants and contributions increased \$5,713,403. The main reasons for this change were a \$1 million Help America Vote Act (HAVA) grant, \$1.1 million in Drug Task Force Asset Forfeiture funds, a \$1.4 million increase in state shared highway user taxes, and approximately \$2 million in increased funding in Social Services for child welfare, Title IV-E, child support enforcement, and LEAP.

Property taxes increased \$7,178,383, which is comparable to the 2005 increase of \$6,325,518, and consistent with increases in real estate values.

BOULDER COUNTY, COLORADO
 Management's Discussion and Analysis
 December 31, 2006

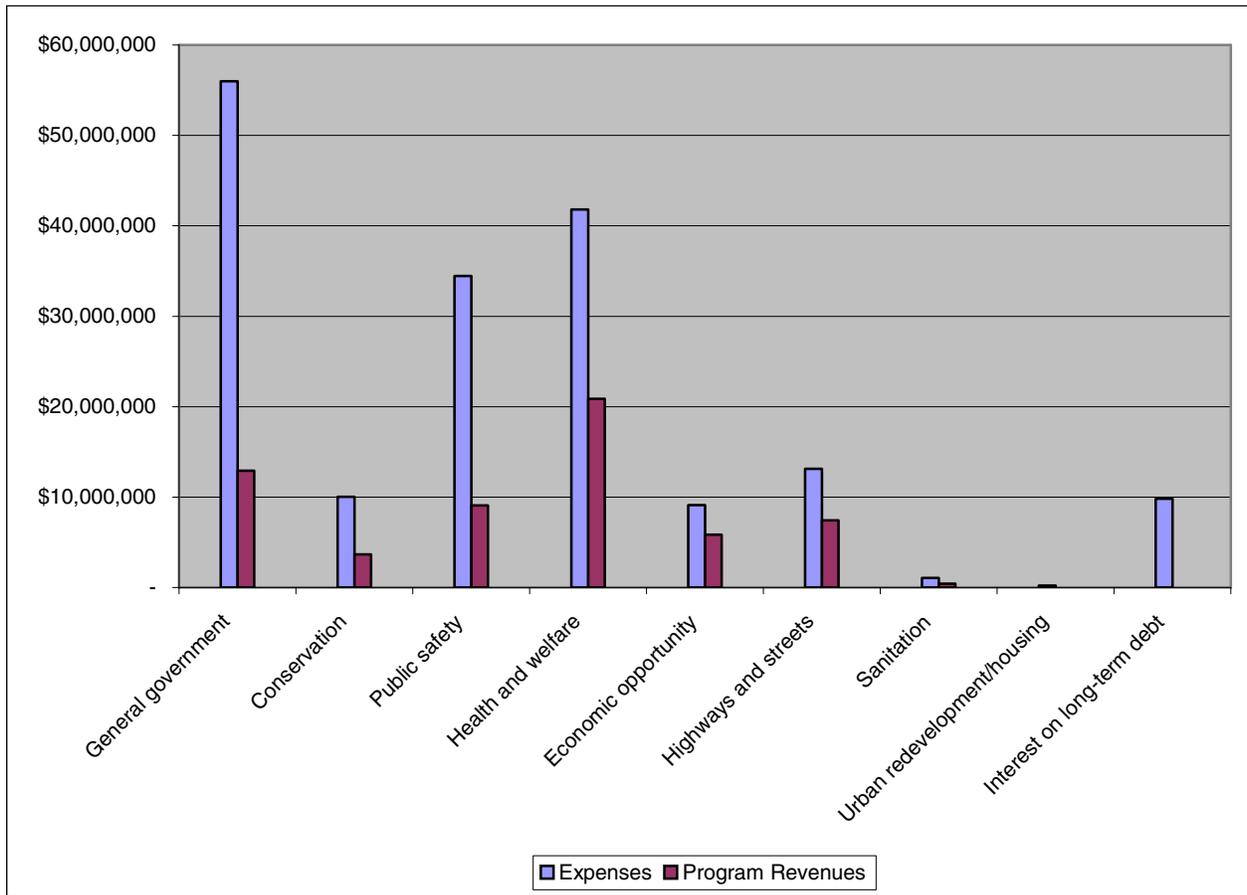
Interest earnings increased \$1,434,993. The increase was primarily due to the investment yield going from 3.9% in 2005 to 5.01% in 2006.

Public safety expenses increased \$2,362,122 due to a new wireless telecommunications tower, five new Sheriff's Office full-time equivalent employees (FTEs), and other miscellaneous programs.

Health and welfare expenses increased \$1,990,968 due to an additional \$.9 million in assistance from Boulder County to the Public Health Department, 17.25 additional FTEs at Social Services, and other miscellaneous program increases.

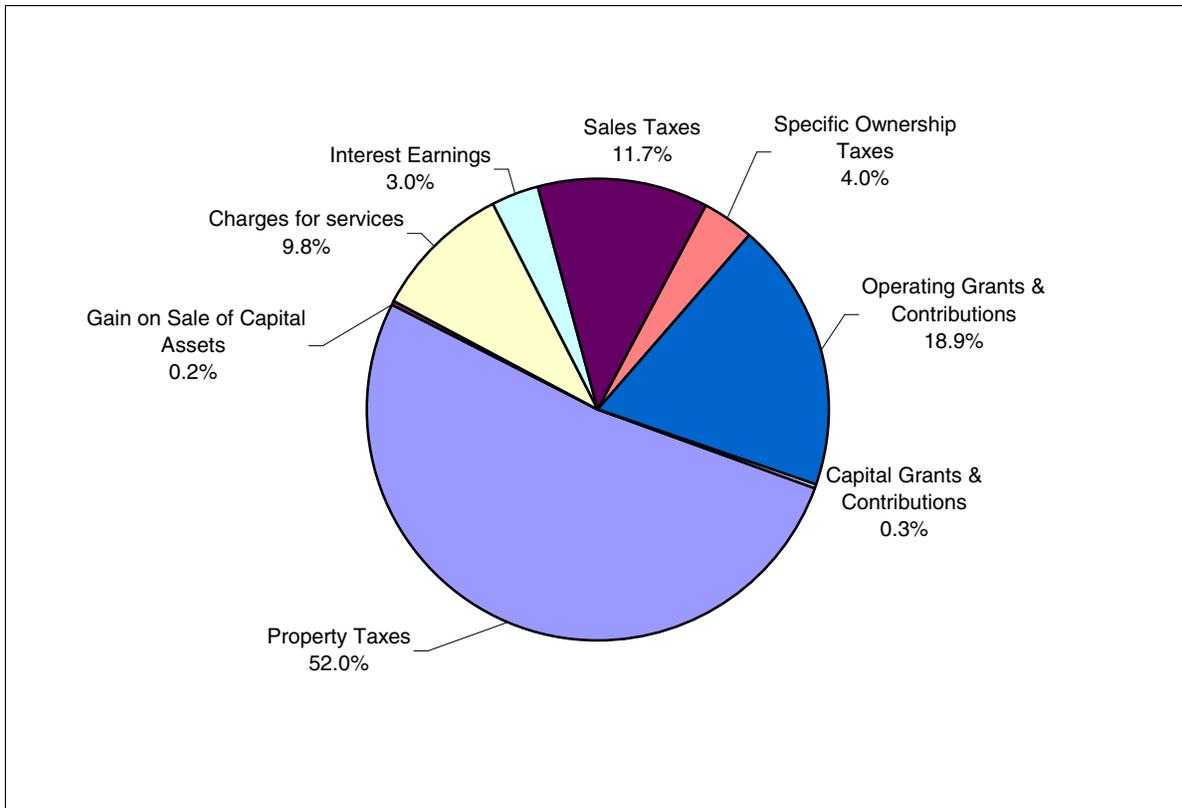
Highways and streets expenses increased \$2,732,598 due primarily to an increase in depreciation expense, which arose in large part from the retroactive addition of \$56.8 million in infrastructure assets (net of depreciation) per GASB 34.

Expenses and Program Revenues – Governmental Activities
 Year ended December 31, 2006



BOULDER COUNTY, COLORADO
 Management's Discussion and Analysis
 December 31, 2006

Revenues by Source – Governmental Activities
 Year ended December 31, 2006



Business-type activities. Business-type activities increased the County's net assets by \$694,104. This increase was a result of operations at the Recycling Center (\$.5 million decrease) and Housing Authority (\$1.2 million increase).

Charges for services increased \$602,501 due to decreased housing vacancy rates, and the completion of a 12-unit subsidized rental development.

Operating grants and contributions increased \$1,067,175 due to a \$1 million grant in the Housing Authority not received in the previous year.

Conservation expenses increased \$444,785 due to an increase in cost of sales, general administration expenses, and professional services at the Recycling Center.

Urban redevelopment/housing expenses decreased \$954,925 due primarily to the \$750,029 loss on the sale of the Powell Building in 2005, with no similar loss in 2006.

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the 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, the County's governmental funds reported combined ending fund balances of \$108,769,399, a decrease of \$3,060,370 in comparison with the prior year. Approximately 79.6% of this total amount (\$86,642,722) 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 (\$3,592,622), 2) a reserve for prepaid items and inventory (\$1,695,717), 3) a reserve for capital transactions (\$16,691,841), and 4) a reserve for long-term advances receivable due from other funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$27,823,422, while total fund balance was \$28,544,604. 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 28.4% of total General Fund expenditures, while total fund balance represents 29.1% of the same amount.

The fund balance of the County's General Fund increased by \$5,169,247 during the current fiscal year. Revenues exceeded expenditures by \$7,681,566, \$1,441,350 was transferred in, the sale of capital assets added \$1,291,810, and transfers out were \$5,245,479.

The Road and Bridge Fund has a total fund balance of \$8,632,033. Of this amount, \$288,237 is reserved, and the balance of \$8,343,796 is unreserved. Overall fund balance decreased by \$2,408,016 due to the construction of a fleet services facility.

The Social Services Fund has a total fund balance of \$4,900,836, all of which is unreserved. This represents an increase of \$1,317,816 from the prior year's fund balance of \$3,583,020. The current year increase to fund balance was due to increased revenues from child welfare, Title IV-E, child support enforcement, and LEAP programs.

The Open Space Capital Improvement Fund has a total fund balance of \$32,806,083. Of this amount, \$1,102,975 is reserved for prepaid items and inventory, and \$16,366,521 is reserved for capital transactions. The remaining balance of \$15,336,587 is unreserved. The overall change from the prior year's fund balance was a decrease of \$8,716,144, due primarily to a debt principal payment of \$6,360,000 transferred to pay the Open Space Capital Improvement Fund Bonds Series 1998.

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

Unrestricted net assets at the end of the year amounted to \$1,751,884 for the Recycling Center (Resource Conservation), \$1,672,708 for the Housing Authority, and \$4,420,192 for the Risk Management Internal Service Fund.

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

For the fiscal year, unrestricted net assets of the Recycling Center increased by \$34,948, unrestricted net assets of the Housing Authority increased \$1,498,008, and unrestricted net assets in the Internal Service Fund increased \$1,710,233. These changes to unrestricted net assets were a result of operations, plus a \$1 million grant received by the Housing Authority.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$6,925,926, and can be briefly summarized as follows:

- \$1.9 million for the Clerk and Recorder for the lease of a HAVA compliant voting system
- \$0.2 million for building utilities due to higher energy costs
- \$0.3 million in increases allocated to the Sheriff's Office for multiple projects
- \$2.7 million in increases allocated to Parks and Open Space primarily for open space acquisition
- \$0.1 million in increases allocated to Transportation for completion of the design of two trails
- \$0.8 million in increases allocated to general administration for completion of various computing projects, and for consolidation of County financial systems in Social Services, Public Health, Workforce, and the Housing Authority
- \$0.9 million in increases to other miscellaneous expenditures

Actual 2006 General Fund expenditures totaled \$4,267,232 less than the final amended budget. This variance is not expected to significantly affect either future services or liquidity.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2006, amounted to \$564,471,512 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure, machinery and equipment, park facilities, roads, highways, and bridges.

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

- The addition of \$56.8 million (net) in retroactive infrastructure assets due to GASB 34
- The addition of \$12.4 million in retroactive infrastructure-related land assets due to GASB 34
- New open space purchases of \$14.2 million

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

BOULDER COUNTY'S CAPITAL ASSETS
(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 364,681,365	\$ 340,025,839	\$ 5,211,799	\$ 5,211,799	\$ 369,893,164	\$ 345,237,638
Land development rights & other	2,657,577	3,894,443	—	—	2,657,577	3,894,443
Construction in progress	18,380,574	19,550,927	36,583	1,413,456	18,417,157	20,964,383
Buildings and improvements	63,522,925	60,406,234	27,110,726	25,799,474	90,633,651	86,205,708
Equipment	8,711,013	7,601,701	1,289,050	1,456,165	10,000,063	9,057,866
Improvements other than buildings	5,140,164	2,927,150	—	—	5,140,164	2,927,150
Infrastructure	67,729,736	7,680,293	—	—	67,729,736	7,680,293
Total	\$ 530,823,354	\$ 442,086,587	\$ 33,648,158	\$ 33,880,894	\$ 564,471,512	\$ 475,967,481

Additional information on the County's capital assets can found in Note (5) of the notes to the basic financial statements within this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$211,770,000 (face amount). All of the County's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Total debt decreased by \$6,307,687 due primarily to principal payments on the Open Space Capital Improvement Fund Bonds Series 1996 and 1998.

BOULDER COUNTY'S OUTSTANDING DEBT

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Notes & loans payable	\$ 1,651,808	\$ —	\$ 3,367,244	\$ 2,649,939	\$ 5,019,052	\$ 2,649,939
Bonds payable	197,310,000	205,010,000	14,460,000	14,706,800	211,770,000	219,716,800
Certificates of participation	8,625,000	9,355,000	—	—	8,625,000	9,355,000
Total	\$ 207,586,808	\$ 214,365,000	\$ 17,827,244	\$ 17,356,739	\$ 225,414,052	\$ 231,721,739

Additional information on the County's long-term debt can found in Note (12) of the notes to the basic financial statements within this report.

BOULDER COUNTY, COLORADO
Management's Discussion and Analysis
December 31, 2006

Economic Factors and Next Year's Budgets and Rates

Per the Department of Labor, the average unemployment rate for the County during the fourth quarter of 2006 was 3.43% percent. Unemployment in the fourth quarter of 2005 averaged 3.9%. The State's average unemployment rate for 2006 was 4.3%.

Per the Colorado Department of Revenue, retail sales for the County were 5.9% higher in 2006 than they were in 2005, as the economy continued to expand.

According to the Boulder County Business Report, the Boulder County Leading Economic Index has been growing steadily now for the past four years, and is expected to continue its upward trend in 2007.

These factors were taken into account when developing the budget for 2007.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

BOULDER COUNTY, COLORADO

Statement of Net Assets

December 31, 2006

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	Public Health
Equity in Treasurer's cash and investments	\$ 98,363,951	\$ 2,369,282	\$ 100,733,233	\$ 2,270,058
Property taxes receivable	112,931,357	—	112,931,357	—
Accounts receivable	—	13,607	13,607	36,185
Due from other governmental units	12,573,609	42,495	12,616,104	1,099,947
Due from discrete component unit	591,179	—	591,179	—
Internal balances	137,149	(137,149)	—	—
Interest receivable	1,107,407	13,347	1,120,754	—
County goods and services receivable, net	3,384,055	654,340	4,038,395	—
Prepaid items	1,316,736	71,922	1,388,658	6,145
Inventories and other assets	380,641	195,152	575,793	—
Restricted cash and cash equivalents	18,866,247	3,513,786	22,380,033	387,973
Notes receivable	—	1,141,257	1,141,257	—
Deferred charges – issuance costs	1,513,101	873,340	2,386,441	—
Capital assets, net of accumulated depreciation:				
Land	364,681,365	5,211,799	369,893,164	—
Land development rights and other	2,657,577	—	2,657,577	—
Construction in progress	18,380,574	36,583	18,417,157	—
Buildings and improvements	63,522,925	27,110,726	90,633,651	—
Equipment	8,711,013	1,289,050	10,000,063	111,843
Improvements other than buildings	5,140,164	—	5,140,164	—
Infrastructure	67,729,736	—	67,729,736	—
Total assets	781,988,786	42,399,537	824,388,323	3,912,151
Liabilities				
Accounts payable	7,819,670	837,774	8,657,444	635,121
Unearned revenue	118,043,462	77,000	118,120,462	86,838
Due to other governmental units	—	—	—	—
Due to primary government	—	—	—	587,891
Accrued liabilities	1,709,883	95,048	1,804,931	151,195
Accrued interest payable	2,931,350	5,710	2,937,060	—
Escrows payable	389,724	210,823	600,547	112,823
TABOR liability	34,293	—	34,293	—
Other liabilities	814,102	—	814,102	—
Liabilities:				
Due within one year:				
Claims	2,151,248	—	2,151,248	—
Notes and loans	33,996	54,600	88,596	—
Bonds	11,100,578	295,000	11,395,578	—
Certificates of participation	750,000	—	750,000	—
Premiums on debt issuance	312,567	—	312,567	—
Compensated absences	625,061	5,149	630,210	38,783
Due in more than one year:				
Claims	888,417	—	888,417	—
Notes and loans	1,617,812	3,312,644	4,930,456	—
Bonds	183,775,620	14,165,000	197,940,620	—
Certificates of participation	7,875,000	—	7,875,000	—
Premiums on debt issuance	3,336,691	—	3,336,691	—
Compensated absences	7,906,738	81,610	7,988,348	596,743
Total liabilities	352,116,212	19,140,358	371,256,570	2,209,394
Net Assets				
Invested in capital assets, net of related debt	333,675,656	17,861,944	351,537,600	111,843
Restricted for:				
Emergencies	3,592,622	—	3,592,622	40,987
Escrow fees	9,594	—	9,594	—
Restricted by bond covenants	—	1,950,517	1,950,517	—
Health and Human Services including balance to Ballot 1A	—	—	—	199,116
Unrestricted	92,594,702	3,446,718	96,041,420	1,350,811
Total net assets	\$ 429,872,574	\$ 23,259,179	\$ 453,131,753	\$ 1,702,757

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

Statement of Activities

Year ended December 31, 2006

	Program revenues			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions
Primary government:				
Governmental activities:				
General government	\$ 55,992,512	\$ 10,333,760	\$ 2,592,211	\$ —
Conservation	10,019,933	1,997,180	1,578,300	95,656
Public safety	34,440,809	4,773,722	3,930,056	386,396
Health and welfare	41,818,868	1,592,751	19,246,061	44,054
Economic opportunity	9,101,074	71,832	5,776,169	—
Highways and streets	13,124,693	1,205,427	6,211,268	—
Sanitation	1,068,623	368,228	41,677	—
Urban redevelopment/housing	219,887	—	—	—
Interest on long-term debt	10,004,567	—	—	—
Total governmental activities	175,790,966	20,342,900	39,375,742	526,106
Business-type activities:				
Recycling Center	4,863,819	4,269,778	—	—
Housing Authority	9,354,586	2,269,779	7,171,942	178,236
Total business-type activities	14,218,405	6,539,557	7,171,942	178,236
Total primary government	\$ 190,009,371	\$ 26,882,457	\$ 46,547,684	\$ 704,342
Component unit:				
Public Health	\$ 13,576,125	\$ 1,381,956	\$ 6,539,559	\$ —

General revenues:

Taxes:
 Property
 Sales
 Specific ownership
 Interest earnings
 Grants and contributions not restricted to
 specific programs
 Gain on sale of capital assets

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets, January 1, as previously reported

Prior period restatement (see Note 21)

Net assets, January 1, as restated

Net assets, December 31

The notes to the financial statements are an integral part of this statement.

Net (expense) revenue and changes in net assets			
Primary government			Component
Governmental	Business-type	Total	unit
activities	activities		Public Health
\$ (43,066,541)	\$ —	\$ (43,066,541)	\$ —
(6,348,797)	—	(6,348,797)	—
(25,350,635)	—	(25,350,635)	—
(20,936,002)	—	(20,936,002)	—
(3,253,073)	—	(3,253,073)	—
(5,707,998)	—	(5,707,998)	—
(658,718)	—	(658,718)	—
(219,887)	—	(219,887)	—
(10,004,567)	—	(10,004,567)	—
<u>(115,546,218)</u>	<u>—</u>	<u>(115,546,218)</u>	<u>—</u>
—	(594,041)	(594,041)	—
—	265,371	265,371	—
—	<u>(328,670)</u>	<u>(328,670)</u>	<u>—</u>
<u>(115,546,218)</u>	<u>(328,670)</u>	<u>(115,874,888)</u>	<u>—</u>
—	—	—	<u>(5,654,610)</u>
\$ 108,401,607	\$ —	\$ 108,401,607	\$ —
24,406,908	—	24,406,908	—
7,718,149	—	7,718,149	—
7,182,054	271,398	7,453,452	100,591
—	243,979	243,979	5,937,717
<u>421,992</u>	<u>—</u>	<u>421,992</u>	<u>—</u>
148,130,710	515,377	148,646,087	6,038,308
<u>(507,397)</u>	<u>507,397</u>	<u>—</u>	<u>—</u>
<u>147,623,313</u>	<u>1,022,774</u>	<u>148,646,087</u>	<u>6,038,308</u>
<u>32,077,095</u>	<u>694,104</u>	<u>32,771,199</u>	<u>383,698</u>
<u>333,622,221</u>	<u>22,565,075</u>	<u>356,187,296</u>	<u>1,319,059</u>
<u>64,173,258</u>	<u>—</u>	<u>64,173,258</u>	<u>—</u>
<u>397,795,479</u>	<u>22,565,075</u>	<u>420,360,554</u>	<u>1,319,059</u>
<u>\$ 429,872,574</u>	<u>\$ 23,259,179</u>	<u>\$ 453,131,753</u>	<u>\$ 1,702,757</u>

BOULDER COUNTY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2006

Assets	General Fund	Road and Bridge Fund	Social Services Fund	Open Space Capital Improvement Fund	Other governmental funds	Total governmental funds
Equity in Treasurer's cash and investments	\$ 28,484,903	\$ 7,690,851	\$ 6,658,864	\$ 15,186,365	\$ 33,050,198	\$ 91,071,181
Restricted cash and cash equivalents	389,724	22,570	111,678	16,366,521	1,975,754	18,866,247
Property taxes receivable	86,716,608	1,042,636	3,984,465	—	21,187,648	112,931,357
Due from other governmental units	4,801,802	2,294,302	664,201	2,565,391	2,247,840	12,573,536
Due from component unit	387,089	154	—	—	131,122	518,365
Interest receivable	349,421	55,250	—	504,145	146,226	1,055,042
County goods and services receivable, net	629,816	107,408	5,316	19,227	2,564,305	3,326,072
Due from other funds	1,356,875	69,459	82	116,861	729,309	2,272,586
Prepaid items	199,957	4,575	—	1,102,975	7,569	1,315,076
Inventory	98,353	282,288	—	—	—	380,641
Total assets	\$ 123,414,548	\$ 11,569,493	\$ 11,424,606	\$ 35,861,485	\$ 62,039,971	\$ 244,310,103
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 2,638,345	\$ 1,686,470	\$ 232,773	\$ 195,066	\$ 2,854,548	\$ 7,607,202
Due to other funds	635,311	1,016	1,034,246	289,409	361,726	2,321,708
Deferred revenue	89,686,050	1,154,701	4,874,417	2,558,026	24,394,263	122,667,457
Due to other governmental units	—	—	—	—	—	—
Accrued liabilities	1,214,939	93,949	294,033	12,882	90,626	1,706,429
Escrows payable	389,724	—	—	—	—	389,724
TABOR liability	34,293	—	—	—	—	34,293
Other liabilities	271,282	1,324	88,301	19	452,965	813,891
Total liabilities	94,869,944	2,937,460	6,523,770	3,055,402	28,154,128	135,540,704
Fund balances:						
Reserved for:						
Emergencies	276,375	—	—	—	3,316,247	3,592,622
Prepaid items and inventory	298,310	286,863	—	1,102,975	7,569	1,695,717
Debt service	—	—	—	—	—	—
Escrow fees	9,594	—	—	—	—	9,594
Capital transactions	—	1,374	—	16,366,521	323,946	16,691,841
Advances receivable	136,903	—	—	—	—	136,903
Unreserved, reported in:						
General Fund	27,823,422	—	—	—	—	27,823,422
Special revenue funds	—	8,343,796	4,900,836	—	23,806,041	37,050,673
Capital projects funds	—	—	—	15,336,587	6,432,040	21,768,627
Total fund balances	28,544,604	8,632,033	4,900,836	32,806,083	33,885,843	108,769,399
Total liabilities and fund balances	\$ 123,414,548	\$ 11,569,493	\$ 11,424,606	\$ 35,861,485	\$ 62,039,971	\$ 244,310,103

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

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

December 31, 2006

Total governmental fund balances	\$	108,769,399
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.		530,823,354
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable		(197,310,000)
Loans payable		(1,651,808)
Certificates of participation		(8,625,000)
Premium on bond issuance		(3,649,258)
Compensated absences (excluding internal services of \$ 10,072)		(8,521,727)
Accrued interest payable		(2,931,350)
Other long-term assets are not available to pay current expenditures and therefore are deferred in the funds.		
Long-term receivables		4,623,995
Deferred charges – issuance costs		1,513,101
Deferred loss on bond refunding		2,433,802
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 (\$22,126 gain is allocated to business-type activities).		<u>4,398,066</u>
Net assets of governmental activities	\$	<u><u>429,872,574</u></u>

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Governmental Funds
Year ended December 31, 2006

	General Fund	Road and Bridge Fund	Social Services Fund	Open Space Capital Improvement Fund	Other governmental funds	Total governmental funds
Revenues:						
Taxes	\$ 83,748,471	\$ 9,963,773	\$ 5,471,442	\$ 16,865,472	\$ 24,235,581	\$ 140,284,739
Licenses, fees, and permits	1,038,789	28,334	—	—	—	1,067,123
Interest on investments	3,266,405	479,919	—	2,058,821	1,015,878	6,821,023
Intergovernmental	4,273,623	6,999,611	16,666,730	240,484	14,731,929	42,912,377
Charges for services	10,484,102	—	106,961	590	1,055,364	11,647,017
Fines and forfeitures	707,847	—	—	—	—	707,847
Other revenue	2,030,229	49,617	8,114	45,707	1,243,195	3,376,862
Total revenues	105,549,466	17,521,254	22,253,247	19,211,074	42,281,947	206,816,988
Expenditures:						
Current:						
General government	46,123,050	—	—	—	10,995,299	57,118,349
Conservation	8,938,952	—	—	15,441,318	1,471,374	25,851,644
Public safety	29,125,134	—	—	—	7,015,759	36,140,893
Health and welfare	7,580,199	—	22,470,310	—	13,876,338	43,926,847
Economic opportunity	3,913,230	—	—	—	5,686,206	9,599,436
Highways and streets	1,355,909	19,305,821	—	—	52,690	20,714,420
Sanitation	609,074	—	—	—	461,003	1,070,077
Urban redevelopment/housing	222,352	—	—	—	—	222,352
Debt service:						
Principal	—	459,900	—	885,000	9,875,100	11,220,000
Interest and fiscal charges	—	202,888	—	7,239,847	2,430,960	9,873,695
Debt issuance costs	—	—	—	561,077	—	561,077
Total expenditures	97,867,900	19,968,609	22,470,310	24,127,242	51,864,729	216,298,790
Excess (deficiency) of revenues over expenditures	7,681,566	(2,447,355)	(217,063)	(4,916,168)	(9,582,782)	(9,481,802)
Other financing sources (uses):						
Proceeds from sale of capital assets	1,291,810	39,339	—	3,354,300	3,627	4,689,076
Debt issuance	—	—	—	38,365,000	1,651,808	40,016,808
Premium on bond sale	—	—	—	682,260	—	682,260
Payment to debt refunding escrow agent	—	—	—	(38,459,315)	—	(38,459,315)
Transfers in	1,441,350	—	1,534,879	50,129	13,070,521	16,096,879
Transfers out	(5,245,479)	—	—	(7,792,350)	(3,566,447)	(16,604,276)
Total other financing sources (uses)	(2,512,319)	39,339	1,534,879	(3,799,976)	11,159,509	6,421,432
Net change in fund balance	5,169,247	(2,408,016)	1,317,816	(8,716,144)	1,576,727	(3,060,370)
Fund balance, January 1	23,375,357	11,040,049	3,583,020	41,522,227	32,309,116	111,829,769
Fund balance, December 31	\$ 28,544,604	\$ 8,632,033	\$ 4,900,836	\$ 32,806,083	\$ 33,885,843	\$ 108,769,399

