

PRELIMINARY OFFICIAL STATEMENT DATED JULY 17, 2012

NEW ISSUE - BOOK ENTRY ONLY

**RATING: MOODY'S: "A2"
See "RATING"**

In the opinion of Bond Counsel, subject to compliance by the City and County of Broomfield, Colorado and its Sewer Enterprise with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest and such original issue discount are taken into account in determining adjusted current earnings. To the extent interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, such interest and such original issue discount are not subject to income taxation by the State of Colorado. See "LEGAL OPINION AND TAX MATTERS."

\$43,480,000*

**CITY AND COUNTY OF BROOMFIELD, COLORADO
SEWER ACTIVITY ENTERPRISE
SEWER AND WASTEWATER RECLAMATION
REVENUE REFUNDING BONDS
SERIES 2012**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover page

The City and County of Broomfield, Colorado (the "City and County"), acting by and through its City and County of Broomfield, Colorado Sewer Activity Enterprise (the "Sewer Enterprise") Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds" or the "Bonds") are being issued as fully registered bonds in book entry form only in denominations of \$5,000 or integral multiples thereof. The Series 2012 Bonds are to be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which payment of principal and interest on the Series 2012 Bonds will be made. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (defined herein) for subsequent disbursement to the Beneficial Owners (defined herein) of the Series 2012 Bonds. Purchasers of the Series 2012 Bonds will not receive physical delivery of bond certificates. The principal of, premium, if any, and interest on the Series 2012 Bonds, at the rates set forth on the inside cover page, are payable by UMB Bank, n.a., Denver, Colorado, as Paying Agent to DTC, commencing on December 1, 2012, and semiannually on each June 1 and December 1 thereafter.

The Series 2012 Bonds maturing December 1, 2023, and thereafter are subject to redemption prior to maturity, as a whole or in part, at the option of the City and County, selected as to maturity by the City and County, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2022 and thereafter at par plus accrued interest to the redemption date. See "THE SERIES 2012 BONDS - Prior Redemption."

The Series 2012 Bonds are being issued for the purpose of currently refunding its City of Broomfield, Colorado (the "City") acting by and through its Sewer Enterprise, Sewer and Wastewater Reclamation Revenue Bonds, Series 2001 (the "Series 2001 Bonds") and to pay costs of issuance of the Bonds. See "THE SERIES 2012 BONDS"

The Series 2012 Bonds are special, limited obligations of the City and County, acting by and through its Sewer Enterprise, payable from Net Revenues, certain other revenues deposited in the Series 2012 Debt Service Account, including investment income, any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds including revenues from an amended and restated intergovernmental agreement with the City and County of Broomfield, Colorado Water Reclamation Activity Enterprise (the "Water Reclamation Enterprise") and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account (as defined herein) (the "Pledged Revenues"). The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds. The Series 2012 Bonds constitute first and prior, but not necessarily exclusive liens on the Pledged Revenues.

This cover page, including the inside cover page, contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, giving particular attention to the section "SPECIAL FACTORS."

The Series 2012 Bonds are offered when, as, and if issued by the City and County, acting by and through its Water Enterprise, subject to: prior sale, the approval of validity and certain other matters by Hahn, Smith, Walsh & Mancuso, P.C., Attorneys at law, Denver, Colorado, as Bond Counsel; and the approval of certain legal matters by Hahn, Smith, Walsh & Mancuso, P.C., as Special Disclosure Counsel to the City and County.

It is expected that the Series 2012 Bonds will be available for delivery in New York, New York on or about August 28, 2012.



RBC Capital Markets®

Financial Advisor

The date of this Official Statement is July 24, 2012.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*
(6-digit CUSIP Issuer Number: _____)©

<u>Maturity</u> <u>(December 1)</u>	<u>Principal*</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u> ^{(1) (3)}	<u>CUSIP</u> ⁽¹⁾⁽²⁾ <u>Number</u>
2012	\$2,070,000			
2013	1,955,000			
2014	2,000,000			
2015	2,040,000			
2016	2,105,000			
2017	2,170,000			
2018	2,550,000			
2019	2,665,000			
2020	2,780,000			
2021	2,900,000			
2022	1,580,000			
2023	1,665,000			
2024	1,755,000			
2025	1,845,000			
2026	1,945,000			
2027	2,055,000			
2028	2,165,000			
2029	2,285,000			
2030	2,410,000			
2031	2,540,000			

*Preliminary; subject to change

⁽¹⁾ This information is not provided by the City and County or the Sewer Enterprise.

⁽²⁾ Neither the City and County nor the Sewer Enterprise takes responsibility for the accuracy of CUSIP numbers which are included solely for the convenience of the owners of the Bonds.

⁽³⁾ Yield based on the original reoffering premium and discount.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

The information contained in this Official Statement has been furnished by the City and County of Broomfield, Colorado, its Sewer Enterprise or DTC and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City and County of Broomfield, Colorado, its Sewer Enterprise or DTC. No dealer, broker, salesman, or other person has been authorized by the City and County of Broomfield, Colorado, its Sewer Enterprise or the Financial Advisor or the Initial Purchasers to give any information or make any representations other than those made herein. Any such other information or representations must not be relied upon as being authorized. This Official Statement, which includes the cover page, the inside cover page and appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2012 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this document nor the sale of any of the Series 2012 Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The Series 2012 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other state securities commission has passed upon the accuracy or adequacy of this document. Any representation to the contrary is unlawful.

This Official Statement has been prepared in connection with the original offering and sale of the Series 2012 Bonds. This Official Statement may not be reproduced or used in whole or in part for any other purpose.

**CITY AND COUNTY OF BROOMFIELD, COLORADO
ELECTED OFFICIALS**

Mayor	Patrick Quinn
Mayor Pro Tem	Greg Stokes
Councilmember	Wayne Anderson
Councilmember	Martha Derda
Councilmember	Bob Gaiser
Councilmember	Kevin Jacobs
Councilmember	David Jurcak
Councilmember	Dennis McCloskey
Councilmember	Todd Schumacher
Councilmember	Mike Shelton
Councilmember	Sam Taylor

OTHER OFFICIALS

City and County Manager	Charles S. Ozaki
Deputy City and County Manager	Kevin Standbridge
Finance Director	Patricia J. Soderberg
City and County Attorney	William A. Tuthill, III, Esq.

REGISTRAR AND PAYING AGENT

UMB Bank, n.a.
Denver, Colorado

AUDITORS

RubinBrown, LLP
Denver, Colorado

FINANCIAL ADVISOR

RBC Capital Markets, LLC
Denver, Colorado

BOND AND SPECIAL DISCLOSURE COUNSEL

Hahn, Smith, Walsh & Mancuso, P.C.
Denver, Colorado

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NOTICE OF SALE

of

\$43,480,000*

**CITY AND COUNTY OF BROOMFIELD, COLORADO
ACTING BY AND THROUGH ITS SEWER ACTIVITY ENTERPRISE
SEWER AND WASTEWATER RECLAMATION
REVENUE REFUNDING BONDS
SERIES 2012**

Selling: Tuesday, July 24, 2012, 10:00 a.m., Mountain Daylight Savings Time.

The Finance Director of the City and County of Broomfield, Colorado (the "City and County") acting by and through its Sewer Activity Enterprise (the "Sewer Enterprise"), will receive electronic proposals via the BIDCOMP/PARITY BIDDING SYSTEM ("BIDCOMP/PARITY") as further provided herein and described in "BID PROPOSAL REQUIREMENTS" and "BIDCOMP/PARITY below, for the purchase of Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds" or the "Bonds"). The Series 2012 Bonds will be issued in accordance with an ordinance of the City Council of the City and County, acting by and through its Sewer Enterprise (the "Bond Ordinance") to be finally adopted on July 24, 2012.

The Series 2012 Bonds are being issued for the purpose of currently refunding the City of Broomfield, Colorado (the "City") acting by and through its Sewer Enterprise, Sewer and Wastewater Reclamation Revenue Bonds, Series 2001 (the "Series 2001 Bonds") and to pay costs of issuance of the Series 2012 Bonds.

The Series 2012 Bonds are being issued as fully registered Series 2012 Bonds in book entry form only in denominations of \$5,000 and integral multiples thereof. The Series 2012 Bonds are to be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, to which payment of principal and interest on the Series 2012 Bonds will be made. Purchasers of the Series 2012 Bonds will not receive physical delivery of Bonds. Principal of the Series 2012 Bonds will be payable upon maturity thereof, as set forth on the inside cover page. Interest on the Series 2012 Bonds, will be payable on June 1 and December 1 of each year, commencing on December 1, 2012. Principal is payable by UMB Bank, n.a., Denver, Colorado, as Paying Agent to DTC annually commencing on December 1, 2012 and upon the maturity of the Series 2012 Bonds thereafter.

THE SERIES 2012 BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE THE DEBT OR INDEBTEDNESS OF THE CITY AND COUNTY OR THE WATER ENTERPRISE WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE LAWS OF COLORADO OR THE STATE CONSTITUTION, AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY AND COUNTY

OR THE SEWER ENTERPRISE OR CHARGE AGAINST THE CITY AND COUNTY'S GENERAL CREDIT OR TAXING POWERS.

BIDCOMP/PARITY: Bids must be submitted electronically using BIDCOMP/PARITY no later than 10:00 a.m. Mountain Daylight Savings Time as further provided herein, but no bid will be received after that time and time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders may change or withdraw their bids at any time up to the time designated herein. Electronic bids may only be submitted through BIDCOMP/PARITY. If any provisions in this Notice of Sale should conflict with information or terms provided or required by BIDCOMP/PARITY, this Notice of Sale (and any amendments hereto) shall control.

BID PROPOSAL REQUIREMENTS: A prospective bidder must register electronically to bid for the Series 2012 Bonds via BIDCOMP/PARITY no later than 9:00 a.m., (Mountain Daylight Savings Time), on Tuesday, July 24, 2012. A prospective bidder must register electronically to bid for the Series 2012 Bonds by completing the information required by BIDCOMP/PARITY. By registering to bid for the Series 2012 Bonds, a prospective electronic bidder represents and warrants to the City and County that such bidder's bid for the purchase of the Series 2012 Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2012 Bonds. By registering via BIDCOMP/PARITY to bid for the Series 2012 Bonds, a prospective bidder is not obligated to submit a bid in connection with the sale.

Bids must be submitted electronically for the purchase of the Series 2012 Bonds by means of BIDCOMP/PARITY by 10:00 a.m., (Mountain Daylight Savings Time), on Tuesday, July 24, 2012. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on BIDCOMP/PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Series 2012 Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via BIDCOMP/PARITY, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

Each prospective bidder shall be solely responsible to register to bid via BIDCOMP/PARITY as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BIDCOMP/PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City and County nor the Financial Advisor shall have any duty or be obligated to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City and County nor the Financial Advisor shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. The City and County is using BIDCOMP/PARITY as communication mechanisms, and not as the City and County's agents, to conduct the electronic bidding for the Series 2012 Bonds.

Each bidder is required to transmit electronically via BIDCOMP/PARITY an unconditional bid specifying the lowest rate or rates of interest and the premium or discount, as applicable, at which the bidder will purchase all of the Series 2012 Bonds. Each bid must be for all of the Series 2012 Bonds herein offered for sale.

Further information about BIDCOMP/PARITY, including any fees charged, may be obtained from such respective entity as follows: Bidcomp/Parity, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 404-8153; fax (212) 849-5021.

For further information about BIDCOMP/PARITY potential bidders may contact the City and County's Financial Advisor RBC Capital Markets, LLC, Denver, Colorado, (the "Financial Advisor") at 303-595-1200 or BIDCOMP/PARITY at 212-849-5021. **Neither the City and County, the Financial Advisor nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted through BIDCOMP/PARITY by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines or any other cause arising from delivery through BIDCOMP/PARITY.**

Form of Bid: Prospective bidders shall bid on all the Series 2012 Bonds. Bids must be submitted electronically via BIDCOMP/PARITY. Prospective bidders must submit their bids through electronic means. The aggregate purchase price for the Series 2012 Bonds must not be less than 100% nor greater than 110% of the aggregate principal amount of the Series 2012 Bonds. The net effective interest rate on the Series 2012 Bonds shall not exceed five percent (5.00%). "Net effective interest rate" means the net interest cost of the Series 2012 Bonds divided by the sum of the products derived by multiplying the principal amounts of the Series 2012 Bonds maturing on each maturity date by the number of years from their date to their respective maturities. The net effective interest rate shall be computed without regard to any option of redemption prior to the designated maturity dates of the Series 2012 Bonds. "Net interest cost" means the total amount of interest to accrue on the Series 2012 Bonds from their dates to their respective maturities, less the amount of any premium above par, or plus the amount of any discount below par, at which the Series 2012 Bonds are being sold. The net interest cost shall be computed without regard to any option of redemption prior to the designated maturity dates of the Series 2012 Bonds.

Award: The City Council of the City and County will meet in regular session on July 24, 2012 to award the Series 2012 Bonds or to reject any and all bids for the purchase thereof. The Series 2012 Bonds, subject to the limitations set forth herein, will be sold to the responsible bidder making the best bid therefor, which bid will be determined based on the true interest cost of the bid. True interest cost is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds to their purchase date. True interest cost for each bid (expressed as an annual interest rate) will be determined as being twice the discount rate (calculated to the delivery date of the Series 2012 Bonds), which when applied against each semiannual debt service payment (interest, principal, or any combination thereof, due in accordance with the Preliminary Schedule of Maturities and Principal Amounts (as defined herein) will cause the sum of such discounted semiannual payments to be equal to the bid price inclusive of accrued interest. For the

purpose of determining the true interest cost of Term Bonds, such Series 2012 Bonds will be deemed to mature on December 1 in each of the years as set forth in the Preliminary Schedule of Maturities and Principal Amounts.

The purchase price of the Series 2012 Bonds will be computed by taking the adjusted par amount of the Series 2012 Bonds and: (i) adding the aggregate net original issue premium, as applicable, computed based on the adjusted par amount of each maturity of the Series 2012 Bonds and the prices stipulated by the successful bidder, and (ii) subtracting the underwriter's discount calculated as a percentage of the adjusted par amount of the Series 2012 Bonds, where the percentage value of the underwriter's discount equals the difference between the aggregate reoffering amount to the public of the preliminary maturities based on the reoffering prices stipulated in the bid and the actual dollar amount bid (both calculated exclusive of accrued interest) as a percentage of the preliminary aggregate principal amount of the Series 2012 Bonds. The Series 2012 Bonds of each maturity, as so adjusted, will bear interest at the same rate and must have the same initial reoffering yield as initially stipulated for that maturity by the successful bidder upon award of the Series 2012 Bonds. However, the award will be made to the bidder whose bid produces the lowest true interest cost to the City and County, as described above, solely on the basis of the Series 2012 Bonds offered, without taking into account any adjustment made pursuant to this paragraph.

If there are two (2) or more equal bids for the issue and such equal bids are the best bids received, the City Council will draw lots to determine which bid will be accepted.

Interest Rate: Each Series 2012 Bond shall bear interest from its date to maturity at the interest rate stated in the Series 2012 Bond. Each interest rate specified must be stated in a multiple of one-eighth (1/8th) or one-twentieth (1/20th) of one percent (1%) per annum, i.e., the rate of interest per annum accruing on any Series 2012 Bond may not exceed the rate of interest per annum accruing on any other Series 2012 Bond by more than four percent (4.00%). Subject to the above, it is permissible to bid different interest rates for the Series 2012 Bonds as stated in the bid, except that all Series 2012 Bonds of the same maturity shall bear the same interest rate. Supplemental coupons will not be permitted. The aggregate purchase price for the Series 2012 must not be less than 100% nor greater than 110% of the aggregate principal amount of the Series 2012 Bonds.

City and County's Reserved Rights: The City and County is not legally required to sell the Series 2012 Bonds by competitive bidding, and no bidder or prospective bidder shall acquire any right by virtue of the terms set forth in this Notice of Sale. The City and County reserves the right to reject any and all bids for the purchase of the Series 2012 Bonds. If all of the bids exceed 5.00%, the City and County reserves the right to negotiate with the bidder whose bid exceeds 5.00% by the least amount. The City and County reserves the right to waive any irregularity or informality in any bid, and the right to reject any and all bids for the purchase of the Series 2012 Bonds. The City and County may modify the aggregate principal amount of the Series 2012 Bonds and/or the principal amounts of each maturity of the Series 2012 Bonds.

Purpose: The Series 2012 Bonds are being issued for the purpose of currently refunding City of Broomfield, Colorado acting by and through its Sewer Enterprise, Sewer and Wastewater

Reclamation Revenue Bonds, Series 2001 (the "Series 2001 Bonds") and to pay costs of issuance of the Series 2012 Bonds.

Delivery and Payment: It is anticipated the Series 2012 Bonds will initially be issued in "book entry" form. The Depository Trust Company will act as securities depository for the Series 2012 Bonds. The purchaser will be required to apply to The Depository Trust Company for registration of the Series 2012 Bonds. The Series 2012 Bonds will be delivered on or about August 28, 2012. The successful bidder is required to make final payment for the Series 2012 Bonds in federal funds (funds available to the City and County on the same day in Denver, Colorado, for immediate reinvestment). A certified transcript of legal proceedings, and the approving opinion of Bond Counsel, Hahn, Smith, Walsh & Mancuso, P.C., Denver, Colorado will be furnished at no expense to the initial purchaser of the Series 2012 Bonds. CUSIP numbers will be affixed to the Bonds, but the printing of incorrect CUSIP numbers or the failure to print the CUSIP numbers on the Series 2012 Bonds shall not constitute cause for the initial purchaser of the Series 2012 Bonds to refuse delivery of the Series 2012 Bonds. All expenses and charges for CUSIP numbers and charges of the CUSIP Bureau shall be paid by the Purchaser.

No Good Faith Deposits. A good faith deposit will not be required in connection with the submission of any bids for the Series 2012 Bonds nor will a good faith deposit be required for winning bidders.

Legal Opinion: Bids shall be conditioned upon receipt of the approving legal opinion of Hahn, Smith, Walsh, & Mancuso, P.C., Bond Counsel, but must in any and all other respects be unconditional.

Maturity Schedule: The Series 2012 Bonds shall mature serially on December 1, of each year (the "Preliminary Schedule of Maturities and Principal Amounts"), as follows:

Maturity (December 1)	Principal Amount
2012	\$2,070,000
2013	1,955,000
2014	2,000,000
2015	2,040,000
2016	2,105,000
2017	2,170,000
2018	2,550,000
2019	2,665,000
2020	2,780,000
2021	2,900,000
2022	1,580,000
2023	1,665,000
2024	1,755,000
2025	1,845,000
2026	1,945,000
2027	2,055,000
2028	2,165,000
2029	2,285,000
2030	2,410,000
2031	2,540,000

The principal amounts set forth in the Preliminary Schedule of Maturities and Principal Amounts above reflect estimates of the City and County and the Financial Advisor with respect to the likely interest rates of the winning bid and the likely premium to be specified in the winning bid. The City and County reserves the right, within its sole discretion, to decrease, in authorized denominations, the aggregate principal amount of the Series 2012 Bonds as a whole by up to ten percent (10%), by increasing or decreasing without limitation the amount due in any one or more of the stipulated preliminary maturities or sinking fund installments, to reflect the actual interest rates and premium in the winning bid, to create more level debt service and/or to accommodate certain other sizing requirements or preferences of the City and County. In the event of any such adjustments for any reason, no rebidding will be permitted and no recalculation of bids will be made.

The actual dollar amount bid for the Series 2012 Bonds by the successful bidder may also be adjusted, if applicable, to reflect the effect of one or more of the foregoing adjustments made in the amortization schedule for the Series 2012 Bonds. Any bid amount that is so adjusted may reflect changes in the dollar amount of original issue discount or premium, if any, bid for particular maturities or sinking fund installments but will not change the overall percentage of underwriter's discount or premium provided in such bid for the Series 2012 Bonds as a whole.

Optional Redemption: The Series 2012 Bonds maturing December 1, 2023, and thereafter are subject to redemption prior to maturity, as a whole or in part, at the option of the City and

County, selected as to maturity by the City and County, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2022 and thereafter at par plus accrued interest to the redemption date

Tax Exclusion: In the opinion of Bond Counsel, subject to compliance by the City and County with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2012 Bonds, including original issue discount properly allocable to the owners of the Series 2012 Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest and such original issue discount are taken into account in determining adjusted current earnings. To the extent interest on the Series 2012 Bonds, including original issue discount properly allocable to the owners of the Series 2012 Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, such interest and such original issue discount are not subject to income taxation by the State of Colorado.

Disclosure Certificate: The City and County shall deliver a certificate, executed by appropriate officers of the City and County acting in their official capacities, substantially to the effect that as of the time of the sale of the Series 2012 Bonds and at all times subsequent thereto up to and including the time of delivery of the Series 2012 Bonds, the Official Statement relating to the Series 2012 Bonds, including any supplements or amendments thereto, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Offering Price and Yields: On July 24, 2012, the successful bidder shall notify the City and County in writing of:

(a) the initial offering price of the Series 2012 Bonds to the public (excluding bond brokers and other intermediaries) at which a substantial portion of the Series 2012 Bonds of each maturity are sold; and

(b) the initial offering yield for each maturity of the Series 2012 Bonds in a stated percentage of the City and County's use in making any necessary arbitrage bond investment yield calculations for federal income tax purposes.

In addition, prior to delivery of the Series 2012 Bonds to the successful bidder, the successful bidder will be required to sign and deliver a certificate to the City and County, in form and substance required by Bond Counsel, with respect to the public offering price and yield of the Series 2012 Bonds and the total compensation received and profit realized by the successful bidder in connection with its purchase and any sale of the Series 2012 Bonds.

Rule 15c2-12 Compliance: The Preliminary Official Statement has been deemed final as of its date, except for the omission of information permitted to be omitted under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule").

To enable the successful bidder to comply with the Rule, after the award of the Series 2012 Bonds and within seven business days following receipt by the City and County of written advice from the successful bidder of the full name or names of the successful bidder (if the same cannot be readily ascertained from the bid form submitted thereby), the offering prices of the Series 2012 Bonds and the amount of selling compensation realized, the City and County will furnish thereto in reasonable quantities as requested, copies of the final Official Statement with respect to the Series 2012 Bonds. Failure by the successful bidder to provide (or delay by the successful bidder in providing) such information will prevent the City and County from furnishing such Official Statement as described above, and the City and County shall not be responsible or liable in any manner for the accuracy of the information provided by the successful bidder or failure to furnish such Official Statement as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified.

In connection with the issuance of the Series 2012 Bonds, the City and County will deliver a Continuing Disclosure Undertaking (the "Undertaking") in which it will agree to provide certain financial information and operating data and to provide notice of certain enumerated events set forth in the Rule.

Additional Information: Additional information concerning the City and County and this issue can be obtained from the Finance Director, George Di Ciero City and County Building, One DesCombes Drive, Broomfield, Colorado 80020, telephone number 303-438-6313. The Preliminary Official Statement, the Notice of Sale, and other information with respect to the Bonds, may be obtained from: (1) RBC Capital Markets, the City and County's Financial Advisor, RBC Capital Markets, LLC, Denver, Colorado 80202, telephone number 303-595-1200, or (2) the Finance Director.

BY ORDER OF THE CITY COUNCIL OF THE CITY AND COUNTY OF BROOMFIELD, this 26th day of June, 2012.

CITY AND COUNTY
OF BROOMFIELD, COLORADO

/s/ Patricia J. Soderberg

Finance Director

PURCHASER'S CERTIFICATE

\$43,480,000*

**CITY AND COUNTY OF BROOMFIELD, COLORADO
ACTING BY AND THROUGH ITS SEWER ACTIVITY ENTERPRISE
SEWER AND WASTEWATER RECLAMATION REVENUE
REFUNDING BONDS
SERIES 2012**

July 24, 2012

City and County of Broomfield
Patricia J. Soderberg, Finance Director
One DesCombes Drive
Broomfield, Colorado 80020

Ladies and Gentlemen:

Subject to the provisions of and in accordance with the terms of the Notice of Sale, approved on June 26, 2012 of the City and County of Broomfield, Colorado (the "City and County") for its Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), which is incorporated herein and hereby made a part hereof:

We have agreed to purchase all, but not less than all, of the \$_____ * aggregate principal amount of the Series 2012 Bonds described in the Notice of Sale and to pay therefor the amount of \$_____, constituting _____% of the aggregate principal amount of the Series 2012 Bonds. This offer is for the Series 2012 Bonds bearing interest at the rates and in the form of serial Bonds as follows:

Maturity (December 1)	Principal* Amount	Interest Rate	Yield
2012	\$2,070,000		
2013	1,955,000		
2014	2,000,000		
2015	2,040,000		
2016	2,105,000		
2017	2,170,000		
2018	2,550,000		
2019	2,665,000		
2020	2,780,000		
2021	2,900,000		
2022	1,580,000		
2023	1,665,000		
2024	1,755,000		
2025	1,845,000		
2026	1,945,000		
2027	2,055,000		
2028	2,165,000		
2029	2,285,000		
2030	2,410,000		
2031	2,540,000		

Our calculation, made as provided in the Notice of Sale, but not constituting any part of the foregoing, of the true interest cost to the City and County for the Series 2012 Bonds is _____%. True interest cost shall be calculated as set forth in the Notice of Sale.