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

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

Year ended December 31, 2006

Net change in fund balances – total governmental funds		\$ (3,060,370)
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	\$ 38,039,394	
Depreciation expense	<u>(9,292,310)</u>	
Excess of capital outlay over depreciation		28,747,084
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets:		
Donations of capital assets	187,885	
Proceeds from sale of capital assets	(4,689,076)	
Gain on sale of capital assets	421,992	
Loss on sale of capital assets, retirements, scrappings, change in threshold	<u>(104,376)</u>	
		(4,183,575)
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		241,925
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:		
Debt Payments	11,220,000	
Issuance of new debt includes:		
Debt proceeds, net	(1,651,808)	
Debt premium	(682,260)	
Debt issuance costs	<u>561,077</u>	
		9,447,009
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds:		
Compensated absences (excluding internal service of \$ 3,039)	(663,290)	
Amortization of issuance costs	(119,859)	
Amortization of loss on early retirement	(356,198)	
Amortization of bond premium	295,249	
Accrued interest payable	<u>49,936</u>	
		(794,162)
The internal service fund is used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities:		
Internal service fund surplus allocation, including activities relating to consolidation of enterprise funds of \$31,049		<u>1,679,184</u>
Change in net assets of governmental funds		\$ <u>32,077,095</u>

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

Statement of Fund Net Assets

Proprietary Funds

December 31, 2006

Assets	Business-type activities			Governmental activities
	Recycling Center	Housing Authority	Totals	Internal Service Fund
Current assets:				
Equity in Treasurer's cash and investments	\$ 1,858,780	\$ 510,502	\$ 2,369,282	\$ 7,292,770
Restricted cash and cash equivalents	—	3,513,786	3,513,786	—
Interest receivable	13,347	—	13,347	52,365
County goods and services receivable	654,340	—	654,340	57,983
Accounts receivable	—	13,607	13,607	—
Due from component unit	—	—	—	72,814
Due from other governments	374	42,121	42,495	73
Due from other funds	20,528	—	20,528	209,744
Prepaid and other items	—	71,922	71,922	1,660
Total current assets	<u>2,547,369</u>	<u>4,151,938</u>	<u>6,699,307</u>	<u>7,687,409</u>
Noncurrent assets:				
Restricted cash and cash equivalents	—	—	—	—
Notes receivable	—	1,141,257	1,141,257	—
Deferred debt financing costs	—	873,340	873,340	—
Other assets	—	195,152	195,152	—
Capital assets:				
Land	882,782	4,329,017	5,211,799	—
Construction in progress	36,583	—	36,583	—
Buildings and improvements	11,072,791	22,792,704	33,865,495	—
Less accumulated depreciation	(1,522,509)	(5,232,260)	(6,754,769)	—
Equipment	2,795,388	328,365	3,123,753	—
Less accumulated depreciation	(1,672,494)	(162,209)	(1,834,703)	—
Total capital assets (net of accumulated depreciation)	<u>11,592,541</u>	<u>22,055,617</u>	<u>33,648,158</u>	<u>—</u>
Total noncurrent assets	<u>11,592,541</u>	<u>24,265,366</u>	<u>35,857,907</u>	<u>—</u>
Total assets	<u>14,139,910</u>	<u>28,417,304</u>	<u>42,557,214</u>	<u>7,687,409</u>
Liabilities				
Current liabilities payable from current assets:				
Accounts payable	735,621	102,153	837,774	212,468
Deferred Revenue	—	77,000	77,000	—
Due to other funds	41,138	138,665	179,803	1,347
Due to other governments	—	—	—	—
Compensated absences	—	5,149	5,149	—
Accrued liabilities	3,013	31,336	34,349	3,454
Interest payable	—	66,409	66,409	—
Estimated claims payable	—	—	—	2,151,248
Notes payable	—	54,600	54,600	—
Bonds payable	—	295,000	295,000	—
Total current liabilities payable from current assets	<u>779,772</u>	<u>770,312</u>	<u>1,550,084</u>	<u>2,368,517</u>
Current liabilities payable from restricted assets:				
Customer deposits payable	—	142,553	142,553	—
Escrows payable	—	68,270	68,270	—
Total current liabilities payable from restricted assets	<u>—</u>	<u>210,823</u>	<u>210,823</u>	<u>—</u>
Total current liabilities	<u>779,772</u>	<u>981,135</u>	<u>1,760,907</u>	<u>2,368,517</u>
Noncurrent liabilities:				
Other liabilities	—	—	—	211
Compensated absences	15,713	65,897	81,610	10,072
Estimated claims payable	—	—	—	888,417
Notes payable	—	3,312,644	3,312,644	—
Bonds payable	—	14,165,000	14,165,000	—
Total noncurrent liabilities	<u>15,713</u>	<u>17,543,541</u>	<u>17,559,254</u>	<u>898,700</u>
Total liabilities	<u>795,485</u>	<u>18,524,676</u>	<u>19,320,161</u>	<u>3,267,217</u>
Net Assets				
Invested in capital assets, net of related debt	11,592,541	6,269,403	17,861,944	—
Restricted	—	1,950,517	1,950,517	—
Unrestricted	1,751,884	1,672,708	3,424,592	4,420,192
Total net assets	<u>\$ 13,344,425</u>	<u>\$ 9,892,628</u>	<u>23,237,053</u>	<u>\$ 4,420,192</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds			22,126	
Net assets of business-type activities			<u>\$ 23,259,179</u>	

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

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

Proprietary Funds

Year ended December 31, 2006

	Business-type activities			Governmental activities
	Recycling Center	Housing Authority	Total	Internal Service Fund
Operating revenue:				
Sales of recyclable materials	\$ 4,269,778	\$ —	\$ 4,269,778	\$ —
Charges for services	—	2,269,779	2,269,779	—
Charges for services – other funds	—	—	—	1,776,196
Operating grants	—	1,076,560	1,076,560	—
Contributions – employee	—	—	—	2,748,486
Contributions – County	—	—	—	8,344,764
Contributions – miscellaneous	—	—	—	106,153
Land use claims recovery	—	—	—	—
Miscellaneous	—	—	—	218,218
Total operating revenue	4,269,778	3,346,339	7,616,117	13,193,817
Operating expenses:				
Cost of sales	1,461,652	—	1,461,652	—
General administration	489,245	3,056,724	3,545,969	239,158
General professional services	2,320,130	—	2,320,130	—
Insurance premiums	15,530	—	15,530	—
Depreciation	582,372	544,020	1,126,392	—
Property and casualty claims	—	—	—	254,773
Property and casualty insurance, professional services	—	—	—	458,439
Health and dental claims	—	—	—	9,243,556
Health and dental insurance, professional services	—	—	—	961,385
Workers' compensation claims	—	—	—	304,404
Workers' compensation insurance, professional services	—	—	—	156,336
Land use claims	—	—	—	216,500
Land use insurance, professional services, miscellaneous	—	—	—	11,122
Total operating expenses	4,868,929	3,600,744	8,469,673	11,845,673
Operating income (loss)	(599,151)	(254,405)	(853,556)	1,348,144
Nonoperating revenues (expenses):				
Interest on investments	88,309	183,089	271,398	361,031
HUD and RD income	—	5,095,382	5,095,382	—
Housing assistance	—	(4,921,857)	(4,921,857)	—
Interest expense and amortization	—	(860,528)	(860,528)	—
Gain (loss) on sale of capital assets	—	2,604	2,604	—
Management and maintenance fees	—	243,979	243,979	—
Donations & intergovernmental	—	1,000,000	1,000,000	1,058
Income (loss) before capital contributions and transfers	(510,842)	488,264	(22,578)	1,710,233
Capital Fund grants, HUD	—	178,236	178,236	—
Transfers in	—	507,397	507,397	—
Change in net assets	(510,842)	1,173,897	663,055	1,710,233
Total net assets, January 1	13,855,267	8,718,731		2,709,959
Total net assets, December 31	\$ 13,344,425	\$ 9,892,628		\$ 4,420,192
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			31,049	
Change in net assets of business-type activities			\$ 694,104	

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2006

	Business-type activities			Governmental activities
	Recycling Center	Housing Authority	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from employer	\$ —	\$ —	\$ —	\$ 8,344,764
Cash received from employees	—	—	—	2,748,486
Cash received from charges for services	4,239,386	—	4,239,386	1,705,142
Cash received from miscellaneous sources	—	3,407,769	3,407,769	324,548
Cash paid to suppliers	(4,275,476)	(1,828,951)	(6,104,427)	7,281
Cash paid to employees	(173,470)	(1,519,029)	(1,692,499)	(224,755)
Cash paid for general claims	—	—	—	(764,357)
Cash paid for worker compensation claims	—	—	—	(523,546)
Cash paid for health and dental claims	—	—	—	(10,595,271)
Net cash provided by (used in) operating activities	(209,560)	59,789	(149,771)	1,022,292
Cash flows from noncapital financing activities:				
Transfers in	—	507,397	507,397	—
HUD housing assistance payment income	—	5,095,382	5,095,382	—
Management and maintenance fees	—	241,509	241,509	—
Housing assistance payments	—	(4,921,857)	(4,921,857)	—
Intergovernmental/other grants	—	1,000,000	1,000,000	1,058
Grants and donations	—	(1,000,000)	(1,000,000)	—
Net cash provided by (used in) noncapital financing activities	—	922,431	922,431	1,058
Cash flows from capital and related financing activities:				
Purchase of capital assets	(36,583)	(857,074)	(893,657)	—
Proceeds from disposal of capital assets	—	2,604	2,604	—
Capital Fund grant, HUD	—	178,236	178,236	—
Proceeds from debt activities	—	1,767,250	1,767,250	—
Principal payments on notes, bonds, and mortgages	—	(1,296,745)	(1,296,745)	—
Interest payments on notes, bonds, and mortgages	—	(821,929)	(821,929)	—
Net cash provided by (used in) capital and related financing activities	(36,583)	(1,027,658)	(1,064,241)	—
Cash flows from investing activities:				
Investment earnings	96,654	178,441	275,095	372,364
Net cash provided by (used in) investing activities	96,654	178,441	275,095	372,364
Net increase (decrease) in cash and cash equivalents	(149,489)	133,003	(16,486)	1,395,714
Cash and cash equivalents, January 1	2,008,269	3,891,285	5,899,554	5,897,056
Cash and cash equivalents, December 31	\$ 1,858,780	\$ 4,024,288	\$ 5,883,068	\$ 7,292,770
Net operating income (loss)	\$ (599,151)	\$ (254,405)	\$ (853,556)	\$ 1,348,144
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	582,372	544,020	1,126,392	—
(Increase) decrease of assets:				
County goods and services receivable	(44,208)	—	(44,208)	(17,403)
Due from other funds	13,183	—	13,183	(53,473)
Due from other governments	—	(11,599)	(11,599)	—
Notes receivable	—	—	—	—
Accounts receivable	—	15,883	15,883	—
Prepaid items	—	(12,838)	(12,838)	1,033
Other assets	—	6,497	6,497	—
Increase (decrease) of liabilities:				
Accounts payable	(135,712)	(244,552)	(380,264)	16,835
Due to other governments	—	—	—	—
Due to other funds	(32,724)	6,600	(26,124)	1,058
Unearned revenue	—	62,000	62,000	—
Accrued liabilities	6,536	—	6,536	2,547
Estimated health and dental claims	—	—	—	(390,331)
Estimated insurance claims	—	—	—	176,477
Estimated workers compensation claims	—	—	—	(62,806)
Other liabilities	144	(51,817)	(51,673)	211
Total adjustments	389,591	314,194	703,785	(325,852)
Net cash provided by (used in) operating activities	\$ (209,560)	\$ 59,789	\$ (149,771)	\$ 1,022,292

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2006

Assets	Total Agency Funds
Equity in Treasurer's cash and investments	\$ 7,909,364
Restricted cash	642,034
Receivables	56,416
Property tax receivable	269,870,435
Due from other governmental units	<u>36,866</u>
Total assets	<u>\$ 278,515,115</u>
Liabilities	
Liabilities:	
Accounts payable	\$ —
Other liabilities	698,371
Escrow payable	79
Undistributed taxes and other collections	7,951,952
Due to other taxing units	<u>269,864,713</u>
Total liabilities	<u>\$ 278,515,115</u>

The notes to the financial statements are an integral part of this statement.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

(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 (US 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*, as amended by Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, 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 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

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

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 units. They are 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

Gunbarrel General Improvement District Fund (the District) – This is a subdivision of the State of Colorado created for 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, and there are no separately published financial statements.

Boulder County Housing Authority Fund (the Authority) – The Authority was established in 1975 to promote and provide quality, affordable housing for lower-income families, disabled people, and the elderly. Prior to 2003, the Authority was a governmental entity independent of the County, governed by a seven-member board. In Resolution 2003-16, adopted by the Board of County Commissioners (the Board) on January 14, 2003, the Board constituted itself as the governing body of the Authority. Effective January 1, 2003, the Authority became a 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. As such, the County provides support to the Housing Authority in the interest of supporting affordable housing within the County.

Discrete Presentation

Boulder County Public Health (Public Health) – is organized by authority of state statute and by 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 operating funds to Public Health. Public Health provides services to the residents of the County.

Complete financial statements for the individual component units may be obtained at their respective administrative offices.

Boulder County Public Health
3450 North Broadway
Boulder, CO 80304

Boulder County Housing Authority
3482 North Broadway
Boulder, CO 80304

Related Organization

The Boulder County Parks and Open Space Foundation (the Foundation) was created in December 2004. The Foundation is a nonprofit, 501(c)(3) organization incorporated in the State of Colorado, and is legally separate from Boulder County. However, it is considered a related organization since at least two-thirds of the Foundation's Board of Directors are approved or appointed by the Board of County Commissioners. Based on the criteria specified in GASB Statement No. 14, as amended by GASB Statement No. 39, there is no financial relationship that would justify the Foundation's inclusion as a component unit of the County.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

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

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; they 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 statements. The fiduciary agency funds use the accrual basis of accounting, but have no measurement focus.

Certain eliminations have been made in regard to interfund activities, payables, and receivables. 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. As a general rule, in the statement of activities, the internal service fund transactions are eliminated; however, those transactions between governmental and business-type activities and the interfund services provided and used between functions are not 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-like activity. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the County.

The financial transactions of the County are organized and presented 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 are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when a 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 (i.e., expected to be liquidated with expendable available financial resources).

BOULDER COUNTY, COLORADO

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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 subsequent year. An allowance for estimated uncollectible taxes has not been recorded since these amounts are not considered significant 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 *Road and Bridge Fund* accounts for costs related to County road and bridge construction and maintenance, except for engineering costs that are recorded in the General Fund. Colorado counties are required to maintain a Road and Bridge 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 Fund* accounts for financial resources to be used for the acquisition of interest in open space real property and access thereto, water rights, maintenance and improvement upon open space real property.

Proprietary Funds are presented using the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized 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 administrative expenses, cost of sales and services, and depreciation on capital assets. All other revenues are reported as nonoperating revenues.

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

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

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The *Housing Authority Fund* accounts for the County's housing assistance programs which are primarily funded through Housing and Urban Development (HUD) and Rural Development (RD) contributions.

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 County uses this fund to account for risk management activities.

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 (i.e., taxes collected by the Clerk and Recorder for the benefit of other governments and Public Trustee activities).

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 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 cash and investments. Generally, investment income earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the monthly average balance of equity in Treasurer's cash and investment of each of the funds.

Restricted cash in the General Fund is composed of escrow funds that 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 Road and Bridge, Eldorado Springs, Offender Management, Open Space Capital Improvement, and Capital Projects Funds consists of debt proceeds restricted for capital outlay purposes and future debt service expenditures. Restricted cash in the Grants Fund is composed of escrow funds. 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

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and miscellaneous funds restricted for use by the Public Trustee. Restricted cash in the Public Health 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 tax levy is divided into two billings. The billings are considered past due 60 days after the billing date, 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. Inventories of governmental funds 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 items. The prepaid items recorded in the governmental funds do not reflect current appropriable resources; therefore, an equivalent portion of fund balance is reserved in the fund financial statements.

(h) *Capital Assets*

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g. roads, bridges, drainage systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more for equipment, \$50,000 or more for buildings, improvements, and infrastructure, and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized over the remaining useful lives of the related assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation expense is reported as an operating expense in the government-wide statement of activities. Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

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<u>Assets</u>	<u>Years</u>
Buildings	40
Equipment	3 – 11
Improvements	15
Infrastructure	50

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets have been capitalized since January 1, 2002, and the County has adopted retroactive reporting requirements during the 2006 fiscal year, as prescribed by GASB Statement No. 34.

(i) *Compensated Absences*

The County allows employees to accumulate unused vacation and medical leave benefits up to a certain maximum number of hours. Upon termination, all unused vacation leave benefits are paid to the employee. Medical leave benefits may be paid to the employee depending on hire date or length of service. Employees hired as full time employees prior to June 1, 1987, except Social Service Department employees, and who have worked for the County for 20 years or who are eligible for retirement at age 62, are paid all unused medical leave benefits. Employees hired as full time employees prior to June 1, 1987, except Social Service Department employees, and who have not worked for the County for 20 years and are not eligible for retirement at age 62, are paid 50% of their unused medical leave. All other employees not listed in the above two categories are not paid for unused medical leave.

The entire compensated absence liability is reported in the government-wide and proprietary funds financial statements. In the governmental funds, a liability is reported only if it has matured and become due under the County's policies, e.g., as a result of employee resignations and retirements. Liabilities are liquidated out of the fund in which the employee is paid.

(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 in the proprietary fund statement of net assets. Bond and other debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method. However, deferred refunding gains (losses), if any, are amortized using the shorter of the term of either the new or old debt. Bond and other debt premiums and discounts are presented separately; issuance costs are recorded as deferred charges.

In the fund financial statements, governmental fund types recognize bond and other debt premiums, discounts, and issuance costs in the current period. Bond and other debt proceeds and premiums are reported as an other financing source. Bond and other debt discounts are reported as an other financing use. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

(k) *Escrows Payable*

Escrows payable represent amounts due to other entities that were collected by the County. These amounts consist of state and federal dollars related to asset forfeitures, school district fees, Land Use revegetation fees, special use road fees, plus 20th Judicial District and City of Boulder Telecommunication funds.

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(l) Fund Balances

In the fund financial statements, reservations of fund balances represent amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. All fund balances not specifically reserved for a particular purpose are considered unreserved. Designations of reserved fund balance represent amounts set aside by the Board of County Commissioners.

(m) Use of Estimates

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

(n) Change in Accounting Policy

For fiscal year 2006, the County implemented the retroactive reporting of major infrastructure assets as required by GASB Statement No. 34 (GASB 34), *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB 34, which was initially implemented by the County for fiscal year 2002, required the retroactive reporting of infrastructure assets (roads, bridges, etc.) to be accomplished by the year ending December 31, 2006. This year’s financial report includes the reporting of infrastructure assets acquired or constructed in the years 1980 through 2001.

(2) Related Party Transactions

The 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 the County Parks and Open Space Department, was a general partner of Stromquist Farms. In the transaction, Stromquist retained his portion (one-third) while the other general partners sold their portions to the County. Stromquist did not receive any proceeds from the sale. The County has agreed to lease back one-third of the acquired real estate to Stromquist for agricultural purposes with a 10-year option to renew annually, beginning in 2004.

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(3) Cash: Deposits, and Investments

Cash, deposits and investments as of December 31, 2006, are classified in the accompanying financial statements as follows:

	<u>Primary government</u>	<u>Component unit</u>	<u>Total</u>
Governmental and business-type activities:			
Equity in Treasurer's cash and cash equivalents and investments	\$ 100,733,233	\$ 2,270,058	\$ 103,003,291
Restricted cash and cash equivalents	<u>22,380,033</u>	<u>387,973</u>	<u>22,768,006</u>
Total governmental and business-type activities	<u>123,113,266</u>	<u>2,658,031</u>	<u>125,771,297</u>
Fiduciary:			
Cash and cash equivalents	7,909,364	—	7,909,364
Restricted cash and cash equivalents	<u>642,034</u>	<u>—</u>	<u>642,034</u>
Total fiduciary	<u>8,551,398</u>	<u>—</u>	<u>8,551,398</u>
Total	<u>131,664,664</u>	<u>2,658,031</u>	<u>134,322,695</u>
Less cash and deposit balance	<u>(77,915,457)</u>	<u>(1,866,570)</u>	<u>(79,782,027)</u>
Total investments	<u>\$ 53,749,207</u>	<u>\$ 791,461</u>	<u>\$ 54,540,668</u>

(a) Deposits

As of December 31, 2006, the carrying amount of the County's deposits was \$77,915,457. The carrying amount of deposits for the Public Health component unit was \$1,866,570.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

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Custodial Credit Risk

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

Authorized Investments

Investments authorized by the State of Colorado's Revised Statutes and Boulder County Treasurer's investment policy are shown below. The table identifies certain provisions of the Colorado Revised Statutes (or the Boulder County Treasurer's policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the County, rather than general provisions of the Colorado Revised Statutes or the County's investment policy.

<u>Authorized investment type</u>	<u>Maximum maturity</u>	<u>Maximum percentage of portfolio (*)</u>	<u>Maximum investment in one issuer</u>
U.S. Treasury Obligations	5 years	50%	25%
U.S. Agency Securities	5 years	50%	25%
Repurchase Agreements	5 years	70%	50%
Pooled Investment Trusts	5 years	50%	10%
Money Market Mutual Funds	5 years	50%	10%

* Excluding amounts held by bond trustee that are not subject to C.R.S. 24-75-601

Provisions of the debt agreements, rather than the general provisions of the Colorado Revised Statutes or the County's investment policy, govern investment of debt proceeds held by the bond trustee. The debt agreement funds and accounts are under the control of the Board and shall be invested by the County Treasurer in investments that mature no later than the date on which proceeds are required for the purpose of such funds or accounts, and which are otherwise in accordance with the applicable provisions of laws concerning the investment of County funds.

Local government investment pools include: Colorado Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE), and the Colorado Diversified Trust (CDT), all of which are 2a7-like investment pools.

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Local government investment pools are valued at amortized cost, with each share valued at \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor.

Boulder County Public Health, a component unit, does not have an investment policy, but is subject to the general provisions of the Colorado Revised Statutes (C.R.S. 24-75-601).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 120 days or 4 months. There are no such policies for investments held by bond trustees and the component unit.

	<u>Boulder County</u>		<u>Component Unit</u>	
	<u>Amount</u>	<u>Weighted average maturity (months)</u>	<u>Amount</u>	<u>Weighted average maturity (months)</u>
<u>Investment Type</u>				
U.S. Treasury Note	\$ —	—	\$ 198,862	18.21
Federal Agency Securities	11,671,274	6.29	282,379	10.63
U.S. Treasury Obligation Money Market	2,328,768	0.03	52,242	0.03
Repurchase agreements	25,788,192	0.07	—	—
Local Government Investment Pool	<u>1,865,239</u>	—	<u>257,978</u>	0.03
Sub-total	<u>41,653,473</u>		<u>791,461</u>	
Portfolio weighted average (calculated before investments held by bond trustee)		1.40		9.08
<u>Held by Bond Trustee:</u>				
Guaranteed Investment Contract	<u>12,095,734</u>	3.03	—	—
Total Investments	\$ <u>53,749,207</u>		\$ <u>791,461</u>	
Portfolio weighted average maturity		2.08		9.08

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Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Colorado Revised Statutes, the County's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment type</u>	<u>Boulder County</u>	<u>Component Unit</u>	<u>Total Investments by type</u>	<u>Minimum legal rating</u>
U.S. Treasury Note	\$ —	\$ 198,862	\$ 198,862	N/A
Federal Agency Securities	11,671,274	282,379	11,953,653	N/A
U.S. Treasury Obligation Money Market Repurchase Agreements	2,328,768	52,242	2,381,010	N/A
Local Government Investment Pool	25,788,192	—	25,788,192	N/A
Held by Bond Trustee:				
Guaranteed Investment Contract	1,865,239	257,978	2,123,217	AA-
	<u>12,095,734</u>	<u>—</u>	<u>12,095,734</u>	N/A
Total Investments	\$ 53,749,207	\$ 791,461	\$ 54,540,668	

<u>Investment type</u>	<u>Exempt from disclosure</u>	<u>AAA Rating as of year end</u>	<u>Not rated</u>	<u>Total investments by type</u>
U.S. Treasury Note	\$ 198,862	\$ —	\$ —	\$ 198,862
Federal Agency Securities	—	7,239,879	4,713,774	11,953,653
U.S. Treasury Obligation Money Market Repurchase Agreements	—	2,317,494	63,516	2,381,010
Local Government Investment Pool	—	—	25,788,192	25,788,192
Held by Bond Trustee:				
Guaranteed Investment Contract	—	2,123,217	—	2,123,217
	<u>—</u>	<u>—</u>	<u>12,095,734</u>	<u>12,095,734</u>
Total Investments	\$ 198,862	\$ 11,680,590	\$ 42,661,216	\$ 54,540,668

Concentration of Credit Risk

As mentioned previously, under authorized investments, the policy of the County contains limitations on the amount that can be invested in any one issuer and the maximum percentage of portfolio. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of **total County investments** are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Total County</u>
FHLB	Federal Agency Securities	\$ 6,957,500
FNMA	Federal Agency Securities	\$ 3,645,212
Bayerische Landesbank	Guaranteed Investment Contract	\$ 12,095,734
UBS	Repurchase Agreements	\$ 25,000,000

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Investments in any one issuer that represent 5% or more of total investments **by reporting unit** (primary government, discretely presented component unit, governmental activities, major fund, nonmajor funds in the aggregate, etc.) are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Primary Government</u>	<u>Component Unit</u>
FHLB	Federal Agency Securities	\$ 6,957,500	N/A
FHLMC	Federal Agency Securities	N/A	\$ 198,032
FNMA	Federal Agency Securities	\$ 3,560,865	\$ 84,347
Bayerische Landesbank	Guaranteed Investment Contract	\$ 12,095,734	N/A
USTN	U.S. Treasury Notes	N/A	\$ 198,862
UBS	Repurchase Agreements	\$ 25,000,000	N/A

\$12,095,734 of the restricted cash and investments reported in the Open Space Capital Improvement Fund (a major fund of the County) is held in the form of a guaranteed investment contract issued by Bayerische Landesbank. The contract terminates upon the first to occur of (a) a withdrawal of all invested moneys on deposit, (b) the date on which the Bonds remain outstanding, or (c) April 1, 2007.

(4) Receivables

As of year-end 2006, the Social Services Fund maintains a cumulative allowance for doubtful accounts of \$1,858,187 for County goods and services receivable. This represents amounts not expected to be recovered from clients who received overpayments. The Housing Authority maintains a cumulative allowance for doubtful accounts of \$8,564, against total tenant receivables of \$16,501 included within general accounts receivable.

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(5) Changes in Capital Assets

	Capital asset activity				Ending balance December 31, 2006
	Year ended December 31, 2006				
	Restated (*) beginning balance January 1, 2006	Increases	Decreases	Transfers	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 353,056,057	\$ 14,248,093	\$ (2,622,785)	\$ —	\$ 364,681,365
Land development rights and other	2,885,620	1,406,154	(1,634,197)	—	2,657,577
Construction in progress	22,638,018	14,370,064	—	(18,627,507)	18,380,574
Total capital assets not being depreciated	378,579,695	30,024,311	(4,256,982)	(18,627,507)	385,719,516
Capital assets being depreciated:					
Buildings and improvements	82,832,927	180,235	—	13,380,198	96,393,359
Equipment	26,083,740	4,382,796	(2,323,937)	—	28,142,599
Improvements other than buildings	4,596,625	224,644	—	749,025	5,570,294
Infrastructure	126,812,049	3,415,293	—	4,498,284	134,725,626
Total capital assets being depreciated	240,325,340	8,202,968	(2,323,937)	18,627,507	264,831,878
Less accumulated depreciation for:					
Buildings and improvements	(30,843,137)	(2,027,239)	(58)	—	(32,870,434)
Equipment	(19,228,907)	(2,412,196)	2,209,516	—	(19,431,586)
Improvements other than buildings	(239,974)	(190,155)	—	—	(430,130)
Infrastructure	(62,333,170)	(4,662,720)	—	—	(66,995,890)
Total accumulated depreciation	(112,645,188)	(9,292,310)	2,209,458	—	(119,728,040)
Total capital assets being depreciated, net	127,680,152	(1,089,342)	(114,479)	18,627,507	145,103,838
Governmental activities capital assets, net	\$ 506,259,847	\$ 28,934,969	\$ (4,371,461)	\$ —	\$ 530,823,354
Depreciation expense was charged to functions as follows:					
Governmental activities:					
General government	\$	2,102,726			
Conservation		299,785			
Public safety		1,436,557			
Health and welfare		52,028			
Economic development		10,657			
Highway and street		5,390,557			
Total governmental activities depreciation expense	\$	9,292,310			

(*) By December 31, 2006, GASB Statement No. 34 requires the County to complete retroactive reporting of infrastructure assets acquired or constructed in the years 1980 - 2001. The resulting changes are included in the restated beginning balance. For additional information, see Note 21 - Prior Period Adjustment (Restatement).

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Notes to Basic Financial Statements

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	Capital asset activity				
	Year ended December 31, 2006				
	Beginning balance January 1, 2006	Increases	Decreases	Transfers	Ending balance December 31, 2006
Business-type activities (Recycling Center/Housing Authority)					
Capital assets not being depreciated:					
Land	\$ 5,211,799	\$ —	\$ —	\$ —	\$ 5,211,799
Construction in progress	1,413,456	407,043	—	(1,783,916)	36,583
Total capital assets not being depreciated	6,625,255	407,043	—	(1,783,916)	5,248,382
Capital assets being depreciated:					
Buildings and improvements	31,748,384	333,195	—	1,783,916	33,865,495
Equipment	2,992,553	153,419	(22,219)	—	3,123,753
Total capital assets being depreciated	34,740,937	486,614	(22,219)	1,783,916	36,989,248
Less accumulated depreciation for:					
Buildings and improvements	(5,948,909)	(805,860)	—	—	(6,754,769)
Infrastructure	(1,536,389)	(320,533)	22,219	—	(1,834,703)
Total accumulated depreciation	(7,485,298)	(1,126,392)	22,219	—	(8,589,472)
Total capital assets being depreciated, net	27,255,638	(639,778)	—	1,783,916	28,399,776
Business-type activities capital assets, net	\$ 33,880,893	\$ (232,735)	\$ —	\$ —	\$ 33,648,158
Depreciation expense was charged to functions as follows:					
Business-type activities:					
Recycling Center	\$ 582,372				
Housing Authority	544,020				
Total business-type activities depreciation expense	\$ 1,126,392				

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

	Capital asset activity				Ending balance December 31, 2006
	Year ended December 31, 2006				
	Beginning balance January 1, 2006	Increases	Decreases	Transfers	
Discretely presented component unit (Public Health)					
Other capital assets:					
Buildings and improvements	\$ 38,891	\$ —	\$ (38,891)	\$ —	\$ —
Equipment	220,055	21,080	(5,730)	—	235,405
Total other capital assets at historical cost	258,946	21,080	(44,621)	—	235,405
Less accumulated depreciation for:					
Buildings and improvements	(18,361)	—	18,361	—	—
Equipment	(99,884)	(29,408)	5,730	—	(123,562)
Total accumulated depreciation	(118,245)	(29,408)	24,091	—	(123,562)
Other capital assets, net	\$ 140,701	\$ (8,328)	\$ (20,530)	\$ —	\$ 111,843
Depreciation expense was charged to functions as follows:					
Component unit activities:					
Public Health	\$ 29,408				

(6) Short Term Debt

In 2006, the County entered into an agreement with Hart InterCivic, Inc., for the purchase of a HAVA (Help America Vote Act of 2002) compliant election voting system. The transaction is summarized as follows:

Beginning balance, January 1, 2006	\$	—
Amount financed		1,460,020
Amount paid		1,460,020
Ending balance, December 31, 2006	\$	—

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

(7) Lease Revenue – Governmental Activities

(a) Operating Leases

As of December 31, 2006, the County maintains approximately 158 agricultural leases on open space property. Approximately 40% of the leases are crop share and grazing share leases. Rental income from these leases is based on a percentage of revenues derived from the crops grown on the land or an “animal equivalent unit” rate for animals grazed on the land. As yields, weather, water availability, field conditions, and crop prices vary greatly from year to year, payments from these leases are not considered estimable. Therefore, revenues to the County will fluctuate with crop production. The remaining leases are for land, home and building rentals, and other miscellaneous sites. Where practical, leases are being consolidated to improve management efficiency, resulting in a gradual decrease in the overall number of leases.

In 2003, in response to a State Supreme Court decision, the County Assessor’s office implemented the collection of Possessory Interest Tax on agricultural leases of County-owned land. Since then, to minimize the ramifications upon the County’s agriculture tenants, leases have typically been written for a term of one year, usually with two or more one-year options to renew. Consequently, future minimum expected lease revenue has gradually decreased as these leases have been implemented.

As of 2006, the County also maintained other leases for buildings and sites not related to open space property. Future minimum lease payments, by year and in the aggregate, under non-cancelable operating leases with initial or remaining terms of one year or more at December 31, 2006 are as follows.

Years:	Expected Lease Revenue					Total
	Open Space Agricultural Leases			Other Leases		
	Land	Home	Misc.			
2007	\$ 7,986	\$ 29,000	\$ 24,020	\$ 116,621	\$ 177,627	
2008	5,452	1,200	24,740	13,825	45,217	
2009	5,452	1,200	25,482	1,290	33,424	
2010	5,452	1,200	26,245	240	33,137	
2011	8,540	1,200	27,032	—	36,772	
2012-2014	5,325	6,000	80	—	11,405	
2015-2021	5,000	6,000	50	—	11,050	
2022-2026	3,000	6,000	10	—	9,010	

The County has entered into a lease agreement with Correctional Management, Inc. The contract term is from 10/01/03 through 12/31/07 and includes payments of \$7,500 per month for rental of the “Copper Door” residential halfway house building. Under this agreement, the expected minimum lease payment for 2007 is \$90,000, which is included in the other leases total above. The building has a cost of \$770,568, with accumulated depreciation of \$415,786. The County is also the lessor in several operating leases for office space. Costs and related accumulated depreciation of property under these leases are not practically determinable as the leases relate only to portions of buildings.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

(8) Lease Expense – Governmental Activities

(a) Operating Leases

The County has entered into leases for items necessary for County operations, including office space and office equipment. Lease terms are month-to-month or have a non-cancelable period of less than a year and may or may not have an extension option. For 2006, lease payments in governmental activities totaled \$861,253; lease payments in business activities totaled \$0.

In the fund financials, 2006 lease payments by major funds are as follows:

General Fund	\$	380,706
Road and Bridge Fund		202,057
Social Services Fund		4,770
Open Space Capital Improvement Fund		108,882
Nonmajor Funds		<u>164,838</u>
	\$	<u><u>861,253</u></u>

BOULDER COUNTY, COLORADO
Notes to Basic Financial Statements
December 31, 2006

(9) Changes in Long-Term Obligations

During the year ended December 31, 2006, the following changes occurred in liabilities reported as long-term obligations:

	<u>Balance at January 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2006</u>	<u>Due in one year</u>
Governmental activities:					
Claims payable	\$ 3,316,325	\$ 9,742,561	\$ 10,019,221	\$ 3,039,665	\$ 2,151,248
Bonds payable	205,010,000	38,365,000	46,065,000	197,310,000	11,345,000
Deferred loss on 2006 bond refunding	—	(2,790,000)	(356,198)	(2,433,802)	(244,422)
Certificates of participation	9,355,000	—	730,000	8,625,000	750,000
Loan payable	—	1,651,808	—	1,651,808	33,996
Compensated absences	7,865,470	7,932,223	7,265,894	8,531,799	625,061
Total long-term obligations	225,546,795	54,901,592	63,723,917	216,724,470	14,660,883
Bond and certificates of participation premium	3,262,247	682,260	295,249	3,649,258	312,567
Total governmental activities	228,809,042	55,583,852	64,019,166	220,373,728	14,973,450
Business-type activities:					
Recycling Center:					
Compensated absences	9,687	19,075	13,049	15,713	—
Housing Authority:					
Bonds payable	14,750,000	—	290,000	14,460,000	295,000
Deferred loss on debt	(43,200)	—	(43,200)	—	—
Notes payable	2,649,939	1,767,250	1,049,945	3,367,244	54,600
Compensated absences	67,414	74,271	70,639	71,046	5,149
Total business-type activities	17,433,840	1,860,596	1,380,433	17,914,003	354,749
Total primary government	246,242,882	57,444,448	65,399,599	238,287,731	15,328,199
Component units:					
Public Health:					
Compensated absences	595,811	623,367	583,652	635,526	38,783
Total reporting entity	\$ 246,838,693	\$ 58,067,815	\$ 65,983,251	\$ 238,923,257	\$ 15,366,982

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

(10) Defeased Debt

In 2006, the County entered into a refunding transaction whereby bonds were issued to facilitate the retirement of the County's Open Space Sales and Use Tax Revenue Bonds Series 2000A. \$38,459,315 of the resulting proceeds of the 2006 Open Space Sales and Use Tax Revenue Refunding Bonds were 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 County's balance sheet. The present value of savings derived from the refunding is \$2,245,548. The balance of defeased bonds outstanding at December 31, 2006, is \$35,575,000.

(11) Debt Service Forward Delivery Agreement

On December 31, 2002, the County entered into a debt service forward delivery agreement with a financial institution under the approval of the Board of County Commissioners. The County entered into this agreement for purposes of managing its investments by increasing the predictability of its cash flow from earnings on its investments, and not for purposes of speculation. Under this agreement, the County makes monthly payments to the financial institution in sufficient amount to make the County's semi-annual bond payments. In return, the County received an upfront lump-sum amount of \$3,000,000 on December 31, 2002. The \$3,000,000 represents the present value of interest proceeds expected to be earned and was recognized as deferred revenue to be amortized through 2019. The County's Open Space Bond Series 1998, 2000A, 2000B, 2001, and 2002 are included in this agreement. In 2006, the 2000A series bonds were refunded and removed from this agreement. The resulting 2006 series Open Space Sales and Use Tax Refunding Bonds have been rolled into the agreement. A breakage fee of \$27,000 was paid at closing. At December 31, 2006, the outstanding balance was \$2,558,026.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

(12) Long-Term Debt

(a) Governmental Activities

During the year ended December 31, 2006, the following changes occurred in liabilities reported as long-term debt:

<u>Description of bond issue</u>	<u>Beginning balance January 1, 2006</u>	<u>New Issues 2006</u>	<u>Principal retired 2006</u>	<u>Retired by refunding 2006 (*)</u>	<u>Ending balance December 31, 2006</u>	<u>Interest paid 2006</u>	<u>Due in one year</u>
Open Space Capital Improvement Trust Bonds, Series 1996	\$ 16,275,000	\$ —	\$ 2,925,000	\$ —	\$ 13,350,000	\$ 772,953	\$ 3,085,000
Open Space Capital Improvement Trust Bonds, Series 1998	28,110,000	—	6,360,000	—	21,750,000	1,412,200	6,800,000
Open Space Sales and Use Tax Revenue Bonds, Series 2000A	35,575,000	—	—	35,575,000	—	—	—
Open Space Sales and Use Tax Revenue Bonds, Series 2000B	3,000,000	—	700,000	—	2,300,000	165,000	750,000
Open Space Capital Improvement Trust Bonds, Series 2001	49,125,000	—	—	—	49,125,000	2,387,525	355,000
Open Space Capital Improvement Trust Bonds, Series 2002	29,460,000	—	185,000	—	29,275,000	1,328,838	30,000
Offender Management Capital Improvement Trust Bonds, Series 2004	4,060,000	—	320,000	—	3,740,000	116,208	325,000
Open Space Capital Improvement Trust Bonds, Series 2005A	39,405,000	—	—	—	39,405,000	1,970,250	—
Open Space Sales and Use Tax Revenue Bonds, Series 2006	—	38,365,000	—	—	38,365,000	1,387,335	—
Total revenue bonds	205,010,000	38,365,000	10,490,000	35,575,000	197,310,000	9,540,309	11,345,000
Certificates of Participation							
County Maintenance Facility COP Series 2004	9,355,000	—	730,000	—	8,625,000	319,894	750,000
Loan Payable							
Water Pollution Control Revolving Fund Loan (2006) Eldorado Springs LID	—	1,651,808	—	—	1,651,808	—	33,996
Total long-term debt	\$ 214,365,000	\$ 40,016,808	\$ 11,220,000	\$ 35,575,000	\$ 207,586,808	\$ 9,860,203	\$ 12,128,996

(*) NOTE: the 2000A Series bonds were refunded in 2006. The 2000A Series principal balance due was transferred to a refunding escrow held and controlled by American National Bank. The refunded bonds are no longer considered Boulder County debt. The 2000A bonds were replaced by the 2006 Refunding Bonds referenced above.

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

i) Revenue Bonds

A summary of annual debt service requirements to maturity for revenue bonds is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 11,345,000	\$ 9,211,576	\$ 20,556,576
2008	12,630,000	8,646,383	21,276,383
2009	14,045,000	7,964,890	22,009,890
2010	9,660,000	7,318,770	16,978,770
2011	10,375,000	6,998,045	17,373,045
2012-2016	65,695,000	27,367,497	93,062,497
2017-2021	57,345,000	10,066,625	67,411,625
2022-2025	16,215,000	1,668,625	17,883,625
Totals	<u>\$ 197,310,000</u>	<u>\$ 79,242,411</u>	<u>\$ 276,552,411</u>

The County has issued \$35,000,000 in Open Space Capital Improvement Fund Bonds, Series 1996. The bonds are payable from revenues 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 5.05% to 5.25% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 3,085,000	\$ 610,231	\$ 3,695,231
2008	3,245,000	449,588	3,694,588
2009	3,420,000	277,920	3,697,920
2010	3,600,000	94,500	3,694,500
Totals	<u>\$ 13,350,000</u>	<u>\$ 1,432,239</u>	<u>\$ 14,782,239</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

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 .25% open space sales and use tax held in the County's Open Space Capital Improvement Fund Surplus Account, from the proceeds of the Bonds, and from the General Fund if necessary. The bonds mature annually beginning in 1999 with final payment in 2009. Interest at rates from 4.35% to 5.25% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 6,800,000	\$ 1,094,200	\$ 7,894,200
2008	7,250,000	754,200	8,004,200
2009	<u>7,700,000</u>	<u>336,600</u>	<u>8,036,600</u>
Totals	\$ <u>21,750,000</u>	\$ <u>2,185,000</u>	\$ <u>23,935,000</u>

The County has issued \$3,000,000 in Open Space Sales and Use Tax Revenue Bonds, Series 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 2009. Interest with rates from 5.50% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 750,000	\$ 126,500	\$ 876,500
2008	775,000	85,250	860,250
2009	<u>775,000</u>	<u>42,625</u>	<u>817,625</u>
Totals	\$ <u>2,300,000</u>	\$ <u>254,375</u>	\$ <u>2,554,375</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

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 semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 355,000	\$ 2,387,525	\$ 2,742,525
2008	905,000	2,372,438	3,277,438
2009	1,600,000	2,333,975	3,933,975
2010	495,000	2,265,975	2,760,975
2011	4,215,000	2,244,938	6,459,938
2012-2016	24,110,000	8,053,025	32,163,025
2017-2019	17,445,000	1,773,250	19,218,250
Totals	<u>\$ 49,125,000</u>	<u>\$ 21,431,126</u>	<u>\$ 70,556,126</u>

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

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 30,000	\$ 1,323,288	\$ 1,353,288
2008	120,000	1,322,388	1,442,388
2009	100,000	1,318,788	1,418,788
2010	2,395,000	1,315,663	3,710,663
2011	2,485,000	1,225,850	3,710,850
2012-2016	14,075,000	4,524,950	18,599,950
2017-2019	10,070,000	1,022,750	11,092,750
Totals	<u>\$ 29,275,000</u>	<u>\$ 12,053,677</u>	<u>\$ 41,328,677</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

The County has issued \$4,215,000 in Offender Management Capital Improvement Trust Fund Bonds, Series 2004. Bond proceeds are being used to fund the construction and equipment costs of a new Addiction Recovery Center and to fund the expansion of the County's jail facility. The bonds are payable from revenue generated by the pledged 0.05% sales and use tax imposed January 1, 2005. The bonds mature annually beginning in 2005 with final payment in 2016. Interest with rates from 2.25% to 3.50% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 325,000	\$ 109,008	\$ 434,008
2008	335,000	101,695	436,695
2009	340,000	94,158	434,158
2010	350,000	85,658	435,658
2011	365,000	76,033	441,033
2012-2016	<u>2,025,000</u>	<u>210,694</u>	<u>2,235,694</u>
Totals	<u>\$ 3,740,000</u>	<u>\$ 677,246</u>	<u>\$ 4,417,246</u>

In November 2004, voters approved \$60,000,000 in Open Space Capital Improvement Fund Bonds to acquire and improve Open Space. The County has issued \$39,405,000 in Open Space Capital Improvement Trust Fund Bonds, Series 2005A. The bonds are payable from revenue generated by the pledged 0.10% sales and use tax dedicated to open space. The bonds mature annually beginning in 2014 with final payment in 2025. Interest at 5.00% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ —	\$ 1,970,250	\$ 1,970,250
2008	—	1,970,250	1,970,250
2009	—	1,970,250	1,970,250
2010	—	1,970,250	1,970,250
2011	—	1,970,250	1,970,250
2012-2016	6,655,000	9,447,375	16,102,375
2017-2021	16,535,000	6,193,625	22,728,625
2022-2025	<u>16,215,000</u>	<u>1,668,625</u>	<u>17,883,625</u>
Totals	<u>\$ 39,405,000</u>	<u>\$ 27,160,875</u>	<u>\$ 66,565,875</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

In February 2006, the County entered into a refunding transaction whereby the Open Space Sales and Use Tax Revenue Refunding Bonds Series 2006 were issued to facilitate the retirement of the County's Open Space Sales and Use Tax Revenue Bonds, Series 2000A (for additional information see note #10 - Defeased Debt). The Series 2006 bonds were issued in the amount of \$38,365,000. They are payable from revenue generated by the pledged 0.25% sales and use tax imposed in 1994. The bonds mature annually beginning in 2009, with final payment in 2019. Interest rates from 3.50% to 5.00% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ —	\$ 1,590,575	\$ 1,590,575
2008	—	1,590,575	1,590,575
2009	110,000	1,590,575	1,700,575
2010	2,820,000	1,586,725	4,406,725
2011	3,310,000	1,480,975	4,790,975
2012-2016	18,830,000	5,131,450	23,961,450
2017-2019	13,295,000	1,077,000	14,372,000
Totals	\$ <u>38,365,000</u>	\$ <u>14,047,875</u>	\$ <u>52,412,875</u>

ii) Certificates of Participation

The County has issued \$9,355,000 in Certificates of Participation for the purpose of building a County Fleet Maintenance Facility. The Certificates impose no economic compulsion upon the County and the Board of County Commissioners must appropriate the debt payments annually. The lease payments are payable from Highway User and Specific Ownership taxes, with 63% of the payments being budgeted in the Road Fund, and 37% in the Capital Expenditure Fund. The Certificates of Participation mature annually beginning in 2006 with final payment in 2016. Upon final payment, the County will take possession of the property. Interest at rates from 3.00% to 3.90% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 750,000	\$ 297,994	\$ 1,047,994
2008	765,000	275,494	1,040,494
2009	785,000	252,544	1,037,544
2010	810,000	227,031	1,037,031
2011	840,000	199,694	1,039,694
2012-2016	4,675,000	539,394	5,214,394
Totals	\$ <u>8,625,000</u>	\$ <u>1,792,151</u>	\$ <u>10,417,151</u>

BOULDER COUNTY, COLORADO

Notes to Basic Financial Statements

December 31, 2006

iii) Loans Payable

The County entered into a loan agreement with the Colorado Water Resources & Power Development Authority in July 2006. The Water Pollution Control Revolving Fund Loan was issued for the planning, design, and construction of a new wastewater collection and treatment system serving the Eldorado Springs area. Special assessments were imposed upon the benefiting properties to fund the loan repayment. The loan matures annually in 2007 with final payment in 2025. Interest at 3.50% is payable annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 33,996	\$ 31,362	\$ 65,358
2008	66,035	56,623	122,658
2009	68,345	54,312	122,657
2010	70,737	51,920	122,657
2011	73,213	49,444	122,657
2012-2016	406,343	206,943	613,286
2017-2021	482,609	130,678	613,287
2022-2025	<u>450,530</u>	<u>40,099</u>	<u>490,629</u>
Totals	\$ <u>1,651,808</u>	\$ <u>621,381</u>	\$ <u>2,273,189</u>

BOULDER COUNTY, COLORADO
Notes to Basic Financial Statements
December 31, 2006

(b) Business-Type Activities

A summary of the Boulder County Housing Authority's long-term debt for notes and bonds payable for the year ended December 31, 2006 is as follows:

	Beginning balance January 1, 2006	Issued 2006	Principal retired 2006	Ending balance December 31, 2006	Interest Rate
Notes payable:					
Prime Haven - Rural Development	\$ 225,990	\$ —	\$ 1,216	\$ 224,774	9.00
Walter Self Senior Housing	1,006,685	—	1,006,685	—	prime, floor of 5.00%
Walter Self - Rural Development	—	900,000	1,102	898,898	6.75
Walter Self - Rural Development	—	150,000	300	149,700	5.38
Walter Self - CHFA	—	700,000	5,743	694,257	2.00
Casa Vista - Rural Development	26,969	—	1,302	25,667	1.00
Casa Vista - CHFA	43,622	—	3,358	40,264	1.00
Casa Esperanza - Rural Development	306,130	—	13,284	292,846	1.00
Casa Esperanza - Rural Development	67,057	—	2,909	64,148	1.00
Longmont Affordable - FHLB Forgivable	20,000	—	—	20,000	—
Mariposa - FHLB Forgivable Loan	50,000	—	—	50,000	—
Mercy - FHLB Forgivable Loan	58,500	—	—	58,500	—
Lafayette Affordable - FHLB Forgivable	20,000	—	—	20,000	—
Sumner - Heritage	486,521	—	14,045	472,476	5.20
Wedgewood - City of Longmont	128,464	—	—	128,464	2.00
Wedgewood - City of Longmont Forgivable	—	4,330	—	4,330	—
Wedgewood - City of Longmont Forgivable	—	12,920	—	12,920	—
Eagle Place - FHLB Forgivable Loan	60,000	—	—	60,000	—
Regal Ct I - FHLB Forgivable Loan	150,000	—	—	150,000	—
Total notes payable	<u>\$ 2,649,938</u>	<u>\$ 1,767,250</u>	<u>\$ 1,049,944</u>	<u>\$ 3,367,244</u>	
Bonds payable:					
Housing revenue bonds 1998	4,570,000	—	120,000	4,450,000	variable, 4.05% current
Housing revenue bonds 2004	10,180,000	—	170,000	10,010,000	variable, 2.3% current
Deferred loss on debt	(43,200)	—	(43,200)	—	
Total Bonds Payable	<u>14,706,800</u>	<u>—</u>	<u>246,800</u>	<u>14,460,000</u>	
Totals	<u>\$ 17,356,738</u>	<u>\$ 1,767,250</u>	<u>\$ 1,296,744</u>	<u>\$ 17,827,244</u>	

Forgivable loans issued and monitored by the Federal Home Loan Bank of Topeka (FHLB) are loans that are issued under the Affordable Housing Program. These loans require the Authority to rent these project units to households with incomes at or below 50% of the area median income. Yearly compliance monitoring is done by FHLB to ensure these projects meet these requirements. The retention period of the loans are 15 years and the total amount will be forgiven upon completion.

BOULDER COUNTY, COLORADO

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Forgivable loans issued and monitored by the City of Longmont require the Authority to rent these project units to households with incomes at or below 50% of the area median income. Yearly compliance monitoring is done by the City of Longmont to ensure these projects meet these requirements. The yearly principal due will be excused if the requirements are met.

Future principal and interest payments and maturities for the Authority's notes payable subsequent to December 31, 2006 are as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 54,600	\$ 133,529	\$ 188,129
2008	56,199	131,929	188,128
2009	186,205	130,252	316,457
2010	59,634	125,926	185,560
2011	61,477	124,083	185,560
2012-2016	696,970	589,426	1,286,396
2017-2021	372,859	527,628	900,487
2022-2026	382,323	451,358	833,681
2027-2031	200,100	392,505	592,605
2032-2036	259,226	332,113	591,339
2037-2041	260,453	258,949	519,402
2042-2046	275,106	199,841	474,947
2047-2051	226,530	131,362	357,892
2052-2056	275,562	43,973	319,535
Totals	\$ <u>3,367,244</u>	\$ <u>3,572,874</u>	\$ <u>6,940,118</u>

The Boulder County Housing Authority has issued \$5,280,000 in Mortgage Revenue Bonds, series 1998. The proceeds of the bonds were used to refinance 125 housing units located throughout Boulder County. The bonds are payable from operating revenues generated by the housing units. The bonds mature annually beginning in 1999 with final payment in 2028. Interest at rates from 3.4% to 4.75% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 120,000	\$ 207,594	\$ 327,594
2008	125,000	202,614	327,614
2009	130,000	197,364	327,364
2010	140,000	191,774	331,774
2011	145,000	185,649	330,649
2012-2016	825,000	824,016	1,649,016
2017-2021	1,040,000	610,197	1,650,197
2022-2026	1,310,000	338,202	1,648,202
2027-2031	615,000	44,176	659,176
Totals	\$ <u>4,450,000</u>	\$ <u>2,801,586</u>	\$ <u>7,251,586</u>

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The Boulder County Housing Authority has issued \$10,410,000 in Housing Revenue Bonds, series 2004. The proceeds are to be used to refinance and rehabilitate 106 housing units located throughout Boulder County. The bonds are payable from operating revenues generated by the housing units. The bonds mature annually beginning in 2004 with final payment in 2034. Interest at rates from 1.50% to 5.25% is payable semi-annually. Debt service to maturity is as follows:

Year ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 175,000	\$ 480,443	\$ 655,443
2008	175,000	475,718	650,718
2009	185,000	470,468	655,468
2010	190,000	464,455	654,455
2011	195,000	457,805	652,805
2012-2016	1,100,000	2,168,800	3,268,800
2017-2021	1,405,000	1,902,574	3,307,574
2022-2026	1,810,000	1,528,782	3,338,782
2027-2031	2,350,000	1,017,465	3,367,465
2032-2036	<u>2,425,000</u>	<u>293,739</u>	<u>2,718,739</u>
Totals	<u>\$ 10,010,000</u>	<u>\$ 9,260,249</u>	<u>\$ 19,270,249</u>

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(13) 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 agrees 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, with the exception of a long-term receivable of \$136,903 due to the General Fund from the Eldorado Springs Fund (a nonmajor fund). Interfund balances at December 31, 2006 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Open Space Capital Improvement	\$ 289,409
	Road and Bridge Fund	725
	Social Services Fund	526,178
	Nonmajor Governmental Funds	361,295
	Internal Service Fund	1,347
	Recycling Center Fund	41,138
	Housing Authority	<u>136,783</u>
		<u>1,356,875</u>
Open Space Capital Improvement	General Fund	<u>116,861</u>
Road and Bridge Fund	General Fund	69,273
	Nonmajor Governmental Funds	165
	Housing Authority	<u>21</u>
		<u>69,459</u>
Social Services Fund	Housing Authority	<u>82</u>
Nonmajor Governmental Funds	General Fund	363,708
	Road and Bridge Fund	291
	Social Services Fund	363,530
	Housing Authority	<u>1,780</u>
		<u>729,309</u>
Internal Service Fund	General Fund	65,207
	Social Services Fund	<u>144,537</u>
		<u>209,744</u>
Recycling Center Fund	General Fund	20,263
	Nonmajor Governmental Funds	<u>265</u>
		<u>20,528</u>
	Total \$	<u><u>2,502,858</u></u>

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(b) Interfund 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 County interfund transfers:

<u>Payable Fund (Transfers Out)</u>	<u>Receivable Fund (Transfers In)</u>	<u>Amount</u>
General Fund	Open Space Capital Improvement	\$ 50,129
	Nonmajor Governmental Funds	4,687,953
	Housing Authority	507,397
		<u>5,245,479</u>
Open Space Capital Improvement	General Fund	20,000
	Nonmajor Governmental Funds	7,772,350
		<u>7,792,350</u>
Nonmajor Governmental Funds	General Fund	1,421,350
	Social Services Fund	1,534,879
	Nonmajor Governmental Funds	610,218
		<u>3,566,447</u>
	Total \$	<u><u>16,604,276</u></u>

(c) Due from Component Unit

Due from Public Health, the discretely presented component unit, totals \$591,179 on the County's government-wide statement of net assets, while Public Health reports due to primary government of \$587,891. The variance of \$3,288 represents payments in transit from Public Health to the County.

(d) 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 before meeting eligibility requirements are deferred.

	<u>Governmental activities</u>	<u>Business - type activities</u>	<u>Total primary government</u>	<u>Component Unit</u>
Grants	\$ 2,316,442	\$ 39,651	\$ 2,356,093	\$ 1,010,307
Intergovernmental agreements & others	<u>10,257,167</u>	<u>2,844</u>	<u>10,260,011</u>	<u>89,640</u>
Total	<u>\$ 12,573,609</u>	<u>\$ 42,495</u>	<u>\$ 12,616,104</u>	<u>\$ 1,099,947</u>

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The Northwest Parkway Authority will contribute \$3,000,000 under an agreement with the County for open space that has already been acquired within the plan area. The amount is included with intergovernmental agreements above and will be paid on or before December 31, 2008. Therefore, the amount has been deferred in the governmental fund statements.