We acknowledge and agree that, the City and County may modify the aggregate principal amount of the Series 2012 Bonds and/or the principal amounts of each maturity of the Series 2012 Bonds, subject to the limitations set forth in the Notice of Sale.

We further acknowledge and agree that in the event that any adjustments are made to the principal amount of the Series 2012 Bonds, we agree to purchase all of the Bonds, taking into account such adjustments.

We will (a) within one hour after being notified of the award of the Series 2012 Bonds, advise the City and County of the initial public offering prices of the Series 2012 Bonds and (b) timely furnish the additional information described under the caption "Offering Price and Yields" in the Notice of Sale.

We agree to provide to the City and County as soon as possible after the sale of the Series 2012 Bonds a complete list of syndicate members, the actual allocation of the Series 2012 Bonds and the orders placed by the syndicate members.

We have noted that payment of the purchase price is to be made in immediately available funds at the time of delivery of the Series 2012 Bonds.

We desire ____ copies (not exceeding 100) of the Official Statement for the Series 2012 Bonds (as provided in the Notice of Sale). We understand that we may obtain additional copies at our own expense.

The undersigned is duly authorized by all applicable laws, rules, regulations and corporate documents to make the representations contained herein.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2012.

[PURCHASER]

By _____
Title: _____

(names of account members are listed below).

ACCOUNT MEMBERS

OFFICIAL STATEMENT

\$43,480,000*

CITY AND COUNTY OF BROOMFIELD, COLORADO SEWER ACTIVITY ENTERPRISE SEWER AND WASTEWATER RECLAMATION REVENUE REFUNDING BONDS SERIES 2012

INTRODUCTION AND SUMMARY

This Official Statement, which includes its cover page and appendices, is furnished to prospective purchasers of \$43,480,000* City and County of Broomfield, Colorado Sewer Activity Enterprise, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds" or the "Bonds") issued by the City and County of Broomfield, Colorado (the "City and County"), acting by and through its Sewer Activity Enterprise (the "Sewer Enterprise"). The offering of the Series 2012 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2012 Bonds. Accordingly, prospective purchasers should read this entire Official Statement before making an investment decision. Additional information concerning the City and County, the Sewer Enterprise, the Series 2012 Bonds, and other aspects of this offering may be obtained from the Financial Advisor or the City and County at the addresses set forth in the section entitled "ADDITIONAL INFORMATION."

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page, is unauthorized.

The City and County of Broomfield

At the November 3, 1998 statewide election, Colorado voters approved an amendment to the Colorado Constitution creating the City and County of Broomfield (the "City and County"). On and after November 15, 2001, the City and County succeeded to all rights of the City of Broomfield, Colorado (the "City"). The City and County is part of the Denver metropolitan area and has an estimated 2011 population of 57,304. Located midway between Denver and Boulder, the City and County includes an area of approximately 33.58 square miles.

The City and County is strategically located at the heart of the high-tech growth area in the Denver Metropolitan area. It is situated 10 miles from Boulder and 12 miles from Denver, providing businesses and residents easy access to all of the Denver Metropolitan area services and transportation resources. The northwest quadrant of the Denver Metropolitan area, where Broomfield is located, has been the hub of high-tech employment in the area for the last 25 years. This high-tech growth can be attributed to the University of Colorado's Boulder campus, with its more than 32,000 under-graduate and graduate students providing the employment base for these

firms. Broomfield's Interlocken Advanced Technology Environment business park has become the destination of choice for several corporate and regional headquarters.

Broomfield offers 20 minute access to DIA via the Northwest Parkway, a full-service airport in the Rocky Mountain Metropolitan Airport, and a location central to the University of Colorado at Boulder, Colorado State University and Colorado School of Mines, as well as most of the 16 federal research facilities located within the state including the National Renewable Energy Laboratory. See "THE CITY AND COUNTY – General" and "APPENDIX C - The Local Economy."

The Sewer Enterprise

On March 26, 1996, pursuant to Article XX of the State Constitution, Chapter XVII of the Home Rule Charter of the City and, Section 37-45.1-101 et. seq., C.R.S., the City adopted Ordinance No. 1179, which created a Sewer Enterprise denominated the "City of Broomfield, Colorado Sewer Activity Enterprise" (the "Sewer Enterprise"). The City Council of the City and County is the governing body of the Sewer Enterprise. The Sewer Enterprise is authorized to finance sewer activities and issue bonds payable from its revenues. Revenues from sewer activities are deposited by the Sewer Enterprise in the "City and County of Broomfield, Colorado Sewer Enterprise Fund (the "Sewer Enterprise Fund"). The Sewer Enterprise is a government-owned business which shall not receive any annual revenue in grants from any Colorado state and local government. The Sewer Enterprise is not authorized to levy a tax which is subject to Section 20(4) of Article X of the State Constitution or any other general taxes.

The Sewer Enterprise has previously issued its City of Broomfield, Colorado Sewer Activity Enterprise, Sewer Revenue Bonds, Series 1998B (the "Series 1998B Bonds"), currently outstanding in the principal amount of \$1,605,000 that will be redeemed and paid from available funds of the Sewer Enterprise on December 1, 2012.

The Sewer Enterprise issued its Governmental Agency Bond (the "Governmental Agency Bond") to the Colorado Water Resources and Power Development Authority on December 5, 1996 that is currently outstanding in the principal amount of \$751,132 that will be redeemed and paid from available funds of the Sewer Enterprise on September 1, 2012.

The Water Reclamation Enterprise

On March 26, 1996, pursuant to Article XX of the State Constitution, Chapter XVII of the Home Rule Charter of the City and, Section 37-45.1-101 et. seq., C.R.S., the City adopted Ordinance No. 1180, which created a Water Reclamation Activity Enterprise denominated the "City of Broomfield, Colorado Water Reclamation Activity Enterprise" (the "Water Reclamation Enterprise"). The City Council of the City and County is the governing body of the Water Reclamation Enterprise. The Water Reclamation Enterprise is authorized to finance wastewater activities and issue bonds payable from its revenues. Revenues from wastewater activities are deposited by the Water Reclamation Enterprise in the "City and County of Broomfield, Colorado Water Reclamation Enterprise Fund (the "Water Reclamation Enterprise Fund"). The Water

Reclamation Enterprise is a government-owned business which shall not receive any annual revenue in grants from any Colorado state and local government. The Water Reclamation Enterprise is not authorized to levy a tax which is subject to Section 20(4) of Article X of the State Constitution or any other general taxes.

Intergovernmental Agreement

In connection with certain development agreements, the City previously entered into agreements to provide water, raw water or treated wastewater effluent or any combination thereof, to be solely determined by the City, to certain users for irrigation purposes. These agreements with four users provide that the users will pay a license fee and user fees in the amounts set forth therein. These agreements have been assigned to the Water Reclamation Enterprise. The City has adopted Ordinance No. 1549 (the "Reclaimed Wastewater Ordinance ") which allocates reclaimed wastewater for the general public and provides a wastewater license and service fees not greater than fifty-percent (50%) of the then-current potable water fees of the City and County. The Water Reclamation Enterprise has entered into an amended and restated intergovernmental agreement (the "Intergovernmental Agreement") with the Sewer Enterprise and the City and County of Broomfield, Colorado Water Activity Enterprise (the "Water Enterprise") which provides for the Water Reclamation Enterprise to pay its net revenues to the Sewer Enterprise, to be used to pay debt service on the Series 2012 Bonds. The Intergovernmental Agreement also allows the Water Enterprise to provide raw water to the Water Reclamation Enterprise if needed. See "WASTEWATER RECLAMATION SYSTEM- Reclaimed Wastewater Ordinance and Intergovernmental Agreement"

Authority for Issuance

The Series 2012 Bonds are being issued pursuant to an ordinance adopted by the City Council of the City and County (the "Council"), acting by and through its Sewer Enterprise prior to issuance of the Series 2012 Bonds (the "Series 2012 Bond Ordinance"), under authority granted by Article XX and Sections 10, 11, 12 and 13 of Article XX of the Constitution of the State of Colorado and the City and County's home rule charter (the "Charter"). See "APPENDIX A" for a summary of certain provisions of the Series 2012 Bond Ordinance.

Purpose

The Series 2012 Bonds are being issued for the purpose of currently refunding City of Broomfield, Colorado acting by and through its Sewer Enterprise, Sewer and Wastewater Reclamation Revenue Bonds, Series 2001 (the "Series 2001 Bonds") and to pay costs of issuance of the Series 2012 Bonds. See "THE SERIES 2012 BONDS - Use of Proceeds" and "THE REFUNDING PROJECT."

The Series 2012 Bonds

The Series 2012 Bonds will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will serve as securities depository for the Series 2012 Bonds. Ownership interests

in the Series 2012 Bonds ("Beneficial Ownership Interests"), in non-certificated book-entry only form and in denominations of \$5,000 and integral multiples thereof may be purchased by or through participants in the DTC system ("DTC Participants"). Beneficial Ownership Interests will be recorded in the name of the purchasers thereof ("Beneficial Owners") on the books of the DTC Participants from whom they are acquired, and will be governed as to payment, receipt of notices and other communications, prior redemption, transfers and various other matters with respect to the Series 2012 Bonds by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2012 BONDS" and "APPENDIX B - BOOK-ENTRY SYSTEM."

The Series 2012 Bonds will be dated, bear interest at the rates and mature on the dates set forth on the cover page and inside cover page hereof, subject to redemption prior to maturity as described in "THE SERIES 2012 BONDS – Prior Redemption." Interest on the Series 2012 Bonds (computed on the basis of a 360-day year of twelve 30-day months) will accrue from the date of the Series 2012 Bonds and will be payable commencing on December 1, 2012, and semiannually on each June 1 and December 1 thereafter.

UMB Bank, n.a., Denver, Colorado, will serve as the paying agent (the "Paying Agent") and the registrar (the "Registrar") for the Series 2012 Bonds unless it resigns or is replaced as discussed herein.

Security

The Series 2012 Bonds are special, limited obligations of the City and County, acting by and through its Sewer Enterprise payable from the Net Revenues of the Sewer System including investment income thereon, any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds deposited in the Series 2012 Debt Service Account as provided in the Series 2012 Bond Ordinance and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account (as defined herein) (the "Pledged Revenues"). The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds. See "THE SERIES 2012 BONDS--Security for the Series 2012 Bonds."

The Series 2012 Bonds shall never constitute or give rise to a general obligation of the City and County and no owner of Series 2012 Bonds may look to any source of funds other than the Pledged Revenues and for the payment of principal and interest on the Series 2012 Bonds. The Series 2012 Bonds do not constitute a general obligation of the City and County or a debt or indebtedness of the State and no owner of any Series 2012 Bond may look to any source of funds other than the Pledged Revenues for payment of debt service on the Series 2012 Bonds. See "THE SERIES 2012 BONDS--Security for the Series 2012 Bonds."

The Series 2012 Bonds constitute first and prior liens, but not necessarily exclusive liens on the Pledged Revenues. Additional bonds may be issued subordinate to or, subject to additional

express conditions in the Series 2012 Bond Ordinance, on a parity with the Series 2012 Bonds. See "THE SERIES 2012 BONDS--Security for the Series 2012 Bonds."

Series 2012 Reserve Fund

The Series 2012 Bonds are also secured by the Series 2012 Reserve Fund (as defined herein). The Series 2012 Reserve Fund will be funded initially from available funds of the City and County, acting by and through its Sewer Enterprise. See "THE SERIES 2012 BONDS-Sources and Use of Proceeds." The Series 2012 Reserve Fund is required to be funded in the amount of the Series 2012 Reserve Requirement. The City and County, acting by and through its Sewer Enterprise is required to restore any draws on the Series 2012 Reserve Fund to the Series 2012 Reserve Requirement with Pledged Revenues. Amounts in the Series 2012 Reserve Fund are required to be transferred to the Series 2012 Bond Principal Account and Series 2012 Bond Interest Account to prevent a default in the payment of the principal and interest on the Series 2012 Bonds. See "SECURITY FOR THE SERIES 2012 BONDS – Series 2012 Reserve Fund."

Series 2012 Supplemental Sewer Revenue Account

The Series 2012 Supplemental Sewer Revenue Account will be funded from: (i) accumulated Sewer License Fees annually in the amount not less than \$4,028,250 as determined by the Director of Finance; (ii) any Capital Charge added to the Sewer Service Charges by ordinance of the City and County; and (iii) any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds. The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds.

Flow of Funds

The City and County, acting by and through its Sewer Enterprise, shall credit to the Sewer Enterprise Fund (the "Sewer Enterprise Fund") all Gross Revenues immediately upon receipt and all amounts presently credited to the Sewer Enterprise Fund. The City and County, acting by and through its Sewer Enterprise, shall pay from the Sewer Enterprise Fund all Operating and Maintenance Expenses as they become due and payable. Net Revenues are Gross Revenues, less Operating and Maintenance Expenses. Net Revenues will thereafter be transferred to a fund within the Sewer Enterprise known as the Debt Service Fund (the "Pledged Revenues") and thereafter be transferred to Series 2012 Bonds Accounts and be used to pay principal of and interest on the Series 2012 Bonds, all as more particularly set forth in the Series 2012 Bond Ordinance. The Sewer Enterprise will fund the Series 2012 Reserve Fund to the Series 2012 Reserve Requirement with available funds of the Sewer Enterprise. The Series 2012 Bonds constitute first and prior liens, but not necessarily exclusive first liens on the Pledged Revenues. Obligations in addition to the Series 2012 Bonds may be issued and made payable from Pledged Revenues, having a lien thereon subordinate and junior to the lien of the Series 2012 Bonds of this issue, (including, without limitation, certain existing subordinate obligations described in the Series 2012 Bond Ordinance); or,

subject to expressed conditions, having a lien on the Pledged Revenues on a parity with the lien of the Series 2012 Bonds of this issue, in accordance with the provisions of the Series 2012 Bond Ordinance. See "THE SERIES 2012 BONDS - Security for the Bonds."

Prior Redemption

The Series 2012 Bonds maturing December 1, 2023, and thereafter are subject to redemption prior to maturity, as a whole or in part, at the option of the City and County, selected as to maturity by the City and County, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2022 and thereafter at par plus accrued interest to the redemption date. See "THE SERIES 2012 BONDS - Prior Redemption."

Series 2012 Bond Features

The denominations, registration and exchange features, payment and notice features are set forth under the headings "THE SERIES 2012 BONDS."

Tax Status

In the opinion of Bond Counsel, subject to compliance by the City and County of Broomfield, Colorado and its Sewer Enterprise with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest and such original issue discount are taken into account in determining adjusted current earnings. To the extent interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, such interest and such original issue discount are not subject to income taxation by the State of Colorado. See "LEGAL OPINION AND TAX MATTERS."

Continuing Disclosure

In connection with the issuance of the Series 2012 Bonds, the City and County, acting by and through its Sewer Enterprise, and the City and County will deliver a Continuing Disclosure Undertaking in which they will agree to provide annually certain financial information and operating data and to provide notice of certain material events. See "CONTINUING DISCLOSURE UNDERTAKING" and "APPENDIX F – FORM OF CONTINUING DISCLOSURE UNDERTAKING" for a description of the nature of the annual information and notices of material events to be provided and other terms of the Continuing Disclosure Undertaking. The City and County, acting by and through its Sewer Enterprise is in compliance with its previous Continuing Disclosure Undertakings, dated December 5, 1996, dated February 1, 1998 and August 15, 2001 entered into in connection with the Governmental Agency Bond, the Series 1998B Bonds and the Series 2001 Bonds.

Professional Services

The professional firms participating in the initial offering of the Series 2012 Bonds are as follows:

Financial Advisor: RBC Capital Markets, LLC
One Tabor Center
1200 Seventeenth Street
Suite 2150
Denver, Colorado 80202
303-595-1200

Certified Public Accountants: RubinBrown, LLP
1900 Sixteenth Street, Suite 300
Denver, Colorado 80202
Telephone: 303 698-1883

Registrar and Paying Agent: UMB Bank, n.a.
1970 Broadway
Denver, CO 80202
Telephone: 303-839-2220

Special Disclosure Counsel to City and County and Bond Counsel: Hahn, Smith, Walsh & Mancuso, P.C.
717 Seventeenth Street
Suite 1520
Denver, Colorado 80202
Telephone: 303-298-0221

Additional Information

Additional information concerning the City and County and the Series 2012 Bonds may be obtained from:

Finance Director
City and County of Broomfield
One DesCombes Drive
Broomfield, Colorado 80020
303-438-6357

Investment Considerations

Before making an investment decision prospective investors should read this entire Official Statement and should consider carefully all of the information contained herein, giving particular attention to the section entitled "SPECIAL FACTORS."

SPECIAL FACTORS

The purchase of the Series 2012 Bonds involves certain investment risks which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below which, among others, could affect the payment of the Series 2012 Bonds.

In addition to the other sources of security described in this Official Statement, prospective purchasers of the Series 2012 Bonds should consider carefully, along with the other matters referred to herein, the following factors associated with the purchase of the Series 2012 Bonds. Certain of such factors are set forth below.

Limited Obligations

The Series 2012 Bonds are special, limited obligations of the City and County, acting by and through its Sewer Enterprise, payable from Net Revenues, certain other revenues deposited in the Series 2012 Debt Service Account, including investment income, any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account which constitute the Pledged Revenues. See "REVENUES AVAILABLE FOR DEBT SERVICE." Neither the Series 2012 Bonds nor the interest thereon constitute a debt or indebtedness of the City and County, the State, or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or laws of the State or the City and County charter. See "THE SERIES 2012 BONDS--Security for the Series 2012 Bonds."

Sewer Revenues

Sewer Revenues are subject to fluctuations based on use and to an extent are dependent on one-time sewer tap fees, meter fees and license fees which in turn may be dependent on continued development within the City and County.

Intergovernmental Revenues

Intergovernmental Revenues from the Water Reclamation Enterprise are subject to fluctuations based on use and to an extent are dependent on one-time wastewater reclamation tap fees, meter fees and license fees which in turn may be dependent on continued development within the City.

Additional Bonds

The Series 2012 Bond Ordinance reserves the rights, subject to stated conditions, to issue, from time to time, one or more series of Parity Lien Bonds. The City and County, acting by and through its Sewer Enterprise, reserves the right to issue such bonds in the future. The City and County acting by

and through its Sewer Enterprise, may issue additional bonds for sewer projects. The issuance of additional Parity Lien Bonds may affect the security for the Series 2012 Bonds. See "APPENDIX A - Summary of Certain Provisions of the Series 2012 Bond Ordinance - Parity Lien Bonds." The City and County, acting by and through its Sewer Enterprise may also issue bonds having a lien on Pledged Revenues which is subordinate and junior to the lien thereon of the Series 2012 Bonds so long as no event of default under the Series 2012 Bond Ordinance shall have occurred and be continuing. The City and County, acting by and through its Sewer Enterprise, may issue subordinate obligations.

Water Use Efficiency and Conservation

The City and County lifted its mandatory watering restrictions in May, 2003, and does not anticipate any fall/winter watering restrictions. It has requested that Broomfield water customers voluntarily follow Broomfield's lead in reducing the water used in your homes and for irrigation purposes by at least 10%. Broomfield will continue its conservation efforts by reducing normal water use in parks, right-of-ways, and landscaped areas by at least 15%.

Broomfield has adopted Ordinance No. 450 that is codified in the Broomfield Municipal Code in Chapter 13-24 and provides penalties for misuse of treated water.

Broomfield adopted a local Water Conservation Plan in March 1996. All providers who annually supply over 2,000 acre-feet of water to retail customers are required to submit a water conservation plan to the State Office of Water Conservation in accordance with the Colorado Water Conservation Act of 2004. In order to satisfy the more stringent requirements set forth in the Colorado Water Conservation Act of 2004, Broomfield is in the process of updating its Water Conservation Plan and will submit it to the Colorado Water Conservation Board for approval.

Watering Conservation Program

Pursuant to the provisions of the Treated Water Lease Agreement between the City and County and the Denver Water Department further described in "THE WATER SYSTEM – Water System Facilities", if the Denver Water Board imposes mandatory watering restrictions, the City and County must design a water restriction plan that results in a 30% reduction in the amount of water delivered from Denver. The City and County and its Water Enterprise do not believe that the watering conservation program will have a material adverse effect on revenues of the City and County and its Water Enterprise

Water Quality Violations and Environmental Regulations

The principal law governing drinking water safety in the United States is the Safe Drinking Water Act ("SDWA"). Enacted initially in 1974, the SDWA authorizes the U.S. Environmental Protection Agency ("USEPA") to establish comprehensive national drinking water regulations to ensure drinking water safety. Drinking water regulations are issued by a regulatory agency under the authority of federal, state or local laws. These regulations established by the USEPA typically require water utilities to meet specified water quality standards. Regulations also require that certain monitoring be conducted, that specified treatment be applied, and that suppliers submit reports to

document that the regulations are being met. These regulations could result in increased cost associated with the water treatment operations of the City and County and the Water Enterprise. The Colorado Department of Public Health and Environment requires all public water systems to inform consumers about their water sources, water treatment processes, and levels of regulated contaminants in drinking water distributed to consumers during each calendar year. As provided in the City and County's 2010 Annual Water Quality Report, during 2010, as in years past, the tap water met or surpassed all EPA and Colorado health standards for drinking water. The Report states that the Water System has never violated a maximum contaminant level or any other regulatory requirement. Although some regulated contaminants were detected, the levels were far below the health-protection limits established by the EPA.

The Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, requires every state to establish water quality standards acceptable under that Act and the Environmental Protection Agency ("EPA") regulations thereunder. Colorado's water quality standards are found in the Colorado Water Quality Control act, C.R.S. '25-8-101, et seq., as amended, and the regulations promulgated thereunder. Each stream is classified according to the uses for which it is presently suitable and the uses for which the stream is intended to become suitable under state environmental goals. These beneficial uses include public water supply, domestic, agricultural, industrial and recreational uses, and the reasonable protection of aquatic life. Water quality standards for each stream vary according to the stream classification. Although the State of Colorado Water Quality Control Commission (the "WQCC") may establish different classifications or standard, these are subject to EPA approval. At the present time, EPA has indicated that the WQCC should not consider economic reasonableness in certain stream classifications and standard-setting actions. As a result of this uncertainty as well as general uncertainties concerning changes in water pollution control statutes and regulations, more stringent stream standards could be imposed in the future, with concomitant mandates for additional construction by the City and County to accomplish higher level of treatment. The wastewater treatment maximizes flexibility to accommodate unforeseeable future treatment requirements with a minimum of additional construction.

Colorado's water quality standards are enforced through a permit system. Every source which discharges or may discharge pollutants which will affect state waters, such as the City's System, is required to obtain a National Pollutant Discharge Elimination System (N.P.D.E.S.) permit, obtained by application to the WQCC. Water quality standards are integrated into the discharge permit. The standard will vary according to the classification of the stream segment affected by the discharges. Therefore, changes in standards and classifications may affect the degree of treatment of the City and County's effluent required before it is discharged into the waters of the South Platte River basin.

The City's N.P.D.E.S. permit relating to the Wastewater System was issued on February 25, 2010 and expires on March 31, 2015. The N.P.D.E.S. permit requires that the City take specific actions at designated times for compliance with the secondary treatment provisions of the Clean Water Act (wastewater treatment plant design and construction), reduction of infiltration and inflow, development of a sludge disposal plan, and pretreatment program development. The City is currently in compliance with all requirements of its N.P.D.E.S. permit relating to the System.

Section 20 of the Colorado Constitution

Article X, Section 20 of the Colorado Constitution ("Section 20") was approved on November 3, 1992, by the electorate of the State of Colorado. Under Section 20, an enterprise is defined as a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado State and local governments combined. An enterprise is not subject to the provisions of Section 20, including the provisions for voter approval for creation of multiple fiscal year debt. The Series 2012 Bonds do not have prior voter approval. The Sewer Enterprise has been created in order to qualify as an enterprise under Section 20, however, the status of the Sewer Enterprise as an enterprise has not been adjudicated in a court proceeding.

The Constitutional Amendment creating the City and County provides that the City and County is the successor entity of the City and that any voter approval granted the City prior to November 15, 2001, shall be considered voter approval for the City and County under Section 20. It also provides that the City and County's charter provisions and procedures shall supersede any constitutional or statutory limitations regarding financial obligations.