(14) 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. Additional reserves required throughout the years are designated in either the General or Contingency Funds. At December 31, 2006, the balance in the emergency reserve in the special revenue Contingency Fund was \$3,316,247 and \$276,375 in the General Fund, totaling \$3,592,622 for the primary government. The emergency reserve for Public Health, component unit, was \$40,987. Additional amounts will be added as required.

A reservation for escrow accounts has been created in the General Fund. As of 2006, there is only one escrow account that is classified as County funds. This account represents funds in excess of operational expenses and a reserve requirement for the Public Trustee. Colorado Revised Statute C.R.S. 38-37-104 (3) requires that these excess funds be deposited with the County Treasurer's office, and that they be placed in an account to be known as the Public Trustee Salary Fund. The Public Trustee may petition for use of these funds from the Board of County Commissioners. At the end of each year, any unused funds are transferred to the General Fund of the County.

(15) 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.

There are thirteen series of Industrial Revenue Bonds (IRB) outstanding, and eight series of Single Family Mortgage Revenue Bonds outstanding. The aggregate principal amount payable for IRB series issued is \$132,525,000. The aggregate principal amount payable for the Mortgage Revenue Bonds series issued is \$46,944,000.

The County has issued two 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:

North Cedar Brook Local Improvement District Bonds were issued in April 2000, for \$110,000. They were issued for the purpose of rehabilitating existing roads, paving, and drainage. The bonds mature

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annually beginning in 2000 with final payment in 2009. Interest at 6.00% is payable semi-annually. The County has called in \$75,000 in bonds. Principal debt service to maturity is \$35,000.

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 semi-annually. Boulder County has called in \$140,000 in bonds. Principal debt service to maturity is \$55,000.

(16) Pension Plan

(a) Defined Benefit Pension Plan

The County contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Prior to January 1, 2006, the LGDTF was known as the Municipal Division Trust Fund (MDTF). The LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the County are members of the LGDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at www.copera.org, or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Plan members and the County are required to contribute to the LGDTF at a rate set by statute. The contribution requirements of plan members and the County are established under Title 24, Article 51, Part 4 of the CRS, as amended. For 2006, the contribution rate for members is 8.00% and for the County it is 10.00% of covered salary. A portion of the County's contribution (1.02% of covered salary for 2006) is allocated for the Health Care Trust Fund (See Note b below). Beginning July 1, 2005, if the County rehired a PERA retiree as an employee or under any other work arrangement, it was required to report and pay employer contributions on the amounts paid for the retiree, however no member contributions are required. Beginning January 1, 2006, the County was required to pay an amortization equalization disbursement equal to 0.5% of the total payroll. For the years ending December 31, 2004, 2005, and 2006, the County's employer contributions to LGDTF were \$6,328,230, \$7,793,167, and \$8,824,060, respectively, equal to their required contributions for each year. Contributions from plan members for the same three years were \$6,069,710, \$6,223,153, and \$6,703,933, respectively.

(b) Post employment Healthcare Benefits

The County contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org, or by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

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For 2006, the County is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the County are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The County's total contribution to the HCTF is included in the contribution to LGDTF, noted above.

(c) Defined Contribution Pension Plan

The LGDTF members (see Note a above) of the County may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

The 401(k) Plan is funded by voluntary member contributions up to a maximum limit set by the IRS (\$15,000 in 2006; \$20,000 for employees age 50 and older). The contribution requirements for the County are established under Title 24, Article 51, Section 1402 of the Colorado Revised Statutes, as amended. For the years ended December 31, 2004, 2005, and 2006, the 401(k) Plan member contributions from the County were \$1,412,104, \$1,981,646, and \$1,793,351, respectively.

(17) Risk Management

The County, including its component units, is self-insured for risks associated with worker's compensation. The County and its component units, except the Housing Authority, have excess insurance with a high retention for risks associated with property/casualty claims and, therefore, are 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 assumes risk for the first \$400,000 for each worker's compensation occurrence, the first \$100,000 for each property occurrence, and the first \$250,000 for each liability occurrence except for employment liability claims, which have a \$350,000 retention. The County also maintains a self-funded health and dental plan, in which the County assumes risk for the first \$250,000 for each medical claim. Third-party insurance is purchased to protect the County above these amounts. Additionally, the County carries a crime policy with a \$25,000 deductible, and an equipment breakdown policy with a \$5,000 deductible.

The County has implemented GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, and established a risk management fund (an internal service fund) to account for and finance all uninsured risks of loss. With the implementation of GASB No. 10, liabilities of the risk management fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts, and other economic and social factors.

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

	2006	2005
Unpaid claims, beginning of year	\$ 3,316,325	3,787,319
Incurring claims (including IBNRs)	10,019,233	11,270,659
Claim payments	(10,295,893)	(11,741,653)
Unpaid claims, end of year	\$ 3,039,665	3,316,325

There has been no significant reduction in insurance coverage from the prior year.

(18) Commitments and Contingent Liabilities

(a) Risk Management

All funds of the County participate in the program, and make payments to the Risk Management internal service 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.

In December 2000, the County acquired property for open space purposes that is possibly contaminated with hazardous substances. Disposal or placement of hazardous substances would have occurred before the County's acquisition. The EPA, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), may require cleanup of the contamination on the site. Any liability beyond a de minimis landowner settlement negotiated with the EPA would be aggressively litigated.

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(c) Purchase Options

The County has entered into option agreements to purchase open space properties at a future date. The continuance of each option is contingent upon the annual exercise of each available option in succession. If annual payments are made until the end of the option, the County will then have the right to purchase the property and associated water rights. In the table below, "total options" represents the best estimate as of the report date of the maximum amount anticipated to be paid, and includes amounts for options, land, water, and other costs. "Options exercised" represents the amount paid to date for these same costs. Total options amounts can vary from year to year as circumstances change (completion of mining, accelerated purchases, sales contingent upon death of seller, etc.). Further details of each property are as follows:

	Almquist (*) Property	Billings Property	Cemex Dowe Flats Property	Farm in Boulder Valley Property
Total acreage	219.10	326.32	1,609.63	40.61
Number of parcels	11	8	3	10
Total options	\$ 739,137	\$ 1,123,019	\$ 8,901,863	\$ 1,766,594
Options exercised through December 31, 2006	<u>739,137</u>	<u>1,006,130</u>	<u>2,000,000</u>	<u>157,500</u>
Remaining options	<u>\$ —</u>	<u>\$ 116,889</u>	<u>\$ 6,901,863</u>	<u>\$ 1,609,094</u>

(*) The County received Farm & Ranch Land Protection Program grants totaling \$152,656 for the Almquist Property, which reduced the total purchase cost from \$891,793 to \$739,137.

	Golden Fredstrom Property	Parrish 2 Property	Trevarton, Lillian Property	Zimdahl Property
Total acreage	147	250.08	2,006.43	77.20
Number of parcels	1	2	1	1
Total options	\$ 2,097,568	\$ 4,096,250	\$ 3,021,573	\$ 1,257,252
Options exercised through December 31, 2006	<u>275,100</u>	<u>3,943,500</u>	<u>1,225,043</u>	<u>83,238</u>
Remaining options	<u>\$ 1,822,468</u>	<u>\$ 152,750</u>	<u>\$ 1,796,530</u>	<u>\$ 1,174,014</u>

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	<u>Zweck Property</u>
Total acreage	221.71
Number of parcels	1
Total options	\$ 10,500,000
Options exercised through December 31, 2006	<u>262,500</u>
Remaining options	<u>\$ 10,237,500</u>

(d) Legal Debt Margin

Per Colorado Revised Statutes Section 30-26-301(3), the County's aggregate amount of indebtedness for general obligation bonds shall not exceed 3.00% of the actual value, as determined by the Assessor, of the taxable property in the County. As of December 31, 2006, the debt capacity of the County was \$1,271,527,966. The County does not currently have debt subject to this limitation.

(e) Construction Contracts

As of December 31, 2006, the County has construction commitments outstanding with various contractors of approximately \$2,804,847.

(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.

(19) Revenue and Expenditure Limitations

The 1992 amendment to Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), limits the revenue raising and spending abilities of the State and local governments, effective December 31, 1992. It prohibits any increase in the mill levy without a vote of the citizens, requires any revenue collected in excess of the fiscal year spending limit to be refunded in the following year, and requires the establishment of an "emergency reserve" equal to 3% of fiscal year expenditures. See note 13, Fund Balances – Reserved, 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

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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.

In 2004, the County voters approved a conditional exemption to property tax collections for only the 2004 fiscal year. Regardless of the amount of the 2004 property tax and all other revenue collections, and the relationship to the 2004 TABOR property tax, revenue and expenditure limits, the County was authorized to retain all property tax and other revenues up to \$4,700,000 that would otherwise be a liability to refund in 2006. The 2005 TABOR property tax and other revenue bases, established for the purposes of measuring TABOR compliance for 2005, were reset to the amount of actual collections in 2004, up to \$4,700,000 above the TABOR limit.

In 2005, the County voters approved an ongoing exemption to all revenues and expenditures as had previously been applied to the TABOR revenue limit, the TABOR property tax limit, and the TABOR expenditure limit. The ballot issue requires the County to limit property tax levies for the 2006 fiscal year and beyond, to a maximum of an additional 0.6 mills up to the County's mill levy limit of 23.745 mills. Any additional property tax revenues that are levied, compared with the actual collections from the prior year, are to be allocated as follows for a period of 5 years commencing with the 2006 year:

- 20% to be utilized in funding health and human services, of which 1/3 will be directed to non-profit agencies serving this purpose;
- 30% to be utilized in funding public safety programs;
- 6 2/3 % to be utilized in sustainability (including renewable energy and energy efficiency) programs.

Based upon its interpretation of the TABOR Amendment and subsequent locally approved exemptions for property tax and all other revenues collected in the 2006 fiscal year, the County is in compliance with the Amendment One limits. The County continues to be subject to the maximum mill levy of 23.745, and the requirement to maintain a TABOR reserve equal to 3% of the 2006 Fiscal Year Spending Limit.

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

Program	(D) County EBT Authorizations plus Expenditures by County Warrant					(E) Total expenditures (B + C)
	(A) County EBT Authorizations	(B) County Share of Authorizations	(C) Expenditures by County Warrant	(A + C)	(B + C)	
Old Age Pension	\$ 3,766,674	\$ 6,306	\$ 136,044	\$ 3,902,718	\$ 142,350	
Low-Income Energy Assistance Program	1,528,434	1,500	217,574	1,746,008	219,074	
Temporary Assistance for Needy Families	2,099,102	426,742	2,015,526	4,114,628	2,442,268	
Adoption Family Initiative	—	—	29,265	29,265	29,265	
Regular administration	—	—	4,087,889	4,087,889	4,087,889	
CWEST/Child welfare	6,363,009	705,355	9,553,579	15,916,588	10,258,934	
Use of Excess IVE SB80	—	—	497,706	497,706	497,706	
Use of Excess Parent Fee	—	—	126,001	126,001	126,001	
HB 1414 Activities	124,185	—	242,410	366,595	242,410	
Safe and Stable Family	—	—	83,064	83,064	83,064	
Integrated Care Management	—	—	36,494	36,494	36,494	
Chaffee Independent Living	—	—	141,665	141,665	141,665	
Core services	1,159,777	112,037	1,145,017	2,304,794	1,257,054	
Aid to the Needy				—	—	
Disabled	518,347	79,110	—	518,347	79,110	
IV-D Administration	127,469	—	2,035,001	2,162,470	2,035,001	
CHATS/Child care	2,926,830	343,750	448,275	3,375,105	792,025	
Aid to the Blind	—	—	—	—	—	
General assistance	—	—	—	—	—	
Subtotal	<u>18,613,827</u>	<u>1,674,800</u>	<u>20,795,510</u>	<u>39,409,337</u>	<u>22,470,310</u>	
Food Assistance	<u>10,987,272</u>	<u>—</u>	<u>—</u>	<u>10,987,272</u>	<u>—</u>	
Grand Total	<u>\$ 29,601,099</u>	<u>\$ 1,674,800</u>	<u>\$ 20,795,510</u>	<u>\$ 50,396,609</u>	<u>\$ 22,470,310</u>	

- A. County EBT Authorizations – welfare payments authorized by the Boulder County Department of Social Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit card or by electronic funds transfer (EBT).
- B. County Share of Authorizations – the County’s share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County Warrant – expenditures made by County warrants or other County payment methods.
- D. County EBT Authorizations plus Expenditures by County Warrant – the total cost of the welfare programs that are administered by Boulder County.
- E. Total Expenditures – the grand total equals the expenditures presented on the Government Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance; Social Service Fund.

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Notes to Basic Financial Statements

December 31, 2006

(21) Prior Period Adjustment (Restatement) of Capital Assets

After a thorough reconciliation in 2006 of capital asset detail to the financial statements, it was determined that certain amounts had been improperly recorded. The discrepancies discovered were mainly the result of incorrect transfer of assets, removal of assets improperly recorded, retirements of assets not recognized, and resulting accumulated depreciation corrections. The net effect of these corrections was a decrease of \$5,085,791 in governmental activities capital assets.

Additionally, implementation of GASB Statement No. 34 requires the retroactive reporting of infrastructure assets to be completed by December 31, 2006. This year's financial report includes the retroactive reporting of infrastructure assets (roads, bridges, etc.) acquired or constructed in the years 1980 through 2001. The resulting infrastructure capitalization caused an increase to Land of \$12,445,194, and an increase to Infrastructure of \$56,813,855 (net of accumulated depreciation).

The effect of these corrections for the various categories and the implementation of GASB 34 are shown in the following table:

Year End December 31, 2005	As previously reported	Adjustments	As restated
Governmental activities:			
Capital assets not being depreciated:			
Land	\$ 340,025,839	\$ 13,030,218	\$ 353,056,057
Land development rights and other	3,894,443	(1,008,823)	2,885,620
Construction in progress	<u>19,550,927</u>	<u>3,087,090</u>	<u>22,638,018</u>
Total capital assets not being depreciated	<u>363,471,209</u>	<u>15,108,485</u>	<u>378,579,695</u>
Capital assets being depreciated:			
Buildings and improvements	89,130,777	(6,297,850)	82,832,927
Equipment	26,665,836	(582,096)	26,083,740
Improvements other than buildings	3,164,139	1,432,485	4,596,624
Infrastructure	<u>8,043,937</u>	<u>118,768,112</u>	<u>126,812,049</u>
Total capital assets being depreciated	<u>127,004,689</u>	<u>113,320,651</u>	<u>240,325,340</u>
Less accumulated depreciation for:			
Buildings and improvements	(28,724,543)	(2,118,595)	(30,843,137)
Equipment	(19,064,135)	(164,772)	(19,228,907)
Improvements other than buildings	(236,989)	(2,985)	(239,974)
Infrastructure	<u>(363,644)</u>	<u>(61,969,527)</u>	<u>(62,333,170)</u>
Total accumulated depreciation	<u>(48,389,311)</u>	<u>(64,255,879)</u>	<u>(112,645,188)</u>
Total capital assets being depreciated, net	<u>78,615,378</u>	<u>49,064,772</u>	<u>127,680,152</u>
Governmental activities capital assets, net	<u>\$ 442,086,587</u>	<u>\$ 64,173,258</u>	<u>\$ 506,259,847</u>

REQUIRED SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Budgetary Comparison Schedule

General Fund

Year ended December 31, 2006

	Budgeted		Actual	Variance with final budget
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 81,868,809	\$ 81,868,809	\$ 82,472,376	\$ 603,567
Specific ownership	653,143	653,143	1,276,095	622,952
Total	82,521,952	82,521,952	83,748,471	1,226,519
Intergovernmental:				
Federal shared revenue	648,708	648,708	685,004	36,296
State grants	2,400	2,400	5,475	3,075
State shared revenue	134,040	405,940	733,404	327,464
Other governmental units	2,290,753	2,365,753	2,849,740	483,987
Total	3,075,901	3,422,801	4,273,623	850,822
Licenses, fees, and permits:				
Business	8,050	8,050	8,588	538
Nonbusiness	815,791	815,791	1,030,201	214,410
Total	823,841	823,841	1,038,789	214,948
Charges for services:				
Motor vehicle fees – Clerk	2,151,555	2,151,555	1,866,973	(284,582)
Recording fees – Clerk	2,756,597	2,756,597	2,201,880	(554,717)
Treasurer fees	1,515,000	1,515,000	1,415,814	(99,186)
Other fees	2,172,458	2,172,458	1,763,666	(408,792)
Telecommunications	487,800	487,800	608,186	120,386
Parks charges	133,000	133,000	208,881	75,881
Sheriff charges	1,475,942	1,475,942	1,856,699	380,757
Miscellaneous	419,640	419,640	562,003	142,363
Total	11,111,992	11,111,992	10,484,102	(627,890)
Fines and forfeitures	312,430	312,430	707,847	395,417
Interest on investments	2,200,200	2,200,200	3,266,405	1,066,205
Other revenue:				
Building rental	352,114	352,114	379,810	27,696
Open Space rental	660,000	660,000	902,655	242,655
Grant revenue – other	—	—	—	—
Miscellaneous	716,547	716,547	747,764	31,217
Total	1,728,661	1,728,661	2,030,229	301,568
Proceeds from sale of capital assets	85,000	85,000	1,291,810	1,206,810
Transfers in	220,353	240,353	1,441,350	1,200,997
Total revenues	102,080,330	102,447,230	108,282,626	5,835,396

BOULDER COUNTY, COLORADO

Budgetary Comparison Schedule

General Fund

Year ended December 31, 2006

	Budgeted		Actual (includes transfers out)	Variance with final budget
	Original	Final		
Expenditures (by Agency appropriation):				
Administrative Services:				
Personal services	\$ 7,861,311	\$ 7,846,076	\$ 7,673,997	\$ 172,079
Operating	2,950,553	2,997,359	2,853,419	143,940
Organizational administration:				
Combined	11,829,491	11,896,977	11,435,904	461,073
General administration:				
Operating	12,790,825	13,868,553	12,331,289	1,537,263
TABOR Refund:				
Operating	10,000	10,000	1,527	8,473
Nonprofit Agencies:				
Operating	3,329,664	3,349,664	3,334,689	14,975
Building utilities:				
Operating	1,597,111	1,827,450	1,711,464	115,986
Telecommunications:				
Personal services	352,923	352,923	352,844	79
Operating	780,316	825,683	676,017	149,666
Assessor:				
Personal services	2,557,728	2,539,728	2,489,596	50,132
Operating	254,826	272,826	267,407	5,419
County Attorney:				
Personal services	1,347,488	1,367,956	1,367,733	223
Operating	204,511	250,857	250,362	495
Coroner:				
Personal services	370,407	379,607	379,581	27
Operating	272,697	272,697	268,696	4,001
Commissioners:				
Personal services	1,260,855	1,260,855	1,260,803	52
Operating	247,724	247,724	232,403	15,321
Clerk and Recorder:				
Personal services	3,326,906	3,457,519	3,456,186	1,333
Operating	1,082,751	2,845,543	2,717,153	128,390
Community Services:				
Personal services	3,964,783	3,974,179	3,886,464	87,715
Operating	962,434	975,715	937,114	38,601
District Attorney:				
Personal services	3,706,548	3,706,548	3,706,481	67
Operating	221,195	236,195	236,194	1
Land Use:				
Personal services	2,472,239	2,472,239	2,373,290	98,949
Operating	796,132	943,982	823,994	119,988
Parks and Open Space:				
Personal services	4,204,694	4,214,694	4,214,010	684
Operating	6,286,545	8,938,505	8,300,936	637,569
Sheriff:				
Personal services	17,535,460	17,592,986	17,588,179	4,807
Operating	3,416,392	3,693,362	3,629,545	63,817
Sheriff - Communications Center:				
Personal services	1,981,068	1,981,068	1,911,558	69,510
Operating	316,900	316,900	238,210	78,690

BOULDER COUNTY, COLORADO

Budgetary Comparison Schedule

General Fund

Year ended December 31, 2006

	<u>Budgeted</u>		<u>Actual (includes transfers out)</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued):				
Surveyor:				
Operating	4,500	4,500	4,500	—
Transportation:				
Personal services	1,250,341	1,250,341	1,250,296	45
Operating	103,387	243,681	102,692	140,989
Coal Creek/Rock Creek operating	—	161,739	53,960	107,779
Treasurer:				
Personal services	615,837	615,837	615,811	26
Operating	188,143	188,143	179,075	9,068
Total expenditures	<u>100,454,685</u>	<u>107,380,611</u>	<u>103,113,379</u>	<u>4,267,232</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,625,645</u>	<u>\$ (4,933,381)</u>	5,169,247	<u>\$ 10,102,628</u>
Fund balance, beginning of year			<u>23,375,357</u>	
Fund balance, end of year			<u>\$ 28,544,604</u>	

See notes to Required Supplementary Information.

BOULDER COUNTY, COLORADO
 Budgetary Comparison Schedule
 Special Revenue – Road and Bridge Fund
 Year ended December 31, 2006

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$ 1,076,263	\$ 1,076,263	\$ 1,128,083	\$ 51,820
Specific ownership	4,964,205	4,964,205	5,040,739	76,534
Sales and use	3,576,724	3,576,724	3,794,951	218,227
Total	9,617,192	9,617,192	9,963,773	346,581
Intergovernmental	4,787,000	4,787,000	6,999,611	2,212,611
Charges for services	215,000	215,000	—	(215,000)
Licenses and permits	30,000	30,000	28,334	(1,666)
Interest on investments	126,137	126,137	479,919	353,782
Other revenue	—	—	49,617	49,617
Total revenues	14,775,329	14,775,329	17,521,254	2,745,925
Expenditures:				
Projects and maintenance:				
Local improvement district	42,800	42,800	42,800	—
Payments to cities	416,698	416,698	414,785	1,913
Road and bridge	10,672,269	13,853,604	9,922,552	3,931,052
Road sales tax	3,536,724	8,408,578	7,564,211	844,367
Total projects and maintenance	14,668,491	22,721,680	17,944,348	4,777,332
Transportation Complex	1,380,294	2,024,261	2,024,261	—
Total expenditures	16,048,785	24,745,941	19,968,609	4,777,332
Excess (deficiency) of revenues over expenditures	(1,273,456)	(9,970,612)	(2,447,355)	7,523,257
Other financing sources (uses):				
Proceeds from sale of capital assets	—	—	39,339	39,339
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	—	—	39,339	39,339
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (1,273,456)	\$ (9,970,612)	(2,408,016)	\$ 7,562,596
Fund balance, beginning of year			11,040,049	
Fund balance, end of year			\$ 8,632,033	

BOULDER COUNTY, COLORADO
 Budgetary Comparison Schedule
 Special Revenue – Social Services Fund
 Year ended December 31, 2006

	Budgeted		Actual	Variance with final budget
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 5,076,166	\$ 5,076,166	\$ 5,106,296	\$ 30,130
Specific ownership	352,860	352,860	365,146	12,286
Total	5,429,026	5,429,026	5,471,442	42,416
Intergovernmental	14,915,742	14,915,742	16,666,730	1,750,988
Charges for services and other	—	—	115,075	115,075
Total revenues	20,344,768	20,344,768	22,253,247	1,908,479
Expenditures:				
Health and welfare:				
Administration salaries, supplies, and other	5,480,607	5,480,607	3,045,849	2,434,758
Direct assistance:				
Aid to blind	552	552	—	552
Aid to needy disabled	95,000	95,000	79,110	15,890
CBMS conversion	1,042,040	1,042,040	1,042,040	—
Core services	1,053,030	1,053,030	1,257,054	(204,024)
Child welfare	9,623,256	9,623,256	11,125,051	(1,501,795)
Day care payments	762,102	762,102	792,025	(29,923)
General assistance	372,923	372,923	509,562	(136,639)
Old age pensions	148,791	148,791	142,350	6,441
Child support enforcement	2,124,839	2,124,839	2,035,001	89,838
TANF/Colorado Works	2,782,522	2,782,522	2,442,268	340,254
Total direct assistance	18,005,055	18,005,055	19,424,461	(1,419,406)
Total expenditures	23,485,662	23,485,662	22,470,310	1,015,352
Excess (deficiency) of revenues over expenditures	(3,140,894)	(3,140,894)	(217,063)	2,923,831
Other financing sources (uses):				
Transfers in	1,534,879	1,534,879	1,534,879	—
Transfers out	—	—	—	—
Total other financing sources (uses)	1,534,879	1,534,879	1,534,879	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (1,606,015)	\$ (1,606,015)	1,317,816	\$ 2,923,831
Fund balance, beginning of year			3,583,020	
Fund balance, end of year			\$ 4,900,836	

BOULDER COUNTY, COLORADO

Notes to Required Supplementary Information

December 31, 2006

(1) **Budgets and Budgetary Accounting**

Budgets for all governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP). Budgets of proprietary funds are based on the flow of funds basis, excluding depreciation and amortization and including debt service principal payments and capital outlay. The County adopts a legal budget for all funds except the grants funds and the Contingency Fund. The budgets for the grants funds are advisory and the Contingency Fund has no legally adopted budget. For grants, there is a perspective difference between the annual adopted budget and the annual financial statement. The annual budget includes two grant funds - one for Workforce Boulder County and one for all the other grants - while the information in the financial statement combines the two funds into one Grant Fund. All appropriations lapse at year-end.

The level on which expenditures may not legally exceed appropriations is the activity level. Within an appropriation, there are three activity classifications: personal services, operating expenditures, and combined. The operating and combined appropriation activities include debt service and transfers. Control of each appropriation activity classification is maintained at the agency level. The agency level is defined as an office, department, division or other governmental unit having ultimate budgetary responsibility for a unit, program or fund budget.

Expenditures may not exceed the appropriation levels for legally adopted budgets. Revisions to an appropriation require approval by the Commissioners at a public meeting, with prior published notice of the proposed change. Departmental administrators may reallocate budget amounts within an appropriation activity classification without the approval of the Commissioners.

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

- (a) On or before August 1, all elected officers and department directors submit preliminary budget data to the Budget Officer.
- (b) On or before August 25, the County Assessor submits assessed valuations and other factors required to compute statutory property tax revenue limits.
- (c) On or before October 15, the Budget Officer submits a balanced budget to the Board of County Commissioners.
- (d) A notice is published and a public hearing is held to obtain taxpayer comments, usually in early October.
- (e) In the event a mill levy is required in excess of the mill levy set in 1992 by Amendment 1 (TABOR), the Board of County Commissioners must have the excess approved by the voters at the November election.
- (f) On or before December 10, the County Assessor submits final assessed valuations to all taxing entities.
- (g) The Board of County Commissioners enacts resolutions approving the budget, appropriating the budget, and setting the mill levies on or before December 15, per Statute 39-1-111, CRS.

BOULDER COUNTY, COLORADO

Notes to Required Supplementary Information

December 31, 2006

(2) **Explanation of differences between Budgetary and GAAP revenues and expenditures in the General Fund Budgetary Comparison Schedule**

	<u>General Fund</u>
Total 2006 revenue actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 108,282,626
Adjustments:	
The proceeds from the sale of capital assets are budgetary resources, but are regarded as an <i>other financing source</i> for GAAP reporting	(1,291,810)
Transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes	<u>(1,441,350)</u>
Total 2006 General Fund revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 105,549,466</u>
Total 2006 expenditures actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 103,113,379
Adjustments:	
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes	<u>(5,245,479)</u>
Total 2006 General Fund expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 97,867,900</u>

SUPPLEMENTARY INFORMATION

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2006

Assets	Special revenue	Capital projects	Total
	<u> </u>	<u> </u>	<u> </u>
Equity in Treasurer's cash and investments	\$ 25,689,996	\$ 7,360,202	\$ 33,050,198
Restricted cash and cash equivalents	1,974,947	807	1,975,754
Property taxes receivable	14,686,966	6,500,682	21,187,648
Due from other governmental units	2,228,149	19,691	2,247,840
Due from component unit	131,032	90	131,122
Interest receivable	144,349	1,877	146,226
County goods and services receivable, net	2,559,784	4,521	2,564,305
Due from other funds	545,393	183,916	729,309
Prepaid items	4,525	3,044	7,569
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 47,965,141</u>	<u>\$ 14,074,830</u>	<u>\$ 62,039,971</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,273,943	\$ 580,605	\$ 2,854,548
Due to other funds	361,561	165	361,726
Deferred revenue	17,371,924	7,022,339	24,394,263
Due to other governmental units	<u> </u>	<u> </u>	<u> </u>
Accrued liabilities	55,231	35,395	90,626
Escrows payable	<u> </u>	<u> </u>	<u> </u>
TABOR liability	<u> </u>	<u> </u>	<u> </u>
Other liabilities	<u>452,530</u>	<u>435</u>	<u>452,965</u>
Total liabilities	<u>\$ 20,515,189</u>	<u>\$ 7,638,939</u>	<u>\$ 28,154,128</u>
Fund balances:			
Reserved for:			
Emergencies	3,316,247	<u> </u>	3,316,247
Prepaid items and inventory	4,525	3,044	7,569
Debt service	<u> </u>	<u> </u>	<u> </u>
Escrow fees	<u> </u>	<u> </u>	<u> </u>
Capital transactions	323,139	807	323,946
Advances receivable	<u> </u>	<u> </u>	<u> </u>
Unreserved, reported in:			
General Fund	<u> </u>	<u> </u>	<u> </u>
Special revenue funds	23,806,041	<u> </u>	23,806,041
Capital projects funds	<u> </u>	<u>6,432,040</u>	<u>6,432,040</u>
Total fund balances	<u>27,449,952</u>	<u>6,435,891</u>	<u>33,885,843</u>
Total liabilities and fund balances	<u>\$ 47,965,141</u>	<u>\$ 14,074,830</u>	<u>\$ 62,039,971</u>

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds

Year ended December 31, 2006

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Total</u>
Revenues:			
Taxes	\$ 17,867,678	\$ 6,367,903	\$ 24,235,581
Licenses, fees, and permits	—	—	—
Interest on investments	982,543	33,335	1,015,878
Intergovernmental	14,709,641	22,288	14,731,929
Charges for services	1,034,587	20,777	1,055,364
Fines and forfeitures	—	—	—
Other revenue	698,269	544,926	1,243,195
	<u>35,292,718</u>	<u>6,989,229</u>	<u>42,281,947</u>
Total revenues			
Expenditures:			
Current:			
General government	6,558,176	4,437,123	10,995,299
Conservation	265,324	1,206,050	1,471,374
Public safety	4,751,414	2,264,345	7,015,759
Health and welfare	13,697,664	178,674	13,876,338
Economic opportunity	5,686,206	—	5,686,206
Highways and streets	5,923	46,767	52,690
Sanitation	461,003	—	461,003
Urban redevelopment/housing	—	—	—
Debt service:			
Principal	320,000	9,555,100	9,875,100
Interest and fiscal charges	116,358	2,314,602	2,430,960
Debt issuance costs	—	—	—
	<u>31,862,068</u>	<u>20,002,661</u>	<u>51,864,729</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>3,430,650</u>	<u>(13,013,432)</u>	<u>(9,582,782)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	3,627	—	3,627
Debt issuance	1,651,808	—	1,651,808
Premium on bonds sold	—	—	—
Transfers in	738,858	12,331,663	13,070,521
Transfers out	(3,566,447)	—	(3,566,447)
	<u>(1,172,154)</u>	<u>12,331,663</u>	<u>11,159,509</u>
Total other financing sources (uses)			
Net change to fund balance	2,258,496	(681,769)	1,576,727
Fund balance, January 1	<u>25,191,456</u>	<u>7,117,660</u>	<u>32,309,116</u>
Fund balance, December 31	\$ <u>27,449,952</u>	\$ <u>6,435,891</u>	\$ <u>33,885,843</u>

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds

Special Revenue Funds

December 31, 2006

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.

Recycling Capital Improvement Fund

This fund is restricted to the purchase of capital assets and to fund construction and operations of the County's Recycling Center, which now operates as a separate enterprise fund. Current revenue into this fund is interest on investments. There are no budgeted expenditures for 2006, and the remaining equity will be appropriated in future years when required.

Contingency Fund

Amendment One of the Colorado Constitution, also known as TABOR, requires Colorado counties to maintain a Contingency Fund. This fund accounts for monies the County would use to cover contingences or emergencies, as defined in State statutes.

Developmental Disabilities Fund

This fund was established to account for monies used for the specific purpose of providing services to people with developmental disabilities within Boulder County.

Emergency Rescue Services Fund

This fund is used to account for purchases of land, buildings, and other capital assets for various emergency rescue organizations within Boulder County. Remaining fund balance was appropriated and spent on final planned expenditures in 2006.

Grants Fund

This fund is used to account for all revenue and expenditures of programs funded by federal, state, and/or local grant awards. Activity of the Workforce Boulder County Fund is included in the Grants Fund for reporting purposes.

Fire Training Fund

This fund accounts for financial resources used by the Boulder Fire Training Board in the establishment of training facilities.

Health and Human Services 2002 Fund

This fund accounts for financial resources used by human services agencies in Boulder County, and specifically addresses reductions in funding due to state budgetary limitations.

Eldorado Springs Local Improvement District Fund

This fund accounts for financial resources used for construction and other capital costs for a voter approved wastewater treatment facility in Eldorado Springs.

Retirement Fund

This fund accounts for County contributions to the Colorado Public Employees Retirement Association (PERA).

Conservation Trust Fund

This fund accounts for revenue received from State lottery proceeds to be used for the acquisition, development, and maintenance of parks and trails systems within the County.

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds

Special Revenue Funds

December 31, 2006

Offender Management Fund

This fund accounts for financial resources used to provide for offender management programs and services, including an expansion of the Boulder County jail, a new Alcohol Recovery Center (ARC), and alternative programs to incarceration.

Worthy Cause Tax Fund

This fund accounts for financial resources used to provide funding for capital facilities and equipment for various nonprofit human services agencies within Boulder County.

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds – Special Revenue Funds

December 31, 2006

Assets	Recycling Capital Improvement	Contingency	Developmental Disabilities	Emergency Rescue Services	Grants
Equity in Treasurer's cash and investments	\$ 8,834,355	\$ 3,316,247	\$ 208,775	\$ —	\$ 1,297,393
Restricted cash and cash equivalents	—	—	—	—	—
Property taxes receivable	—	—	5,025,476	—	—
Due from other governmental units	—	—	667	—	1,656,481
Due from component unit	—	—	—	—	628
Interest receivable	63,434	—	—	—	8,641
County goods and services receivable	—	—	—	—	171,541
Due from other funds	79,895	—	104	—	168,792
Prepaid items	—	—	—	—	4,525
Inventory	—	—	—	—	—
Total assets	\$ 8,977,684	\$ 3,316,247	\$ 5,235,022	\$ —	\$ 3,308,001
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 411,206
Due to other funds	—	—	—	—	53,060
Deferred revenue	56,000	—	5,023,340	—	90,550
Due to other governmental units	—	—	—	—	—
Accrued liabilities	—	—	—	—	34,940
TABOR liability	—	—	—	—	—
Other liabilities	—	—	—	—	452,496
Total liabilities	56,000	—	5,023,340	—	1,042,252
Fund balances:					
Reserved for:					
Emergencies	—	3,316,247	—	—	—
Prepaid items and inventory	—	—	—	—	4,525
Debt service	—	—	—	—	—
Escrow fees	—	—	—	—	—
Capital transactions	—	—	—	—	—
Unreserved, reported in:					
Special revenue funds	8,921,684	—	211,682	—	2,261,224
Total fund balances	8,921,684	3,316,247	211,682	—	2,265,749
Total liabilities and fund balances	\$ 8,977,684	\$ 3,316,247	\$ 5,235,022	\$ —	\$ 3,308,001

	Fire Training	Health and Human Services 2002	Eldorado Springs LID	Retirement	Conservation Trust	Offender Management	Worthy Cause Tax	Total nonmajor special revenue funds
\$	4,065,854	\$ 450,547	\$ —	\$ 1,823,060	\$ 2,156,337	\$ 1,747,323	\$ 1,790,105	\$ 25,689,996
	—	—	1,651,808	—	—	323,139	—	1,974,947
	—	3,482,225	—	6,179,265	—	—	—	14,686,966
	—	462	—	699	—	284,920	284,920	2,228,149
	29,194	—	—	130,404	—	—	—	131,032
	—	—	—	—	15,483	14,805	12,792	144,349
	36,887	72	2,388,119	—	—	62	62	2,559,784
	—	—	—	204,758	19,052	19,567	16,266	545,393
	—	—	—	—	—	—	—	4,525
	—	—	—	—	—	—	—	—
\$	<u>4,131,935</u>	<u>\$ 3,933,306</u>	<u>\$ 4,039,927</u>	<u>\$ 8,338,186</u>	<u>\$ 2,190,872</u>	<u>\$ 2,389,816</u>	<u>\$ 2,104,145</u>	<u>\$ 47,965,141</u>
\$	—	\$ 926	\$ 26,937	\$ 1,410,837	\$ —	\$ 424,025	\$ 12	\$ 2,273,943
	—	—	304,002	—	—	4,499	—	361,561
	—	3,480,746	2,544,257	6,177,031	—	—	—	17,371,924
	—	3,620	148	—	—	16,523	—	55,231
	—	—	—	—	—	—	—	—
	—	—	—	—	—	34	—	452,530
	—	<u>3,485,292</u>	<u>2,875,344</u>	<u>7,587,868</u>	<u>—</u>	<u>445,081</u>	<u>12</u>	<u>20,515,189</u>
	—	—	—	—	—	—	—	3,316,247
	—	—	—	—	—	—	—	4,525
	—	—	—	—	—	—	—	—
	—	—	—	—	—	323,139	—	323,139
	<u>4,131,935</u>	<u>448,014</u>	<u>1,164,583</u>	<u>750,318</u>	<u>2,190,872</u>	<u>1,621,596</u>	<u>2,104,133</u>	<u>23,806,041</u>
	<u>4,131,935</u>	<u>448,014</u>	<u>1,164,583</u>	<u>750,318</u>	<u>2,190,872</u>	<u>1,944,735</u>	<u>2,104,133</u>	<u>27,449,952</u>
\$	<u>4,131,935</u>	<u>\$ 3,933,306</u>	<u>\$ 4,039,927</u>	<u>\$ 8,338,186</u>	<u>\$ 2,190,872</u>	<u>\$ 2,389,816</u>	<u>\$ 2,104,145</u>	<u>\$ 47,965,141</u>

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds – Special Revenue Funds

Year ended December 31, 2006

	<u>Recycling Capital Improvement</u>	<u>Contingency</u>	<u>Developmental Disabilities</u>	<u>Emergency Rescue Services</u>	<u>Grants</u>
Revenues:					
Taxes	\$ —	\$ 1	\$ 4,941,128	\$ —	\$ —
Licenses, fees, and permits	—	—	—	—	—
Interest on investments	425,209	—	—	491	64,684
Intergovernmental	—	—	786	—	14,214,157
Charges for services	—	—	—	—	1,034,587
Other revenue	—	—	—	—	698,269
Total revenues	<u>425,209</u>	<u>1</u>	<u>4,941,914</u>	<u>491</u>	<u>16,011,697</u>
Expenditures:					
Current:					
General government	\$ —	\$ —	\$ —	\$ —	\$ 864,073
Conservation	—	—	—	—	265,324
Public safety	—	—	—	217,800	3,308,381
Health and welfare	—	—	4,911,575	—	3,259,312
Economic opportunity	—	—	—	—	5,686,206
Highways and streets	—	—	—	—	5,923
Sanitation	—	—	—	—	—
Urban redevelopment/housing	—	—	—	—	—
Debt service:					
Principal	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—
Debt issuance costs	—	—	—	—	—
Total expenditures	<u>—</u>	<u>—</u>	<u>4,911,575</u>	<u>217,800</u>	<u>13,389,219</u>
Excess (deficiency) of revenues over expenditures	<u>425,209</u>	<u>1</u>	<u>30,339</u>	<u>(217,309)</u>	<u>2,622,478</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	—	—	—	—	3,627
Debt issuance	—	—	—	—	—
Premium on bond sale	—	—	—	—	—
Transfers in	—	—	—	—	738,858
Transfers out	—	—	—	—	(1,894,665)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,152,180)</u>
Net change in fund balance	<u>425,209</u>	<u>1</u>	<u>30,339</u>	<u>(217,309)</u>	<u>1,470,298</u>
Fund balance, January 1	8,496,475	3,316,246	181,343	217,309	795,451
Fund balance, December 31	<u>\$ 8,921,684</u>	<u>\$ 3,316,247</u>	<u>\$ 211,682</u>	<u>\$ —</u>	<u>\$ 2,265,749</u>

Fire Training	Health and Human Services 2002	Eldorado Springs LID	Retirement	Conservation Trust	Offender Management	Worthy Cause Tax	Total nonmajor special revenue funds
\$ —	\$ 3,668,664	\$ —	\$ 5,511,400	\$ —	\$ 1,873,240	\$ 1,873,245	\$ 17,867,678
—	—	—	—	—	—	—	—
205,451	—	1,906	—	96,472	128,030	60,300	982,543
—	545	10,000	843	483,310	—	—	14,709,641
—	—	—	—	—	—	—	1,034,587
—	—	—	—	—	—	—	698,269
<u>205,451</u>	<u>3,669,209</u>	<u>11,906</u>	<u>5,512,243</u>	<u>579,782</u>	<u>2,001,270</u>	<u>1,933,545</u>	<u>35,292,718</u>
\$ —	\$ —	\$ —	\$ 5,694,103	\$ —	\$ —	\$ —	\$ 6,558,176
—	—	—	—	—	—	—	265,324
326,500	—	—	—	—	898,733	—	4,751,414
—	2,000,294	—	—	—	2,102,633	1,423,850	13,697,664
—	—	—	—	—	—	—	5,686,206
—	—	—	—	—	—	—	5,923
—	—	461,003	—	—	—	—	461,003
—	—	—	—	—	—	—	—
—	—	—	—	—	320,000	—	320,000
—	—	—	—	—	116,358	—	116,358
—	—	—	—	—	—	—	—
<u>326,500</u>	<u>2,000,294</u>	<u>461,003</u>	<u>5,694,103</u>	<u>—</u>	<u>3,437,724</u>	<u>1,423,850</u>	<u>31,862,068</u>
<u>(121,049)</u>	<u>1,668,915</u>	<u>(449,097)</u>	<u>(181,860)</u>	<u>579,782</u>	<u>(1,436,454)</u>	<u>509,695</u>	<u>3,430,650</u>
—	—	—	—	—	—	—	3,627
—	—	1,651,808	—	—	—	—	1,651,808
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	738,858
—	(1,534,879)	(136,903)	—	—	—	—	(3,566,447)
—	(1,534,879)	1,514,905	—	—	—	—	(1,172,154)
(121,049)	134,036	1,065,808	(181,860)	579,782	(1,436,454)	509,695	2,258,496
4,252,984	313,978	98,775	932,178	1,611,090	3,381,189	1,594,438	25,191,456
<u>\$ 4,131,935</u>	<u>\$ 448,014</u>	<u>\$ 1,164,583</u>	<u>\$ 750,318</u>	<u>\$ 2,190,872</u>	<u>\$ 1,944,735</u>	<u>\$ 2,104,133</u>	<u>\$ 27,449,952</u>

BOULDER COUNTY, COLORADO

Nonmajor Governmental Funds

Capital Projects Funds

December 31, 2006

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

Capital Projects Fund

This fund accounts for financial resources used for the acquisition, renovation, or construction of major capital facilities, projects, and equipment.

Gunbarrel General Improvement District Fund

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

Open Space Capital Improvement Trust Fund II (Bond Series 1996 & 1998)

This is a pass-through fund used to account for debt service for Open Space bonds, series 1996 & 1998, as specified by bond documents. These bonds were used for the acquisition of interests in open space real property and access thereto, water rights, and improvement upon open space real property. Transfers are made into this fund from the Open Space Capital Improvement Fund and the General Fund, and all transfers are budgeted to be expended.

BOULDER COUNTY, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds – Capital Projects Funds

December 31, 2006

Assets	Capital Projects	Gunbarrel General Improvement District	Open Space Capital Improvement Fund II	Total nonmajor capital projects funds
Equity in Treasurer's cash and investments	\$ 7,098,735	\$ 261,467	\$ —	\$ 7,360,202
Restricted cash	807	—	—	807
Property taxes receivable	6,500,682	—	—	6,500,682
Due from other governmental units	19,691	—	—	19,691
Due from component unit	90	—	—	90
Interest receivable	—	1,877	—	1,877
County goods and services receivable	4,521	—	—	4,521
Due from other funds	181,544	2,372	—	183,916
Prepaid expenditures	3,044	—	—	3,044
Inventory	—	—	—	—
Total assets	<u>\$ 13,809,114</u>	<u>\$ 265,716</u>	<u>\$ —</u>	<u>\$ 14,074,830</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 580,605	\$ —	\$ —	\$ 580,605
Due to other funds	165	—	—	165
Deferred revenue	7,022,339	—	—	7,022,339
Accrued liabilities	35,395	—	—	35,395
TABOR liability	—	—	—	—
Other liabilities	435	—	—	435
Total liabilities	<u>7,638,939</u>	<u>—</u>	<u>—</u>	<u>7,638,939</u>
Fund balances:				
Reserved for:				
Inventory and prepaid expenditures	3,044	—	—	3,044
Capital transactions	807	—	—	807
Unreserved, reported in:				
Capital projects funds	<u>6,166,324</u>	<u>265,716</u>	<u>—</u>	<u>6,432,040</u>
Total fund balances	<u>6,170,175</u>	<u>265,716</u>	<u>—</u>	<u>6,435,891</u>
Total liabilities and fund balances	<u>\$ 13,809,114</u>	<u>\$ 265,716</u>	<u>\$ —</u>	<u>\$ 14,074,830</u>

BOULDER COUNTY, COLORADO

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

Nonmajor Governmental Funds – Capital Projects Funds

Year ended December 31, 2006

	<u>Capital Projects</u>	<u>Gunbarrel General Improvement District</u>	<u>Open Space Capital Improvement Fund II</u>	<u>Total nonmajor capital projects funds</u>
Revenues:				
Taxes	\$ 6,367,903	\$ —	\$ —	\$ 6,367,903
Interest on investments	20,655	12,680	—	33,335
Intergovernmental	22,288	—	—	22,288
Charges for services	20,777	—	—	20,777
Other revenue	544,926	—	—	544,926
Total revenues	<u>6,976,549</u>	<u>12,680</u>	<u>—</u>	<u>6,989,229</u>
Expenditures:				
Current:				
General government	\$ 4,437,123	\$ —	\$ —	\$ 4,437,123
Conservation	1,205,628	422	—	1,206,050
Public safety	2,264,345	—	—	2,264,345
Health and welfare	178,674	—	—	178,674
Economic opportunity	—	—	—	—
Highways and streets	46,767	—	—	46,767
Sanitation	—	—	—	—
Urban redevelopment/housing	—	—	—	—
Debt service:				
Principal	270,100	—	9,285,000	9,555,100
Interest and fiscal charges	129,199	—	2,185,403	2,314,602
Debt issuance costs	—	—	—	—
Total expenditures	<u>8,531,836</u>	<u>422</u>	<u>11,470,403</u>	<u>20,002,661</u>
Excess (deficiency) of revenues over expenditures	<u>(1,555,287)</u>	<u>12,258</u>	<u>(11,470,403)</u>	<u>(13,013,432)</u>
Other financing sources:				
Debt issuance	—	—	—	—
Premium on bonds sold	—	—	—	—
Transfers in	861,260	—	11,470,403	12,331,663
Total other financing sources	<u>861,260</u>	<u>—</u>	<u>11,470,403</u>	<u>12,331,663</u>
Net change to fund balance	(694,027)	12,258	—	(681,769)
Fund balance, January 1	<u>6,864,202</u>	<u>253,458</u>	<u>—</u>	<u>7,117,660</u>
Fund balance, December 31	\$ <u>6,170,175</u>	\$ <u>265,716</u>	\$ <u>—</u>	\$ <u>6,435,891</u>

BOULDER COUNTY, COLORADO

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

Year ended December 31, 2006

	<u>Final budget</u>	<u>Actual (includes transfers out)</u>	<u>Variance</u>
Budgeted nonmajor special revenue funds:			
Recycling Capital Improvement Fund	\$ —	\$ —	\$ —
Developmental Disabilities Fund	4,911,575	4,911,575	—
Emergency Rescue Services Fund	217,801	217,800	1
Grants Fund	12,000,000	11,295,807	704,193
Workforce Boulder County Fund (presented within Grants Fund on combining statements)	5,000,000	3,988,076	1,011,924
Fire Training Fund	4,097,296	326,500	3,770,796
Health and Human Services 2002 Fund	3,559,761	3,535,173	24,588
Eldorado Springs Local Improvement District Fund	1,730,500	597,906	1,132,594
Retirement Fund	15,129,089	5,694,103	9,434,986
Conservation Trust Fund	1,716,090	—	1,716,090
Offender Management Fund			
Construction	2,337,350	1,904,942	432,408
Debt service	436,358	436,358	—
Jail expansion	814,490	814,488	2
Partnership for Active Community Engagement (PACE)	222,870	197,691	25,179
Alternative	140,820	84,246	56,574
Worthy Cause Tax Fund			
Worthy Cause Tax 1 (2001)	150,000	—	150,000
Worthy Cause Tax 2 (2004)	3,083,850	1,423,850	1,660,000
Budgeted major capital projects fund:			
Open Space Capital Improvement Fund			
Bond Series 2000B, 2001, 2002, 2006	53,911,938	53,795,432	116,506
Bond Series 2005A	33,017,192	16,583,475	16,433,717
Budgeted nonmajor capital projects funds:			
Capital Projects Fund:			
Facilities management	411,938	198,482	213,456
Infrastructure	1,599,241	1,233,701	365,540
General reconstruction	10,250,849	5,409,748	4,841,101
Parks general reconstruction	228,697	22,444	206,253
Open Space and Transportation Complex	1,958,580	1,667,461	291,119
Gunbarrel General Improvement District Fund	230,608	422	230,186
Open Space Capital Improvement Fund II			
Bond Series 1996, 1998	11,470,403	11,470,403	—
Budgeted proprietary funds:			
Risk Management Fund	14,224,181	11,845,673	2,378,508
Recycling Center Fund (*)	4,524,727	4,323,140	201,587

(*) Depreciation expense is not budgeted in the proprietary funds.

\$36,583 of budgeted capital expenditures are included in the Recycling Center actual total.

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

Combining Statement of Changes in
Assets and Liabilities – Agency Funds

Fiduciary – Public Trustee Fund and Agency Fund

Year ended December 31, 2006

	<u>Balances at January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at December 31, 2006</u>
Public Trustee Fund:				
Assets:				
Restricted cash	\$ 1,218,951	\$ —	\$ 576,917	\$ 642,034
Receivables	18,477	37,939	—	56,416
Total	<u>\$ 1,237,428</u>	<u>\$ 37,939</u>	<u>\$ 576,917</u>	<u>\$ 698,450</u>
Liabilities:				
Accounts payable	\$ 1,025	\$ —	\$ 1,025	\$ —
Escrow payable	79	—	—	79
Other liabilities	1,236,324	—	537,953	698,371
Total	<u>\$ 1,237,428</u>	<u>\$ —</u>	<u>\$ 538,978</u>	<u>\$ 698,450</u>
Agency Fund:				
Assets:				
Cash	\$ 9,867,638	\$ 349,508,241	\$ 351,466,515	\$ 7,909,364
Property taxes receivable	259,339,513	269,957,786	259,426,864	269,870,435
Due from other governmental units	—	36,866	—	36,866
Due from other funds	—	7,252	7,252	—
Total	<u>\$ 269,207,151</u>	<u>\$ 619,510,145</u>	<u>\$ 610,900,631</u>	<u>\$ 277,816,665</u>
Liabilities:				
Undistributed taxes and other collections	\$ 9,867,638	\$ 300,905,820	\$ 302,821,506	\$ 7,951,952
Due to other taxing units	259,339,513	269,952,064	259,426,864	269,864,713
Total for Agency Fund	<u>\$ 269,207,151</u>	<u>\$ 570,857,884</u>	<u>\$ 562,248,370</u>	<u>\$ 277,816,665</u>
Total – all agency funds:				
Total assets	<u>\$ 270,444,579</u>	<u>\$ 619,548,084</u>	<u>\$ 611,477,548</u>	<u>\$ 278,515,115</u>
Total liabilities	<u>\$ 270,444,579</u>	<u>\$ 570,857,884</u>	<u>\$ 562,787,348</u>	<u>\$ 278,515,115</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Boulder County YEAR ENDING : December 2006
This Information From The Records Of (example - City of _ or County of _): County of Boulder	Prepared By: Mark Schumann Phone: 303-441-3503

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	12,144,783
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,847,263
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	277,173
2. General fund appropriations	—	b. Snow and ice removal	1,406,692
3. Other local imposts (from page 2)	9,992,107	c. Other	158,345
4. Miscellaneous local receipts (from page 2)	1,116,094	d. Total (a. through c.)	1,842,210
5. Transfers from toll facilities	—	4. General administration & miscellaneous	1,041,396
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	—
a. Bonds - Original Issues	—	6. Total (1 through 5)	19,875,651
b. Bonds - Refunding Issues	—	B. Debt service on local obligations:	
c. Notes	—	1. Bonds:	
d. Total (a. + b. + c.)	—	a. Interest	7,800
7. Total (1 through 6)	11,108,201	b. Redemption	35,000
B. Private Contributions	—	c. Total (a. + b.)	42,800
C. Receipts from State government (from page 2)	5,936,961	2. Notes:	
D. Receipts from Federal Government (from page 2)	465,272	a. Interest	—
E. Total receipts (A.7 + B + C + D)	17,510,434	b. Redemption	—
		c. Total (a. + b.)	—
		3. Total (1.c + 2.c)	42,800
		C. Payments to State for highways	—
		D. Payments to toll facilities	—
		E. Total disbursements (A.6 + B.3 + C + D)	19,918,451

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	6,018,650	—	494,900	5,523,750
1. Bonds (Refunding Portion)				
B. Notes (Total)	—	—	—	—

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	11,040,052	17,510,434	19,918,451	8,632,035	—

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING (mm/yy): December 2006

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,128,083	a. Interest on investments	479,919
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	3,794,951	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	39,339
4. Licenses	28,334	f. Charges for Services	0
5. Other	5,040,739	g. Other Misc. Receipts	51,317
6. Total (1. through 5.)	8,864,024	h. Other	545,520
c. Total (a. + b.)	9,992,107	i. Total (a. through h.)	1,116,094
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,633,197	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle	211,657	d. Federal Transit Admin	0
d. Other (Specify)	92,107	e. U.S. Corps of Engineers	0
e. Other (Specify)	—	f. Other Federal	465,272
f. Total (a. through e.)	303,764	g. Total (a. through f.)	465,272
4. Total (1. + 2. + 3.f)	5,936,961	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	180,074	180,074
b. Engineering Costs	0	489,411	489,411
c. Construction:			
(1). New Facilities	0	3,803,910	3,803,910
(2). Capacity Improvements	0	2,945,621	2,945,621
(3). System Preservation	0	4,703,080	4,703,080
(4). System Enhancement & Operation	0	22,687	22,687
(5). Total Construction (1) + (2) + (3) + (4)	0	11,475,298	11,475,298
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	12,144,783	12,144,783
			(Carry forward to page 1)

Notes and Comments:

II.C.3.d Receipts from State Government - Other	
5300 - Misc. CDOT	6
5302 - Cigarette Tax	65,078
5308 - Forest Reserve	27,023
Total:	92,107

BOULDER COUNTY, COLORADO

Statistical Section
December 31, 2006
(Unaudited)

This part of Boulder County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

- B-1 Net Assets by Component
- B-2 Changes in Net Assets
- B-3 Fund Balances, Governmental Funds
- B-4 Statement of Revenues, Expenditures and Changes in Fund Balance, Governmental Funds
- B-5 Program Revenues by Function/Program
- B-6 Tax Revenues by Source, Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source -- property taxes.

- C-1 Assessed Value and Estimated Value of Taxable Property
- C-2 Direct and Overlapping Property Tax Rates
- C-3 Principal Property Tax Payers
- C-4 Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt, and the County's ability to issue additional debt in the future.