Future Changes in Laws

Various Colorado laws and constitutional provisions apply to the imposition, collection and expenditure of City and County and Sewer Enterprise revenues and the operation of the Sewer System. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and County and the Sewer Enterprise and the imposition, collection and expenditure of City and County and Sewer Enterprise revenues.

THE SERIES 2012 BONDS

General

The Series 2012 Bonds will be issued pursuant to the Series 2012 Bond Ordinance, will be dated the date of delivery, will bear interest and will mature as set forth on the inside cover page of the Official Statement. The Series 2012 Bonds will be issued by the City and County, acting by and through its Sewer Enterprise in fully registered form and will initially be registered in the name of "Cede & Co.," as nominee, for The Depository Trust Company, as securities depository for the Series 2012 Bonds (the "Depository"). Purchases by Beneficial Owners of the Series 2012 Bonds ("Beneficial Owners") are to be made in book-entry form only in denominations of \$5,000 or integral multiples. Payments to Beneficial Owners are to be made as described below under "Book-Entry Form." Principal of each Series 2012 Bond will be payable upon maturity thereof. If payment of the principal of any Series 2012 Bond is not made at or after maturity, interest on such Series 2012 Bond shall continue at the same rate per annum until the principal of such Series 2012 Bond is paid in full. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent.

Sources and Use of Proceeds

The source of funds and the estimated application thereof are as follows:

Sources of Funds	Series 2012 Bonds*
Bond Proceeds	
Par Amount	\$43,480,000*
Premium	
Existing Available Funds	
TOTAL SOURCES OF FUNDS	*
Uses of Funds	
Refunding Escrow Deposits	
Cash Deposit	
Series 2012 Reserve Fund	
Costs of Issuance	
TOTAL USES OF FUNDS	*

*Preliminary; subject to change

The Refunding Project

General. The proceeds of the Bonds will be used to currently refund the Series 2001 Bonds (the "Refunded Bonds"). In order to accomplish the Refunding Project, the City and County, acting by and through its Sewer Enterprise will deposit the Bond proceeds, together with other available moneys, with the Escrow Bank pursuant to the Escrow Agreement. The amount to be deposited with the Escrow Bank will be invested in federal securities maturing at such times and in such amounts as required to provide funds sufficient to pay: (i) the principal of the Series 2001 Bonds as it becomes due upon prior redemption on August 14, 2012, the Series 2001 Bonds Redemption Date; and (ii) a redemption premium of 100.5% of the principal amount of Series 2001 Bonds so redeemed

The Series 1998B Bonds currently outstanding in the principal amount of \$1,605,000 will be redeemed and paid from available funds of the Sewer Enterprise on December 1, 2012.

The Governmental Agency Bond currently outstanding in the principal amount of \$751,132 will be redeemed and paid from available funds of the Sewer Enterprise on September 1, 2012.

Security for the Series 2012 Bonds

Special Obligations. The Series 2012 Bonds are payable solely from and secured by the Pledged Revenues (as defined herein), including a first and prior lien, but not necessarily an exclusively first lien on the Pledged Revenues including investment income in the manner and subject to the limitations more fully described in Series 2012 Bond Ordinance all to the extent such moneys are at any time required by Series 2012 Bond Ordinance to be deposited into and held in the "City of Broomfield, Colorado, Debt Service Fund" (the "Debt Service Fund") created under the Series 2012 Bond Ordinance and also from any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds. See "REVENUES AVAILABLE FOR DEBT SERVICE." The Debt Service Fund includes the "Series 2012 Bond Accounts." The Series 2012 Bond Accounts are the "City and County of Broomfield, Colorado, Sewer Revenue Refunding Bonds, Series 2012 Bond Interest Account and Series 2012 Bond Principal Account" created by the Series 2012 Bond Ordinance as accounts within the Debt Service Fund created under the Series 2012 Bond Ordinance for the purpose of paying the principal of, premium, if any, and interest on the Series 2012 Bonds, and any authorized and issued by the City and County, acting by and through its Sewer Enterprise which are payable from the Pledged Revenues, and which have a lien on such revenues on a parity with the lien of the Series 2012 Bonds. .

Pledged Revenues do not include amounts in or required to be paid into the Series 2012 Rebate Account or any similar account for Parity Lien Bonds.

The City and County, acting by and through its Sewer Enterprise, covenants in the Series 2012 Bond Ordinance to deposit the Pledged Revenues in the Debt Service Fund as provided in the Series 2012 Bond Ordinance. The City and County, acting by and through its Sewer Enterprise may deposit additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds deposited in the Series 2012 Debt Service Account as provided in the Series 2012 Bond Ordinance and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account.

The policy of the City and County, acting by and through its Sewer Enterprise, as set forth in its budgets, including its 2008, 2009, 2010, 2011 and 2012 Budgets and in its Long Range Financial Plan Update approved on July 28, 2009, is to maintain fund balances equal to three year's debt service expenditures, including debt service on the Series 2012 Bonds. In addition, the policy is to maintain operating reserves for the Sewer Enterprise at a minimum of 10%, with a goal of 16.67% (or two months) of operating expenditures. The primary purpose of the reserves is to protect essential service programs and funding requirements during periods of economic downturn or other unforeseen catastrophic costs. The City Council of the City and County, acting by and through its Sewer Enterprise, is required to approve expending any reserves.

The reserve fund balance of three year's debt expenditures does not constitute Pledged Revenues and is not pledged to payment of the Series 2012 Bonds, however Pledged Revenues does include any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds and the

Series 2012 Supplemental Sewer Revenue Account. The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds.

Neither the Series 2012 Bonds nor the interest thereon constitute a debt or indebtedness of the City and County, the Sewer Enterprise, the State, nor any political subdivision thereof within the meaning of any provision or limitation of the Constitution or laws of the State or the City and County Charter. The Series 2012 Bonds are not general obligations of the City and County, and do not constitute a lien on any properties owned by or located within the boundaries of the City and County. The owners of Series 2012 Bonds do not have the right to require or compel the exercise of the ad valorem property taxing power of the City and County or of any other taxing entity for payment of the principal of or interest on the Series 2012 Bonds. The owners of the Series 2012 Bonds may not look to the City and County's general fund (the "General Fund") or any other fund of the City and County (other than those pledged) for payment of the Series 2012 Bonds. Therefore, the security for the punctual payment of the principal of and interest on the Series 2012 Bonds is dependent on the generation of Pledged Revenues in an amount sufficient to meet debt service requirements on the Series 2012 Bonds.

Series 2012 Reserve Fund. The Series 2012 Bonds are also secured by the Series 2012 Reserve Fund (as defined herein). The Series 2012 Reserve Fund will be funded initially with available funds of the Sewer Enterprise. See "THE SERIES 2012 BONDS-Sources and Use of Proceeds." The Series 2012 Reserve Fund is required to be funded in the amount of the Series 2012 Reserve Requirement. The City and County, acting by and through its Sewer Enterprise is required to restore any draws on the Series 2012 Reserve Fund to the Series 2012 Reserve Requirement with Pledged Revenues. Amounts in the Series 2012 Reserve Fund are required to be transferred to the Series 2012 Bond Principal Account and Series 2012 Bond Interest Account to prevent a default in the payment of the principal and interest on the Series 2012 Bonds. See "SECURITY FOR THE SERIES 2012 BONDS – Series 2012 Reserve Fund."

The Series 2012 Reserve Fund will be funded with available funds of the Sewer Enterprise in an amount equal to the least of ten percent (10%) of the stated principal amount of the Series 2012 Bonds, or maximum annual debt service on the Series 2012 Bonds or 125% of average annual debt service the Series 2012 Bonds (the "Series 2012 Reserve Requirement"). The City and County, acting by and through its Sewer Enterprise, may substitute or otherwise utilize an insurance policy, surety bond, letter or line of credit, or similar instrument, the issuer or provider of which is, at the time such utilization commences, rated in the highest rating category by A.M. Best & Company, Standard & Poor's Corporation or Moody's Investors Service, Inc. (the "Series 2012 Reserve Fund Credit Facility") to substitute for the funds in the Series 2012 Reserve Fund. The moneys in the Series 2012 Reserve Fund in the amount of the Series 2012 Reserve Requirement will be maintained as a continuing reserve to be used (except as provided below with respect to investment income thereon and deposits into Series 2012 Rebate Accounts), only to prevent deficiencies in the payment of the principal of and the interest on the Series 2012 Bonds.

Series 2012 Supplemental Sewer Revenue Account

The Series 2012 Supplemental Sewer Revenue Account will be funded from: (i) accumulated Sewer License Fees annually in the amount not less than \$4,028,250 as determined by the Director of Finance; (ii) any Capital Charge added to the Sewer Service Charges by ordinance of the City and County; and (iii) any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds.

Prior Redemption

Optional Redemption The Series 2012 Bonds maturing December 1, 2023, and thereafter are subject to redemption prior to maturity, as a whole or in part, at the option of the City and County, selected as to maturity by the City and County, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2022 and thereafter at par plus accrued interest to the redemption date.

Additional Bonds

The Series 2012 Bond Ordinance reserves the rights, subject to stated conditions, to issue, from time to time, one or more series of Parity Lien Bonds. The City and County, acting by and through its Sewer Enterprise, reserves the right to issue such bonds in the future. The City and County acting by and through its Sewer Enterprise may issue additional bonds for sewer projects. The issuance of additional Parity Lien Bonds may affect the security for the Series 2012 Bonds. See "APPENDIX A - Summary of Certain Provisions of the Series 2012 Bond Ordinance - Parity Lien Bonds." The City and County, acting by and through its Sewer Enterprise may also issue bonds having a lien on Pledged Revenues which is subordinate and junior to the lien thereon of the Series 2012 Bonds so long as no event of default under the Series 2012 Bond Ordinance shall have occurred and be continuing. The City and County, acting by and through its Sewer Enterprise, may issue subordinate obligations.

Resignation or Replacement of Paying Agent

The Paying Agent may resign on thirty (30) days prior written notice to the City and County, acting by and through its Sewer Enterprise provided that no such resignation shall be effective until a successor Paying Agent is appointed. The City and County, acting by and through its Sewer Enterprise at any time may reasonably determine that the Paying Agent is incapable of fulfilling its duties and may remove it upon thirty (30) days prior written notice. If the Paying Agent initially appointed resigns, or is removed by the City and County acting by and through its Sewer Enterprise, the City and County may acting by and through its Sewer Enterprise, upon notice mailed to the Depository, appoint a successor to such Paying Agent.

Book-Entry Only System

The Global Bonds. The Series 2012 Bonds will be issued in fully-registered form without interest coupons. The Series 2012 Bonds will be represented by one or more permanent global certificates (each a "Global Bond") and will be deposited with the Paying Agent, as custodian for, and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The interests of Beneficial Owners in the Global Bonds will be represented through financial institutions acting on their behalf as direct or indirect participants of DTC.

DTC. The Series 2012 Bonds will be issued only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for DTC. DTC will act as securities depository for the Bonds. The Series 2012 Bonds will be available only in book-entry form in the principal amount of \$5,000 or integral multiples thereof. DTC will act as the initial securities depository for the Series 2012 Bonds. The ownership of one fully registered Series 2012 Bond for each maturity, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2012 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the City and County, acting by and through its Sewer Enterprise nor the Paying Agent will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the Beneficial Owners as further described in APPENDIX B.

ESTIMATED DEBT SERVICE REQUIREMENTS

Set forth below is a summary of the estimated debt service requirements of the Series 2012 Bonds.

DATE	PRINCIPAL	INTEREST	TOTAL
December 1, 2012			
June 1, 2013			
December 1, 2013			
June 1, 2014			
December 1, 2014			
June 1, 2015			
December 1, 2015			
June 1, 2016			
December 1, 2016			
June 1, 2017			
December 1, 2017			
June 1, 2018			
December 1, 2018			
June 1, 2019			
December 1, 2019			
June 1, 2020			
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December 1, 2025			
June 1, 2026			
December 1, 2026			
June 1, 2027			
December 1, 2027			
June 1, 2028			
December 1, 2028			
June 1, 2029			
December 1, 2029			
June 1, 2030			
December 1, 2030			
June 1, 2031			
December 1, 2031			
<hr style="width: 20%; margin-left: 0;"/>			
TOTAL	\$*43,480,000.00		

¹ See the inside cover of this Official Statement for the interest rates on the Series 2012 Bonds.

*Preliminary; subject to change

SECURITY FOR THE SERIES 2012 BONDS

General

The Series 2012 Bonds are payable from Pledged Revenues. The Series 2012 Bonds are and will be and limited revenue obligations of the City and County, acting by and through its Sewer Enterprise equally secured by an irrevocable pledge of, and payable as to principal of, premium, if any, and interest from Pledged Revenues, without priority for number, date of sale, date of execution, or date of delivery. In no event will the principal of, premium, if any, or interest on the Series 2012 Bonds be payable out of any funds or properties other than the Pledged Revenues.

The Series 2012 Bonds are payable solely from and secured by Pledged Revenues, including a first and prior lien, but not necessarily an exclusively first lien on the Pledged Revenues including investment income in the manner and subject to the limitations more fully described in the Series 2012 Bond Ordinance all to the extent such moneys are at any time required by the Series 2012 Bond Ordinance to be deposited into and held in the Debt Service Fund and also from any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds. As used above, "Series 2012 Bond Accounts" means the "City and County of Broomfield, Colorado, Sewer Revenue Refunding Bonds, Series 2012 Bond Interest Account and Series 2012 Bond Principal Account" created by the Series 2012 Bond Ordinance as an account within the "City and County of Broomfield, Colorado, Debt Service Fund" (the "Debt Service Fund") created under the Series 2012 Bond Ordinance for the purpose of paying the principal of, premium, if any, and interest on the Series 2012 Bonds, and any additional bonds authorized and issued by the City and County, acting by and through its Sewer Enterprise which are payable from the Pledged Revenues, and which have a lien on such revenues on a parity with the lien of the Series 2012 Bonds.

Pledged Revenues do not include amounts in or required to be paid into the Series 2012 Rebate Account or any similar account for Parity Lien Bonds.

The City and County, acting by and through its Sewer Enterprise, covenants in the Series 2012 Bond Ordinance, to deposit Net Revenues in the Debt Service Fund (the "Pledged Revenues") as provided in the Series 2012 Bond Ordinance. The Series 2012 Supplemental Sewer Revenue Account will be funded from: (i) accumulated Sewer License Fees annually in the amount not less than \$4,028,250_ as determined by the Director of Finance; (ii) any Capital Charge added to the Sewer Service Charges by ordinance of the City and County; and (iii) any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds. The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds.

The policy of the City and County, acting by and through its Sewer Enterprise, as set forth in its budgets, including its 2008, 2009, 2010, 2011 and 2012 Budgets and in its Long Range Financial Plan Update approved on July 28, 2009, is to maintain fund balances equal to three year's debt service expenditures, including debt service on the Series 2000 Bonds, the Series 2002 Bonds and the Series 2012 Bonds. In addition, the policy is to maintain operating reserves for the Sewer Enterprise at a minimum of 10%, with a goal of 16.67% (or two months) of operating expenditures. The primary purpose of the reserves is to protect essential service programs and funding requirements during periods of economic downturn or other unforeseen catastrophic costs. The City Council of the City and County, acting by and through its Sewer Enterprise, is required to approve expending any reserves. The reserve fund balance of three year's debt expenditures does not constitute Pledged Revenues and is not pledged to payment of the Series 2012 Bonds, however Pledged Revenues does include any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds.

Neither the Series 2012 Bonds nor the interest thereon constitute a debt or indebtedness of the City and County, the Sewer Enterprise, the State, nor any political subdivision thereof within the meaning of any provision or limitation of the Constitution or laws of the State or the City and County Charter. The Series 2012 Bonds are not general obligations of the City and County, and do not constitute a lien on any properties owned by or located within the boundaries of the City and County. The owners of Series 2012 Bonds do not have the right to require or compel the exercise of the ad valorem property taxing power of the City and County or of any other taxing entity for payment of the principal of or interest on the Series 2012 Bonds. The owners of the Series 2012 Bonds may not look to the City and County's general fund (the "General Fund") or any other fund of the City and County (other than those pledged) for payment of the Series 2012 Bonds. Therefore, the security for the punctual payment of the principal of and interest on the Series 2012 Bonds is dependent on the generation of Pledged Revenues in an amount sufficient to meet debt service requirements on the Series 2012 Bonds.

Series 2012 Reserve Fund.

The Series 2012 Bonds are also secured by the Series 2012 Reserve Fund. The Series 2012 Reserve Fund will be funded initially from available funds of the Sewer Enterprise in the amount of the Series 2012 Reserve Requirement. See "THE SERIES 2012 BONDS-Sources and Use of Proceeds." The Series 2012 Reserve Fund is required to be funded in the amount of the Series 2012 Reserve Requirement. The City and County, acting by and through its Sewer Enterprise is required to restore any draws on the Series 2012 Reserve Fund to the Series 2012 Reserve Requirement with Pledged Revenues. Amounts in the Series 2012 Reserve Fund are required to be transferred to the Series 2012 Bond Payment Fund to prevent a default in the payment of the principal and interest on the Series 2012 Bonds.

The Series 2012 Reserve Fund will be funded from available funds of the Sewer Enterprise in an amount equal to the least of ten percent (10%) of the stated principal amount of the Series 2012 Bonds, or maximum annual debt service on the Series 2012 Bonds or 125% of average annual debt service the Series 2012 Bonds (the "Series 2012 Reserve Requirement"). The City and County,

acting by and through its Sewer Enterprise, may substitute or otherwise utilize an insurance policy, surety bond, letter or line of credit, or similar instrument, the issuer or provider of which is, at the time such utilization commences, rated in the highest rating category by A.M. Best & Company, Standard & Poor's Corporation or Moody's Investors Service, Inc. (the "Series 2012 Reserve Fund Credit Facility") to substitute for the funds in the Series 2012 Reserve Fund. The moneys in the Series 2012 Reserve Fund in the amount of the Series 2012 Reserve Requirement, will be maintained as a continuing reserve to be used (except as provided below with respect to investment income thereon and deposits into the Series 2012 Rebate Account), only to prevent deficiencies in the payment of the principal of and the interest on the Series 2012 Bonds

Series 2012 Supplemental Sewer Revenue Account

There shall be deposited in the Series 2012 Supplemental Sewer Revenue Account: (i) accumulated Sewer License Fees in the amount of \$4,028,250 (ii) any Capital Charge added to the sewer service charges by ordinance of the City and County; and (iii) any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series the Series 2012 Bonds. The Series 2012 Supplemental Sewer Revenue Account is necessary to ensure compliance on an annual basis with the covenants contained in the Series 2012 Ordinance that require the City and County to maintain a schedule of rates, fees, tolls and charges for the availability and use of the Sewer System after payment of Operations and Maintenance Expenses and amounts necessary to replenish the Series 2012 Reserve Fund, sufficient to pay, together with funds in the Supplemental Sewer Revenue Account, 110% of Maximum Annual Debt Service Requirement on the Series 2012 Bonds and any Parity Bonds. In order to comply with the covenant in Section 17 of the Series 2012 Bond Ordinance, the City and County acting by and through the Sewer Enterprise shall, to the extent necessary, restrict available funds for 11 months in an amount at least equal to Net Revenues, plus any amounts needed to restore the Series 2012 Reserve Fund for that calendar year, if less than 110% percent of the Maximum Annual Debt Service Requirement for the succeeding calendar year, as certified by the City and County acting by and through the Sewer Enterprise annually on January 31 of each year. The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds.

Special Obligations

The Series 2012 Bonds are special, limited obligations of the City and County, acting by and through its Sewer Enterprise, payable from the Net Revenues, certain other revenues deposited in the Series 2012 Debt Service Account, including investment income and any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds (the "Pledged Revenues"). The Series 2012 Bonds constitute first and prior, but not necessarily an exclusive liens on the Pledged Revenues.

Net Revenues

The Series 2012 Bond Ordinance defines Net Revenues as Gross Revenue after deducting Operation and Maintenance Expenses. The Series 2012 Bond Ordinance provides that Gross Revenues means all income and revenues directly or indirectly derived from the Sewer System. The Series 2012 Bond Ordinance provides that Operation and Maintenance Expenses means all of the costs and expenses for the efficient and economical operation of the Sewer System. Net Revenues are deposited into the Sewer Enterprise Fund. The complete definitions of Gross Revenues, Operation and Maintenance Expenses and Net Revenues in the Series 2012 Bond Ordinance are set forth in "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2012 BOND ORDINANCE."

Rates and Fees

Pursuant the Series 2012 Bond Ordinance, the City and County and its Sewer Enterprise have covenanted to maintain a schedule of rates, fees, tolls and charges for the availability and use of the Sewer System, after payment of Operation and Maintenance Expenses and amounts necessary to replenish the Series 2012 Reserve Fund and funds in the Series 2012 Supplemental Sewer Revenue Account, sufficient to pay 110% of the Maximum Annual Debt Service Requirement on the Series 2012 Bonds and any Parity Lien Bonds.

Flow of Funds

Sewer Enterprise Fund. The City and County, acting by and through its Sewer Enterprise, shall credit to the Sewer Enterprise Fund (the "Sewer Enterprise Fund") all Gross Revenues immediately upon receipt and all amounts presently credited to the Sewer Enterprise Fund. The City and County, acting by and through its Sewer Enterprise, shall pay from the Sewer Enterprise Fund all Operating and Maintenance Expenses as they become due and payable. Net Revenues are Gross Revenues, less Operating and Maintenance Expenses. Net Revenues will thereafter be transferred to a fund within the Sewer Enterprise known as the Debt Service Fund (the "Pledged Revenues") and thereafter be transferred to Series 2012 Bonds Bond Accounts and be used to pay principal of and interest on the Series 2012 Bonds, all as more particularly set forth in the Series 2012 Bond Ordinance. The Sewer Enterprise will fund the Series 2012 Reserve Fund to the Series 2012 Reserve Requirement from available funds of the Sewer Enterprise. The Series 2012 Bonds constitute first and prior liens, but not necessarily exclusive first liens on the Pledged Revenues. Obligations in addition to the Series 2012 Bonds may be issued and made payable from Pledged Revenues, having a lien thereon subordinate and junior to the lien of the Series 2012 Bonds of this issue, (including, without limitation, certain existing subordinate obligations described in the Series 2012 Bond Ordinance); or, subject to expressed conditions, having a lien on the Pledged Revenues on a parity with the lien of the Series 2012 Bonds of this issue, the Series 2002 Bonds and the Series 2000 Bonds, in accordance with the provisions of the Series 2012 Bond Ordinance, the Series 2002 Bond Ordinance and the Series 2000 Bond Ordinance.

In the event that moneys in the Debt Service Fund are not sufficient to pay principal and interest on all the Series 2012 Bonds, the moneys in the Debt Service Fund shall be applied to

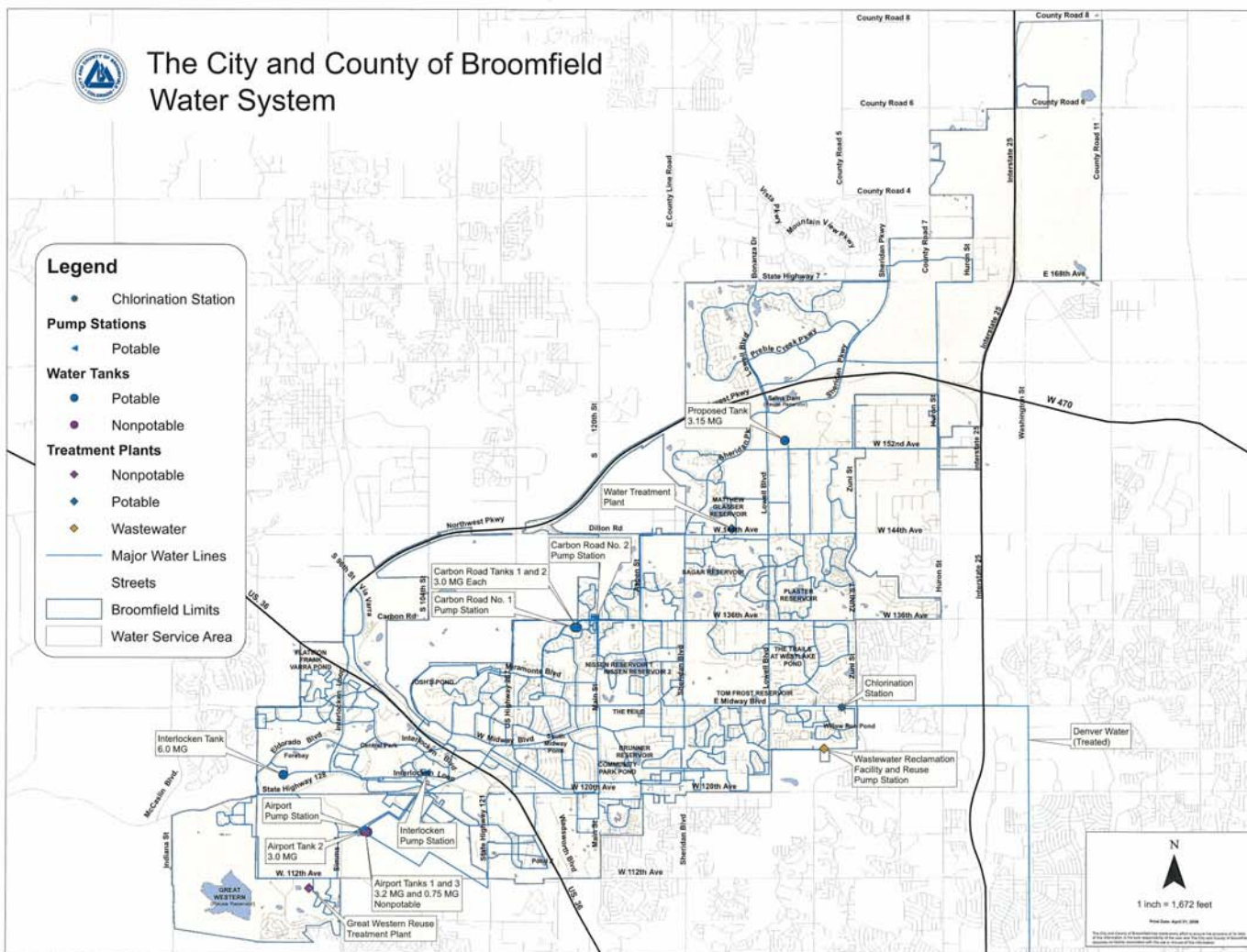
principal and interest on the Series 2012 Bonds ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2012 Bonds for principal and interest, respectively.