- D-1 Ratios of Outstanding Debt by Type
- D-2 Computation of Direct and Overlapping Debt
- D-3 Computation of Legal Debt Margin
- D-4 Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

- E-1 Demographic and Economic Statistics
- E-2 Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

- F-1 Full-Time Equivalent County Government Employees by Function
- F-2 Operating Indicators by Function/Program
- F-3 Capital Asset Statistics by Function/Program
- F-4 Expenditures by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

TABLE B-1

BOULDER COUNTY, COLORADO

Net Assets by Component

Last Five Fiscal Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 333,675,656	\$ 256,993,666	\$ 240,241,870	\$ 212,385,705	\$ 190,349,413
Restricted for:					
Emergencies	3,592,622	3,397,331	3,316,242	3,163,042	2,870,372
Debt service	—	—	—	90,000	90,000
Escrow fees	9,594	1,230,246	1,551,338	858,329	1,214,718
Unrestricted	<u>92,594,702</u>	<u>72,000,978</u>	<u>62,699,223</u>	<u>68,765,248</u>	<u>64,295,529</u>
Total net assets	<u>429,872,574</u>	<u>333,622,221</u>	<u>307,808,673</u>	<u>285,262,324</u>	<u>258,820,032</u>
Business-type activities:					
Invested in capital assets, net of related debt	17,861,944	18,936,486	21,243,806	22,131,228	13,935,228
Restricted for bond covenants	1,950,517	1,745,876	4,347,896	1,189,167	—
Unrestricted	<u>3,446,718</u>	<u>1,882,713</u>	<u>(1,385,847)</u>	<u>1,263,852</u>	<u>1,120,174</u>
Total net assets	<u>23,259,179</u>	<u>22,565,075</u>	<u>24,205,855</u>	<u>24,584,247</u>	<u>15,055,402</u>
Primary government:					
Invested in capital assets, net of related debt	351,537,600	275,930,152	261,485,676	234,516,933	204,284,641
Restricted for:					
Emergencies	3,592,622	3,397,331	3,316,242	3,163,042	2,870,372
Debt service	—	—	—	90,000	90,000
Escrow fees	9,594	2,976,122	5,899,234	2,047,496	1,214,718
Bond Covenants	1,950,517	—	—	—	—
Unrestricted	<u>96,041,420</u>	<u>73,883,691</u>	<u>61,313,376</u>	<u>70,029,100</u>	<u>65,415,703</u>
Total net assets	<u>\$ 453,131,753</u>	<u>\$ 356,187,296</u>	<u>\$ 332,014,528</u>	<u>\$ 309,846,571</u>	<u>\$ 273,875,434</u>
Component unit, Public Health:					
Invested in capital assets, net of related debt	111,843	140,701	168,656	153,211	98,977
Restricted for:					
Emergencies	40,987	38,918	35,553	36,555	36,962
Health and Human Services	199,116	168,832	165,019	152,599	200,000
Unrestricted	<u>1,350,811</u>	<u>970,608</u>	<u>930,163</u>	<u>970,261</u>	<u>768,327</u>
Total net assets	<u>\$ 1,702,757</u>	<u>\$ 1,319,059</u>	<u>\$ 1,299,391</u>	<u>\$ 1,312,626</u>	<u>\$ 1,104,266</u>

TABLE B-2

BOULDER COUNTY, COLORADO

Changes in Net Assets
Last Five Fiscal Years

	2006	2005	2004	2003	2002
Primary government:					
Program expenses:					
Governmental activities:					
General government	\$ 55,992,512	\$ 54,997,225	\$ 65,147,583	\$ 56,052,530	\$ 60,301,127
Conservation	10,019,933	10,621,331	7,283,919	4,658,215	3,623,533
Public safety	34,440,809	32,078,687	27,347,423	29,454,318	26,876,513
Health and welfare	41,818,868	39,827,900	35,686,505	35,958,810	28,537,484
Economic opportunity	9,101,074	9,745,429	7,783,777	8,138,262	7,105,134
Highways and streets	13,124,693	10,392,095	11,408,018	9,009,069	7,065,748
Sanitation	1,068,623	577,930	—	—	—
Urban redevelopment/housing	219,887	192,031	—	21,388	1,535,882
Interest on long-term debt	10,004,567	10,700,076	9,173,369	9,741,299	8,451,982
Intergovernmental payments to cities	—	—	386,405	792,744	767,170
Total governmental activities expenses	175,790,966	169,132,704	164,216,999	153,826,635	144,264,573
Business-type activities:					
Recycling Center	4,863,819	4,419,034	4,029,710	3,716,428	3,351,553
Housing Authority	9,354,586	10,309,511	9,442,053	9,535,521	—
Total business-type activities expenses	14,218,405	14,728,545	13,471,763	13,251,949	3,351,553
Total primary government expenses	190,009,371	183,861,249	177,688,762	167,078,584	147,616,126
Program revenues:					
Governmental activities:					
Charges for services:					
General government	10,333,760	10,433,374	11,794,636	12,965,409	11,736,307
Conservation	1,997,180	2,196,852	1,316,724	1,810,328	1,016,127
Public safety	4,773,722	4,462,512	3,840,862	3,924,126	3,677,424
Health and welfare	1,592,751	1,365,486	1,297,986	2,651	436,017
Economic opportunity	71,832	116,806	59,077	14,727	—
Highways and streets	1,205,427	417,634	327,682	567,784	587,452
Sanitation	368,228	431,721	—	—	—
Urban redevelopment/housing	—	—	—	—	1,529,673
Total charges for services	20,342,900	19,424,385	18,636,967	19,285,025	18,983,000
Operating grants and contributions	39,375,742	33,662,339	42,504,310	42,624,127	38,396,540
Capital grants and contributions	526,106	243,421	2,246,043	1,362,179	698,381
Total governmental activities program revenues	60,244,748	53,330,145	63,387,320	63,271,331	58,077,921
Business-type activities:					
Recycling Center:					
Charges for services	4,269,778	3,917,901	3,679,817	3,249,170	2,833,879
Housing Authority:					
Charges for services	2,269,779	2,019,275	2,131,817	2,397,234	—
Operating grants and contributions	7,171,942	6,104,767	6,245,671	6,233,665	—
Capital grants and contributions	178,236	126,231	39,632	—	—
Total business-type activities program revenues	13,889,735	12,168,174	12,096,937	11,880,069	2,833,879
Total primary government program revenues	74,134,483	65,498,319	75,484,257	75,151,400	60,911,800
Net (expense)/revenues:					
Governmental activities	(115,546,218)	(115,802,559)	(100,829,679)	(90,555,304)	(86,186,652)
Business-type activities	(328,670)	(2,560,371)	(1,374,826)	(1,371,880)	(517,674)
Total primary government net expense	(115,874,888)	(118,362,930)	(102,204,505)	(91,927,184)	(86,704,326)
General revenues:					
Governmental activities:					
Taxes:					
Property	108,401,607	101,223,224	94,897,706	88,855,998	78,637,017
Sales	24,406,908	23,698,593	19,798,255	19,124,793	17,808,296
Specific ownership	7,718,149	7,556,938	7,397,103	7,313,192	7,155,651
Interest earnings	7,182,054	5,747,061	1,492,285	2,187,488	3,462,149
Gain on sale of capital assets	421,992	450,302	486,135	—	—
Total governmental activities general revenues	148,130,710	138,676,118	124,071,484	117,481,471	107,063,113
Business-type activities:					
Interest earnings	271,398	178,572	56,206	39,175	—
Grants and contributions	243,979	219,455	239,294	351,703	—
Gain on sale of capital assets	—	—	5,478	—	—
Total business-type-activities general revenues	515,377	398,027	300,978	390,878	—
Total primary government general revenues	148,646,087	139,074,145	124,372,462	117,872,349	107,063,113
Change in net assets	32,771,199	20,711,215	22,167,957	25,945,165	20,358,787
Net assets, January 1, as previously reported	356,187,296	332,014,528	309,846,571	273,875,434	237,952,815
Prior period restatement	64,173,258	3,461,553	—	10,025,972	15,563,832
Net assets, January 1, as restated	(1) 420,360,554	335,476,081	309,846,571	(2) 283,901,406	253,516,647
Net assets, December 31	\$ 453,131,753	\$ 356,187,296	\$ 332,014,528	\$ 309,846,571	\$ 273,875,434

(1) 2006 & 2005 prior period restatements due to changes in capital assets.

(2) 2003 prior period restatement due to change in entity - Housing Authority

TABLE B-3

BOLDER COUNTY, COLORADO

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Fund Balances										
Governmental Funds										
Last Ten Fiscal Years										
General fund:										
Reserved for:										
Emergencies	\$ 276,375	\$ 81,085	\$ 610,157	\$ 456,957	\$ 164,287	\$ 127,961	\$ —	\$ —	\$ 269,744	\$ 296,523
Prepaid items and inventory	298,310	480,223	298,496	215,931	147,384	150,513	64,972	63,640	91,683	202,456
Debt service	—	—	—	—	—	—	—	—	—	—
Escrow fees	9,594	916,050	1,259,587	578,166	516,906	541,469	495,722	1,237,006	397,425	349,054
Capital transactions	—	—	—	—	—	—	—	—	—	—
Advances receivable	136,903	—	—	—	—	—	—	—	—	—
Unreserved	27,823,422	21,897,999	15,801,455	22,070,735	25,798,937	28,653,994	21,513,261	13,797,211	19,835,324	14,897,980
Total fund balance	28,544,604	23,375,357	17,959,695	23,321,789	26,627,514	29,473,937	22,073,955	15,097,857	20,594,176	15,746,013
All other governmental funds:										
Reserved for:										
Emergencies	3,316,247	3,316,246	2,706,085	2,706,085	2,706,085	2,706,085	2,706,085	2,706,085	2,706,244	2,706,253
Prepaid items and inventory	1,397,407	1,626,376	273,818	50,738	31,424	157,475	72,548	140,267	17,421	5,000
Debt service	—	—	1,551,338	90,000	90,000	90,000	90,000	90,000	90,000	1,891,250
Escrow fees	—	314,196	10,747,828	280,163	697,812	768,966	835,734	750,450	679,545	1,578,988
Capital transactions	16,691,841	34,443,729	—	1,800,461	27,008,222	—	—	—	—	—
Advances receivable	—	—	—	—	—	—	—	—	—	—
Unreserved, reported in:										
Special revenue funds	37,050,673	32,538,894	31,274,401	29,933,042	23,830,931	21,579,617	23,559,035	25,143,407	20,379,068	15,687,793
Capital projects funds	21,768,627	16,214,971	16,529,280	21,918,681	17,740,338	40,694,160	18,761,994	10,735,162	28,924,060	8,607,232
Total fund balances	80,224,795	88,454,412	63,082,750	56,779,170	72,104,812	65,996,303	46,025,396	39,565,371	52,796,338	30,476,516
Total governmental funds										
Reserved for:										
Emergencies	3,592,622	3,397,331	3,316,242	3,163,042	2,870,372	2,834,046	2,706,085	2,706,085	2,975,988	3,002,776
Prepaid items and inventory	1,695,717	2,106,599	572,314	266,669	178,808	307,988	137,520	203,907	109,104	207,456
Debt service	—	—	1,551,338	90,000	90,000	90,000	90,000	90,000	90,000	1,891,250
Escrow fees	9,594	1,230,246	12,007,415	858,329	1,214,718	1,310,435	1,331,456	1,987,456	1,076,970	1,928,042
Capital transactions	16,691,841	34,443,729	—	1,800,461	27,008,222	—	—	—	—	—
Advances receivable	136,903	—	—	—	—	—	—	—	—	—
Unreserved, reported in:										
General fund	27,823,422	21,897,999	15,801,455	22,070,735	25,798,937	28,653,994	21,513,261	13,797,211	19,835,324	14,897,980
Special revenue funds	37,050,673	32,538,894	31,274,401	29,933,042	23,830,931	21,579,617	23,559,035	25,143,407	20,379,068	15,687,793
Capital projects funds	21,768,627	16,214,971	16,529,280	21,918,681	17,740,338	40,694,160	18,761,994	10,735,162	28,924,060	8,607,232
Total fund balances	\$ 108,769,399	\$ 111,829,769	\$ 81,052,445	\$ 80,100,959	\$ 98,732,326	\$ 95,470,240	\$ 68,099,351	\$ 54,663,228	\$ 73,390,514	\$ 46,222,529
All governmental funds										
Percent change	-2.74%	37.97%	1.19%	-18.87%	3.42%	40.19%	24.58%	-25.52%	58.78%	-5.88%

TABLE B-4

BOULDER COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Taxes	\$ 140,284,739	\$ 132,183,594	\$ 121,787,198	\$ 114,957,668	\$ 103,327,318	\$ 103,580,919	\$ 97,214,983	\$ 89,378,688	\$ 81,835,935	\$ 76,017,029
Licenses, fees and permits	1,067,123	916,220	851,487	601,980	643,125	710,470	849,117	756,919	647,344	556,876
Interest on investments	6,821,023	5,379,778	3,347,803	2,045,549	3,323,473	4,524,454	7,303,057	4,774,842	5,487,684	3,615,545
Intergovernmental	42,912,377	35,531,895	33,809,579	39,298,300	36,151,143	41,561,076	30,600,414	29,462,110	28,406,393	30,787,673
Charges for services	11,647,017	11,472,247	12,027,578	13,079,811	12,144,358	11,843,431	10,329,119	10,664,234	9,492,240	7,713,275
Fines and forfeitures	707,847	381,340	306,477	317,210	323,725	348,789	337,849	388,252	376,095	331,952
Other revenue	3,376,862	4,378,411	10,695,870	8,611,851	8,106,242	12,060,881	9,849,204	14,456,735	6,073,639	5,293,266
Total revenue	206,816,988	190,243,485	180,825,992	178,912,369	164,019,384	176,630,020	156,483,743	149,881,780	132,319,330	124,315,616
Expenditures:										
Current:										
General government	57,118,349	51,254,895	67,466,653	62,330,458	64,199,251	55,145,816	53,791,828	59,001,819	43,739,611	36,463,322
Conservation	25,851,644	26,902,995	19,066,868	35,997,578	41,359,932	49,007,135	40,280,094	33,076,178	26,664,239	23,211,356
Public safety	36,140,893	32,327,263	31,384,545	29,034,489	27,402,522	26,138,340	24,400,127	21,222,601	19,240,383	17,296,842
Health and welfare	43,926,847	40,056,796	35,246,688	35,967,078	28,187,899	20,763,036	19,984,763	19,476,013	18,647,185	22,461,749
Economic opportunity	9,599,436	9,728,404	7,733,087	8,095,261	7,097,015	6,130,088	5,605,172	5,672,676	5,801,571	4,839,057
Highways and streets	20,714,420	23,714,641	13,221,155	11,186,967	12,513,546	12,138,528	10,868,312	10,819,040	10,610,305	9,309,421
Sanitation	1,070,077	577,829	—	—	—	—	—	—	—	—
Urban redevelopment/housing	222,352	191,202	391,951	—	1,515,173	1,259,273	1,204,369	934,196	873,965	790,367
Intergovernmental	—	—	—	786,826	779,293	801,799	1,057,813	1,876,257	1,854,169	2,285,809
Debt service:										
Principal	11,220,000	9,935,000	9,015,000	7,680,000	7,285,000	6,715,000	6,360,000	6,230,000	5,405,000	3,355,000
Interest and fiscal charges	9,873,695	9,705,583	9,152,122	9,132,723	8,469,647	7,198,685	6,431,117	4,972,153	5,011,016	3,724,142
Debt issuance costs	561,077	421,146	374,852	—	—	—	—	—	—	—
Total expenditures	216,298,790	204,825,754	193,052,921	200,211,380	198,809,279	185,297,700	169,963,595	163,280,933	137,847,444	123,737,065
Net (expense)/revenue	(9,481,802)	(14,582,269)	(12,226,929)	(21,299,011)	(34,789,895)	(8,667,680)	(13,479,852)	(13,399,153)	(5,528,114)	578,551
Other financing sources/(uses):										
Proceeds from sale of capital assets	4,689,076	4,046,499	1,900,790	3,151,519	6,458,644	—	—	—	—	—
Debt issuance	40,016,808	39,405,000	13,570,000	—	30,800,000	50,000,000	35,575,000	—	36,367,480	—
Premium on bonds sold	682,260	2,429,658	73,081	—	1,066,634	—	—	—	—	—
Payment to debt refunding escrow agent	(38,459,315)	—	—	—	—	—	—	—	—	—
Child support retainage refund	—	—	—	—	435,947	146,628	—	—	—	—
Transfers in	16,096,879	9,633,326	11,512,630	15,423,728	8,209,722	6,848,160	6,474,066	9,014,949	5,625,912	2,159,627
Transfers out	(16,604,276)	(10,154,890)	(13,878,086)	(15,907,603)	(8,918,966)	(7,848,160)	(6,488,513)	(9,014,949)	(5,625,912)	(2,159,627)
Transfers out to component unit	—	—	—	—	—	(13,108,059)	(10,922,142)	(5,328,133)	(3,671,381)	(3,468,430)
Total other financing sources/(uses)	6,421,432	45,359,593	13,178,415	2,667,644	38,051,981	36,038,569	24,638,411	(5,328,133)	32,686,099	(3,468,430)
Net change to fund balance	(3,060,370)	30,777,324	951,486	(18,631,367)	3,262,086	27,370,889	11,158,559	(18,727,286)	27,167,985	(2,889,879)
Fund balance, January 1, as previously reported	111,829,769	81,052,445	80,100,959	98,732,326	95,470,240	65,821,787	54,663,228	73,390,514	46,222,529	49,112,408
Prior period restatement	—	—	—	—	2,277,564	—	—	—	—	—
Fund balance, January 1, as restated	111,829,769	81,052,445	80,100,959	98,732,326	95,470,240	68,099,951	54,663,228	73,390,514	46,222,529	49,112,408
Fund balance, December 31	\$ 108,769,399	\$ 111,829,769	\$ 81,052,445	\$ 80,100,959	\$ 98,732,326	\$ 95,470,240	\$ 65,821,787	\$ 54,663,228	\$ 73,390,514	\$ 46,222,529
Debt service as a percent of noncapital expenditures	12.16%	13.33%	12.48%	12.26%	12.10%	13.23%	12.01%	13.46%	11.14%	7.60%
Capital expenditures	\$ 38,227,279	\$ 34,269,840	\$ 25,962,553	\$ 46,290,525	\$ 52,805,156	\$ 66,179,943	\$ 50,654,676	\$ 68,827,109	\$ 33,892,831	\$ 23,528,815

Table B-5

BOULDER COUNTY, COLORADO

Program Revenues by Function/Program

Accrual Basis of Accounting

Last Five Fiscal Years

	2006	2005	2004	2003	2002
Function/Program:					
Governmental activities:					
General government	\$ 10,333,760	\$ 10,433,374	\$ 11,794,636	\$ 12,965,409	\$ 11,736,307
Conservation	1,997,180	2,196,852	1,316,724	1,810,328	1,016,127
Public safety	4,773,722	4,462,512	3,840,862	3,924,126	3,677,424
Health and welfare	1,592,751	1,365,486	1,297,986	2,651	436,017
Economic opportunity	71,832	116,806	59,077	14,727	—
Highway and streets	1,205,427	417,634	327,682	567,784	587,452
Sanitation	368,228	431,721	—	—	—
Urban redevelopment/housing	—	—	—	—	1,529,673
Operating grants and contributions	39,375,742	33,662,339	42,504,310	42,624,127	38,396,540
Capital grants and contributions	526,106	243,421	2,246,043	1,362,179	698,381
Total governmental activities	60,244,748	53,330,145	63,387,320	63,271,331	58,077,921
Business-type activities:					
Recycling Center:					
Charges for services	4,269,778	3,917,901	3,679,817	3,249,170	2,833,879
Housing Authority:					
Charges for services	2,269,779	2,019,275	2,131,817	2,397,234	—
Operating grants and contributions	7,171,942	6,104,767	6,245,671	6,233,665	—
Capital grants and contributions	178,236	126,231	39,632	—	—
Total business-type activities	13,889,735	12,168,174	12,096,937	11,880,069	2,833,879
Total primary government	\$ 74,134,483	\$ 65,498,319	\$ 75,484,257	\$ 75,151,400	\$ 60,911,800

TABLE B-6

BOULDER COUNTY, COLORADO

Tax Revenues by Year and Source, Governmental Funds

(Modified Accrual Accounting)

Last Ten Fiscal Years

Year	Property	Sales & Use	Specific ownership	Total
1997	\$ 60,140,645	\$ 10,690,132	\$ 5,186,250	\$ 76,017,027
1998	64,043,688	12,213,883	5,578,364	81,835,935
1999	68,948,898	14,255,885	6,173,905	89,378,688
2000	72,931,355	17,426,172	6,857,456	97,214,983
2001	78,176,496	18,047,957	7,356,466	103,580,919
2002	78,637,017	17,808,296	7,155,651	103,600,964
2003	88,519,683	19,124,793	7,313,192	114,957,668
2004	94,591,840	19,798,255	7,397,103	121,787,198
2005	101,223,224	23,698,593	7,556,938	132,183,594
2006	108,401,185	24,406,908	7,718,149	140,526,242
<u>Summary</u>	<u>Percent change</u>			
1997-2006	80.25%	128.31%	48.82%	84.86%

Notes: Due to the increases in sales tax, comparability between years for sales and use tax is diminished.

Current Year Sales and Use Tax Revenue by Type

Tax	Sales tax	Motor vehicle use tax	Building use tax	Total
Open Space, 0.35%	\$ 11,314,901	\$ 878,942	\$ 925,114	\$ 13,118,957
Transportation	3,231,028	250,986	264,473	3,746,487
Worthy Cause	1,615,514	125,493	132,238	1,873,245
Open Space, 0.10%	3,231,028	250,986	264,500	3,746,514
Jail Improvement	1,615,514	125,493	132,232	1,873,239
Niwot LID	48,466	—	—	48,466
Total	\$ 21,056,451	\$ 1,631,900	\$ 1,718,557	\$ 24,406,908

TABLE C-1

Boulder County, Colorado

Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years

Year ended December 31,	Residential property	Commercial property	Industrial property	Agricultural	Natural resources oil & gas, & utilities	Personal property	Total taxable assessed value	Tax exempt property	Total direct tax rate (%)	Estimated actual taxable value	Assessed value as a percentage of actual value
1997	\$ 1,362,931,836	\$ 910,848,547	\$ 375,676,557	\$ 23,329,067	\$ 10,890,307	\$ 389,528,715	\$ 3,073,205,029	\$ 993,482,020	21.447	\$ 22,232,806,698	13.82%
1998	1,377,041,384	973,202,533	398,814,672	23,239,155	10,260,942	436,450,684	3,219,009,370	995,957,390	21.243	22,423,699,502	14.36%
1999	1,614,867,501	1,170,175,330	473,778,205	25,630,419	8,333,225	473,096,100	3,765,880,780	1,018,411,860	21.762	27,222,919,264	13.83%
2000	1,622,931,668	1,334,420,536	470,562,499	26,266,664	8,202,808	557,301,305	4,019,685,480	1,030,375,780	19.682	28,727,261,787	13.99%
2001	1,963,626,492	1,469,329,149	492,202,904	23,936,056	9,418,826	486,719,273	4,445,232,700	1,373,612,940	19.835	33,658,655,604	13.21%
2002	2,208,697,068	1,262,021,092	588,699,474	28,464,807	11,064,901	433,916,890	4,532,864,232	1,398,031,970	17.621	35,399,131,263	12.81%
2003	2,327,979,119	1,353,278,590	606,560,744	30,023,105	8,290,662	381,541,229	4,707,673,449	1,940,933,358	20.088	39,547,029,622	11.90%
2004	2,289,074,494	1,370,881,346	573,409,610	7,492,770	11,704,260	502,675,946	4,755,239,426	1,598,850,000	21.267	40,058,316,068	11.87%
2005	2,895,477,910	1,231,179,800	449,084,050	7,865,320	14,476,200	377,073,660	4,975,156,940	1,649,039,210	21.867	41,721,175,850	11.92%
2006	2,949,065,306	1,112,646,230	448,050,410	8,288,340	22,323,330	490,796,680	5,031,170,296	1,550,997,150	22.467	42,384,256,543	11.87%

From 1996 to 2005, commercial real property, undeveloped land, personal property, and utilities were assessed at 29% of replacement cost calculated on the base year's appraised value.

Residential real property was assessed as follows:

Years	Assessment percentage	Base year
1997	9.74	1995 appraised value
1998	9.74	1997 appraised value
1999	9.74	1997 appraised value
2000	9.74	1999 appraised value
2001	9.74	1999 appraised value
2002	9.15	2001 appraised value
2003	9.15	2001 appraised value
2004	7.96	2003 appraised value
2005	7.96	2004 appraised value
2006	7.96	2005 appraised value

Source: Boulder County Assessor's office

Note: All residential and commercial real properties are reappraised every two years in the odd year cycle, bringing properties to the current market level of valuation. The residential assessment rate is set by the Legislature and coincides with changes in the level of value. This is constitutionally required and designed to stabilize the tax burden on residential property.

TABLE C-2

BOULDER COUNTY, COLORADO
Direct and Overlapping Property Tax Rates
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)

	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Boulder County	21.447	21.243	21.762	19.682	19.835	17.621	18.748	21.287	21.867	22.467
School districts:										
Boulder Valley (RE-2)	45.344	50.356	44.000	42.890	34.807	38.524	26.049	26.049	25.023	39.564
Park (R-3)	42.542	42.518	37.798	36.860	30.681	31.015	22.394	22.115	20.833	32.432
St. Vrain (RE-1J)	50.022	49.635	44.096	42.173	36.256	41.025	25.878	25.680	25.372	38.035
Thompson (R-2J)	48.240	48.074	52.796	53.027	49.168	48.462	25.645	24.804	22.664	43.457
Cities & towns:										
City of Boulder	11.428	11.438	10.502	10.908	9.301	9.640	11.981	10.005	11.981	11.981
City of Broomfield	13.894	13.894	13.894	13.894	0.000	0.000	0.000	0.000	0.000	0.000
Town of Erie	8.435	7.654	7.288	7.288	7.288	7.288	7.288	10.965	7.288	7.288
Town of Jamestown	13.390	12.320	13.289	13.289	12.343	14.843	5.880	21.400	21.400	21.400
City of Lafayette	13.817	13.034	11.352	11.860	11.130	10.994	8.184	10.710	8.184	11.779
City of Longmont	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420	13.420
City of Louisville	5.246	5.184	4.643	4.767	5.292	5.184	5.184	6.710	5.184	6.710
Town of Lyons	16.211	17.156	15.205	15.205	13.457	13.796	19.522	12.915	19.522	14.024
Town of Nederland	15.486	16.210	14.982	15.546	15.408	15.455	17.274	14.765	17.274	14.572
Town of Superior	2.727	2.594	2.279	2.144	1.836	1.906	12.127	8.805	12.127	8.805
Town of Ward	4.807	5.481	4.232	4.230	3.662	3.474	2.616	2.709	2.300	2.730
Water/sanitation:										
Allenspark (W&S)	4.136	4.381	3.906	4.058	3.711	3.829	4.077	4.372	4.369	4.628
Baseline (W)	0.932	0.985	0.985	0.985	0.824	0.869	0.874	0.922	0.873	1.060
East Boulder Co. (W)	0.000	0.000	0.000	29.160	19.985	21.510	22.470	22.470	23.950	23.549
Brownsville (W&S)	7.897	8.145	7.846	8.084	6.446	6.576	6.669	6.515	1.892	0.825
Erie (W&S)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Hoover Hill (W&S)	6.335	10.105	9.727	5.979	6.341	4.618	4.613	4.573	4.573	4.573
Knollwood (W)	3.914	4.152	3.786	3.967	2.981	3.144	3.429	3.619	3.565	3.758
Left Hand (W&S)	18.136	18.350	18.050	19.364	16.462	16.795	17.365	17.957	11.986	18.482
Niwot (S)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Northern Colorado (W)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pine Brook (W)	8.380	7.699	7.490	7.800	6.110	5.820	5.795	13.365	14.000	14.109
St. Vrain Left Hand (W)	0.351	0.357	0.328	0.303	0.258	0.000	0.243	0.230	0.220	0.214
Shannon Estates (W)	0.943	0.943	0.943	0.917	0.760	0.803	0.804	0.849	0.880	0.929

Source: Boulder County Financial Services Division, Mill Levy Records
Notes: W = Water District, S = Sanitation District, W&S = Water & Sanitation District

(Continued)

TABLE C-2

BOULDER COUNTY, COLORADO
Direct and Overlapping Property Tax Rates
Last Ten Assessed/Collected Years