Additional Bonds

The Series 2012 Bond Ordinance reserves the rights, subject to stated conditions, to issue, from time to time, one or more series of Parity Lien Bonds. The City and County, acting by and through its Sewer Enterprise, reserves the right to issue such bonds in the future. The City and County acting by and through its Sewer Enterprise may issue additional bonds for sewer projects. The issuance of additional Parity Lien Bonds may affect the security for the Series 2012 Bonds. See "APPENDIX A - Summary of Certain Provisions of the Series 2012 Bond Ordinance - Parity Lien Bonds." The City and County, acting by and through its Sewer Enterprise may also issue bonds having a lien on Pledged Revenues which is subordinate and junior to the lien thereon of the Series 2012 Bonds so long as no event of default under the Series 2012 Bond Ordinance shall have occurred and be continuing. The City and County, acting by and through its Sewer Enterprise, may issue subordinate obligations. See "APPENDIX A - Summary of Certain Provisions of the Series 2012 Bond Ordinance - Parity Lien Bonds."

MAJOR COMPONENTS OF THE WATER AND SEWER SYSTEM

APPENDIX A



THE SEWER SYSTEM

General

The Sewer System presently serves the City's population of approximately 57,750. The Sewer System is comprised of two principal components: A collection system and a wastewater treatment facility. The collection system consists of approximately 135 miles of collection lines, ranging from 10 to 42 inches in diameter, numerous interceptors and 8 lift stations. The City's wastewater treatment facility is located along Big Dry Creek near the eastern edge of the City. The facility is designed to treat an average daily flow of 12 million gallons per day (MGD).

Collection System

The City's sewer collection system consists of outfall lines, mains, interceptors and lift stations. All of the collection system has been installed within the past 50 years, and the City estimates that at least 45 % percent of its components have been installed within the past 15 years. Consequently, the collection system is of modern design and is in good condition. The City completed wastewater collection system master planning in 1985 and has performed supplemental updates to its collection system master plan. Collection improvements will allow the City's current excess wastewater treatment capacity to be utilized more fully. The net proceeds of the Series 2001 Bonds were used to make improvements to the sewer collection system as follows:

1. North Outfall Line
2. North Outfall Line - NE Branch

Wastewater Treatment Facility

The City expanded and upgraded its wastewater treatment facilities to a currently rated capacity of 12 million gallons per day (MGD) in 2010. For the year 2011, the maximum 30-day average flow was 7.24 MGD or 72% of available capacity. The facility was constructed with provisions to expand to 16 MGD in the future. Approximately \$29,000,000 of the Series 2001 Bonds were used to improve and expand the Wastewater Treatment Facility and related bio-solids composting facilities. The process sequence consists of preliminary treatment, primary sedimentation, flow equalization, organics redemption in anaerobic/anoxic basins for phosphorus uptake and denitrification, integrated fixed film, activated sludge (IFFAS), secondary sedimentation, and ultra-violet (UV) disinfection. Solids that are removed from the treatment process are stabilized by means of anaerobic digestion, dewatered, composted and reused on agricultural land.

The following is a description of the wastewater process. Raw sewage enters the treatment plant through four (4) main collection lines. All waste is screened with a 1/4-inch stair screen. Each stair screen is equipped with a washer/compactor to remove organic matter from the screenings and compact the screenings prior to bagging and disposal. The wastewater is then lifted up to the grit treatment system by horizontal screw-centrifugal impeller influent pumps. The influent pump station is designed to handle flows up to 30 MGD with one pump out of service. (6 pumps are provided). After screening and pumping, the wastewater flow enters two grit concentrators where

almost all of the grit is removed. Following grit removal, sewage enters a primary clarifier (system is equipped with three), here primary sludge settles and is withdrawn off the bottom of the clarifier. The primary sludge is then pumped to one of three anaerobic digesters for stabilization. Furthermore, any floating debris such as grease is collected and disposed of in the digesters. After primary clarification flow is directed to the anaerobic/anoxic basins (system is equipped with three) or diverted to the flow equalization basin. The flow equalization basin is employed to take out the high flows that enter the facility in the early morning and late evening. Thereby, allowing an equal flow rate through the plant at all times of the day which permits a more complete and consistent treatment. The primary clarifier effluent flows to the anaerobic/anoxic basins. Each of the 3 treatment trains consist of four reactors, in order, are pre-anoxic, anaerobic, and two anoxic reactors in series. The cells are designed to create anoxic (without oxygen) conditions to facilitate partial denitrification (conversion of nitrate to nitrogen gas) of the wastewater. The anaerobic basins also condition the mixed liquor to optimize phosphorus uptake in the aerobic portion of the IFFAS process. Denitrification is the biological reduction of nitrate by microorganisms that use the nitrogen-bound oxygen in nitrates for respiration. Following the anaerobic/anoxic basins, the sewage then enters the IFFAS aeration basins (6 total). Here the sewage comes into contact with a high population of organisms that breakdown the wastes into organic material (sludge) and releases a by-product of carbon dioxide. After aeration the sludge enters the secondary clarifiers, where the sludge separates from the water and settles to the bottom of the clarifier and is removed. The settled sludge is returned to the front of the anaerobic/anoxic basins to treat the incoming wastes and a portion is removed from the system for stabilization in one of three anaerobic digesters. The effluent from the secondary clarifiers is disinfected using ultra-violet light, and then is either discharged into Big Dry Creek or treated through the reuse treatment system for use as irrigation water in parks, golf courses and right-a-ways. The reuse treatment infrastructure system consists of a rapid mix system, ferric chloride feed system, polymer feed system, three cells of backwash up flow single media sand filters. Sodium hypochlorite storage and feed system are used to further disinfect filtered effluent and a pumping station (3-2MGD pumps) used to pump reuse water to Great Western Reservoir for storage or to direct irrigation reuse.

As stated earlier, the primary sludge from the primary clarifiers as well as a portion of the sludge from the secondary clarifiers are pumped into the three anaerobic digesters. Here the sludge is stabilized for approximately 15 days and becomes biosolids. After the stabilization process the biosolids dewater through two high solids centrifuges which extract excess water from the biosolids to produce a dry product with a consistency of moist dirt. During periods of extended maintenance activities or in emergency situations, digested biosolids may be stored in a 1.2 million gallon concrete storage lagoon until the liquid biosolids can be dewatered. Once the biosolids are dewatered, they are transported to a third party compost facility for additional processing into compost. Once the compost process is completed, the compost is transported to Broomfield's Weld County Farm for application as a soil amendment.

Sewer System Analysis

In January, 1996, Rick Giardina & Associates, Inc., in association with THC Utility Management Consultants completed a Utility Financial Planning and License Fee Study (the "Study"). The Study was based in part on the City's "growth pay for growth objective." The Study recommended updates to the City's high-strength surcharges, industrial permit fees, sampling charges and external laboratory or subcontracted testing charges. The Environmental Protection Agency (the "EPA") required, as a condition of its grant for the wastewater treatment plant that fees be structured so that each customer of the Sewer System pays their equitable share of operation and maintenance expenses plus capital replacement costs. The City's rate structure is based on units of equivalent residential units ("ERU's") and is structured to permit revenues from connection charges to be applied toward capital costs and debt service and revenues from user charges to be applied toward operating costs and a portion of the capital costs. See "Sewer System Rates and Fees" below.

One ERU is a unit which has an impact on the Sewer System equivalent to one residence or dwelling unit. The total number of ERU's presently connected to the Sewer System is calculated to be 16,420. Dividing the number of ERU's into the current average daily sewage flow indicates that one ERU adds 337 gallons of wastewater per day to the Sewer System. Based upon the planning estimates contained in the Study, the City estimates that the Sewer System will enable the City to provide sewage collection and treatment to the City's population, at an assumed growth rate of 1,015 persons per year, or 350 ERU's per year, through the year 2011.

Two commonly used measurements of the efficiency of sewage treatment processes are biochemical oxygen demand removal ("BOD removal") and total suspended solids removal ("TSS removal"). BOD removal provides an indication of the efficiency of the treatment process for the removal of soluble and insoluble organic material from wastewater. TSS removal provides a measurement of the removal of suspended solids during the treatment process. The table below, based on the information from the City's records, shows indicators of usage and efficiency of processes of the Sewer System, including BOD removal and TSS removal, over the past five years. The State discharge standard for both processes is 85 percent.

Year	Average Yearly Flow	Annual BOD Removal Efficiency %	Annual TSS Removal Efficiency %
2006	4.463	98.99	98.69
2007	5.158	98.71	98.55
2008	4.648	99.18	99.13
2009	5.143	98.90	99.13
2010	5.924	98.50	99.10
2011	5.976	99.16	99.28

During the five-year period from 2007 through 2011, average yearly flow has increased by 15.8%. Fluctuations in the indicators of Sewer System usage can be attributed in part to price elasticity (the reaction by utility customers to higher rates) and to a general increase in awareness of water conservation and expanded efforts to reduce inflow infiltration. Lot size, the mix of residential

housing, weather factors, and the types of commercial and industrial discharge also have significant effects on Sewer System use in the City.

The following table presents the Statement of Net Assets-Sewer Fund of the Sewer System's facilities (as of December 31 of the years indicated):

Year	Total Non Current Assets	Accumulated Depreciation	Net Non Current Assets
2004	\$113,417,102	\$21,091,811	\$92,325,291
2005	115,008,150	23,984,154	91,023,996
2006	117,157,603	27,667,121	89,490,482
2007	120,402,640	31,567,836	88,834,804
2008	148,434,959	35,493,896	112,941,063
2009	186,870,468	39,600,576	147,269,892
2010	188,800,245	44,265,096	144,935,149
2011	192,154,655	49,692,595	142,462,060

Environmental Factors

The Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, requires every state to establish water quality standards acceptable under that Act and the Environmental Protection Agency ("EPA") regulations thereunder. Colorado's water quality standards are found in the Colorado Water Quality Control act, C.R.S. '25-8-101, et seq., as amended, and the regulations promulgated thereunder. Each stream is classified according to the uses for which it is presently suitable and the uses for which the stream is intended to become suitable under state environmental goals. These beneficial uses include public water supply, domestic, agricultural, industrial and recreational uses, and the reasonable protection of aquatic life.

Water quality standards for each stream vary according to the stream classification. Although the State of Colorado Water Quality Control Commission (the "WQCC") may establish different classifications or standard, these are subject to EPA approval. At the present time, EPA has indicated that the WQCC should not consider economic reasonableness in certain stream classifications and standard-setting actions. As a result of this uncertainty as well as general uncertainties concerning changes in water pollution control statutes and regulations, more stringent stream standards could be imposed in the future, with concomitant mandates for additional construction by the City to accomplish higher level of treatment. The wastewater treatment maximizes flexibility to accommodate unforeseeable future treatment requirements with a minimum of additional construction.

Colorado's water quality standards are enforced through a permit system. Every source which discharges or may discharge pollutants which will affect state waters, such as the City's System, is required to obtain a National Pollutant Discharge Elimination System (N.P.D.E.S.) permit, obtained

by application to the WQCC. Water quality standards are integrated into the discharge permit. The standard will vary according to the classification of the stream segment affected by the discharges. Therefore, changes in standards and classifications may affect the degree of treatment of the City's effluent required before it is discharged into the waters of the South Platte River basin.

The City's N.P.D.E.S. permit relating to the Wastewater System was issued on February 25, 2010 and expires on March 31, 2015. The N.P.D.E.S. permit requires that the City take specific actions at designated times for compliance with the secondary treatment provisions of the Clean Water Act (wastewater treatment plant design and construction), reduction of infiltration and inflow, development of a sludge disposal plan, and pretreatment program development. The City is currently in compliance with all requirements of its N.P.D.E.S. permit relating to the System.

Customers

The City and County provides wastewater service to residential, commercial, industrial, and other nonresidential customer accounts within the City, which constitute 16,420 ERU's. A breakdown of the number of such customers, and the percentage of System revenues derived from each category in 2011 is set forth.

Customer Class	Developed Acres	Number of Accounts	Total Monthly Service Charge Revenue	Percent of Total Revenue
Residential	3,468	15,935	\$4,019,709	84%
Commercial & Industrial ⁽¹⁾	1,846	650	715,924	15%
Other Non-Residential ⁽²⁾	<u>610</u>	<u>63</u>	<u>48,421</u>	<u>1%</u>
Totals	5,924	16,643	\$4,794,054	100%

(1) Does not include sewer service surcharge revenues.

(2) Includes Churches, schools, and public buildings

System Rates and Fees

The City Council establishes sewer rates and fees by ordinance. As part of the budgetary process, the Council annually reviews existing schedules and considers the City and County's Manager's recommendations for rate and fee schedule restructuring.

As a condition of the EPA grant which the City accepted, the City was obligated to develop an approvable user charge system. Under the EPA's requirements, each customer must pay an equitable share of operation and maintenance expenses plus capital replacement costs. The City has

instituted a new rate structure for monthly charges effective February, 1999. The rate structure and rates are in accordance with the recommendations of the Study. The City adopts changes in sewer rates and rate structures in February so that changes in customer sewer bills resulting from increased rates are concurrent with the changes due to new average winter waste consumption number. The City uses average winter water consumption as the basis for residential user charges and year-round nonirrigation water consumption as the basis for all other user charges.

Industrial Water Recovery Revenue

The City receives revenue from the commercial and industrial accounts for treatment of wastes that contain BOD and TSS in excess of the amount normally found in domestic wastewater. The charges for excess BOD and TSS are calculated with a formula specified in the ordinance on sewer service charges.

The City also receives revenue from industries included in the EPA approved industrial pretreatment monitoring program to cover sampling, laboratory analysis, and program personnel and equipment costs.

Sewer Revenues

The summaries in Tables 1 and 2 below have been prepared by the City from information contained in its records to show sewer usage, revenues, average monthly charges per unit, and percentage increases in monthly sewer charges, all by customer classification and to show historical operating revenues and expenses of the sewer system, as obtained from the City's financial statements.

Table 3 has been prepared by the City and County to show historical revenues and expenditures and historical operating revenues, expenses and changes in retained earnings.

TABLE 1 - Sewer Usage, Revenues and Average Charge by Customer Classification

Classification	2007	2008	2009	2010	2011
Residential (includes multi-unit apartments, duplexes, townhouses, and mobile homes).					
Sewer Usage (In Thousands of Gallons)	1,359,738	1,415,708	1,433,753	1,438,453	1,456,416
Monthly Service Charge Revenue	\$3,644,097	\$3,907,354	\$3,957,159	\$3,970,131	\$4,019,709
Number of Equivalent Residential Taps	19,415	20,080	20,241	20,448	20,671
Average Charge Per ERT	\$188	\$195	\$196	\$194	\$194
Average Charge Per 1,000 Gallons	\$2.68	\$2.76	\$2.76	\$2.76	\$2.76
Industrial and Commercial					
Sewer Usage (In Thousands of Gallons)	227,755	254,165	262,228	261,128	263,016
Monthly Service Charge Revenue(1)	\$610,384	\$701,495	\$723,749	\$720,712	\$725,924
Number of Equivalent Residential Taps	3,252	3,605	3,702	3,714	3,733
Average Charge Per ERT	\$188	\$195	\$196	\$194	\$194
Average Charge Per 1,000 Gallons	\$2.68	\$2.76	\$2.76	\$2.76	\$2.76
Other					
Sewer Usage (In Thousands of Gallons)	17,299	17,414	17,638	17,516	17,544
Monthly Service Charge Revenue(1)	\$46,361	\$48,064	\$48,680	\$48,345	\$48,421
Number of Equivalent Residential Taps	247	247	249	249	249
Average Charge Per ERT	\$188	\$195	\$196	\$194	\$194
Average Charge Per 1,000 gallons	\$2.68	\$2.76	\$2.76	\$2.76	\$2.76
Total					
Sewer Usage (In Thousands of Gallons)	1,604,792	1,687,287	1,713,619	1,717,097	1,736,976
Monthly Service Charge Revenue(1)	\$4,300,842	\$4,656,912	\$4,729,588	\$4,739,188	\$4,794,054
Number of Equivalent Residential Taps	22,914	23,932	24,192	24,409	24,653
Average Charge Per ERT	\$188	\$196	\$196	\$194	\$194
Average Charge Per 1,000 Gallons	\$2.68	\$2.76	\$2.76	\$2.76	\$2.76
% Increase in Avg. Charge Per 1,000 Gallons	3.08%	6.15%	6.15%	2.99%	0.00%

TABLE 2 - Historical Operating Statistics-Sewer Fund

	2007	2008	2009	2010	2011
Historical Operating Revenues:					
Charges for Services	\$5,478,733	\$5,913,384	\$5,900,989	\$5,890,966	\$5,971,251
Other Revenue	103,490	187,226	194,384	192,131	599,472
Total operating revenues	\$5,582,223	\$6,100,610	\$6,095,373	\$6,083,097	\$6,570,723
Historical Operating Expenses:					
Personnel services	\$2,002,770	\$2,108,958	\$2,082,452	\$2,107,115	\$2,172,742
Materials and supplies	499,175	512,908	505,856	509,822	550,029
Contractual services	1,498,390	744,086	692,618	1,004,346	1,091,231
Utilities	423,906	573,052	490,699	679,172	683,619
Services rendered by General Fund	891,208	1,020,450	1,010,165	984,056	929,923
Total operating expenses	\$5,315,449	\$4,959,454	\$4,781,790	\$5,284,511	\$5,247,544
Net Operating Revenue (Loss)	\$266,774	\$874,382	\$1,313,583	\$798,586	\$1,143,179
Non Operating Revenues:					
Interest revenue	\$2,711,357	\$1,848,688	\$297,151	\$1,478,812	\$403,221
Interest Expenses and Fiscal Charges	(2,800,139)	(2,732,428)	(2,651,030)	(2,571,096)	(2,490,160)
Other Revenue (1)	2,196	(305)	73		10,905
Total Non-Operating Expenses	\$(86,586)	\$(844,045)	\$(2,353,806)	\$(1,092,284)	\$(2,097,844)
Net Income (Loss)	\$180,188	\$271,111	\$(1,040,223)	\$(296,698)	\$(954,665)
(1) Includes realized gain on sale of assets. Does not include pass-through grant revenue.					

TABLE 3 - Historical Sewer Enterprise Revenues and Expenses

	2007	2008	2009	2010	2011
Funds Available, Beginning of Year	\$42,503,219	\$47,004,667	\$36,484,893	\$27,268,060	\$26,042,750
Historical Revenues					
License Fees	8,223,025	8,347,282	2,122,802	1,831,861	1,804,799
Service Charges	5,464,084	5,898,334	5,900,488	5,874,865	5,969,101
Interest Income	2,373,038	2,080,831	1,161,998	729,760	711,006
Miscellaneous & Other	74,801	246,971	24,012	16,100	436,797
Transfers from the Reuse Water Fund for Debt Services	1,472,483	1,470,709	1,468,860	1,169,536	1,469,925
Total Revenues	\$17,607,431	\$18,044,127	\$10,678,160	\$ 9,622,122	\$10,391,628
Historical Expenses					
Operating	4,803,299	5,139,402	4,870,309	5,111,085	5,142,689
Capital Projects	3,813,649	18,928,110	10,538,155	1,244,133	849,808
Debt Service	4,489,035	4,496,389	4,486,529	4,492,214	4,498,392
Total Expenses	\$13,105,983	\$28,563,901	\$19,894,993	\$10,847,432	10,490,889
Funds Available, End of Year	\$47,004,667	\$36,484,893	\$27,268,060	\$26,042,750	\$25,943,489

THE WASTEWATER RECLAMATION SYSTEM

General

The Great Western Reservoir Replacement Project is complete. It replaced the City and County's present raw water supply and water treatment plant. Great Western Reservoir is no longer used by the City and County of Broomfield as a water supply reservoir and the existing water treatment plant no longer treats water for potable use. The old water treatment plant and related pipelines were incorporated into the wastewater reuse project. The wastewater reuse project uses water from the City and County's remaining raw water rights on Coal Creek and Walnut Creek, as well as the water which reaches the City and County's wastewater treatment plant that originates from the Windy Gap source. Broomfield's Wastewater Reuse Project (the "Reuse Project") utilized both the treatment plant and the reservoir in a two-phase approach.

Phase 1 of the Reuse Project included treatment processes, pumping facilities, and pipelines. The City and County's Wastewater Treatment Facility processes water before discharging the water to the receiving stream. A portion of this water is not discharged to the stream, but is diverted through a splitter structure for tertiary treatment consisting of chemical additions, filtration and disinfection with ultraviolet radiation and chlorine. A pump station conveys the tertiary treated water through a single pipeline that distributes the water either directly to reuse customers in the City and County or to storage.

Phase 2 of the Reuse Project utilized infrastructure made available following completion of the Great Western Reservoir Replacement Project, including various pipelines, the water treatment plant, Great Western Reservoir and a 3 million gallon water storage tank. Reuse water that is not used immediately by the customers is stored in Great Western Reservoir during the irrigation season. During the winter months, available water is also pumped and stored in Great Western Reservoir. This ensures an adequate supply of water to meet the annual irrigation demands. The abandoned drinking water facility screens the water from Great Western Reservoir with strainers followed by the addition of chlorine to establish a disinfection residual. Water from the Phase 2 facilities is pumped using high service pumps to the 3 million gallon storage tank as needed. Reuse water from both the Phase 1 and Phase 2 facilities is used to irrigate City and County parks, open space and other property within the City and County limits.

By implementing the Reuse Project the City and County has fully recognized water conservation. Water that is treated at the City and County's Wastewater Treatment Facility and is normally discharged to Big Dry Creek is now captured and utilized by the City and County for a second time for irrigation purposes through the Reuse Project. The Reuse Project alleviates a substantial strain on the City and County's drinking water supplies and treatment.

Utilizing funds obtained under an agreement with Interlocken, Ltd, certain facilities for the Reuse Project have been constructed. The following table presents the book value of the Water Reclamation System's facilities (as of December 31 of the years indicated) and reflects the expansion of the Water Reclamation System:

Year	Total Non Current Assets	Accumulated Depreciation	Net Non Current Assets
2006	\$33,594,433	\$3,416,953	\$30,177,480
2007	35,462,198	4,612,547	30,849,651
2008	37,862,448	5,841,438	32,021,010
2009	63,568,998	7,130,832	56,384,061
2010	63,568,998	8,462,183	55,106,815
2011	63,661,692	9,977,552	53,684,140

Existing Agreements

The Reuse Project will produce an annual yield of approximately 3,100 acre feet or 6,200 "tap equivalent units" of water when complete. An acre foot of water equals 325,851 gallons. Reclaimed water is sold in tap equivalent units. A three-quarter-inch equivalent tap is defined by the City as the basic unit of comparison based on demand on the water system. Demand is compared to the demand characteristics of three-quarter-inch connections serving single-family detached housing. The City has entered into four agreements to provide reclaimed water. The agreements permit the City to deliver potable water, raw water, or treated wastewater effluent, or any combination thereof, from any water source owned, leased, or otherwise under the control of the City to be solely determined by the City. These existing Agreements (the "Existing Agreements") have been assigned by the City to the Water Reclamation Enterprise. Each agreement contains differing terms and conditions, but the essential terms provide that the users pay a license fee of 50% of the then-current potable water license fee and consumption fee of 50% of the monthly water service charges and 50% of the flat monthly charge under the Municipal Code of the City. The City presently has agreements with Interlocken, Ltd., the Archdiocese of Denver, the Community Development Group of Broomfield, LLC, Adams School District No. 12 and Greenway Park Homeowners Association. It is contemplated that the City will enter into agreements with the Water Reclamation Enterprise to provide reclaimed water for City parks, open space and other City property.

Intergovernmental Agreement

The Water Reclamation Enterprise has entered into an intergovernmental agreement (the "Intergovernmental Agreement") with the Sewer Enterprise and the Water Enterprise, which provides for the Water Reclamation Enterprise to pay its net revenues to the Sewer Enterprise to pay debt service on the Bonds. The Intergovernmental Agreement sets forth the relationships, agreements and obligations among the parties regarding issuance of the Bonds, the acquisition and construction of the Projects and the pledge of various revenues to pay debt service on the Bonds. The Sewer Enterprise agrees to issue the Bonds and deposit the proceeds into the Construction Fund to construct the Projects. The Water Reclamation Enterprise agrees to pay the revenues it receives under the Existing Agreements to the Sewer Enterprise and makes additional covenants regarding operation and maintenance of the Water Reclamation System. The Water Enterprise agrees, when required, to supply potable water to the Water Reclamation System.

Reclaimed Wastewater Ordinance

On June 5, 2001, the city adopted Ordinance No. 1546, the Reclaimed Wastewater Ordinance. Under the Reclaimed Wastewater Ordinance, the connection fee, the flat monthly and consumption charges for all wastewater reclamation contracts shall be established at not greater than fifty percent (50%) of the then-current potable license fee and the then-current potable water fees under the Municipal Code of the City. The City Council establishes water rates and fees by ordinance. As part of the budgetary process, the Council annually reviews existing schedules and considers the City Manager's recommendations for rate increases, decreases, and fee schedule restructuring. The City charges a monthly water rate composed of a flat fee and a gallonage charge. As of March 1, 2001, the flat fee is \$9.22 per month for non-residential and the gallonage charge is \$2.23 per 1,000 gallons. The Reclaimed Wastewater Ordinance also establishes policies relating to compliance with Regulation No. 84, a Reclaimed Domestic Wastewater Control Regulation promulgated by the Colorado Water Quality Control Commission. The Regulation establishes requirements, prohibitions, standards and concentration limits for reclaimed domestic wastewater.

Wastewater Reclamation Revenues

The summaries below have been prepared by the City and County to show historical revenues and expenditures and historical operating revenues, expenses and changes in retained earnings.

TABLE 4 - Historical Wastewater Reclamation Enterprise Revenues and Expenses

	2007	2008	2009	2010	2011
Funds Available, Beginning of Year	\$6,915,841	\$6,763,775	\$5,311,619	\$3,674,415	\$4,533,025
Historical Revenues					
License fees	2,269,536	1,960,310	1,475,000	1,909,655	2,300,000
Raw water sales	996,095	1,267,347	1,135,238	1,278,838	1,330,901
Interest income	336,540	266,453	159,814	99,465	104,889
Miscellaneous & Other	167,863	98,903	80,000	121,198	87,057
Total Revenues	\$3,770,034	\$3,593,013	\$2,850,052	\$3,409,156	\$3,822,847
Historical Expenses					
Operating	385,133	461,649	495,503	1,233,611	638,315
Capital projects	2,064,484	3,112,211	2,522,893	146,799	577,108
Transfer to Sewer for debt service	1,472,483	1,471,309	1,468,860	1,170,136	1,469,925
Total Expenses	\$3,922,100	\$5,045,169	\$4,487,256	\$2,550,546	\$2,685,348
Funds Available, End of Year	\$6,763,775	\$5,311,619	\$3,674,415	\$4,533,025	\$5,670,524

TABLE 5 - Historical Statement of Revenues, Expenditures and Changes in Net Assets - Wastewater Reclamation Enterprise					
	2007	2008	2009	2010	2011
Historical Operating Revenues					
Water sales	\$ 996,095	\$ 1,267,348	\$ 1,135,238	\$ 1,278,838	\$ 1,330,901
Water leases and other	167,863	98,903	80,000	121,198	87,057
Total Operating Revenues	1,163,958	1,366,251	1,215,238	1,400,036	1,417,958
Historical Operating Expenses					
Personnel services	101,293	107,559	105,392	105,030	106,459
Material and supplies	76,822	59,999	70,590	140,835	109,293
Contractual services	403,736	1,103,159	2,304,973	987,746	999,671
Depreciation and amortization	1,195,594	1,228,891	1,289,394	1,424,046	1,422,675
Total Operating Expenses	1,777,445	2,499,608	3,770,349	2,657,657	2,638,098
Net Operating Revenue (Loss)	(613,487)	(1,133,357)	(2,555,111)	(1,257,621)	(1,220,140)
Non Operating Revenue					
Interest Revenue	427,050	270,747	51,858	261,329	91,418
Total Non Operating Revenues	427,050	270,747	51,858	261,329	91,418
Income (Loss) before Interfund Transfers and Contributions	(186,437)	(862,610)	(2,503,253)	(996,292)	(1,128,722)
Capital Contributions	2,269,536	1,960,310	26,590,005	1,909,655	2,300,000
Transfers Out	(1,472,483)	(1,471,309)	(1,468,860)	(1,170,136)	(1,469,925)
Net Assets, January 1	37,109,458	37,720,074	37,346,465	59,964,357	59,707,584
Net Assets, December 31	\$ 37,720,074	\$ 37,346,465	\$ 59,964,357	\$ 59,707,584	\$ 59,408,937

THE WATER SYSTEM

General

The Water System presently serves water to the City and County's 2010 population of approximately 57,304 people plus an estimated 745 people in areas outside the City and County limits. The City and County's Water System receives water from three sources: (i) the Denver Water Department; (ii) the Northern Colorado Water Conservation District and its Municipal Subdistrict; and (iii) reclaimed (treated) wastewater. The Treated Water Lease Agreement gives the City and County the right to purchase from the Denver Water Department up to 6,500 acre-feet of treated water per year. See "Treated Water Lease Agreement," below. The Northern Colorado Water Conservation District provides up to 8,994 acre-feet of untreated surface water from the Windy Gap and Colorado/Big Thompson Projects. See the "Northern Colorado Water Conservation District" below. Broomfield's Wastewater Reuse Project (the "Reuse Project") provides up to 3,100 acre-feet of treated effluent (reclaimed water) for irrigation of open space areas. See the "Wastewater Reuse Project" below.

The Water System now provides water for 18,067 tap-equivalents. A tap-equivalent is defined by the City and County as the basic unit of comparison for determination of demand on the Water System. Demand is compared to the demand characteristics of three-quarter-inch connections serving single-family detached housing. Larger tap sizes (generally required for commercial, industrial and institutional users) are expressed in terms of the demand characteristics of a 3/4-inch connection, the size of tap typically used for a single-family detached residence. For planning purposes, the City and County estimates that one tap-equivalent serves approximately 2.8 persons (the average number of residents in a single-family dwelling) and that approximately .55 acre-foot of water serves one tap equivalent. Based upon the City and County's Water Master Plan, the City and County's present water supply would allow the City and County to serve approximately 60,000 residents plus other City and County uses, such as commercial, industrial and parks.

The Water System consists of transmission, distribution and collection systems, wells, reservoirs and storage tanks, treatment and pumping plants and land and water rights. The Water System has been installed within the past 40 years and the City and County estimates that at least 59% of its depreciable components have been installed within the past 10 years. Consequently the Water System is of modern design and is in good condition. The Water System has grown from 2005 through December, 2010. The number of tap-equivalents served has increased 13.2 percent (from 20,346 to 23,027) and revenues from Water System services have increased 22.3 percent (from \$7,581,847 to \$9,275,099). The average charge per 1,000 gallons of water consumption has increased 14.3 percent (from \$2.45 to \$2.80). See "Water Revenues."

Lot size, the mix of residential housing, weather factors, and the types of commercial and industrial water use also have significant effects on water consumption in the City and County.

Technical Papers

In April, 2008, the City and County retained Brown and Caldwell to evaluate aspects of its water and re-use planning efforts. The results of the study were captured in four technical papers.

Technical Paper 1 deals with potable and re-use demand projections. The study found that the City and County's assumptions, approach and methodology were sound. The study recommended improvements to the City and County's demand model some of which were made and others will be incorporated in an update to the City and County's Water System master plan. The update has been budgeted in the 2009 Budget and it is anticipated that the update will be completed in 2010.

Technical Paper 2 deals with the City and County's base Water System and the Broomfield Reservoir. The study found that the City and County's water sources are reliable. The study concluded that the Project is the preferred alternative over the second Carter Lake pipeline to meet the City and County's peak demands and that the Project would also provide interim firming until the Chimney Hollow Reservoir is constructed together with drought protection. The study recommended that the City and County purchase additional CBT units which were purchase in 2008.

Technical Paper 3 deals with the Windy Gap firming project. The study concluded that the project was consistent with the National Environmental Policy Act process requirements.

Technical Paper 4 deals with expansion of the City and County's re-use water. The study concluded that current supplies are not adequate to meet demands at build out and suggested possible supply additions. The City and County will develop a master plan for its re-use water treatment, storage and delivery system. Current re-use water demands are approximately 3,000 acre-feet per year. At ultimate build out, demands will be approximately 6,500 acre-feet per year. Additional water rights will need to be acquired to meet ultimate demands.

The City and County's water demands are approximately 13,000 acre-feet per year. At ultimate build out, demands will be approximately 20,300 acre-feet per year. The City and County currently has enough firm yield water supplies to meet current demands. In order to meet ultimate demands, the City and County will need to firm up its Windy Gap shares. Once firmed, the Windy Gap shares, together with existing CBT shares and the Denver water will meet demands at build out. The Broomfield Reservoir meets growth projections short term by providing interim firming of Windy Gap shares until the Chimney Hollow Reservoir is built.

In addition to having adequate water supplies, the City and County must have adequate treatment, storage, and transmission capacities to meet future demands. The City and County's current treatment capacity is 30.6 million gallons per day (MGD) comprised of 10.6 MGD from Denver water and 20 MGD from the Water Treatment Plant. In order to meet the 42.6 MGD peak demand at ultimate build out, the Water Treatment Plant will need to be expanded.

Long Range Financial Plan Update

On July 28, 2009, the City Council of the City and County approved an update to the Long Range Financial Plan for the City and County. The update is based on key over-arching assumptions including the assumption that financial planning is tied to land use planning, the City and County's projected population at build out is 95,000, the land mass of the City and County is 33.58 square miles and is approximately 50% built-out and that it is not known precisely when the City and County will reach build out, as this is determined by economic and market conditions and the rate of development.

The financial models described in the update have been prepared for all governmental activities. The funds that support these activities are divided into General Government Type Funds and Enterprise Funds. The Enterprise Funds include the Water Fund, the Wastewater Fund and the Re-use Water Fund. The update analyzes current supply and demand, ultimate water demand at build out, water delivery capacity and demand, firm potable water supply and demand, water treatment capacity and peak day demand, projected tap equivalent availability and water system future projects and estimated costs. The financial projection shows that with the Broomfield Reservoir, the Windy Gap Reservoir Participation, water line extensions to serve the north area and water treatment plant expansion from 20 MGD to 32 MGD for a total cost of \$201,131,924, projected tap equivalent sales over the next 24 year with increasing license fee charges, the Water Fund can 1) repay debt, 2) accumulate funds for the future water treatment plant expansion and water line extension, and 3) maintain an annual fund balance equal to two years debt service.

Water Usage

The following table shows the water supply of the City and County, including, potable water, raw water and reuse water.

TABLE 6 - Water Usage, Revenues and Average Charge by Water Classification

Classification	2007	2008	2009	2010	2011
Treated Water					
Sales (in 000s of gallons)	3,296,603	3,442,081	3,049,894	3,312,536	3,342,424
Sales revenue	\$8,999,724	\$9,637,824	\$8,539,701	\$9,275,099	\$9,358,788
Number of tap equivalents	21,876	22,588	22,817	23,161	23,402
Average charge per tap equivalent	\$411	\$427	\$374	\$400	\$400
Average charge per thousand gallons	\$2.73	\$2.80	\$2.80	\$2.80	\$2.80
% increase in average charge per 1,000 gallons	4.60%	2.56%	0.00%	0.00%	0.00%
Raw Water-Reclamation					
Sales (in 000s of gallons)	679,432	813,758	693,265	793,055	925,708
Sales revenue	\$927,425	\$1,139,261	\$970,571	\$1,110,277	\$1,295,992
Number of tap equivalents	5,780	6,821	6,902	7,042	8,000
Average charge per tap equivalent	\$160	\$167	\$141	\$158	\$162
Average charge per 1,000 gallons	\$1.37	\$1.40	\$1.40	\$1.40	\$1.40
% increase in average charge per 1,000 gallons	5.38%	2.19%	0.00%	0.00%	0.00%
TOTAL					
Sales (in 000s of gallons)	3,976,035	4,255,839	3,743,159	4,105,591	4,268,132
Sales revenue	\$9,927,149	\$10,777,085	\$9,510,272	\$10,385,376	\$10,654,780
Number of tap equivalents	27,656	29,409	29,719	30,203	31,405
Average charge per tap equivalent	\$359	\$366	\$320	\$344	\$339
Average charge per 1,000 gallons	\$2.50	\$2.53	\$2.54	\$2.54	\$2.50
% increase in average charge per 1,000 gallons	3.73%	1.20%	0.40%	-0.39%	-1.57%

Water Rates and Fees

The City Council establishes water rates and fees by ordinance. As part of the budgetary process, the Council annually reviews existing schedules and considers the City and County Manager's recommendations for rate increases, decreases, and fee schedule restructuring.

Water license fees are based on hydraulic requirements as well as annual consumption estimates. This basis establishes a tap equivalent as compared to an average single family dwelling. Residential water license fees are paid at 1.0 tap equivalent per single family dwelling, 0.6 tap equivalent per townhouse unit, 0.6 tap equivalent for single family detached housing with no individual outside irrigation and 0.4 tap equivalent per apartment unit. Non-residential fees are calculated at 1.0 tap equivalent for each 163,000 gallons of estimated annual consumption. Water license fees for irrigation taps are based on an annual consumption estimate of 4.0 tap equivalents per irrigated acre of landscaping. Additional license fees may be due in the future for consumption in excess of the originally purchased water license. A drought surcharge is not presently in effect, but could be in the future in accordance with the Broomfield Municipal Code. Physical tap and meter fees are separate, additional and subject to change.

The City and County imposes upon users, one-time water tap fees, meter fees, and license fees based upon the number of tap equivalents.

Potable Water Tap, Meter and License Fees(2)			
Connection Size¹	Tap Fee	Meter Fee	License Fee²
3/4" SFD	\$75	\$492	\$22,454
1" SFD Residential	\$100	\$704	\$22,454
3/4"	\$75	\$516	\$22,454
1-1/2"	150	835	68,360
1-1/2" (Turbo)	150	835	68,360
2"	200	1,156	136,720
2" (Turbo)	200	1,156	136,720
3"	100 ¹	1,785 ¹	307,620
3" (Turbo)	100 ¹	2,120 ¹	307,620
4"	100 ¹	2,520 ¹	615,240
4 (Turbo)	100 ¹	2,920 ¹	615,240
6" (Turbo)	100 ¹	7,481 ¹	1,606,460
8" (Turbo)	100 ¹	9,981 ¹	3,418,000
<p>¹ The City and County does not install connections larger than two inches, although it does provide inspection for such facilities. Any user who installs an oversize tap must supply all materials and labor and ensure that the installation complies with the City and County's standards and specifications.</p> <p>² License fees are based on number of equivalent taps.</p>			

The City and County charges a monthly water rate composed of a flat fee and a gallonage charge. As of January 1, 2011, the flat fee is \$8.74 per month per dwelling unit and increasing flat monthly charge based on the connection size of \$11.60 for 3/4" to \$2,318.28 for 8" per month for non-residential. The gallonage charge is \$2.80 per 1,000 gallons. The same water rates do not apply to users outside the City and County; however, extension of water service to users outside the City and County must be approved by the City Council. From January 1, 2006, to December 31, 2006, the City and County sold 886 tap-equivalents for total tap and license fees of \$20,246,684. From January 1, 2007 to December 31, 2007, the City sold 1,075 tap-equivalents for total tap and license fees of \$17,309,921. From January 1, 2008 to December 31, 2008, the City sold 858 tap-equivalents for total tap and license fees of \$14,707,448. From January 1, 2009, to December 31, 2009, the City

and County sold 258 tap-equivalents for total tap and license fees of \$5,782,677. From January 1, 2010 to December 31, 2010, the City sold 210 tap-equivalents for total tap and license fees of \$4,705,460. From January 1, 2011 to December 31, 2011, the City sold 244 tap-equivalents for total tap and license fees of \$5,024,427.

Drought Surcharge

In 2003, the City and County amended its Municipal Code to provide for drought watering restrictions. Chapter 13-36 of the Broomfield Municipal Code provides for Drought Condition I, II and III with increasing mandatory drought watering restrictions. These provisions are enforced and fines imposed for violations. There are currently no drought watering restrictions.

Water Revenues

Table 7, prepared by the City and County, shows water sales and average charge by customer classification. Table 8, prepared by the City and County, shows historical operating statistics.

TABLE 7 - Water Sales, Revenues and Average Charge by Customer Classification

Classification	2007	2008	2009	2010	2011
Residential (includes multi-unit apartments, duplexes, townhouses, and mobile homes).					
Sales (in 000s of gallons)	2,616,215	2,701,792	2,389,442	2,583,981	2,610,981
Sales revenue	\$7,142,266	\$7,565,018	\$6,690,437	\$7,235,146	\$7,308,292
Number of tap equivalents	17,361	17,730	17,876	18,067	18,277
Average charge per tap equivalent	\$411	\$427	\$374	\$400	\$400
Average charge per thousand gallons	\$2.73	\$2.80	\$2.80	\$2.80	\$2.80
% increase in average charge per 1,000 gallons	4.60%	2.56%	0.00%	0.00%	0.00%
Industrial and Commercial					
Sales (in 000s of gallons)	395,725	439,937	397,394	426,778	430,424
Sales revenue	\$1,080,329	\$1,231,822	\$1,112,702	\$1,194,978	\$1,205,186
Number of tap equivalents	2,626	2,887	2,973	2,984	3,014
Average charge per tap equivalent	\$411	\$427	\$374	\$400	\$400
Average charge per 1,000 gallons	\$2.73	\$2.80	\$2.80	\$2.80	\$2.80
% increase in average charge per 1,000 gallons	4.60%	2.56%	0.00%	0.00%	0.00%
Other					
Sales (in 000s of gallons)	284,663	300,352	263,058	301,777	301,896
Sales revenue	\$777,129	\$840,984	\$736,562	\$844,975	\$845,310
Number of tap equivalents	1,889	1,971	1,968	2,110	2,114
Average charge per tap equivalent	\$411	\$427	\$374	\$400	\$400
Average charge per 1,000 gallons	\$2.73	\$2.80	\$2.80	\$2.80	\$2.80
% increase in average charge per 1,000 gallons	4.60%	2.56%	0.00%	0.00%	0.00%
TOTAL:					
Sales (in 000s of gallons)	3,296,602	3,422,080	3,049,893	3,312,535	3,342,424
Sales revenue	\$8,999,724	\$9,637,825	\$8,539,701	\$9,275,099	\$9,358,788
Number of tap equivalents	21,876	22,588	22,817	23,161	23,405
Average charge per tap equivalent	\$411	\$427	\$374	\$400	\$400
Average charge per 1,000 gallons	\$2.73	\$2.80	\$2.80	\$2.80	\$2.80
% increase in average charge per 1,000 gallons	4.60%	2.56%	0.00%	0.00%	0.00%

TABLE 8 - Historical Operating Statistics-Water Fund

	2007	2008	2009	2010	2011
Historical Operating Revenues:					
Charges for Services	\$11,913,272	\$12,893,262	\$11,779,855	\$12,568,073	\$12,670,114
Meter inspections	269,005	136,361	93,673	105,945	130,908
Water tap fees and availability of service charges	17,280,106	14,211,464	5,685,864	4,705,460	5,447,761
Other Revenue	214,673	247,986	169,375	191,016	217,644
Total operating revenues	\$29,677,056	\$27,489,073	\$17,728,767	\$17,570,494	\$18,466,427
Historical Operating Expenses:					
Personnel services	\$2,507,697	\$2,504,347	\$2,673,073	\$2,591,596	\$2,616,109
Materials and supplies	1,005,792	943,009	689,974	972,928	774,200
Contractual services	2,051,735	2,003,594	1,610,472	1,793,535	1,720,016
Utilities	363,625	436,339	356,168	371,050	415,409
Services rendered by General Fund	1,337,436	1,457,941	1,443,683	1,412,821	1,335,995
Water purchases	3,501,745	3,855,259	4,419,760	4,513,080	5,257,803
Total operating expenses	\$10,768,030	\$11,200,489	\$11,193,130	\$11,655,010	\$12,119,532
Net Operating Revenue (Loss)	\$18,909,026	\$16,288,584	\$6,535,637	\$5,915,484	\$6,346,895
Non Operating Revenues:					
Interest revenue	\$3,215,485	\$2,612,732	\$453,398	\$2,441,449	\$857,000
Other revenue ¹	52,886	76,363	24,964	2,327	7,954
Net Income (Loss)	\$22,177,397	\$18,977,679	\$7,013,999	\$8,359,260	\$7,241,849
Debt Service Requirements	6,255,716	6,258,956	6,271,836	6,275,351	6,282,351
Coverage Factor	3.55	3.03	1.12	1.33	1.15
Cash and Funds Available	\$62,686,840	\$57,079,514	\$55,277,794	\$55,772,380	\$55,546,261
¹ Includes realized gain on sale of assets. Does not include pass-thru grant revenue.					

Intergovernmental Agreement

The Water Reclamation Enterprise has entered into an intergovernmental agreement (the "Intergovernmental Agreement") with the Sewer Enterprise and the Water Enterprise, which provides for the Water Reclamation Enterprise to pay its net revenues to the Sewer Enterprise to pay debt service on the Bonds. The Intergovernmental Agreement sets forth the relationships, agreements and obligations among the parties regarding issuance of the Bonds, the acquisition and construction of the Projects and the pledge of various revenues to pay debt service on the Bonds. The Sewer Enterprise agrees to issue the Bonds and deposit the proceeds into the Construction Fund to construct the Projects. The Water Reclamation Enterprise agrees to pay the revenues it receives under the Existing Agreements to the Sewer Enterprise and makes additional covenants regarding operation and maintenance of the Water Reclamation System. The Water Enterprise agrees, when required, to supply potable water to the Water Reclamation System

REVENUES AVAILABLE FOR DEBT SERVICE

The Series 2012 Bonds are payable from Pledged Revenues. Net Revenues are Gross Revenues less Operation and Maintenance Expenses. Gross Revenues include sewer service charges, tap fees, license fees, meter inspections and interest earnings. Operation and Maintenance Expenses include administration and billing, personal services, supplies and materials, debt service and other expenses. Pledged Revenues are the Net Revenues including investment income thereon and any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds deposited in the Series 2012 Debt Service Account as provided in the Series 2012 Bond Ordinance. The Series 2012 Bonds have a lien on the Pledged Revenues. The Sewer Bond Revenue chart shows debt service coverage for the last ten years, including the Series 2000 and Series 2002 Bonds that will be refunded by the Series 2012 Bonds. The Projected Sewer Revenue Coverage Chart shows sewer revenues and projected debt service coverage on the Series 2012 Bonds from 2012 to 2017.