	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Fire districts:										
Allenspark	5.986	6.124	5.257	5.470	4.757	7.507	7.507	7.507	7.507	7.507
Berthoud	8.128	8.128	7.674	8.924	15.024	15.274	15.274	15.274	12.531	12.531
Boulder Heights	6.001	6.001	5.673	7.992	7.992	7.992	7.992	0.000	0.000	0.000
Boulder Rural	4.405	4.405	4.405	7.747	7.747	7.747	7.747	7.747	7.747	11.747
Cherryvale	6.609	7.055	6.764	6.650	6.325	6.325	8.325	8.325	11.325	0.000
Clover Basin	31.920	31.920	31.920	31.920	16.500	10.640	8.978	7.420	7.110	3.978
Coal Creek Canyon	8.000	8.200	8.200	8.000	8.000	8.000	8.000	8.000	8.000	8.000
Eldorado Spgs-Marshall	4.110	4.110	4.110	4.110	4.110	4.110	4.110	6.110	6.110	0.000
Four Mile	7.292	7.292	7.292	7.292	7.292	7.292	3.555	7.292	7.292	7.292
Gold Hill	3.852	3.863	3.746	3.746	3.555	3.555	3.555	7.561	7.555	7.555
High Country	6.402	6.439	6.439	6.439	6.439	8.439	8.439	8.439	8.439	8.439
Hygiene	1.750	3.004	2.750	2.774	2.137	4.099	4.099	4.099	4.099	4.099
Indian Peaks	3.590	3.603	3.112	3.292	3.000	3.089	2.810	3.060	3.014	3.142
Lafayette Rural	1.776	1.776	1.776	1.776	1.090	2.500	2.500	2.500	2.500	2.500
Left Hand	13.637	13.431	11.967	6.207	11.022	11.022	11.022	11.022	11.022	11.022
Longmont	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Louisville	3.186	3.186	3.186	3.186	3.186	3.186	3.186	3.186	3.186	6.686
Lyons	5.581	5.776	4.991	5.224	6.521	6.763	9.148	6.952	7.193	7.193
Mountain View	9.337	9.573	9.085	8.917	8.657	8.577	8.177	8.107	8.257	7.977
Nederland	7.500	11.680	12.147	12.432	11.023	11.715	11.434	11.433	11.308	11.338
North Metro	0.000	0.000	0.000	8.552	8.227	7.909	7.955	7.955	8.135	11.179
Pine Brook Hills	4.689	4.689	4.689	6.189	6.189	6.189	6.189	0.000	0.000	0.000
Sugarloaf	6.915	6.915	6.611	6.611	6.605	6.700	6.716	6.738	6.872	7.276
Sunshine	4.481	8.480	8.480	8.480	8.480	8.480	8.480	8.480	8.480	8.480
West Adams County	9.036	8.600	8.551	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Special districts:										
Boulder Central	8.242	6.623	6.526	6.575	5.345	5.544	5.744	5.934	5.657	5.956
Colo Tech Cntr. Metro	32.234	30.000	25.000	25.000	25.000	25.000	23.000	23.000	22.000	22.000
Downtown Boulder	0.000	0.000	5.361	5.175	4.689	5.453	5.595	5.739	6.098	4.460
Estes Valley Rec	1.972	2.034	1.691	1.505	1.279	1.349	1.289	1.323	1.331	1.472
Exempla GID	0.000	0.000	0.000	0.000	0.000	25.000	5.000	5.000	5.000	5.000
Fairways Metro	4.691	4.691	4.545	3.651	3.108	3.288	3.428	3.621	3.651	3.651
Forest Glen Transit	0.000	0.000	0.000	1.490	1.037	0.910	0.950	0.661	1.110	1040.000
Gunbarrel Estates	3.656	3.861	3.616	3.628	3.091	6.785	6.785	6.785	6.662	6.674
Gunbarrel General Imp	4.402	5.624	5.234	5.234	4.299	3.987	4.161	0.000	0.000	0.000
Lafayette City Cntr GID	0.000	17.000	16.745	17.000	25.000	26.072	29.587	6.769	26.114	26.342
Lafayette Corporate Campus	0.000	0.000	0.000	0.000	0.000	73.963	61.056	46.761	43.582	35.153
Lafayette Tech Center	0.000	0.000	0.000	25.000	43.000	98.746	84.319	89.500	99.000	49.500
Longmont Downtown	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310	3.310
Longmont General	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798	6.798
Nederland Community Library	0.000	0.000	0.000	0.000	0.000	2.500	2.061	1.960	2.500	2.492
Northern Colorado Water	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000
St Vrain Left Hand Water	0.000	0.000	0.000	0.000	0.000	0.245	0.243	0.230	0.222	0.214
Superior Metro #2	25.000	25.000	25.000	25.000	25.000	22.000	8.000	7.500	7.400	7.300
Superior Metro #3	25.000	25.000	25.000	25.000	25.000	22.000	8.000	7.500	7.000	7.000
Superior/McCaslin Interchange	0.000	0.000	0.000	0.000	25.970	35.000	35.000	35.000	35.000	35.000
University Hills	3.327	3.424	3.344	3.163	2.504	2.684	2.514	2.729	2.564	2.662
Urban Drainage & Flood	0.668	0.676	0.583	0.594	0.521	0.531	0.533	0.538	0.860	0.542

TABLE C-3

BOULDER COUNTY, COLORADO

Principal Property Tax Payers - Current and 9 Years Ago

December 31, 2006

<u>Taxpayer</u>	<u>Type of business</u>	<u>Taxpayer's 2006 assessed valuation</u>	<u>Taxpayer's percentage of total County assessed valuation (1)</u>
Xcel Energy	Energy utility	\$ 65,918,100	1.31%
Amgen Boulder Inc	Biotechnology research and development	34,409,100	0.68
Qwest	Telecommunications research and development	31,471,640	0.63
Circle Capital Longmont Inc	Property management and development	24,631,210	0.49
Roche Colorado Corporation	Pharmaceutical manufacturer	22,674,780	0.45
IBM Corporation	Computer software, hardware and services.	18,273,970	0.36
Storage Technology Corp (Sun Microsystems)	Computer systems design and manufacture	17,710,420	0.35
Seagate Technology LLC	Disc drive manufacturer	14,382,520	0.29
GR Village LLC	Property management and development	12,555,530	0.25
Tebo Stephen D	Property management and development	12,431,170	0.25
	Totals	\$ 254,458,440	5.06%

Source: Boulder County Assessor's Office

Notes:

1. Boulder County's Total Assessed Valuation is \$5,031,170,296

December 31, 1997

<u>Taxpayer</u>	<u>Type of business</u>	<u>Taxpayer's 1997 assessed valuation</u>	<u>Taxpayer's percentage of total County assessed valuation (1)</u>
Storage Technology Corp	Computer storage products and services	\$ 46,667,700	1.52%
Xcel Energy	Energy utility	45,461,400	1.48
Qwest	Telecommunications research and development	40,866,180	1.33
IBM Corporation	Computer software, hardware and services.	34,276,410	1.12
Pratt Land LLC	Property management and development	17,208,020	0.56
Macerich Partnership	Shopping mall management and development	16,877,990	0.55
Syntex Chemicals	Pharmaceutical manufacturer	14,152,230	0.46
Ball Corporation	Aerospace manufacturer	11,978,200	0.39
Valleylab	Medical device manufacturer	9,373,220	0.31
Geneva Pharmaceuticals	Pharmaceutical manufacturer	9,191,400	0.30
	Totals	\$ 246,052,750	8.02%

Source: Boulder County Assessor's Office

Notes:

1. Boulder County's Total Assessed Valuation is \$3,073,205,030

TABLE C-4

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 year's taxes collected (2) & (3)	Ratio of total tax collected to total tax levy	Unpaid current year's taxes (4)	Unpaid prior year's taxes (2)	Ratio of all unpaid taxes to total tax levy
1996/1997	\$ 60,808,622	\$ 60,338,865	99.23%	\$ (198,218)	98.90%	\$ 469,757	\$ 508,918	0.84%
1997/1998	64,601,011	64,141,135	99.29	(97,447)	99.14	459,876	955,395	1.48
1998/1999	69,290,373	68,867,420	99.39	301,125	99.82	422,953	568,165	0.82
1999/2000	73,168,671	72,844,544	99.56	191,420	99.82	324,127	236,221	0.32
2000/2001	78,430,755	78,006,520	99.46	6,118	99.47	424,235	283,338	0.36
2001/2002	78,183,325	78,078,045	99.87	224,920	100.15	105,280	139,661	0.18
2002/2003	90,859,290	90,763,392	99.89	279,892	100.20	95,898	224,020	0.25
2003/2004	94,356,357	94,209,625	99.84	11,243	99.86	146,732	258,762	0.27
2004/2005	100,896,978	100,814,851	99.92	34,211	99.95	82,127	215,353	0.21
2005/2006	108,354,720	108,219,881	99.88	63,555	99.93	134,839	245,354	0.35

Sources: Boulder County Treasurer
Abstract of Assessments and Levies

Notes:

- (1) Total tax levy does not include levies for urban renewal districts
- (2) Generally, fluctuations in prior year's taxes amounts from year to year are due to the method of updating data. Prior year's taxes are for the previous six years. The Treasurer's office reports all taxes collected for previous years as "Prior Year's Taxes." The unpaid prior year's balance is updated each year; all unpaid tax balances over six years old are deleted and the previous year's uncollected taxes are added.
- (3) The negative amount in Prior Year's Taxes Collected in 1996/1997 and 1997/1998 results from the refunding of a portion of 1994 - 1997 property taxes.
- (4) Of revenues collected in 2003, \$2,550,947 was reclassified to a liability to be repaid to taxpayers in 2005. Resulting tax revenues in the 2005 financial statements were lower due to this reclassification.

TABLE D-1

BOULDER COUNTY, COLORADO

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Year	Governmental activities			Business-type activities		Total primary government debt	Countywide	
	General obligation bonds	Sales/Use tax revenue bonds	Certificates of participation	Housing revenue bonds	Debt as a percentage of personal income		Debt per capita	
1997	\$ —	\$ 68,640,000	\$ —	\$ —	\$ 68,640,000	0.822%	\$ 257.95	
1998	—	98,235,000	—	—	98,235,000	1.054	360.23	
1999	—	92,005,000	—	—	92,005,000	0.883	320.91	
2000	—	121,220,000	—	—	121,220,000	1.058	416.15	
2001	—	164,505,000	—	—	164,505,000	1.484	586.96	
2002	—	188,020,000	—	—	188,020,000	1.746	694.59	
2003	—	180,340,000	—	4,795,000	185,135,000	1.560	654.09	
2004	—	184,895,000	9,355,000	15,030,000	209,280,000	1.894	720.19	
2005	—	205,010,000	9,355,000	14,706,800	229,071,800	1.785	779.04	
2006	—	197,310,000	8,625,000	14,460,000	220,395,000	1.633	748.86	

Sources: U.S. Department of Commerce, Bureau of Economic Analysis - per capita income information
 Metro Denver Economic Development Corporation - population information

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

TABLE D-2

BOULDER COUNTY, COLORADO

Computation of Direct and Overlapping Debt

December 31, 2006

Jurisdiction	Net debt outstanding	Percentage applicable to Boulder County	Amount applicable to Boulder County
Boulder County	\$ —	n/a	\$ —
School Districts	590,657,978	54.93%	324,448,427
Cities and Towns	36,226,059	93.78%	33,972,798
Fire Protection Districts	28,965,000	89.00%	25,778,850
Water and Sanitation Districts	12,014,622	76.64%	9,208,007
Other Special Districts	60,859,205	99.77%	60,719,229
Total overlapping bonded debt	\$ 728,722,864	62.32%	\$ 454,127,311

Source: Boulder County Financial Services Division, Mill Levy Records - Tax Districts

TABLE D-3

BOULDER COUNTY, COLORADO

Computation of Legal Debt Margin		Last Four Fiscal Years			
		2006	2005	2004	2003
Total actual value of taxable property, 2006 (1)	\$	42,384,265,543	\$ 41,721,175,850	\$ 40,058,316,068	\$ 39,547,029,622
Debt limitation @ 3% (2)		1,271,527,966	1,251,635,276	1,201,749,482	1,186,410,889
Debt applicable to limitation		—	—	—	—
Total general obligation bonded debt		—	—	—	—
Total debt applicable to limitation		—	—	—	—
Legal debt margin	\$	1,271,527,966	\$ 1,251,635,276	\$ 1,201,749,482	\$ 1,186,410,889

(1) As established by Section 30-26-301 (3), Colorado Revised Statutes uses actual property values as determined by the Assessor.

(2) In prior years, debt limitations were based on assessed values @ 1.5 % per Statute, and are not comparable.

BOULDER COUNTY, COLORADO

Pledged Revenue Coverage

Last Ten Fiscal Years

Open Space Sales & Use Tax Revenue Bonds

Year	Sales/Use (1) tax revenue	Revenue pledged to land maintenance	Available revenue	Debt Service (2)		Coverage (3)
				Principal	Interest	
1997	\$ 7,609,932	\$ —	\$ 7,609,932	\$ 2,990,000	\$ 1,789,188	1.59
1998	8,703,740	—	8,703,740	3,130,000	3,132,480	1.39
1999	9,603,174	—	9,603,174	3,439,373	3,194,012	1.45
2000	10,055,709	—	10,055,709	3,755,000	4,756,651	1.18
2001	11,247,451	—	11,247,451	3,985,000	5,659,363	1.17
2002	12,442,974	—	12,442,974	4,410,000	7,068,075	1.08
2003	12,140,814	—	12,140,814	4,670,000	7,869,504	0.97
2004	12,567,313	—	12,567,313	5,990,000	7,970,015	0.90
2005	16,371,897	363,692	16,008,205	6,600,000	8,322,953	1.07
2006	16,865,471	374,651	16,490,820	7,245,000	8,651,146	1.04

(1) In 1994, a .25% Open Space sales/use tax was imposed. This tax will expire at year end 2019.

In 2002, an additional .10% Open Space sales/use tax was imposed. This tax will expire at year end 2009.

In 2005, an additional .10% Open Spaces sales/use tax was imposed. This tax is in effect through 2024, and at that time will be reduced to .05% in perpetuity. Per ballot language, 10% of the 2005 tax must be used for land maintenance, and may not be used toward debt service.

(2) Sales/Use Tax revenues are pledged to pay debt service on the County's Open Space Bonds Series 1998, 2000B, 2001, 2002, 2005A, and 2006.

(3) Coverage is the net available revenue divided by total debt service requirements. In 2003 and 2004, debt coverage fell below 1.00. Excess revenues from prior years deposited to the Open Space Fund's surplus account were used to cover this shortfall.

Offender Management Revenue Bonds

Year	Sales/Use (4) tax revenue	Debt Service		Coverage
		Principal	Interest	
1997	\$ —	\$ —	\$ —	—
1998	—	—	—	—
1999	—	—	—	—
2000	—	—	—	—
2001	—	—	—	—
2002	—	—	—	—
2003	—	—	—	—
2004	—	—	—	—
2005	1,818,402	155,000	119,695	6.62
2006	1,873,239	320,000	116,208	4.29

(4) In 2005, a .05% Jail Improvement and Operations sales/use tax was imposed, which will continue in perpetuity.

Sales/Use Tax revenues are pledged to pay debt service on the County's Offender Management Capital Improvement Trust Fund Bonds Series 2004, as well as other ongoing operational expenses.

TABLE E-1

BOULDER COUNTY, COLORADO

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal year	Population (1) (3)	Annual population percent change	Per capita income (2)	Annual income percent change (2)	Median age	School enrollment (K-12) (4)	Annual enrollment percent change	Percent of school enrollment to population	Unemployment Rate
1997	266,100	2.15%	\$ 31,393	4.94%	33.60	40,661	2.71%	15.28%	2.80%
1998	272,700	2.48	34,181	8.88	34.20	41,800	2.80	15.33	3.30
1999	286,700	5.13	36,347	6.34	33.22	40,277	(3.64)	14.05	2.50
2000	291,288	1.60	39,347	8.25	33.40	42,791	6.24	14.69	2.40
2001	280,267	(3.78)	39,551	0.52	33.73	48,629	13.64	17.35	3.50
2002	270,691	(3.42)	39,784	0.59	34.00	50,772	4.41	18.76	5.20
2003	283,043	4.56	41,936	5.41	34.28	49,463	(2.58)	17.48	4.70
2004	290,588	2.67	38,028	(9.32)	34.80	44,186	(10.67)	15.21	5.00
2005	294,045	1.19	43,640	14.76	35.10	49,434	11.88	16.81	4.90
2006	294,309	0.09	45,849	5.06	35.40	42,990	(13.04)	14.61	4.30

Sources:

- Population
 - For 1997-1999: Boulder County Land Use Department
 - For 2000: 2000 U.S. Census
 - For 2001-2004: Colorado Department of Local Affairs (DOLA), Division of Local Government, Demography Office
 - For 2005-2006: Metro Denver Economic Development Corporation (EDC) <http://www.metrodenver.org/data/Center/cityCountyProfiles/BoulderCounty.htm>
- Per Capita Income
 - U.S. Department of Commerce, Bureau of Economic Analysis
- Median Age
 - For 1996-1998: Denver Regional Council of Governments
 - For 2000: 2000 U.S. Census
 - For 2001-2005: Colorado Department of Local Affairs (DOLA), Division of Local Government, Demography Office
 - For 2006: Metro Denver Economic Development Corporation (EDC)
- School Enrollment
 - Boulder Valley School District <http://www.bvbsd.org>
 - St. Vrain Valley School District <http://www.stvrain.k12.co.us>
- Unemployment
 - Colorado Department of Labor and Employment
 - U.S. Department of Labor, Bureau of Labor Statistics

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 the U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Population and unemployment figures are subject to change based on updated information from the Boulder County Land Use Department, Colorado Department of Labor and Employment, Colorado DOLA, Metro Denver EDC, U.S. Census data, and other sources.
- (4) Beginning with 2004, this number excludes St. Vrain and Boulder Valley School District students enrolled outside Boulder County.

TABLE E-2

BOULDER COUNTY, COLORADO
Principal Employers
Current Year and 9 Years Ago

<u>Taxpayer</u>	<u>Type of business</u>	<u>2006</u>	
		<u>Number of employees</u>	<u>Percentage of total county employment</u>
IBM Corporation	Computer software, hardware and services	4,000	2.36%
Sun Microsystems/Storage Tek	Information systems/storage products	3,387	2.00%
Ball Corporation	Aerospace manufacturer	3,000	1.77%
Boulder Community Hospital	Health care	2,380	1.41%
Level 3 Communications, Inc	Communication services provider	2,000	1.18%
Seagate Technology LLC	Disc drive manufacturer	1,500	0.89%
Exempla Hospital	Health care	1,310	0.77%
Valleylab	Medical device manufacturer	1,300	0.77%
Longmont United Hospital	Health care	1,262	0.75%
Safeway Inc	Retail grocer	1,250	0.74%
	Totals	<u>21,389</u>	<u>12.64%</u>
	Total county workforce	<u>169,191</u>	

Source: Boulder County Business Report - Top 50 Employers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1997</u>	
		<u>Number of employees</u>	<u>Percentage of total county employment</u>
IBM Corporation	Computer software, hardware and services	3,500	2.20%
Storage Tek	Computer storage products and services	3,400	2.14%
NeoData	Direct marketing services	2,497	1.57%
Ball Corporation	Aerospace manufacturer	2,000	1.26%
Exabyte Corporation	Storage device manufacturer	1,200	0.76%
Geneva Pharmaceuticals, Inc.	Pharmaceutical manufacturer	900	0.57%
Valleylab	Medical device manufacturer	874	0.55%
Maxtor Corporation	Disk drive manufacturer	800	0.50%
Longmont Foods	Commercial food processor	800	0.50%
Hunter Douglas	Window covering manufacturer	800	0.50%
	Totals	<u>16,771</u>	<u>10.56%</u>
	Total county workforce	<u>158,793</u>	

Source: University of Colorado at Boulder, Employment Resources for Graduate Students

TABLE F-1

BOULDER COUNTY, COLORADO

Full-time Equivalent County Government Employees by Function

Last Ten Fiscal Years

<u>Year</u>	<u>General government</u>	<u>Conservation</u>	<u>Public safety</u>	<u>Health & welfare</u>	<u>Highways & streets</u>	<u>Total</u>
1997	267.90	91.50	360.27	89.92	139.35	948.94
1998	264.03	93.50	369.27	326.33	148.70	1201.83
1999	316.62	92.50	382.15	317.07	117.60	1225.94
2000	319.84	105.50	442.47	316.48	124.60	1308.89
2001	311.54	107.50	431.07	316.48	146.60	1313.19
2002	317.23	124.70	431.40	312.60	146.60	1332.53
2003	318.62	134.75	436.30	313.23	147.60	1350.50
2004	323.68	134.75	438.00	313.00	148.60	1358.03
2005	332.88	142.00	453.90	321.51	150.60	1400.89
2006	341.90	156.50	464.67	367.51	136.60	1467.18

BOULDER COUNTY, COLORADO

Operating Indicators by Function/Program

Year Ending December 31, 2006

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: 3-Member Board of County Commissioners; Assessor; Clerk & Recorder; Coroner; District Attorney; Sheriff; Surveyor

Parks and Open Space

County parks and open space (acres)	58,016
County trails maintained (miles)	93.2
County environment programs (people served)	3,983
County outreach/special events (people served)	7,087
County cultural/ historical events (people served)	3,847
Volunteer work projects (people served)	1,346

Community Services (Clients Served)

Community Services website hits	765,441
Aging Services:	
Aging Services (SAMS)	142,754
Long-Term Care Ombudsman (Ombudsmanager)	2,023
Community Action Programs (clients served)	359
Community Justice Services:	
Justice System Volunteer Program (volunteers)	118
Justice System Volunteer Program (hrs of service)	109,956
Community Service	4,600
Pre-Trial Supervision	1,584
Bond Commissioners	4,379
Juvenile Assessment Center	1,461
Juvenile Supervision (B.E.S.T)	175
Head Start (children)	189
Housing:	
Project Self Sufficiency (single parents & their families)	137
Housing Counseling	998
LPEC (Weatherization)	1,350
Section 8	2,003
Housing Management	458

TABLE F-2

BOULDER COUNTY, COLORADO

Operating Indicators by Function/Program

Year Ending December 31, 2006

Land Use/Planning/Zoning/Building

Number of permits issued	2,074
Number of building inspections	17,877
Number of zoning and subdivision dockets processed including:	
Non-urban planned unit developments	0
Special uses	19
Subdivision exemptions	25
Oil and gas development reviews	9
Site plan application reviews	241

Sheriff Protection

Number of commissioned staff	220
Number of non-commissioned staff	154
Uniform non-traffic crime reports	3,265
Uniform incident reports	4,151
Average daily jail population	476
Number of vehicles in fleet	110
Detective Division cases assigned	1,332
Detective Division cases cleared	1,202
Number of beds in jail	528
Number of people booked in jail	10,569
Number of people released	10,588
Ratio of operational deputies to inmates	1 to 7

Transportation

Miles of county maintained road paved	397
Miles of county maintained road gravel	252
Miles of county maintained road total	649
Mileage of roads within subdivisions	212
Mileage of roads outside of subdivisions	437
County maintained bridges over 20 feet in length	76
Lane miles of county maintained bikeways (County owned)	130
Maintenance equipment/vehicle fleet (in units)	174

Sources

Boulder County Government Offices:
Parks and Open Space
Land Use - Planning/Zoning/Building
Transportation
Community Services

TABLE F-3

BOULDER COUNTY, COLORADO
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2005 (')	2004	2003	2002	2001	2000	1999	1998	1997
Governmental activities										
General government										
Land	\$ 16,325,297	\$ 15,722,421	\$ 14,543,895	\$ 14,536,941	\$ 14,186,941	\$ 14,191,111	\$ 14,833,715	\$ 14,843,799	\$ 3,542,537	\$ 2,342,136
Construction in progress	288,294	49,689	8,899,110	5,724,168	1,635,527	1,404,007	3,952,332	1,555,703	1,836,690	1,931,078
Buildings	57,467,581	44,206,407	46,383,108	46,324,397	46,296,749	43,773,341	33,445,427	33,444,339	29,552,310	28,364,224
Improvements	3,389,861	2,642,205	2,106,686	1,905,707	—	—	—	—	—	—
Equipment	7,424,153	5,884,573	9,204,904	8,323,221	7,048,842	9,314,638	9,152,590	8,601,162	8,383,334	9,407,813
Infrastructure	58,374	58,374	58,374	58,374	58,374	—	—	—	—	—
Total General government	84,953,561	68,563,669	81,196,077	76,872,808	69,226,433	68,683,097	61,384,064	58,445,003	43,314,871	42,045,051
Public safety										
Land	811,770	811,770	2,042,263	2,042,263	2,042,263	1,917,687	821,770	811,770	—	—
Construction in progress	2,706,110	1,027,974	256,503	2,555,501	2,442,168	107,944	—	—	—	—
Buildings	32,383,643	32,383,643	23,238,184	18,226,277	18,764,277	17,633,599	17,678,758	17,678,758	—	—
Improvements	1,603,353	1,603,353	18,431	18,431	—	—	—	—	—	—
Equipment	4,637,459	4,504,502	5,463,050	5,338,814	4,811,897	5,879,782	6,804,522	6,690,290	6,992,711	6,844,074
Total Public safety	42,142,336	40,331,242	31,018,431	28,181,286	28,060,605	25,539,012	25,305,050	25,180,818	6,992,711	6,844,074
Highways and streets										
Land	15,826,023	15,651,649	3,055,302	2,980,743	2,961,473	913,195	894,639	894,639	894,639	894,639
Construction in progress	8,000,436	15,017,891	451,572	578,408	—	—	—	—	—	23,353
Buildings	864,356	694,121	908,761	908,761	908,761	912,761	871,182	871,182	871,183	815,728
Improvements	231,434	57,311	—	—	—	—	—	—	—	—
Equipment	11,828,232	11,644,578	11,781,347	11,442,243	11,371,160	11,268,918	10,816,680	10,909,092	10,517,434	10,054,366
Infrastructure	134,526,128	126,612,550	6,332,800	5,868,161	4,192,162	—	—	—	—	—
Total Highways and streets	171,276,608	169,668,100	22,529,783	21,778,316	19,433,556	13,094,874	12,582,501	12,674,913	12,283,256	11,788,086
Conservation										
Land	330,464,418	319,785,637	311,753,888	299,427,554	268,846,966	243,919,028	204,248,434	168,537,586	142,536,266	114,049,094
Held for Resale	2,657,577	2,885,620	4,474,182	4,474,182	—	—	—	—	—	—
Construction in progress	4,920,291	6,277,233	63,584	53,486	63,584	—	—	—	—	—
Buildings	781,828	662,804	975,963	731,932	701,982	1,241,475	103,232	103,232	103,232	94,832
Improvements	124,682	124,682	698,743	206,127	16,736	—	—	—	—	—
Equipment	3,505,626	3,342,877	2,709,737	2,809,595	2,766,251	2,928,647	2,693,157	2,125,644	1,874,176	1,753,330
Infrastructure	—	—	99,780	99,780	116,530	—	—	—	—	—
Total Conservation	342,454,423	333,078,853	320,775,876	307,802,855	272,512,049	248,089,150	207,044,823	170,766,462	144,513,674	115,897,256
Urban redevelopment										
Land	—	—	—	—	—	—	—	—	—	—
Construction in progress	—	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—	—
Improvements	—	—	—	—	—	—	—	—	—	—
Equipment	—	—	—	—	—	55,573	63,118	52,983	56,005	60,429
Infrastructure	—	—	—	—	—	—	—	—	—	—
Total Urban redevelopment	—	—	—	—	—	55,573	63,118	52,983	56,005	60,429

(Continued)

TABLE F-3

BOULDER COUNTY, COLORADO
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2005 (*) (restated)	2004	2003	2002	2001	2000	1999	1998	1997
Culture and recreation										
Land	\$ 1,084,580	1,084,580	1,084,580	1,084,580	1,084,580	1,218,694	944,168	944,169	944,169	944,169
Construction in progress	—	—	—	—	79,036	62,828	—	—	—	14,911
Buildings	4,895,951	4,895,951	5,098,397	5,098,397	5,083,076	5,234,863	5,047,405	5,047,405	5,046,693	4,974,787
Improvements	220,963	169,074	171,496	171,496	107,781	—	—	—	—	—
Equipment	35,150	35,150	35,150	—	—	—	—	—	—	—
Infrastructure	141,125	141,125	188,523	188,523	188,523	—	—	—	—	—
Total Culture and recreation	6,377,769	6,325,880	6,578,146	6,542,996	6,542,996	6,516,385	5,991,573	5,991,574	5,990,862	5,933,867
Economic opportunity										
Land	169,276	—	—	—	—	—	—	—	811,770	—
Construction in progress	295,270	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	16,757,622	—
Improvements	—	—	—	—	—	—	—	—	—	—
Equipment	151,127	173,754	156,284	172,965	168,546	427,980	380,963	404,135	—	405,315
Infrastructure	—	—	—	—	—	—	—	—	—	—
Total Economic opportunity	615,673	173,754	156,284	172,965	168,546	427,980	380,963	404,135	17,569,392	405,315
Health and welfare										
Land	—	—	—	—	—	—	—	—	—	—
Construction in progress	2,170,173	265,231	34,144	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—	—
Improvements	—	—	167,984	—	—	—	—	—	—	—
Equipment	560,851	498,305	410,185	410,185	407,929	1,011,270	874,017	1,019,320	1,011,317	960,137
Total Health and welfare	2,731,024	763,536	612,313	410,185	407,929	1,011,270	874,017	1,019,320	1,011,317	960,137
Total governmental	\$ 650,551,393	\$ 618,905,034	\$ 462,866,909	\$ 441,761,211	\$ 396,352,114	\$ 363,417,341	\$ 313,626,109	\$ 274,535,208	\$ 231,732,088	\$ 183,934,215
Business-type activities										
Recycling Center										
Land	882,782	882,782	882,782	882,782	882,782	882,782	850,153	849,903	87,029	72,029
Construction in progress	36,583	—	—	—	—	—	7,942,836	1,070,401	158,545	—
Buildings	11,072,791	11,072,791	11,090,161	11,090,161	11,076,469	11,077,004	—	—	—	—
Improvements	—	—	—	—	—	—	—	—	—	—
Equipment	2,795,398	2,795,388	2,867,851	2,867,851	2,845,587	2,952,290	11,802	11,802	11,802	12,022
Total Recycling Center	14,787,554	14,750,961	14,840,794	14,840,794	14,804,838	14,912,076	8,804,791	1,932,106	257,376	84,051