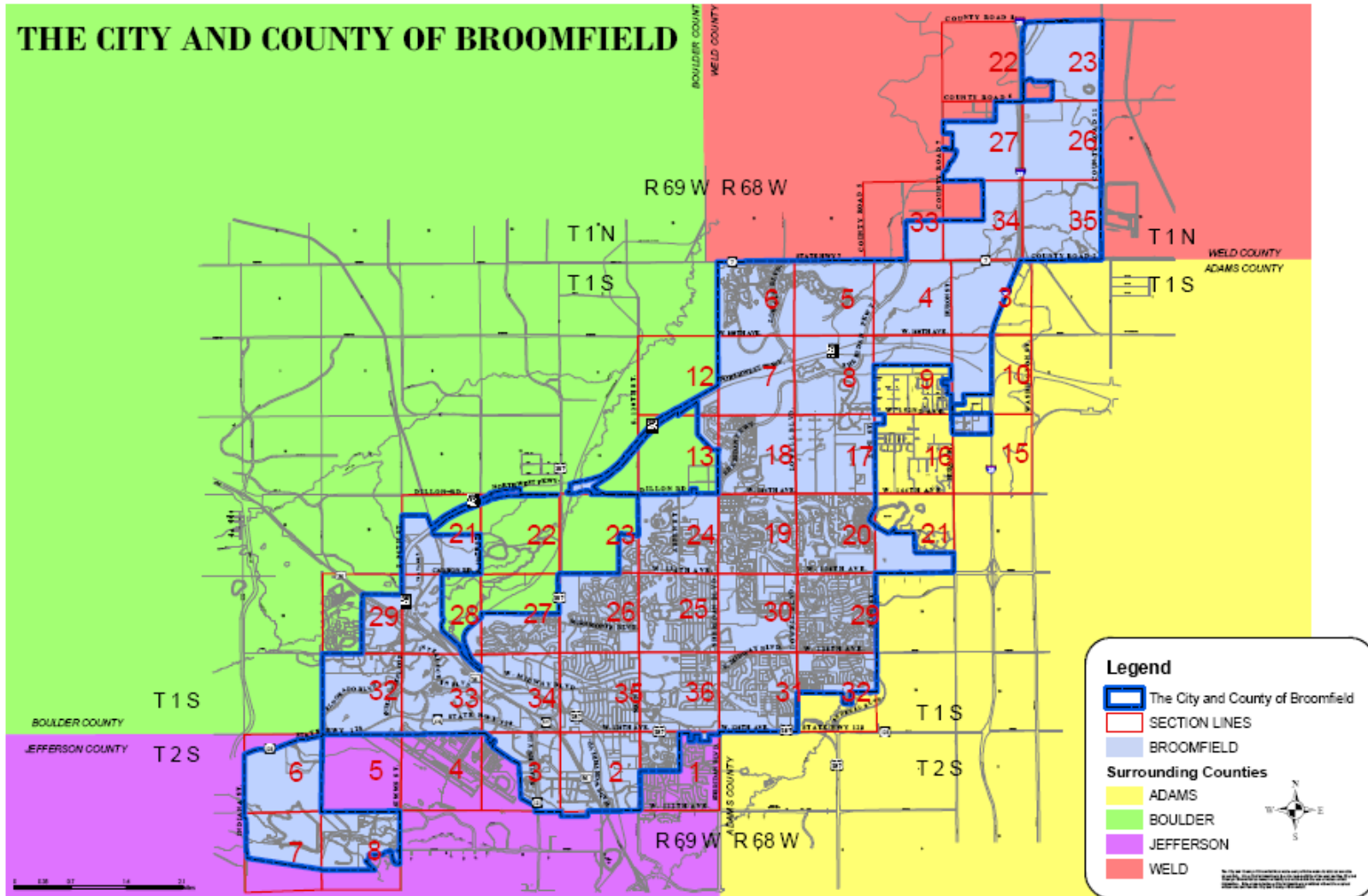
SEWER REVENUE BOND COVERAGE							
Fiscal Year	Gross Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	----Debt Service Requirements----			Coverage ⁽⁴⁾
				Principal ⁽⁴⁾	Interest ⁽³⁾	Total	
2002	\$10,820,837	\$3,236,849	\$7,583,988	\$1,295,000	\$3,139,892	\$4,434,892	1.71
2003	\$11,157,043	\$3,701,860	\$7,455,183	\$1,345,000	\$2,977,523	\$4,322,523	1.72
2004	\$12,285,803	\$3,678,303	\$8,607,500	\$1,400,000	\$2,921,680	\$4,321,680	1.99
2005	\$14,701,563	\$4,128,970	\$10,572,593	\$1,450,000	\$2,863,208	\$4,313,208	2.45
2006	\$16,160,440	\$4,647,925	\$11,512,515	\$1,510,000	\$2,802,298	\$4,312,298	2.67
2007	\$18,051,435	\$5,315,449	\$12,735,986	\$1,570,000	\$2,738,498	\$4,308,498	2.96
2008	\$17,999,756	\$4,959,759	\$13,039,997	\$1,640,000	\$2,672,163	\$4,312,163	3.02
2009	\$10,007,771	\$4,781,790	\$5,225,981	\$1,705,000	\$2,602,462	\$4,307,462	1.21
2010	\$10,563,906	\$5,284,511	\$5,279,395	\$1,785,000	\$2,529,145	\$4,314,145	1.22
2011	\$10,312,598	\$5,438,449	\$4,874,149	\$1,865,000	\$2,452,745	\$4,317,745	1.13

- (1) Operating and non-operating revenues with license fees included and bond proceeds excluded. These revenues included an annual transfer from the Water Reclamation Fund for a portion of the debt service payments.
- (2) Expenses less depreciation and amortization, plus losses on disposal of fixed assets and payments to subgrantees. Operating expenses include costs for routine repair and maintenance of facilities and infrastructure.
- (3) Interest per debt service paid to bondholders during calendar year, does not include accrued interest.
- (4) Principal payments include a voluntary call of \$9,691,326 due 12/09 for the 1989C Capital Appreciation Bonds. Without call, coverage would have been 2.16.

PROJECTED SEWER REVENUE BOND COVERAGE							
Fiscal Year	Gross Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	----Debt Service Requirements----			Coverage ⁽⁴⁾
				Principal	Interest ⁽³⁾	Total	
2012	\$16,945,330	\$7,508,204	\$9,437,126	\$2,460,045	\$1,712,758	\$4,172,803	2.26
2013	\$13,533,422	\$7,674,292	\$5,859,130	\$1,955,000	\$1,720,100	\$3,675,100	1.59
2014	\$15,504,388	\$6,605,363	\$8,899,025	\$2,000,000	\$2,856,000	\$4,856,000	1.83
2015	\$17,103,640	\$10,069,620	\$7,034,020	\$2,750,701	\$2,816,000	\$5,566,701	1.26
2016	\$27,183,125	\$10,564,377	\$16,618,748	\$2,851,236	\$2,719,265	\$5,570,501	2.98
2017	\$24,373,601	\$10,955,368	\$13,418,233	\$2,953,548	\$4,813,803	\$7,767,351	1.73

- (1) Operating and non-operating revenues with license fees included and bond proceeds excluded. These revenues included an annual transfer from the Water Reclamation Fund for a portion of the debt service payments.
- (2) Expenses less depreciation and amortization, plus losses on disposal of fixed assets and payments to subgrantees. Operating expenses include costs for routine repair and maintenance of facilities and infrastructure.
- (3) Interest per projected debt service paid to bondholders during calendar year, does not include accrued interest.
- (4) In 2012 an early voluntary redemption of the Governmental Agency Bond and the Sewer Revenue Bonds 1998B in the amount of \$2,024,299 will occur. With this early redemption coverage will be 1.52.

CITY AND COUNTY OF BROOMFIELD MAP



THE CITY AND COUNTY

General

The City was incorporated on June 6, 1961, and became a home rule city under the Constitution of Colorado on adoption of its Charter on November 5, 1974. It was an incorporated municipality, a body politic and corporate, existing under the laws of Colorado. Because the City is a "home rule" city, the City's Charter governs all local and municipal matters. State law applies to matters of local or municipal concern only to the extent not superseded by the Charter or ordinances of the City. The Constitution of Colorado reserves to the City certain powers, including the power to issue, refund, and liquidate all types of municipal obligations and the power to assess property in the City, and to levy and collect taxes on such property for municipal purposes.

The City was located in the Counties of Adams, Boulder, Jefferson and Weld. For a number of years citizens and elected officials expressed interest in forming a consolidated City and County. In May, 1998, the Colorado General Assembly adopted a Resolution which placed the creation of the City and County of Broomfield on the ballot for November 3, 1998, statewide election. The creation is a significant event in Colorado's history and in the City's history. The creation of a city and county last occurred in Colorado in 1902 when the City and County of Denver was formed. The three years from 1999 to 2001 were a transition period. On November 15, 2001, all areas within the City of Broomfield were detached from the counties of Adams, Boulder, Jefferson and Weld and became the City and County of Broomfield, the 15th largest county in Colorado.

The City and County of Broomfield is strategically located at the heart of the high-tech growth area in the Denver Metropolitan area. It is situated 10 miles from Boulder and 12 miles from Denver, providing businesses and residents easy access to all of the Denver Metropolitan area services and transportation resources. The northwest quadrant of the Denver Metropolitan area, where Broomfield is located, has been the hub of high-tech employment in the area for the last 25 years. This high-tech growth can be attributed to the University of Colorado's Boulder campus, with its more than 32,000 under-graduate and graduate students providing the employment base for these firms. Broomfield's Interlocken Advanced Technology Environment business park has become the destination of choice for several corporate and regional headquarters.

Broomfield offers 20 minute access to DIA via the Northwest Parkway, a full-service airport in the Rocky Mountain Metropolitan Airport, and a location central to the University of Colorado at Boulder, Colorado State University and Colorado School of Mines, as well as most of the 16 federal labs located within the state, including the National Renewable Energy Laboratory.

Broomfield's location and access to several major freeways and highways also allows Broomfield companies to draw labor from the entire Denver Metropolitan area, which ranks in the top five metro areas for educational attainment in the country. Broomfield itself boasts 38% of its residents over 25 having achieved a bachelor degree or higher. Broomfield also offers a cooperative, responsive government available and willing to help from fast track permitting, ombudsman service through every phase of the planning and development process and tax rebates and incentives applied on a case by case basis. Broomfield offers a wide array of amenities within the community enhancing employee recruitment and retention. Residents and employees within the city enjoy:

- An expansive system of parks and trails.
- 27-hole David Graham Championship Golf Course at the Omni Interlocken Resort.
- The 6,000-seat 1STBANK Center hosting national recording artists and other events throughout the year.
- Two four-star hotels in the Omni Interlocken Resort and Renaissance Boulder Suites at FlatIron.
- 1.5 million square foot FlatIron Crossing Regional Mall.

The Flatiron Crossing Mall opened on August 11, 2000. The department store anchors were Nordstrom, Lord and Taylor, and Dick's Sporting Goods. Flatiron Crossing Mall includes traditional specialty retailers, a full array of restaurants and a 14-screen movie complex. Forever XXI and The Container Store opened in August 2009 replacing Lord and Taylor. Taxable retail sales from December 31, 2009 to December 31, 2010, for approximately 215 retailers were approximately \$299,259,000. Adjacent to the 170 acre mall site, the Flatiron Marketplace is a 70-acre retail and mixed-use development that includes, Best Buy, Men's Wearhouse and Famous Footwear. Flatiron Marketplace had taxable retail sales from December 31, 2009 to December 31, 2010, for approximately 31 retailers of approximately \$57,283,000. MainStreet at Flatiron is located southwest of Flatiron Crossing Mall and includes approximately 700,000 square feet of retail and over 1.5 million square feet of office and hotel space. MainStreet at Flatiron includes Marriott Renaissance & Town Place Suites, DSW Shoe Warehouse and a Super Wal-Mart. MainStreet at Flatiron had retail sales from December 31, 2009 to December 31, 2010 for approximately 27 retailers of approximately \$75,606,000. Retail square footage within Broomfield has increased from 1,400,000 square feet in 1999 to approximately 4,608,000 square feet in 2010.

The Broomfield Event Center is a 6,000-seat multi-purpose arena that opened with its first event on November 9, 2006 (a concert by Bonnie Raitt), and hosts professional sports games and exhibitions, concerts, conventions and other public events. Peak Entertainment is the new operator for the Broomfield Event Center and the name was changed to 1ST BANK Center. Peak Entertainment is a new partnership formed by AEG Live Rocky Mountains and Kroenke Sports Enterprises, two of Colorado's premier entertainment corporations. 1STBANK Center opened on March 5, 2010 with a performance by Furthur, featuring Phil Lesh and Bob Weir of the legendary group, the Grateful Dead.

The 1ST BANK Center is a major anchor for the 215-acre multi-use development known as Arista. Arista is planned as a high activity commercial, residential and entertainment area that will provide a wide variety of shopping opportunities and a diversity of leisure time activities. Approved plans currently propose 3.3 million square feet of commercial/office space and 1,852 multi-family dwelling units. In April, 2009, aloft Broomfield Denver, a 139-room hotel, opened in the Arista development. A 358-unit Alexan Apartment Complex and a 177,000 square foot office building are also located in the Arista development.

In November 2003, the Northwest Parkway toll road was completed and opened to the public. This major roadway through the north section of Broomfield provides a 9-mile link between I-25 on the east, where it connects with E-470, providing direct access to Denver International

Airport, and 96th Street on the west, near Flatiron Crossing Mall. On November 21, 2007, the Northwest Parkway LLC, a joint venture between Brisa Auto-Estradas S.A. and Companhia de Concessões Rodoviárias, entered into a concession and lease agreement for the operation and maintenance of the Northwest Parkway from the Northwest Parking Public Highway Authority ("NWPPHA"). In the future, consideration will be given to adding an extension to the current parkway. The NWPPHA continues to pursue opportunities towards this goal. The Jefferson Parkway Public Highway Authority is working to complete the next segment of the regional beltway from SH 128 to SH 93.

Approximately 3,000 acres of land located north of West 152nd Avenue, south of Colorado Highway 7 between Interstate-25 and the Boulder County Line had been approved for a major mixed use development, known as Anthem. Approved plans proposed 15.7 million square feet of commercial/office space, 3,500 single-family residential units and 7,313 multi-family dwelling units. As constructed to date, the Anthem development currently contains 1,361 single family units. The Amended and Restated Vesting Agreement for North Park PUD and the North Park Managed Growth and Development Agreement, approved September 27, 2011 amended and replaced a portion of the Preble Creek PUD Plan and the Anthem-West PUD Plan with regard to land uses and roadway layouts to better promote an urban, walkable, mixed-use development. The 939-acre property owned by McWhinney CCOB Land Investments, LLC proposes to include 17.2 million square feet of mixed-use commercial development, up to 6,205 residential units, the development of a 145 acre open land system to include a linear central park along Preble Creek, a series of public plazas and squares and a 41 acre athletic field practice facility. The total estimated value of improvements to be built by 2049 is \$3,188,196,143.

Approximately 155 acres of land located north of Colorado Highway 7 and east and west of Interstate-25 has been approved for 1.5 million square feet of commercial/office space and 1,000 apartments, townhouses and single family attached and detached homes. Children's Hospital completed a new 46,631 square foot ambulatory care center in this area, and an office, storage and warehouse building of 163,236 square feet is currently under construction for the General Services Administration - National Archives and Records Administration. See "APPENDIX E – Economic and Demographic Information.

Government

The Charter establishes the City Council as the legislative and governing body of the City. The City Council consists of ten members elected from five wards in the City and an elected Mayor. The members of the City Council are elected for staggered four-year terms at the general municipal election held in November of odd numbered years, and the Mayor is elected from the City at large for a two-year term. A Mayor Pro Tem is elected from among the members of the Council. The Mayor presides at all City Council meetings, but votes only in the case of a tie. In addition, the Mayor has the right to veto any ordinance, which veto may be overridden by an affirmative vote of two-thirds of the entire Council at the next regular Council meeting following the veto.

The Mayor and members of the City Council, the date of expiration of their current terms, and their principal occupations are, respectively, as follows:

ELECTED OFFICIALS			
Member	Office	Current Term Expires (Nov.)	Principal Occupation
Patrick Quinn	Mayor	2013	Certified Public Accountant
Greg Stokes	Mayor Pro-Tem	2013	Investor
Wayne Anderson	Councilmember	2015	Owner of Leadership Science Institute, LLC
Martha Derda	Councilmember	2013	Retired from teaching and recreation
Robert Gaiser	Councilmember	2013	Real Estate Development
Kevin Jacobs	Councilmember	2015	Assistant Vice Chancellor for Human Resources, University of Colorado, in Denver
David Jurcak	Councilmember	2015	General Manager of the Omni InterlockenResort
Dennis McCloskey	Councilmember	2013	School Teacher – Retired
Todd Schumacher	Councilmember	2015	Human Resources Manager
Mike Shelton	Councilmember	2015	Waiter
Sam Taylor	Councilmember	2013	Materials Manager for Communications Business

All legislative powers of the City are held by the City Council except as provided in the Charter. The affirmative vote of a majority of the membership of the entire City Council is required for the enactment of any ordinance, except for certain types of ordinances which require the affirmative vote of two-thirds of the entire City Council. The Charter provides for voter referenda and initiatives, pursuant to which voters can require the City Council to submit ordinances to the voters at general or special municipal elections.

Under the Constitutional Amendment, the Mayor and the City Council continue to be the governing body for the City and County. In addition to their duties regarding City government, they also perform the statutory duties of a Board of County Commissioners. The City and County charter states that the City and County's form of government will be the Council-Manager form of government. The City and County government remains the same as it was for the City. The Mayor continues to be elected at-large and Council members continue to be elected from five wards with two Council members per ward.

Administration and Management

The City Council appoints all boards and commissions, (unless otherwise required by law), the City and County Attorney, Municipal Judges, and the City and County Manager. The City and County Manager is the executive head of the government of the City and County and is responsible for the enforcement of the City's laws and ordinances. The City and County Manager also administers the operation of all the departments and divisions of the City and County, including the Finance, Internal Audit, Community Resources, Economic Development, Community Development Public Works, Police, Combined Courts, Clerk and Recorder, Human Resources, Information Technology Communications and Health and Human Services Departments. The City and County Manager has the authority to appoint directors of all departments of the City and County.

The City and County is administered under a council-manager form of government. The City Council is the policy making body. The City and County Manager is appointed by and is responsible to the City Council and serves as the City and County's Chief Executive Officer. The City and County's Municipal Code designates the officers who perform the acts and duties required of county officers.

Charles S. Ozaki, City and County Manager. Mr. Ozaki received a B.A. degree in Political Science in 1971 and an M.A. degree in Public Administration in 1976, both from the University of Colorado in Boulder. He was employed by the City of Westminster, Colorado, from 1977 to 1979 as Personnel Officer and Assistant to the City Manager. From 1979 to 1981, he was a circuit rider City Manager for the Towns of Norwood and Nucla, Colorado, and in 1981 he became circuit rider City Manager for the Towns of Debeque and Collbran, Colorado. Mr. Ozaki was appointed Assistant City Manager for Broomfield in 1982. Mr. Ozaki was appointed City and County Manager for Broomfield on May 1, 2011.

The other officers and employees of the City and County and their principal occupations during at least the past five years, are as follows:

Kevin Standbridge, Deputy City and County Manager. Mr. Standbridge has previously served as Assistant City and County Manager, Community Development Director and Planning Director for the City and County of Broomfield, and as a City Planner and Solid Waste Director in suburban Chicago. He began his professional career as a Peace Corps Volunteer in Burkina Faso, West Africa. Mr. Standbridge received a Bachelor of Environmental Design from the University of Colorado and a Master of Urban Planning and Policy from the University of Illinois at Chicago. He has also attended training in Master Planning for Community Fire Protection at Rocky Mountain Fire Academy in Denver, in Managerial Finance at the College of St. Francis in Joliet, IL, and completed the Senior Executives in State and Local Government program at Harvard's John F. Kennedy School of Government. Mr. Standbridge is a member of the American Institute of Certified Planners, and the Urban Land Institute.

Patricia J. Soderberg, Finance Director. Ms. Soderberg was appointed Finance Director for the City and County in February, 2010, after serving as the Deputy Director of Finance for nine years. Prior to that, she served as the Accounting Manager for three years. She was employed by the City of Louisville, Colorado as the Accounting Supervisor from 1997 to 1998 and as Senior Accountant for the City of Thornton, Colorado from 1986 to 1997. Ms. Soderberg received a Bachelor's degree in Accounting from the University of Colorado, graduating *Magna Cum Laude* in 1978. She is a member of the national and state Government Finance Officers Associations.

William Tuthill III, City and County Attorney. Mr. Tuthill was appointed as the City and County Attorney by the City Council in May, 2005. He graduated from Harvard Law School in 1982. He received a B.A. in political science from Northwestern University in 1979 and also an M.A. from Northwestern in 1980, with an emphasis in public policy analysis. He spent several years in private practice in Denver and has taught at the University of Puget Sound School of Law. In 1989 he entered the public sector as an assistant county Attorney in Jefferson County, Colorado and became the Jefferson County Attorney in 2002.

City and County Employees

The City and County has 595 full time employees. None of the City and County's employees are represented by a union, and the City and County considers its employee relations to be very good.

Employees and Employee Benefits

Broomfield sponsors five retirement plans including an "Old Hire" Employees' Pension Plan, an Employees' Deferred Compensation Plan, an Employee Money Purchase Plan, a Policemen's Pension Fund, and a Money Purchase Plan for "New Hire" Police Officers. Further information regarding the City and County's Retirement Plans may be found in Note 9 to the financial statements that are attached to this Official Statement as APPENDIX G.

Municipal Services

Broomfield provides its citizens with police protection, streets and public works, parks and recreation services, library services, water services and sanitary sewer collection and treatment. Gas and electric services in Broomfield are provided by Xcel Energy and United Power. Fire protection services are provided by North Metro Fire Rescue District, the boundaries of which include most of Broomfield, and in some small portions of Broomfield, by Louisville Fire Protection District and Cherryvale Fire Protection District. Trash removal services are provided to Broomfield's residents by several private companies. Medical facilities in Denver and Boulder are available to residents of Broomfield. Broomfield provides transportation services for its residents over age 55 in cooperation with Broomfield Senior Resources, Inc.

County Services

Broomfield provides all the services of Colorado counties. These include Health and Human Services that provides for public assistance, child care, elderly disabled and medical services and public health, a Detention Center, a Clerk and Recorder Department for document recording, and motor vehicle registration, a Courts Administration Department for the Municipal, County and District Courts and a Central Records office for the Clerk and Recorder, Assessor, Treasurer and Public Trustee.

Financial Statements

Pursuant to Colorado statutes, the City and County is required to have its financial statements audited at least annually. The audited financial statements must be filed with the State Auditor by July 31 of each year. The City and County's financial statements for the year ended December 31, 2011, were examined by Rubin Brown, LLP, independent certified public accountants. The financial statements and the report of the certified public accountant for the fiscal year ended December 31, 2011 are attached to this Official Statement as APPENDIX G.

Budgets and Capital Improvements Plan

Broomfield's fiscal year runs from January 1 to December 31. The Charter requires the City and County Manager to submit to the City Council the current expense budget for the ensuing fiscal year and a long-range capital budget prior to the beginning of each fiscal year. The annual budget is required to contain an estimate of all anticipated revenues and the proposed expenditures necessary for the operation of Broomfield's departments, offices, and agencies. It is also required to include an estimate of the general fund surplus or deficit, debt service requirements, and an estimate of the sum required to be raised by tax levy for the ensuing fiscal year. After public hearing, the City Council may adopt the budget without change or may amend the budget by adding new items of expenditure or by increasing, decreasing, or removing items of expenditure, except that the City Council may not delete or reduce any appropriations for expenditures required by law, for debt service, or for estimated cash deficit. The Charter directs the City Council in adopting the budget to estimate the amount of money necessary to be raised by tax levy, taking into account total proposed expenditures and estimated revenues. The City Council is required to adopt the budget by resolution on or before December 1.

Broomfield annually budgets and expends funds on capital improvements for building and facilities projects, transportation projects, recreation and park projects, open space and trails and other similar improvements. As of July 1, 1984, the City established a Sales and Use Tax Capital Improvement Fund into which one-third of 3.5% sales and use tax revenues are deposited. The City may issue bonds payable from the revenues deposited in the Sales and Use Tax Capital Improvements Fund, and the proceeds of such bonds may be applied to the costs of capital improvements.

The City and County's Master Plan

In 1995, Broomfield began an intensive community participation process to create a new Master Plan for Broomfield. In November of 1995, City Council adopted a Master Plan reflecting a commitment to a lower build out population, substantial increases in open space, and an enhanced role for transit facilities in the future of Broomfield. The 1995 Master Plan also created new Design Guidelines for future development in the community. The plan reflects the evolution of Broomfield towards a higher quality, family oriented community within the overall context of a strategic Front Range location in the metropolitan area between Denver and Boulder. In October of 2005, City Council adopted a revised 2005 Comprehensive Master and Strategic Plan which reflects the changes over the past 10 years, including Broomfield's revised status as a City and County. A significant element of the 2005 Comprehensive Master Plan is the integration of the Long-Range Financial Plan as an underlying basis for many assumptions, policies and action steps. Fiscal sustainability is one of the key plan priorities. Other key sections outline the coordination between the growth of the community and the Long-Range Financial Plan projections, the importance of the Long-Range Financial Plan in land use planning and the need to maintain and adjust, as necessary, the balance of land uses within the community to support the fiscal objectives of the Financial Master Plan as well as other community values such as the provision of parks and open space.

Broomfield's Vision Statement, adopted by City Council in August of 1994, provides a unified vision of the community which forms a foundation for both the 1995 Master Plan and the

Strategic Plan. The 1995 Broomfield Master Plan addresses the physical development of Broomfield and the future land uses as well as design guidelines for new construction. The 1995 Master Plan did not cover other issues such as the preservation of a "sense of community" in Broomfield or the provision of senior and social services for residents. These diverse issues are brought together by the Strategic Plan with a list of recommendations and action steps designed to achieve the overall vision of the community. The Vision Statement, the Master Plan and the Strategic Plan form a trio of elements working in concert to shape Broomfield's future. All of these elements were brought together through the adoption of the 2005 Comprehensive Master and Strategic Plan. Broomfield also finalized an Open Space, Parks, Recreation and Trails Master Plan in 2005 that carries forth the vision for Broomfield's open lands originally established in the 1995 Broomfield Master Plan and carried forward into the 2005 Comprehensive Master Plan.

Long Range Financial Plan Update

On July 28, 2009, the City Council of the City and County approved an update to the Long Range Financial Plan for the City and County. The update is based on key over-arching assumptions including the assumption that financial planning is tied to land use planning, the City and County's projected population at build out is 95,000, the land mass of the City and County is 33.58 square miles and is approximately 50% built-out and that it is not known precisely when the City and County will reach build out, as this is determined by economic and market conditions and the rate of development.

The financial models described in the update have been prepared for all governmental activities. The funds that support these activities are divided into General Government Type Funds and Enterprise Funds. The General Government Type Funds include the City and County General Funds, Street Funds and Capital Improvement Funds. The fundamental focus of the financial model is the ratio of annual revenues to annual expenditures. For example, the ratio estimated for 2012 is 1.03. That means for every \$1.00 of annual expenditures expected in 2012, the City and County will have \$1.03 in annual revenues. Sales tax is the largest source of revenue for the City and County and represents 22.47% of total budgeted revenues for 2012. Property taxes are the second largest source of tax revenue for the City and County and represents approximately 14.58% of total budgeted revenues for 2012.

The Long Range Financial Plan Update finds that 1) from 2004 through 2009 the City and County's ratio of revenues to expenditures has met or exceeded 1.0 every year, an indicator of consistent solid overall health, 2) a diverse revenue base, consistent economic growth and conservative budget practices have all contributed to revenue growth that exceeds the rate of expenditure growth and 3) land use patterns show relatively typical Colorado financial outcomes with residential land uses generating substantial deficits generally offset by contributions from regional retail and commercial uses. Currently, the Long Range Financial Plan shows a planned ratio of revenues to expenditures based on original budget to be 1.02 in 2010, 1.04 in 2011, and 1.03 in 2012.

A Utility Operations Performance Assessment of the Water Fund, Sewer Fund and Water Reclamation Fund (collectively, the "Utility Funds") was completed in October, 2011. It concluded that the utilities are generally operating at a level that controls costs. Staff is in the process of

soliciting requests for proposals for a comprehensive cost of service analysis and rate study for the Utility Funds.

LITIGATION, SOVEREIGN IMMUNITY AND INSURANCE

The City and County has joined with other Colorado municipalities in a municipal self-insurance pool, the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). The City and County believes that CIRSA provides coverage similar to that customarily obtained by similar entities insuring similar operations and assets.

The City and County is named in certain claims and lawsuits for damages principally in connection with alleged police misconduct, accidents involving City and County property, employment related claims and building inspection claims. Regarding such pending litigation, it is the opinion of the City Attorney that the City and County's level of insurance coverage is adequate and that such litigation will not result in a final judgment against the City and County which would, individually or in the aggregate, materially affect the City and County's financial position or its ability to perform its obligations to the owners of the Series 2012 Bonds.

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City and County, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: The operation of a non-emergency motor vehicle, owned or leased by the public entity; a dangerous condition of any public buildings; and a dangerous condition of a public highway, road or street as provided in the Immunity Act. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$150,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$600,000; except in such instance, no person may recover in excess of \$150,000. The City and County may, by ordinance, increase any maximum amount that may be recovered from the City and County for the type of injury described in the resolution. However, the City and County may not be held liable either directly or by indemnification for punitive or exemplary damages unless it voluntarily pays such damages in accordance with state law.

The City and County may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include suits filed pursuant to 42 U.S.C. 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City and County may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Immunity Act provides that it applies to any action brought against a public entity or a public employee in any state court having

jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

LEGAL OPINION AND TAX MATTERS

Opinion of Bond Counsel

Legal matters relating to the authorization, issuance, sale and tax status of the Series 2012 Bonds are subject to the approval of Hahn, Smith, Walsh & Mancuso, P.C., Denver, Colorado, as Bond Counsel, whose opinion will be attached to the Series 2012 Bonds and delivered at closing.

Certain Tax Matters

In the opinion of Bond Counsel, subject to compliance by the City and County of Broomfield, Colorado and its Water Enterprise with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest and such original issue discount are taken into account in determining adjusted current earnings. To the extent interest on the Bonds, including original issue discount properly allocable to the owners of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, such interest and such original issue discount are not subject to income taxation by the State of Colorado.

OWNERS OF THE SERIES 2012 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SERIES 2012 BONDS.

A copy of the opinion of Bond Counsel for the Series 2012 Bonds is set forth in "APPENDIX E-FORM OF BOND COUNSEL OPINION," attached hereto.

Original Issue Discount

Certain of the Series 2012 Bonds ("Discount Series 2012 Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of such bonds, provided that excess equals or exceeds a statutory de minimis amount (one-quarter of one percent of the Series 2012 Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity). The issue price of a Discount Series 2012 Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Series 2012 Bonds of the same maturity are sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Series 2012 Bond

over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the time a U.S. owner owns a Discount Series 2012 Bond (i) constitutes interest includable in the U.S. owner's gross income for federal income tax purposes and (ii) is added to the U.S. owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of the Discount Series 2012 Bond. The effect of OID is to accelerate the recognition of taxable income during the term of the Discount Series 2012 Bond.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Series 2012 Bonds shown on the cover and inside cover page of this Official Statement being offered and sold at a price of more than 100% (collectively, the "Premium Bonds") may be initially offered and sold to the public with Acquisition Premium. For federal income tax purposes, the amount of Acquisition Premium on the Premium Bonds must be amortized and will reduce the owner's adjusted basis in that bond. The amount of any Acquisition Premium paid on the Premium Bonds that must be amortized during any period will be based on the "constant yield" method, using the original owner's basis in such Premium Bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis. However, no amount of amortized Acquisition Premium on the Premium Bonds may be deducted in determining an owner's taxable income for federal income tax purposes.

Owners of any Premium Bonds, both original purchasers and any subsequent purchasers, should consult their own tax advisors as to the actual effect of the Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on a Series 2012 Bond and the proceeds of the sale of a Series 2012 Bond to non-corporate holders of the Series 2012 Bonds, and "backup withholding" at a rate of 28% will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A Beneficial Owner of a Series 2012 Bond that is a U.S. owner can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Nonresident Owners

Under the Code, interest and OID on any Series 2012 Bond whose Beneficial Owner is a nonresident alien, foreign corporation or other non-United States person (a "Nonresident") are generally not subject to United States income tax or withholding tax (including backup withholding) if the Nonresident provides the payor of interest on the Series 2012 Bonds with an appropriate statement as to its status as a Nonresident. This statement can be made on IRS Form W-8BEN or a successor form. If, however, the Nonresident conducts a trade or business in the United States and

the interest or OID on the Series 2012 Bonds held by the Nonresident is effectively connected with such trade or business, that interest or OID will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding).

NO LITIGATION CERTIFICATE

At the time of original delivery of the Series 2012 Bonds, there will be furnished a certificate signed by the City and County Attorney stating, among other things, that there is no litigation then pending, or to his knowledge threatened, affecting the validity of the Series 2012 Bonds.

FINANCIAL ADVISOR

RBC Capital Markets, LLC has served as financial advisor to the City and County with respect to the sale of the Series 2012 Bonds. As the City and County's financial RBC Capital Markets, LLC has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Series 2012 Bonds. In its role of financial advisor to the City and County, RBC Capital Markets, LLC has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the Appendices hereto.

INITIAL PURCHASERS

The Series 2012 Bonds are being purchased at a discount of \$_____ by the Initial Purchasers, pursuant to their favorable bid to purchase the Series 2012 Bonds pursuant to the Notice of Sale. The right of the Initial Purchasers to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Series 2012 Bonds. The Initial Purchasers have initially reoffered the Series 2012 Bonds to the public at the prices set forth on the cover page of this Official Statement. Such prices may subsequently change without any requirement of prior notice. The Initial Purchasers reserve the right to join with dealers and other investment banking firms in reoffering the Series 2012 Bonds to the public.

Although the Initial Purchasers expect to maintain a secondary market for the Series 2012 Bonds, no guarantee can be made that a secondary market for the Series 2012 Bonds will develop or be maintained by the Initial Purchasers or others. Thus, prospective investors should be prepared to hold their Series 2012 Bonds to maturity or prior redemption.

CONTINUING DISCLOSURE UNDERTAKING

In connection with the issuance of the Series 2012 Bonds, the City and County will deliver a Continuing Disclosure Undertaking in which it will agree to provide certain financial information and operating data and to provide notice of certain enumerated events. See "APPENDIX F - FORM OF CONTINUING DISCLOSURE UNDERTAKING" for the detailed provisions of the Continuing Disclosure Undertaking. The City and County is in compliance with all of its previous Continuing Disclosure Undertakings.

RATING

On June 28, 2012, Moody's Investors Services ("Moody's") downgraded the rating on the Series 2012 Bonds to "A2" from "A1," which rating bears a negative outlook and which rating is applicable to the Series 2001 Bonds. The rating report is available from Moody's.

The Series 2012 Bonds have a rating of "A2" from Moody's, which rating bears a negative outlook.

Such rating reflects only the views of such rating agency, and does not constitute a recommendation to buy, sell or hold securities. Explanations of the significance of such rating may be obtained from the rating agency. The rating is subject to revision or withdrawal at any time by the rating agency, and there is no assurance that the rating will continue for any period of time or that the rating will be revised or withdrawn. Any revision or withdrawal of such rating could have an adverse effect on the market price of the Series 2012 Bonds.

MISCELLANEOUS

As to various items of information included in this Official Statement, the City and County acting by and through its Sewer Enterprise and the City and County have attempted to obtain accurate information from governmental authorities and other sources that were believed to be reliable. However, the City and County acting by and through its Sewer Enterprise and the City and County do not warrant the completeness or accuracy of any information so obtained. The references in this Official Statement to the Series 2012 Bond Ordinance, statutes, resolutions, contracts and other documents are brief summaries of certain provisions of those documents. These summaries do not purport to be complete, and reference is made to the documents for full and complete statements of their provisions. All estimates used in this Official Statement are intended only as estimates and not as representations.

OFFICIAL STATEMENT CERTIFICATION

The execution and delivery of this Official Statement by the Mayor, the City and County Manager and the Finance Director of the City and County, acting by and through its Sewer Enterprise have been duly authorized by the City Council of the City and County of Broomfield, Colorado, acting by and through its Water Enterprise.

**CITY AND COUNTY OF
BROOMFIELD, COLORADO
ACTING BY AND THROUGH ITS
SEWER ENTERPRISE**

By: _____
Mayor

By: _____
City and County Manager

By: _____
Finance Director

APPENDIX A

Summary of Certain Provisions of the Series 2012 Bond Ordinance

The following is a brief summary of certain provisions of the Series 2012 Bond Ordinance and is qualified in its entirety by the Series 2012 Bond Ordinance itself.

Definitions

"*Amended and Restated Intergovernmental Agreement*" or "*IGA*" means the intergovernmental agreement among the Sewer Enterprise, the Water Reclamation Enterprise and the Water Enterprise.

"*Bonds*" or "*Series 2012 Bonds*" means City and County of Broomfield, Colorado Sewer Activity Enterprise, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, dated the date of delivery, in the principal amount of \$43,480,000.

"*Capital Charge*" means the capital charge assessed now or in the future to each customer of the Sewer System as Sewer Service Charges, as determined by an ordinance of the City and County to fund projects which benefit all the customers of the City and Count.

"*Code*" means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

"*Debt Service Fund*" means the City and County of Broomfield, Colorado Sewer Activity Enterprise, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, Debt Service Fund created under Section 9 of the Series 2012 Bond Ordinance and further described in Section 10(a) of the Series 2012 Bond Ordinance.

"*Gross Revenues*" means all income and revenue directly or indirectly derived from the Sewer System, including but not limited to Sewer Service Charges, including Capital Charges, if any, Sewer Tap Fees, Sewer License Fees, Sewer Meter Inspection Fees, Sewer Surcharges and interest earnings.

"*Maximum Annual Debt Service Requirement*" means the maximum amount of all required payments of principal and interest on the Series 2012 Bonds and any Parity Lien Bonds which will become due in any fiscal year. For obligations bearing or to bear interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, such computation is to be made upon the assumption that the obligations bear interest during any period at the highest of (i) the actual rate on the date of computation, or if the obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the obligations have been outstanding for at least twelve (12) months, the average rate over the twelve (12) months immediately preceding the date of calculation, and (iii) (a) if interest on the obligations is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published).

"*Municipal Code*" means the Broomfield Municipal Code.

"*Net Revenues*" means Gross Revenues after deducting Operation and Maintenance Expenses.

"*Operation and Maintenance Expenses*" means all of the costs and expenses for the efficient and economical operation of the Sewer System.

"*Parity Lien Bonds*" means bonds, notes, certificates, contracts or other obligations issued in accordance with Section 11 of the Series 2012 Bond Ordinance, payable in whole or in part from the Pledged Revenues and having a lien thereon or a parity with the lien of the Series 2012 Bonds.

"*Pledged Revenues*" means the Net Revenues of the Sewer System deposited to the Sewer Enterprise Fund in accordance with the Municipal Code including investment income thereon, and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account, including any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds.

"*Prior Issue*" means the Series 2001 Bonds being currently refunded by the Series 2012 Bonds in accordance with the Series 2012 Bond Ordinance.

"*Reserve Account Credit Facility*" means an insurance policy, surety bond, letter or line of credit or similar instrument which may be utilized in the Reserve Account as security for the Series 2012 Bonds and any Parity Lien Bonds, the issuer or provider of which is rated in the highest rating category by S&P, Moody's or A.M. Best & Company.

"*Reserve Requirement*" means the least of ten percent (10%) of the stated principal amount of the Series 2012 Bonds, or maximum annual debt service on the Series 2012 Bonds or 125% of average annual debt service on the Series 2012 Bonds with any increases as a result of the issuance of Parity Lien Bonds to be subject to the same limitations and requirements. The Reserve Requirement for the issuance of the Series 2012 Bonds, in the amount of Reserve Requirement will be satisfied by the deposit of available funds of the Sewer Enterprise. Any other increases as a result of the issuance of Parity Lien Bonds will be satisfied by the deposit of available funds of the Sewer Enterprise or from proceeds of the Parity Lien Bonds or by a Reserve Account Credit Facility or by a combination thereof.

"*Series 2001 Bonds*" means the City of Broomfield, Colorado, acting by and through its Sewer Enterprise, Sewer and Wastewater Reclamation Revenue Bonds, Series 2001, dated August 15, 2001.

"*Series 2012 Bonds*" means the City and County of Broomfield, Colorado, Sewer Activity Enterprise, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, dated the date of delivery.

"*Series 2012 Bond Interest Account*" means the account created in Section 9(a) of the Series 2012 Bond Ordinance.

"*Series 2012 Bond Principal Account*" means account created in Section 9(a) of the Series 2012 Bond Ordinance.

"*Series 2012 Bond Ordinance*" or "*Bond Ordinance*" means Ordinance No. 1950, amended, authorizing the issuance of the Series 2012 Bonds.

"*Series 2012 Reserve Fund*" means the reserve fund created in Section 9(b) and further described in Section 11 of the Series 2012 Bond Ordinance in the amount of the Series 2012 Reserve Requirement funded from will be satisfied by the deposit of available funds of the Sewer Enterprise.

"*Series 2012 Reserve Requirement*" means an amount equal to the least of ten percent (10%) of the stated principal amount of the Series 2012 Bonds, or maximum annual debt service on the Series 2012 Bonds or 125% of average annual debt service on the Series 2012 Bonds.

"*Series 2012 Supplemental Sewer Revenue Account*" means the account created in Section 9(d) of the Series 2012 Bond Ordinance into which there shall be deposited the following revenues: (i) accumulated Sewer License Fees annually in the amount not less than \$4,028,250 as determined by the Director of Finance; (ii) any Capital Charge added to the Sewer Service Charges by ordinance of the City and County; and (iii) any additional, funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds. The Series 2012 Supplemental Sewer Revenue Account may be used to pay debt service on the Series 2012 Bonds or for any other Sewer Enterprise purposes. To the extent not used for other Sewer Enterprise purposes, the Series 2012 Supplemental Sewer Revenue Account may be used to pay principal and interest on the Series 2012 Bonds.

"*Series 2012 Surplus Account*" means the account of the Sewer Enterprise Fund created in Section 9(e) of the Series 2012 Bond Ordinance.

"*Sewer Enterprise*" means the City and County of Broomfield, Colorado Sewer Activity Enterprise.

"*Sewer License Fees*" means the Sewer license fees imposed by Chapter 13-02 of the Municipal Code.

"*Sewer Meter Inspection Fees*" means the Sewer meter inspection fees imposed by Chapter 13-06 of the Municipal Code.

"*Sewer Service Charges*" means the Sewer service charges imposed by Chapter 13-12 of the Municipal Code.

"*Sewer Surcharges*" means the sewer surcharges imposed by Chapter 13-36 of the Municipal Code.

"*Sewer System*" means the sewer facilities and Sewer System which is owned and operated by the City and County and its Sewer Enterprise.

"*Sewer Tap Fees*" means Sewer tap fees imposed by Chapter 13-06 of the Municipal Code.

"*Water Enterprise*" means the City and County of Broomfield, Colorado Water Activity Enterprise.

"*Water Reclamation Enterprise*" means the City and County of Broomfield, Colorado Water Reclamation Activity Enterprise.

Reserve Fund

The Series 2012 Reserve Fund will be funded from available funds of the Sewer Enterprise in an amount equal to the least of ten percent (10%) of the stated principal amount of the Series 2012 Bonds, or maximum annual debt service on the Series 2012 Bonds or 125% of average annual debt service the Series 2012 Bonds (the "Series 2012 Reserve Requirement"). The City and County, acting by and through its Sewer Enterprise, may substitute or otherwise utilize an insurance policy, surety bond, letter or line of credit, or similar instrument, the issuer or provider of which is, at the time such utilization commences, rated in the highest rating category by A.M. Best & Company, Standard & Poor's Corporation or Moody's Investors Service, Inc. (the "Series 2012 Reserve Fund Credit Facility") to substitute for the funds in the Series 2012 Reserve Fund. The moneys in the Series 2012 Reserve Fund in the amount of the Series 2012 Reserve Requirement will be maintained as a reserve to be used (except as provided below with respect to investment income thereon and deposits into the Series 2012 Rebate Account), only to prevent deficiencies in the payment of the principal of and the interest on the Series 2012 Bonds

Parity Lien Bonds

The Series 2012 Bond Ordinance provide that no additional bonds or other obligations of the City and County or its Sewer Enterprise shall be issued payable from Pledged Revenues and having a lien upon such revenues and the Sewer Enterprise Fund which is prior or superior to the lien of the Series 2012 Bonds.

The Series 2012 Bond Ordinance also provide that the City and County and its Sewer Enterprise shall not issue any Parity Lien Bonds payable from the Sewer Enterprise Pledged Revenues and constituting a lien upon said revenues and the Sewer Enterprise Fund equal to or on a parity with the lien of the Series 2012 Bonds unless the following conditions are met:

(a) The City and County is current in all payments under the Series 2012 Bond Ordinance and no Event of Default under the Series 2012 Bond Ordinance has occurred and is continuing; and

(b) Net Revenues (adjusted for rate increases effective at the time of issuance of the Parity Lien Bonds) including the Series 2012 Supplemental Sewer Revenue Account for any 12 consecutive months out of the 18 months preceding the month in which such Parity Lien Bonds are to be issued is at least equal to 110% of the Maximum Annual Debt Service Requirement; and

(c) The Reserve Account will be increased to the new Reserve Requirement by increasing the Reserve Policy, with additional funds, with a Reserve Account Credit Facility or a combination thereof.

The City and County and its Sewer Enterprise may issue additional bonds or other obligations payable from Pledged Revenues and the Sewer Enterprise Fund which are subordinate to the lien of the Series 2012 Bonds.

Covenants

The City and County and its Sewer Enterprise covenant in the Series 2012 Bond Ordinance:

(a) To maintain a schedule of rates, fees, tolls and charges for the availability and use of the Sewer System, after payment of Operation and Maintenance Expenses and amounts necessary to replenish the Reserve Account, and funds in the Series 2012 Supplemental Sewer Revenue Account sufficient to pay 110% of the Maximum Annual Debt Service Requirement the Series 2012 Bonds and any Parity Lien Bonds.

(b) To not amend or repeal Chapter 3-32 of the City and County's Municipal Code relating to its Sewer Enterprise by decreasing the revenue or affect the allocation of the revenues therefrom to the Sewer Enterprise Fund, or in any way that would adversely affect the amount of sewer revenues which would otherwise be collected and deposited to said fund. If the Sewer Enterprise provisions of the City and County's Municipal Code or any part of them are held to be invalid or unenforceable, the City and County shall adopt new Sewer Enterprise provisions to the City and County's Municipal Code or take any action necessary to produce substantially the same Pledged Revenues as would be produced under the Sewer Enterprise provisions of the City and County's Municipal Code as they exist at the time the Bonds are issued. Nothing shall prevent the City and County from amending said Chapter 3-32 of the City and County's Municipal Code, without any consent of the Bond Owner, in order to make certain changes in the administration or collection of such sewer revenue, if such changes, based upon studies and projections, are not expected to materially adversely affect the security for the Bonds.

(c) To administer, enforce, and collect, or cause to be administered, and collected, the Sewer Enterprise revenues authorized by Chapters 3-32 of the City and County's Municipal Code, subject to the provisions of Section 17(b) of the Series 2012 Bond Ordinance and shall take such reasonable action to collect delinquent payments in accordance with law.

(d) To keep or cause to be kept such books and records showing the sewer revenues, in which complete entries shall be made in accordance with standard principles of

accounting, and any owner of any of the Bonds shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of the sewer revenues.

(e) To, at least once at year, cause an audit of the records relating to the collection and receipts of the sewer revenues, and upon request, make such audit available at cost to any owner of such Bonds, and such audit may be made a part of and included within the general audit of the City and County, and made at the same time as the general audit.

(f) In the event the Sewer Enterprise provisions of the City and County's Municipal Code are replaced and superseded in some other manner from some other source or sources, the City and County shall take all action necessary or appropriate to produce substantially the same Pledged Revenues as produced under the Sewer Enterprise provisions of the City and County's Municipal Code.

(g) Other than as provided by the Series 2012 Bond Ordinance in respect to the Bonds there are no liens or encumbrances of any nature whatsoever on or against the Sewer Enterprise Fund.

(h) The Series 2012 Bond Ordinance shall constitute an irrevocable contract between the City and County and the owners, which shall not be altered or changed except as provided herein without the written consent of the owners of 66-2/3% of the then outstanding Bonds authorized herein.

(i) Any owner of any of the Bonds when issued by the City and County shall have the rights, remedies, and privileges, either expressly set forth in or implied by any of the laws under which the Bonds have been issued, including the right to compel the collection of the sewer revenues, and for the payment of the Bonds and the interest thereon. In case of any default on the part of the City and County, the owners of any of the Bonds shall have all the rights and remedies permitted by law, including a mandamus action to enforce the provisions of the Series 2012 Bond Ordinance and such other relief as a court of competent jurisdiction might award.

(j) To not sell, lease, abandon or otherwise dispose of all or substantially all of the Sewer System.

(k) To at all times: (i) operate the Sewer System in accordance with prudent wastewater treatment utility practices; (ii) maintain the Sewer System in good repair, working order and operating condition; and (iii) make all necessary and proper repairs, renewals, replacements, additions, betterment and improvements to the Sewer System.

(l) To maintain insurance policies or self insurance programs providing against risk of direct physical loss, damage or destruction of the Sewer System at least to the extent that similar insurance is usually carried by utilities owning similar sewer systems.

Events of Default

The following are Events of Default under the Series 2012 Bond Ordinance:

- (a) If payment of the principal of any of the Bonds, or any prior redemption premium in connection therewith, shall not be made when the same shall become due and payable at maturity or by proceedings for prior redemption; or
- (b) If payment of any installment of interest on the Bonds shall not be made when the same become due and payable; or
- (c) If the City and County shall for any reason be rendered incapable of fulfilling its obligations under the Series 2012 Bond Ordinance; or
- (d) If the City and County shall make default in the due and punctual performance of its covenants or conditions, agreements, and provisions contained in the Bonds or in the Series 2012 Bond Ordinance on its part to be performed, other than those delineated in paragraphs (a), (b) and (c) of this section, and if such default shall continue for sixty days after written notice specifying such default and requiring the same to be remedied shall have been given to the City and County by the owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding.