Source: Boulder County Finance Division

(*) For further detail, see Note 21 "Prior Period Adjustment (Restatement) of Capital Assets"

TABLE F-4

BOULDER COUNTY, COLORADO

Expenditures by Function/Program

Accrual Basis of Accounting

Last Five Fiscal Years

Function/Program:	2006	2005	2004	2003	2002
Governmental activities:					
General government	\$ 55,992,512	\$ 54,997,225	\$ 65,147,583	\$ 56,052,530	\$ 60,301,127
Conservation	10,019,933	10,621,331	7,283,919	4,658,215	3,623,533
Public safety	34,440,809	32,078,687	27,347,423	29,454,318	26,876,513
Health & welfare	41,818,868	39,827,900	35,686,505	35,958,810	28,537,484
Economic opportunity	9,101,074	9,745,429	7,783,777	8,138,262	7,105,134
Highway and streets	13,124,693	10,392,095	11,408,018	9,009,069	7,065,748
Sanitation	1,068,623	577,930	—	—	—
Urban redevelopment/housing	219,887	192,031	—	21,388	1,535,882
Interest on debt	10,004,567	10,700,076	9,173,369	9,741,299	8,451,982
Intergovernmental	—	—	386,405	792,744	767,170
Total governmental activities	175,790,966	169,132,704	164,216,999	153,826,635	144,264,573
Business-type activities:					
Recycling Center	4,863,819	4,419,034	4,029,710	3,716,428	3,351,553
Housing Authority	9,354,586	10,309,511	9,442,053	9,535,521	—
Total primary government	\$ 190,009,371	\$ 183,861,249	\$ 177,688,762	\$ 167,078,584	\$ 147,616,126

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

December 31, 2006

(Unaudited)

The following tables disclose certain information as required by Section (b)(5)(l) 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 – Taxes Effective 1994 and 2002

Table E: Open Space Sales/Use Tax Collection History – Additional .10% Tax, Effective 2005

Table F: 2004-2006 Open Space Sales/Use Tax Collections – Additional .10% Tax Monthly Comparisons

Table G: Jail Improvement & Operation Sales/Use Tax Collection History

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

Letter of Transmittal

Management Discussion & Analysis

Basic Financial Statements:

Government-wide Statement of Net Assets

Government-wide Statement of Activities

Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplementary Information

Statistical Section Tables:

C-1: Assessed Value and Estimated Value of Taxable Property

C-2: Direct and Overlapping Property Tax Rates

C-3: Principal Property Tax Payers

C-4: Property Tax Levies and Collections

D-1: Ratios of Outstanding Debt by Type

D-2: Computation of Direct and Overlapping Debt

D-3: Computation of Legal Debt Margin

D-4: Pledged Revenue Coverage

E-1: Demographic and Economic Statistics

E-2: Principal Employers

Table A

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

Boulder County History of Funding Sources for Open Space Land Acquisition

December 31, 2006

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

Year	General Fund (1)	Conservation Trust Fund	Grants (2)	Sales and use tax (3)	Bond proceeds (4)	Total
1985	\$ 724,700	253,616	—	—	—	\$ 978,316
1986	1,107,040	405,605	—	—	—	1,512,645
1987	1,137,040	238,585	—	—	—	1,375,625
1988	1,391,117	334,893	—	—	—	1,726,010
1989	1,515,196	283,978	—	—	—	1,799,174
1990	1,715,196	263,785	—	—	—	1,978,981
1991	2,150,000	284,561	—	—	—	2,434,561
1992	1,935,000	301,880	—	—	—	2,236,880
1993	2,089,000	302,864	—	—	—	2,391,864
1994	6,117,808	313,779	—	5,872,634	35,216,363	47,520,584
1995	3,858,027	417,101	—	6,665,745	—	10,940,873
1996	4,199,033	392,010	575,000	7,003,101	35,000,000	47,169,144
1997	3,957,590	440,542	—	7,609,932	—	12,008,064
1998	3,957,590	406,988	—	8,703,742	36,358,000	49,426,320
1999	4,000,000	363,422	25,000	9,603,174	—	13,991,596
2000	3,800,000	391,513	550,000	10,055,707	34,868,358	49,665,578
2001	3,833,448	392,785	287,379	11,247,451	49,536,177	65,297,240
2002	3,833,448	437,414	375,000	12,442,974	30,324,434	47,413,270
2003	3,833,448	462,275	3,467,499	12,140,813	—	19,904,035
2004	3,833,448	397,310	350,000	12,567,313	—	17,148,071
2005	3,833,448	401,634	—	16,371,897	41,393,314	62,000,293
2006	3,833,448	483,310	515,656	16,865,471	—	21,697,885
2007 (est)	3,833,448	400,000	480,000	17,877,398	—	22,590,846
Totals \$	<u>70,488,473</u>	<u>8,369,850</u>	<u>6,625,534</u>	<u>155,027,352</u>	<u>262,696,646</u>	<u>\$ 503,207,855</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 2006, 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 from .25% to .35%. The tax rate will return to .25% in 2019. In 2005, an additional .10% voter approved open space tax was imposed. 10% of this amount must be used for land maintenance, and the remainder may be used for acquisitions. The .10% is reduced to .05% in 2025 and remains for perpetuity. Sales tax dollars are first used to make required debt service payments. Any remaining taxes are deposited to a surplus account, which may be used for land acquisitions.
- (4) Includes bond premiums when applicable.

BOULDER COUNTY, COLORADO
 S.E.C. Disclosure Subsection
 Projected Open Space Revenues vs. Commitments
 December 31, 2006

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

A 6% increase in tax revenue is predicted for 2007. A 4% increase is predicted for 2008-2011. In 2010, we reduce the tax amount by .1% due to the .1% tax expiration. At year end 2019 the .25% tax expires. Beginning in 2005, an additional .1% tax is being collected. 10% of this amount must be used for land maintenance per ballot language, and the remainder may be used for acquisitions. This tax is in effect through 12/31/24. At that time it is reduced to .05% for perpetuity.

The County intends to expend the 2005 bond proceeds within the IRS guidelines, which dictate that all proceeds must be spent within three years of issuance to avoid payment of arbitrage rebate. Acquisitions, however, are only added to this spreadsheet on the line entitled "Committed (land/water)" when property is under contract or letter of intent. This information is supplied by the Parks and Open Space staff.

	2006	2007	2008	2009	2010	2011	2012
Revenues:							
Sales and use tax collections	\$ 13,244,375	13,774,150	14,325,116	14,898,121	11,067,175	11,509,862	11,509,862
2005 .10% O/S tax (acquisition portion)	3,404,158	3,540,324	3,681,937	3,829,215	3,982,384	4,141,679	4,141,679
2005 .10% O/S tax (land maint. portion)	378,240	393,369	409,104	425,468	442,487	460,186	460,186
General Fund (budgeted)	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448
Lottery (budgeted)	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Estimated carryforward funds	44,524,007	36,239,206	35,731,466	38,019,627	37,669,428	38,697,708	39,911,839
Interest earnings	1,299,646	674,823	500,000	500,000	500,000	500,000	500,000
Northwest Parkway IGA's	—	—	3,000,000	—	—	—	—
Sale of assets	1,406,746	—	—	—	—	—	—
Total revenues	68,490,620	58,855,320	61,881,071	61,905,879	57,894,922	59,542,883	60,757,014
Expended/committed:							
Bond Payment, series 1996	(3,697,953)	(3,695,231)	(3,694,588)	(3,697,920)	(3,694,500)	—	—
Bond Payment, series 1998	(7,772,200)	(7,894,200)	(8,004,200)	(8,036,600)	—	—	—
Bond Payment, series 2000B	(865,000)	(876,500)	(860,250)	(817,625)	—	—	—
Bond Payment, series 2001	(2,387,525)	(2,742,525)	(3,277,438)	(3,933,975)	(2,760,975)	(6,459,938)	(6,455,263)
Bond Payment, series 2002	(1,513,288)	(1,353,288)	(1,442,388)	(1,418,788)	(3,710,663)	(3,710,663)	(3,711,450)
Bond Payment, series 2005	(1,970,250)	(1,970,250)	(1,970,250)	(1,970,250)	(1,970,250)	(1,970,250)	(1,970,250)
Bond Payment, series 2006	(1,387,335)	(1,590,575)	(1,590,575)	(1,700,575)	(4,406,725)	(4,790,975)	(4,791,850)
Maintenance expense (Ballot Issue 1A)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Payroll expenses	(964,173)	(1,002,740)	(1,042,850)	(1,084,563)	(1,127,946)	(1,173,064)	(1,219,987)
Expenses for other purposes	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Committed (land/water)	(10,693,690)	(998,546)	(978,905)	(576,155)	(526,155)	(526,155)	(526,155)
Total expended/committed	(32,251,414)	(23,123,855)	(23,861,444)	(24,236,451)	(19,197,214)	(19,631,045)	(19,674,955)
Surplus	\$ 36,239,206	35,731,465	38,019,627	37,669,428	38,697,708	39,911,838	41,082,059
	2013	2014	2015	2016	2017	2018	2019
Revenues:							
Sales and use tax collections	\$ 11,509,862	11,509,862	11,509,862	11,509,862	11,509,862	11,509,862	11,509,862
2005 .10% O/S tax (acquisition portion)	4,141,679	4,141,679	4,141,679	4,141,679	4,141,679	4,141,679	4,141,679
2005 .10% O/S tax (land maint. portion)	460,186	460,186	460,186	460,186	460,186	460,186	460,186
General Fund (budgeted)	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448
Lottery (budgeted)	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Estimated carryforward funds	41,082,060	42,212,632	43,356,195	41,755,193	39,419,684	37,200,377	34,915,015
Interest earnings	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Northwest Parkway IGA's	—	—	—	—	—	—	—
Sale of assets	—	—	—	—	—	—	—
Total revenues	61,927,235	63,057,807	64,201,370	62,600,368	60,264,859	58,045,552	55,760,190
Expended/committed:							
Bond Payment, series 2001	(6,441,263)	(6,438,000)	(6,417,500)	(6,411,000)	(6,402,250)	(6,405,750)	(6,410,250)
Bond Payment, series 2002	(3,713,050)	(3,720,450)	(3,733,250)	(3,721,750)	(3,703,500)	(3,698,500)	(3,690,750)
Bond Payment, series 2005	(1,970,250)	(1,009,625)	(4,631,500)	(4,599,750)	(4,582,000)	(4,567,500)	(4,546,000)
Bond Payment, series 2006	(4,795,100)	(4,790,700)	(4,793,200)	(4,790,600)	(4,796,800)	(4,791,200)	(4,784,000)
Maintenance expense (Ballot Issue 1A)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Payroll expenses	(1,268,785)	(1,319,537)	(1,372,319)	(1,427,212)	(1,484,300)	(1,543,672)	(1,605,419)
Expenses for other purposes	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Committed (land/water)	(526,155)	(1,423,300)	(498,409)	(1,230,373)	(1,095,632)	(1,123,916)	(1,153,190)
Total expended/committed	(19,714,603)	(19,701,612)	(22,446,178)	(23,180,685)	(23,064,482)	(23,130,538)	(23,189,609)
Surplus	\$ 42,212,632	43,356,195	41,755,192	39,419,683	37,200,377	34,915,014	32,570,581

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

Projected Open Space Revenues vs. Commitments

December 31, 2006

	2020	2021	2022	2023	2024	2025
Revenues:						
Sales and use tax collections	\$ —	—	—	—	—	—
2005 .10% O/S tax (acquisition portion)	4,141,679	4,141,679	4,141,679	4,141,679	4,141,679	2,070,839
2005 .10% O/S tax (land maint. portion)	460,186	460,186	460,186	460,186	460,186	230,093
General Fund (budgeted)	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448	3,833,448
Lottery (budgeted)	400,000	400,000	400,000	400,000	400,000	400,000
Estimated carryforward funds	32,570,582	33,526,021	34,867,864	36,618,424	38,309,999	38,438,949
Interest earnings	500,000	500,000	500,000	500,000	500,000	500,000
Total revenues	41,905,895	42,861,334	44,203,177	45,953,737	47,645,312	45,473,329
Expended/committed:						
Bond Payment, series 2005	(4,526,750)	(4,505,875)	(4,491,375)	(4,478,125)	(4,465,625)	(4,448,500)
Maintenance expense (Ballot Issue 1A)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(250,000)
Payroll expenses	(1,669,636)	(1,736,421)	(1,805,878)	(1,878,113)	(1,953,238)	(2,031,367)
Expenses for other purposes	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Committed (land/water)	(1,183,488)	(751,173)	(287,500)	(287,500)	(1,787,500)	(1,635,068)
Total expended/committed	(8,379,874)	(7,993,469)	(7,584,753)	(7,643,738)	(9,206,363)	(8,864,935)
Surplus	\$ 33,526,021	34,867,865	36,618,424	38,309,999	38,438,949	36,608,394

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

General Fund Information

December 31, 2006

Each year, during its budget process, the Board of County 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 \$106.66 million, is the largest fund in the County's 2007 budget of \$279.58 million. Its primary funding sources, as derived from the 2007 consolidated budget summary, are as follows:

Property tax	80.27 %
Intergovernmental revenues	2.64
Other revenues (1)	17.79
Use of fund balance	<u>(0.70)</u>
Total	<u>100.00 %</u>

- (1) This includes 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.

BOULDER COUNTY, COLORADO

S.E.C Disclosure Subsection

Open Space Sales/Use Tax Collection History - Taxes Effective 1994 and 2002

December 31, 2006

The following table provides the tax collection history for the following Open Space sales and use taxes:

Tax effective January 1, 1994, expires December 31, 2019 (25/100 cent)

Tax effective January 1, 2002, expires December 31, 2009 (10/100 cent)

Month tax collected	1994			1995		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 304,137	5,986	310,123	355,375	42,353	397,728
February	315,460	20,910	336,370	402,060	60,462	462,522
March	410,380	41,683	452,063	420,289	98,767	519,056
April	423,639	58,860	482,499	466,775	61,389	528,164
May	424,065	45,298	469,363	458,130	71,304	529,434
June	459,997	47,249	507,246	516,231	88,308	604,539
July	452,140	50,850	502,990	460,032	79,937	539,969
August	469,426	116,265	585,691	488,860	125,224	614,084
September	500,160	61,693	561,853	531,481	105,299	636,780
October	447,891	63,084	510,975	470,622	79,807	550,429
November	407,695	60,790	468,485	437,364	86,746	524,110
December	576,199	108,777	684,976	638,409	120,521	758,930
Totals	\$ 5,191,189	681,445	5,872,634	5,645,628	1,020,117	6,665,745
Percentage increase/ decrease over prior year				8.05%	33.20%	11.90%
Month tax collected	1996			1997		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 423,693	61,148	484,841	433,586	97,124	530,710
February	428,988	75,916	504,904	424,982	65,235	490,217
March	484,026	70,367	554,393	547,460	84,107	631,567
April	427,988	83,188	511,176	509,786	101,288	611,074
May	531,462	86,468	617,930	581,625	100,414	682,039
June	508,530	104,378	612,908	524,650	102,459	627,109
July	509,307	101,925	611,232	541,769	139,311	681,080
August	527,872	94,581	622,453	558,826	126,927	685,753
September	541,553	67,206	608,759	594,521	116,265	710,786
October	492,034	89,680	581,714	532,682	122,208	654,890
November	495,267	74,759	570,026	380,679	90,986	471,665
December	644,070	78,695	722,765	701,796	131,248	833,044
Totals	\$ 6,014,790	988,311	7,003,101	6,332,362	1,277,572	7,609,934
Percentage increase/ decrease over prior year	6.14%	-3.22%	4.82%	5.02%	22.64%	7.97%
Month tax collected	1998			1999		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 461,421	109,764	571,185	551,210	120,770	671,980
February	507,359	109,329	616,688	564,538	100,830	665,368
March	451,391	119,648	571,039	614,291	158,000	772,291
April	653,660	150,201	803,861	522,225	162,256	684,481
May	556,941	144,728	701,669	640,083	132,768	772,851
June	657,641	156,905	814,546	689,839	210,606	900,445
July	582,555	148,950	731,505	724,374	156,511	880,885
August	605,281	131,429	736,710	612,799	153,648	766,447
September	651,256	145,595	796,851	725,597	159,434	885,031
October	644,250	182,303	826,553	649,408	169,339	818,747
November	520,307	120,882	641,189	645,794	136,786	782,580
December	744,109	147,838	891,947	826,705	175,363	1,002,068
Totals	\$ 7,036,171	1,667,572	8,703,743	7,766,863	1,836,311	9,603,174
Percentage increase/ decrease over prior year	10.00%	23.39%	12.57%	9.41%	9.19%	9.37%

(Totals subject to rounding error)

BOULDER COUNTY, COLORADO

S.E.C Disclosure Subsection

Open Space Sales/Use Tax Collection History - Taxes Effective 1994 and 2002

December 31, 2006

Month tax collected	2000			2001		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 583,529	150,315	733,844	779,971	197,907	977,878
February	567,876	152,221	720,097	774,846	141,554	916,400
March	602,378	202,720	805,098	778,160	160,206	938,366
April	549,679	156,329	706,008	746,693	141,254	887,947
May	743,631	192,482	936,113	782,585	135,629	918,214
June	631,577	203,674	835,251	978,441	151,581	1,130,022
July	691,473	143,501	834,974	734,887	154,703	889,590
August	721,977	147,984	869,961	802,936	159,458	962,394
September	776,222	128,803	905,025	857,296	148,399	1,005,695
October	731,522	191,028	922,550	743,065	144,792	887,857
November	638,875	145,453	784,328	699,149	113,506	812,655
December	868,620	133,839	1,002,459	809,764	110,668	920,432
Totals	\$ 8,107,359	1,948,349	10,055,708	9,487,793	1,759,657	11,247,450
Percentage increase/ decrease over prior year	4.20%	5.75%	4.50%	14.55%	-10.72%	10.60%

Month tax collected	2002			2003		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 803,363	137,159	940,522	759,913	146,087	906,000
February	838,851	160,660	999,511	698,907	110,529	809,436
March	773,222	186,186	959,408	800,882	114,211	915,093
April	878,213	166,598	1,044,811	812,576	139,394	951,970
May	899,058	192,801	1,091,859	864,799	149,527	1,014,326
June	970,617	151,761	1,122,378	951,088	165,803	1,116,891
July	862,360	179,147	1,041,507	866,642	196,210	1,062,852
August	866,843	175,545	1,042,388	925,457	166,695	1,092,152
September	846,589	137,705	984,294	893,514	187,424	1,080,938
October	800,868	263,252	1,064,120	839,914	197,847	1,037,761
November	801,347	129,618	930,965	802,445	117,367	919,812
December	1,086,526	134,687	1,221,213	1,072,639	160,946	1,233,585
Totals	\$ 10,427,857	2,015,119	12,442,976	10,288,776	1,852,040	12,140,816
Percentage increase/ decrease over prior year	9.01%	12.68%	9.61%	-1.35%	-8.81%	-2.49%

Month tax collected	2004			2005		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 794,599	145,710	940,309	761,990	116,051	878,041
February	742,790	130,032	872,822	780,924	130,882	911,806
March	886,859	188,381	1,075,240	875,503	234,850	1,110,352
April	818,183	160,760	978,943	846,097	137,635	983,732
May	895,064	185,443	1,080,507	931,645	178,583	1,110,228
June	978,073	172,818	1,150,891	958,781	175,759	1,134,540
July	913,969	139,475	1,053,444	932,178	186,537	1,118,716
August	911,929	163,477	1,075,406	982,337	171,577	1,153,915
September	930,941	152,302	1,083,243	938,651	152,587	1,091,238
October	860,429	159,573	1,020,002	885,205	150,002	1,035,207
November	822,911	136,615	959,526	838,324	132,131	970,456
December	1,124,827	152,154	1,276,981	1,090,218	146,528	1,236,745
Totals	\$ 10,680,574	1,886,740	12,567,314	10,821,853	1,913,123	12,734,976
Percentage increase/ decrease over prior year	3.67%	1.84%	3.39%	1.31%	1.38%	1.32%

Note: The 2002 percentage comparisons are based upon actual sales/use tax revenues received by the County. The data has not been normalized to reflect the loss of revenue due to Broomfield becoming its own County. Likewise, the data has not been normalized to reflect the increase in the County tax rate from .25% to .35%. Both changes were effective as of 2002.

For normalized data please see Table F.

(Totals subject to rounding error)

BOULDER COUNTY, COLORADO

S.E.C Disclosure Subsection

Open Space Sales/Use Tax Collection History - Taxes Effective 1994 and 2002

December 31, 2006

Month tax collected	2006		
	Net State collections	Use tax	Total
January	\$ 837,580	127,889	965,469
February	783,409	122,514	905,923
March	893,303	181,053	1,074,356
April	916,641	162,292	1,078,933
May	981,891	144,421	1,126,312
June	1,018,406	163,783	1,182,190
July	939,730	125,523	1,065,253
August	986,451	195,473	1,181,924
September	1,065,832	154,952	1,220,784
October	939,408	140,213	1,079,621
November	611,193	167,772	778,965
December	1,341,056	118,171	1,459,227
Totals	\$ 11,314,901	1,804,056	13,118,957
Percentage increase/ decrease over prior year	4.36%	-6.05%	2.93%

(Totals subject to rounding error)

BOULDER COUNTY, COLORADO
 S.E.C. Disclosure Subsection
 Open Space Sales/Use Tax Collection History - Tax Effective 2005
 December 31, 2006

The following table provides the tax collection history for the Open Space sales and use tax approved by ballot language in 2004.
 .10% tax was effective 1/1/2005. The rate reduces to 0.05% on 01/01/2025. 0.05% remains for perpetuity.
 10% of tax collections must be used for land maintenance per ballot language. The remainder may be used for acquisition purposes.

Month tax collected	2005			2006		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 217,590	33,140	250,730	239,175	36,521	275,697
February	222,997	37,376	260,373	223,707	34,979	258,686
March	250,004	67,080	317,085	255,087	51,702	306,790
April	241,607	39,421	281,028	261,752	46,345	308,097
May	266,036	50,997	317,033	280,384	41,136	321,520
June	273,785	50,192	323,977	290,811	46,886	337,697
July	266,188	53,268	319,457	268,345	35,882	304,226
August	280,511	49,221	329,733	281,686	55,821	337,508
September	268,037	43,575	311,611	304,354	44,182	348,536
October	252,775	42,837	295,612	268,253	40,041	308,293
November	239,388	37,733	277,121	174,529	47,911	222,440
December	311,317	41,844	353,161	382,945	34,078	417,024
Totals	\$ 3,090,236	546,685	3,636,921	3,231,028	515,486	3,746,514
Percentage increase/ decrease over prior year				4.36%	-6.05%	2.93%

(Totals subject to rounding error)

BOULDER COUNTY, COLORADO
 S.E.C. Disclosure Subsection
 Open Space Sales/Use Tax Collections
 2004 through 2006 Monthly Comparisons (normalized data)

Tax Period	2004	2005	2006	Adjusted 2005	Adjusted 2006
January	\$ 1,477,545	1,630,232	1,792,560	1,379,427	1,516,781
February	1,371,503	1,692,925	1,681,981	1,432,475	1,423,214
March	1,689,566	2,061,582	1,994,725	1,744,415	1,687,845
April	1,538,252	1,826,639	2,003,218	1,545,618	1,695,030
May	1,697,843	2,061,328	2,091,086	1,744,201	1,769,380
June	1,808,429	2,106,471	2,195,070	1,782,398	1,857,367
July	1,655,319	2,077,086	1,977,878	1,757,534	1,673,589
August	1,689,829	2,143,056	2,194,447	1,813,355	1,856,840
September	1,702,144	2,026,123	2,266,498	1,714,412	1,917,806
October	1,602,782	1,922,044	2,004,501	1,626,345	1,696,116
November	1,507,742	1,801,769	1,446,286	1,524,574	1,223,780
December	2,003,905	2,296,230	2,710,194	1,942,964	2,293,241
Total	\$ 19,744,859	23,645,484	24,358,443	20,007,718	20,610,989

Notes:

Rate 0.55% as of July 1, 2002. 0.10% Rate increase excluded (data assumes 0.55% rate)
 Rate increased to 0.65% Jan 1, 2005.

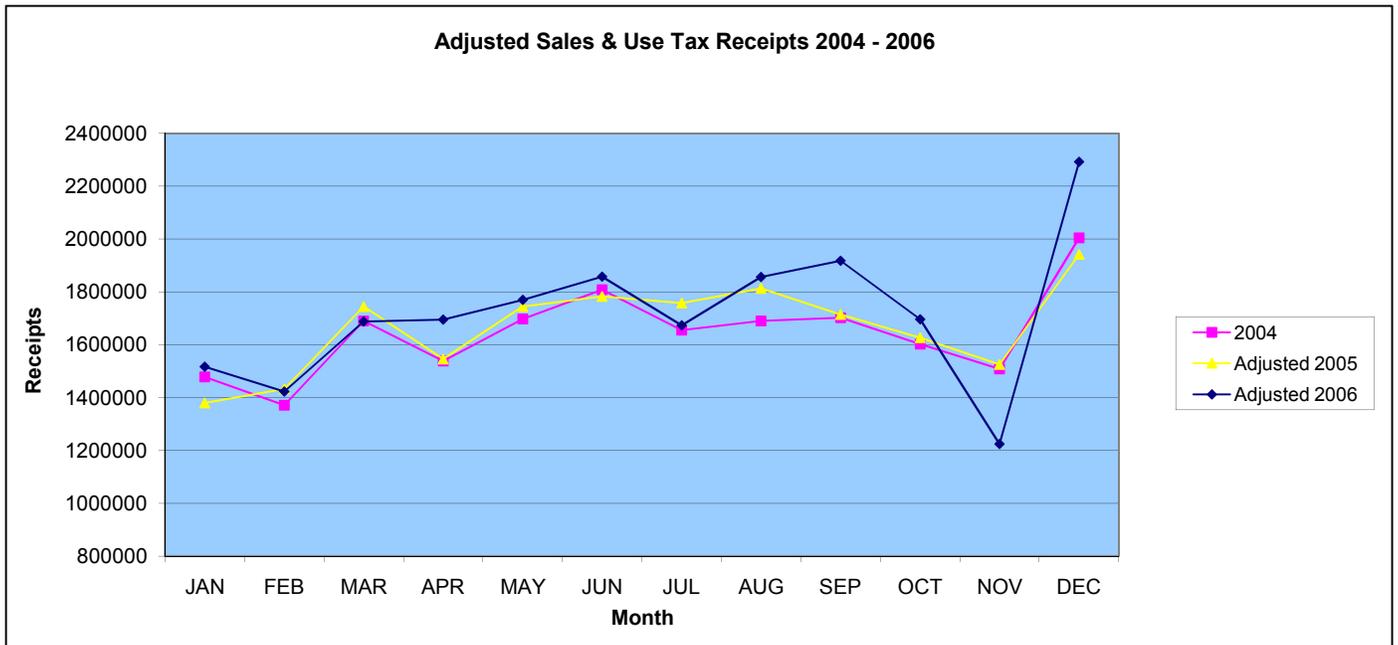


Table G

BOULDER COUNTY, COLORADO

S.E.C. Disclosure Subsection

Jail Improvement & Operation Sales/Use Tax Collections History

December 31, 2006

Tax was effective 1/1/2005, and remains in perpetuity (.05%)

Month tax collected	2005			2006		
	Net State collections	Use tax	Total	Net State collections	Use tax	Total
January	\$ 108,795	16,570	125,365	119,588	18,261	137,848
February	111,498	18,688	130,187	111,853	17,490	129,343
March	125,002	33,540	158,542	127,544	25,851	153,395
April	120,804	19,708	140,512	130,876	23,167	154,042
May	133,018	25,499	158,517	140,192	20,621	160,813
June	136,892	25,096	161,989	145,406	23,390	168,796
July	133,094	26,634	159,728	134,172	17,927	152,100
August	140,256	24,553	164,809	140,843	27,911	168,754
September	134,018	21,788	155,806	152,177	22,118	174,295
October	126,387	21,419	147,806	134,126	20,021	154,147
November	119,694	18,867	138,561	87,265	23,956	111,220
December	155,659	20,922	176,581	191,473	17,013	208,486
Totals	\$ 1,545,118	273,284	1,818,403	1,615,514	257,725	1,873,239
Percentage increase/ decrease over prior year				4.36%	-6.04%	2.93%