Remedies

Upon the happening and continuance of any of the Events of Default, the owners of not less than twenty-five percent (25%) of the principal amount of the Series 2012 Bonds then outstanding may proceed against the City and County to protect and enforce the rights of any owner of the Series 2012 Bonds under the Series 2012 Bond Ordinance by mandamus or other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction. All such proceedings at law or in equity shall be for the equal benefit of all owners of the Bonds then outstanding.

Tax Covenants

In the Series 2012 Bond Ordinance, the City and County and its Sewer Enterprise covenant and agree that they will make no use of the proceeds of the Series 2012 Bonds authorized herein or any other funds of the City and County and its Sewer Enterprise which might cause such obligations to be arbitrage bonds within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations thereunder and in effect under the Internal Revenue Code of 1954, as amended.

In the Series 2012 Bond Ordinance, the City and County and the City and County acting by and through its Sewer Enterprise covenants and agrees that:

- (a) No portion of the proceeds of the Series 2012 Bonds are to be used, directly or indirectly, for any private business use within the meaning of Sections 141(b)(1) and 141(b)(6) of the Code.

(b) No portion of the principal of or interest on the Series 2012 Bonds is directly or indirectly (i) secured by any interest in property used for a private business use or payments in respect of such property, or (ii) derived from payments in respect of property or borrowed money, used for a private business use within the meaning of Section 141(b)(2) of the Code.

(c) No portion of the proceeds of the Series 2012 Bonds are either (i)(a) used for private business use which is not related to the governmental use of the proceeds of the Series 2012 Bonds, or (b) used for a disproportionate private business use which is related to the governmental use of the proceeds of the Series 2012 Bonds, or (c) used such that unrelated use and disproportionate use when aggregated equal more than 5 percent of the proceeds of the Series 2012 Bonds, and (ii) no payments, property and borrowed money with respect to any use equals more than 5 percent of principal of or interest due on the Series 2012 Bonds within the meaning of Section 141(b)(3) of the Code.

(d) No portion of the proceeds of the Series 2012 Bonds are to be used directly or indirectly to make or finance loans to persons other than governmental units.

APPENDIX B

BOOK-ENTRY ONLY SYSTEM

The following material concerning DTC and DTC's book entry system is based on information furnished by DTC. No representation is made by the City and County, acting by and through its Sewer Enterprise, as to the accuracy or completeness of such information.

The following information concerning the DTC book-entry-only system was obtained from sources believed to be reliable; however, neither the City and County, acting by and through its Sewer Enterprise nor the City and County is responsible for DTC's relationship with the DTC Participants or its rules and procedures, or the DTC Participant's relationships to their customers or the DTC Participant's rules and procedures.

DTC will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2012 Bond will be issued for each Series 2012 Bond maturity, series and interest rate of the Series 2012 Bonds, each in the aggregate principal amount of such maturity, series and interest rate, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com> and <http://www.dtc.org>.

Purchases of the Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The

ownership interest of each actual purchaser of each Series 2012 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2012 Bonds, except in the event that use of the book-entry system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2012 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2012 Bond documents. For example, Beneficial Owners of the Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2012 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Enterprise as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City and County, acting by and through its Sewer Enterprise, the City and County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent, or the City and County, acting by and through its Sewer Enterprise, or the City and County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and County, acting by and through its Sewer Enterprise, the City and County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012 Bonds at any time by giving reasonable notice to the City and County, acting by and through its Sewer Enterprise, the City and County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2012 Bonds are required to be printed and delivered.

The City and County, acting by and through its Sewer Enterprise and the City and County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2012 Bonds will be printed and delivered.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2012 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE SERIES 2012 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The City and County, acting by and through its Sewer Enterprise, the City and County and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2012 Bonds registered in its name for the purpose of payment of the principal of or interest on the Series 2012 Bonds, selecting Series 2012 Bonds and portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners under the Series 2012 Bond Ordinance, including any notice of redemption, registering the transfer of Series 2012 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The City and County, acting by and through its Sewer Enterprise, the City and County and the Paying Agent will not have any responsibility or obligation to any DTC Participant, any person claiming a Beneficial Ownership interest in the Series 2012 Bonds under or through DTC or any DTC Participant, Indirect Participant or other person not shown on the records of the Registrar as being a registered owner with respect to: the accuracy of

any records maintained by DTC, any DTC Participant or Indirect Participant regarding ownership interests in the Series 2012 Bonds; the payment by DTC, any DTC Participant or Indirect Participant of any amount in respect of the principal of or interest on the Series 2012 Bonds; the delivery to any DTC Participant, Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Series 2012 Bond Ordinance, including any notice of redemption; the selection by DTC, any DTC Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Series 2012 Bonds; or any consent given or other action taken by DTC as a registered owner.

As long as the DTC book-entry system is used for the Series 2012 Bonds, the Paying Agent will give any notice of redemption or any other notices required to be given to registered owners of the Bonds only to DTC or its nominee. Any failure of DTC to advise any DTC Participant, or any DTC Participant to notify any Indirect Participant, or any DTC Participant or Indirect participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2012 Bonds called for redemption or of any other action premised on such notice. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. Beneficial Owners may desire to make arrangements with a DTC Participant or Indirect Participant so that all notices of redemption or other communication to DTC which affect such Beneficial Owners will be forwarded in writing by such DTC Participant or Indirect Participant.

NEITHER THE CITY AND COUNTY, ACTING BY AND THROUGH ITS SEWER ENTERPRISE, NOR THE CITY AND COUNTY, NOR THE PAYING AGENT WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2012 BONDS.

For every transfer and exchange of a beneficial ownership interest in the Series 2012 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may determine to discontinue providing its service with respect to the Series 2012 Bonds at any time by giving reasonable notice to the Enterprise, the District or the Paying Agent at any time. In addition, if the City and County, acting by and through its Sewer Enterprise, or the City and County determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2012 Bonds or (ii) continuation of the system of book-entry only transfers through DTC is not in the best interests of the Beneficial Owners of the Series 2012 Bonds or of the City and County, acting by and through its Sewer Enterprise, or the City and County may thereupon terminate the services of DTC with respect to the Series 2012 Bonds. If for any such reason the system of book-entry transfers through DTC is discontinued, the City and County, acting by and through its Sewer Enterprise, or the City and County may within 90 days thereafter appoint a substitute securities

depository which, in its opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. If a successor is not approved, Series 2012 Bond certificates will be delivered as described in the Paying Agent Agreement in fully registered form in denominations of \$5,000 or any integral multiples thereof in the names of Beneficial Owners, Indirect Participants or DTC Participants.

In the event the book-entry system is discontinued, the persons to whom Series 2012 Bonds are registered will be treated as registered owners for all purposes, including giving the City and County, acting by and through its Sewer Enterprise, and the City and County of any notice, consent, request or demand pursuant to the Paying Agent for any purpose whatsoever. In such event, the Series 2012 Bonds will be transferable to such registered owners, interest on the Series 2012 Bonds will be payable by check of the Paying Agent, mailed to such registered owners, and the principal and redemption price of all Series 2012 Bonds will be payable at the principal office of the Paying Agent.

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APPENDIX C

The Local Economy

The following information is provided to give prospective investors information concerning selected economic and demographic conditions existing in the general area in which the City and County is located. Inclusion of the information regarding the general area in which the City and County is located does not imply that those conditions presently exist within the City and County. The information presented below has been obtained from the sources indicated and represents the most current information available from such sources. Because certain of the information is released only after a significant amount of time has passed since the time period to which such information applies, such information may not be indicative of economic and demographic conditions as they currently exist or conditions that may be experienced in the near future. Such information also has not been adjusted to reflect economic trends, notably inflation. Other economic and demographic information not presented herein may be available concerning the area in which the City and County is located and a prospective investor may want to review such other information prior to making his or her investment decisions. The following information is not to be relied upon as a representation or guarantee of the City and County, the Underwriters, the City and County or their officials, officers, employees or advisors.

Community Overview

The City and County of Broomfield, Colorado, is a thriving city of approximately 57,304 people located between Denver and Boulder, and is part of the Denver metropolitan area. Although the City existed as a small, rural community in the mid-1800s, its emergence as a significant city in the region began in the 1960s when construction of the City was begun as one of the state's first master planned communities. The community was previously situated in four counties, Boulder, Jefferson, Adams and Weld, and has maintained a unique community atmosphere through careful planning. On November 15, 2001, the City of Broomfield became the City and County of Broomfield. Population within a five-mile radius of the intersection of U.S. Highway 36 and 96th Street (a focal point of the City and County) is just under 137,395.

Retail Sales

The retail trade sector employs a large portion of the work force for the City and County's economy. The following table sets forth retail sales figures as reported by the City for the City retail sales and as reported for State sales tax collections for the County.

RETAIL SALES (IN THOUSANDS)		
Broomfield		
Year	Amount	Percent Increase
2003	1,421,010	16.5%
2004	1,880,700	32.3%
2005	1,449,777	(22.9%)
2006	1,560,844	7.7%
2007	1,711,963	9.7%
2008	1,630,811	(4.7%)
2009	1,490,598	(8.6%)
2010	1,702,676	14.2%
2011 ¹	773,264	N/A
Sources: City and County of Broomfield; Colorado Department of Revenue		
¹ 2 nd Quarter		

TAXABLE RETAIL SALES (IN THOUSANDS)		
Year	Amount	Percent Increase
2001	790,440	57.64%
2002	857,011	8.42%
2003	889,181	4.92%
2004	905,186	0.67%
2005	958,897	5.93%
2006	971,711	1.34%
2007	1,008,593	3.80%
2008	979,931	(2.84%)
2009	903,781	(7.77%)
2010	1,016,101	12.43%
2011	1,065,941	4.91%
Source: City and County of Broomfield		

A comparison of the per capita income in the county, the region, the State of Colorado and the United States is indicated in the following chart:

PER CAPITA PERSONAL INCOME						
	2005	2006	2007	2008	2009	2010
Broomfield County	\$35,675	\$37,845	\$39,801	\$39,515	\$37,613	37,709
Denver -Aurora CBSA	\$43,634	\$46,705	\$47,935	\$49,328	\$45,907	46,871
Colorado	\$38,795	\$41,181	\$42,724	\$44,180	\$41,388	\$42,295
United States	\$35,452	\$37,725	\$39,506	\$40,947	\$38,846	\$39,937

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

The 2011 effective buying income per household for residents in Broomfield, the Denver-Aurora Core Base Statistical Area base "CBSA" (which includes Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin and Jefferson Counties) and comparative data for Colorado and the United States is set forth in the following table:

PERCENT OF HOUSEHOLDS BY EFFECTIVE BUYING INCOME GROUPS – 2011				
EBI Group	Broomfield	Denver-Aurora CBSA	Colorado	United States
Under \$24,999	11.1%	19.6%	22.3%	27.8%
\$25,000- \$49,999	29.1%	34.4%	35.2%	33.0%
\$50,000 - \$74,999	26.7%	21.6%	20.7%	19.4%
\$75,999 - \$99,999	18.3%	12.3%	11.3%	10.5%
\$100,000 - \$149,000	10.6%	7.7%	6.7%	5.7%
\$150,000 or more	4.2%	4.4%	3.8%	3.6%

¹ Includes Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties

The following table reflects the Median Effective Buying Income ("EBI") levels. Median Effective Buying Income includes personal income such as wages and salaries, dividends, interest income, and contributions for social security insurance, less federal, state and local taxes, and taxes, fees, fines and other non-tax payments for households in the City and County.

MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME				
Year	Broomfield	Denver – Aurora CBSA¹	Colorado	United States
2007	\$61,791	\$49,067	\$45,477	\$41,255
2008	63,683	47,391	44,711	41,792
2009	65,855	48,420	45,490	42,513
2010	62,660	48,070	45,543	43,252
2011	59,257	46,529	43,625	41,368
¹ Includes Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties				

Employment

The Broomfield area has a diverse economic base which portends a healthy economy for years to come. A complete list of major employers in the Broomfield area is listed below, as compiled by the Broomfield Economic Development Corporation.

SELECTED MAJOR EMPLOYERS		
Firm	Product/Service	Number of Employees
IBM Corporation	Software Development	3,400
Ball Corporation	Aerospace Systems & Metal Container Manufacturer	3,100
Level 3 Communications	Internet Based Telephonic Communications	2,089
Oracle Corporation	Information Technology Hardware, Software and Services	1,900
Covidien	Medical Device Manufacturer	1,750
Seagate Technology LLC	Disk Drive Manufacturer	1,117
Amgen, Inc.	Manufacturer of Biologicals	880
Hunter Douglas	Window Coverings	783
Intrado, Inc.	Provider of 911 Infrastructure	750
Staples	Office Supplies	700
City and County of Broomfield	City Government	595
Vail Resorts, Inc.	International Ski and Resort Operations	430
Whitewave Foods	Producer of milk and dairy products	385
MWH Global, Inc.	Global Engineering, Construction & Management	314
Source: Broomfield Economic Development Corporation.		

The following is a description of several commercial and industrial developments located within the City.

Major Commercial and Industrial Developments

Interlocken Advanced Technology Environment. This development is a 963-acre, full service advanced technology business park located on U.S. 36 to the east, U.S. 36 on the north, Colorado Highway 128 on the south and the southerly extension of Broomfield's border on the west. Among other businesses, it is home to, Oracle, Level 3 Communications, MWH International, and Vail Associates. Interlocken is planned for build-out of 10.5 million square feet of buildings. A 285,000 square foot Central Park Tower Office development was completed in July 2010 and has leased space to Cloud Peak Energy, Sybase, and Webroot.

Oracle. Oracle purchased Sun Microsystems which constructed 1,150,728 square feet of office space in Interlocken.

Ball Corporation. The Ball Corporation maintains its corporate headquarters in Broomfield.

Omni Hotel. Omni Hotel is a joint-venture partner in the Omni Interlocken Hotel and Conference Center, a 390 room hotel, a 28,000 square-foot conference center, with a 27 hole championship golf complex and spa.

Level 3 Communications, Inc. Level 3 Communications, Inc., a telecommunications company, built a 1,000,000 square foot facility in several phases in Interlocken.

Hunter Douglas Business Park. Hunter Douglas Duette Window has approximately 694,000 square feet of manufacturing and office facilities in this 55-acre business park, located adjacent to U.S. 36 on the western edge of Broomfield. Geneva Pharmaceuticals has a 93,000 square foot office building in this Business Park. Several sites are still available for the expansion of additional businesses.

Broomfield Industrial Park. This park consists of 50 acres at the southwest corner of 116th Avenue and Pierce Street in Broomfield and approximately 480,000 square feet of buildings. Sites range in size from .78 acre to 1.50 acres, but can be combined for larger users. Tenants include Woolrich Woolen Mills, and Continental Graphics.

Other business parks in Broomfield include: Atlas Industrial Park, Burbank Service Park, Rocky Mountain Metropolitan Airport Office Park and Burbank Park Centre.

The Broomfield Economic Development Corporation's August 2010 reports identify 6,270,891 total square feet of office space in Broomfield. The occupancy rate for office uses is 84.22 percent. There are an additional 4,820,149 square feet of industrial and research and development building in Broomfield with an occupancy rate of 85.60 percent.

North Park. North Park is an approximately 939 acre mixed use project under development by McWhinney of Loveland, Colorado. The project is generally located to the west of I-25 between the Northwest Parkway on the south and Highway 7 on the north. The development may include up to 17.2 million square feet of non residential space and up to 6,205 residential units.

Arista. The 1STBank Center is a major anchor for the 215-acre multi-use development known as Arista. Arista is planned as a high activity commercial, residential and entertainment area that will provide a wide variety of shopping opportunities and a diversity of leisure time activities. Approved plan include the development of 3.3 million square feet of commercial office space and multi-family dwellings. In April, 2009, aloft Broomfield Denver, a 139-room hotel, opened in the Arista development. A 358-unit Alexan Apartment Complex and a 177,000 square foot office building are also located in Arista development.

Retail Development within the City and County

In addition to the commercial and industrial developments discussed above, the following provides a description of several shopping centers which are or are to be located in the City and County.

Broomfield Shopping Center. In 1993 the Broomfield Urban Renewal Authority redeveloped this shopping center located at the northeast corner of U.S. 287 and Midway Boulevard with a Target Store as the anchor tenant.

Broomfield Town Centre. Located at the northwest corner of 120th Avenue and Sheridan Boulevard, this center has approximately 425,000 square feet. The center is anchored by King Soopers and Home Depot stores.

FlatIron Crossing Mall. Nordstrom, Dillard's, Macy's, Dick's Sporting Goods and an AMC Movie Theater anchor the 1,500,000 square foot mall which was constructed by Westcor Partners of Scottsdale, Arizona. The FlatIron Crossing Mall opened on August 11, 2000. It also includes FlatIron Village, an open area of the Mall.

FlatIron Marketplace. FlatIron Marketplace is a 70-acre retail and mixed use project developed by Koll Development Company and sold to Developers Diversified Realty Corp in 2003. Its approximately 432,000 square feet includes as anchors Best Buy, Men's Wearhouse, Buca di Beppo and Noodle's & Company restaurants.

Garden Center. Located in the northeast corner of U.S. Highway 287 and Midway Boulevard, this center is comprised of several different buildings with varied tenant uses including medical, office and retail.

Mainstreet and the Summit at FlatIron. Coalton Acres LLC is developing a retail, hotel, restaurant, and office project in the vicinity of FlatIron Crossing Mall and FlatIron Marketplace. A 300 room Marriot Renaissance and Towne Place Suite is located there. Greystar has a 500 unit luxury apartment complex and a 200,000 square foot Super Wal-Mart opened in 2004.

Safeway Marketplace Center. This center includes a new Safeway, Pizza Hut, Checker Auto Parts, and Boston Chicken.

Miramonte Marketplace. A 131,837 square foot shopping center opened in 2000, with a King Soopers, Woody's Wood Fired Pizza and Noodles restaurant.

Broadlands Marketplace. An approximately 150,000 square foot shopping center anchored by a Safeway opened in 2002.

120th Avenue Gateway Corridor. Includes Wal-Mart Superstore and Broomfield Corners.

Wal-Mart Superstore. A 196,000 square foot Wal-Mart Superstore opened in May of 2010.

Broomfield Corners. This five acre site fronts along 120th Avenue directly south of the Wal-Mart Superstore. It includes in-line and stand alone retail buildings. To date several stores have opened, including a bank, several fast food restaurants, a tanning salon, a barber shop, and an urgent care clinic.

Lambertson Farms. Opened in 2009 with a 100,000 square foot King Soopers, 1ST Bank, Jack in the Box and other complimentary local retailers

Other shopping centers in Broomfield include Nickel Center, Columbine Meadows Center, Main Street Exchange, Park Plaza Midway, Depot Hill Center and the Mountview Shopette.

Residential Development Within the City and County

The following is a description of several residential areas currently being developed in the City and County or completed. The Broadlands, McKay Landing and Crofton Park are located in Adams County School District No. 12. The remainder of the residential developments discussed below are within the Boulder Valley School District RE-2(J). See "Education," below.

Anthem-Preble Creek. Approximately 3,000 acres of land located north of West 152nd Avenue, south of Colorado Highway 7 between Interstate-25 and the Boulder County Line has been approved for a major mixed use development, known as Anthem and developed by Pulte Homes Inc. and Del Webb. Approved plans currently propose 15.7 million square feet of commercial/office space, 3,500 single-family residential units and 7,313 multi-family dwelling units. As constructed to date, the Anthem development currently contains 1,147 single family units.

Aspen Creek. This single-family development has 353 approved and completed units. Home builders included: Sanford Homes, Genesee Homes, Laureate Homes and David Weekly Homes.

Broadlands. Construction is nearly complete for the Broadlands development, an 820-acre, 2,100-dwelling unit master-planned community surrounding an 18-hole, championship golf course. Builders in the project were Oakwood Homes, Renaissance Homes, Genesee Homes, Continental Homes, John Laing Homes, McStain Enterprises and numerous custom builders. Over 1,953 units have been completed and 16 are under construction. Home values range from \$230,000 to \$1,500,000.

Broomfield County Club. A 90 lot, high end, subdivision, Broomfield Country Club Filing #10, was completed in 2001. Construction began in the spring of 1998. The principal builder was Sanford Homes, with other custom builders. Home sales ranged from \$400,000 to \$880,000.

Country Estates. Country Estates offers estate-size lots of 10,000 square feet and above. Filings 1 through 6 are substantially completed. Filing 8 is approved and platted for 114 homes. The homes are custom built by numerous builders, including Cornerstone Homes and Vogue Construction. Country Estates is located at West 136th and Main Street and is adjacent to Eagle Country Club.

Crystal Pines. This upper-end custom home subdivision offers lots from 10,000 to 30,000 square feet. Currently, 26 homes are platted and 25 have been completed.

Jefferson at Town Centre. JPI, Inc. completed construction in 1999 on the 282 unit, Jefferson at Town Centre, rental housing project.

McKay Landing. This development consists of approximately 229 acres divided into several developments and generally located between 144th Avenue on the north, Zuni Street on the east, 136th on the south and Lowell Street on the west. Builders are the James Company and Ascent Builders. Townhome and home sales range from \$150,000 to \$400,000.

Oasis. The Oasis Company completed a 320 acre, upscale rental housing complex in Interlocken in 1999.

Oakwood. The Oakwood Companies completed construction of an 88-unit senior housing project at the Broomfield Town Center in 2001.

Crofton Park. Village Homes has nearly completed construction of Crofton Park, a single family detached, condominium and cottage home project. 269 units have been completed.

Wildgrass. Wildgrass, a 550 dwelling unit mixed residential project of the Writer Company (A Standard Pacific Company) has completed construction on 440 units. Taylor Morrison has recently begun construction of homes in the remaining Wildgrass development

Greystar. Greystar Partners, LLC., has completed construction of 500 residential apartments with structured parking in the Summit at Flatiron project.

Building Activity

The following chart sets forth the building permit figures for the City since 2005.

HISTORY OF ESTIMATED BUILDING PERMITS FOR NEW STRUCTURES - BROOMFIELD¹						
Year	Commercial/Industrial		Single Family		Multi-Family	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2005	16	\$47,520,774	583	\$145,733,481	214	\$18,828,077
2006	13	28,700,912	744	178,281,216	195	32,463,894
2007	15	52,549,850	473	121,528,457	126	50,092,229
2008	18	43,518,643	152	46,082,418	51	68,642,559
2009	14	56,477,243	132	38,508,670	28	3,383,749
2010	15	10,657,196	170	48,626,652	62	7,336,214
2011 ²	7	25,596,431	185	59,654,300	42	5,197,176
2012 Proposed	6	77,792,000	247	56,584,000	258	26,377,000

¹ Does not include permits issued for additions, remodels, fences, signs, churches or other religious buildings.
² As of November, 2011.
Source: City and County of Broomfield Community Development Department, Building Division

DENVER-BOULDER CORRIDOR HOUSING GROWTH			
Area	2008 Permits Issued	2009 Permits Issued	2008-2009 Percent Change
Broomfield	152	132	(13.15%)
Denver/Boulder Corridor ¹	757	507	(33.02%)
Denver	3,727	2,405	(35.47%)

¹ Includes Broomfield, Boulder, Lafayette, Louisville, and Superior.
Source: Broomfield Economic Development Corporation

The following table sets forth a comparison of occupancy rates by sector for the City and County, the Denver Metropolitan Area and the Central Business District of Denver ("CBD") between 2008 and 2009.

OCCUPANCY RATES								
	Broomfield Occupancy Rates				Denver Metropolitan Area Occupancy Rates		CBD Occupancy Rates	
	2008	2009	Percent Increase (Decrease)	September, 2010	2008	2009	2008	2009 ¹
Retail	94.59%	94.01%	(0.61%)	93.71%	92.00%	91.50%	97.10%	94.0%
Office	89.11%	86.56%	(2.86%)	84.29%	86.40%	85.20%	85.90%	85.3%
Industrial/ Research and Development	93.26%	88.47%	(5.13%)	84.91%	91.80%	92.9%	91.20%	91.3%

¹ 2nd Quarter, 2009
Source: Broomfield Economic Development Corporation; The Denver Office of Economic Development; Downtown Denver Partnership, Inc.

The following table sets forth a comparison of vacancy, occupancy and building rates in the City and County of Broomfield for 2008 and 2009.

VACANCY, OCCUPANCY AND BUILDING RATES			
	December 31, 2008	December 31, 2009	Current
Total Square Feet Vacant	1,216,217	1,608,790	2,041,146
Total Square Feet Built	15,290,413	15,477,927	16,216,101
Occupancy Rate	92.05%	89.61%	87.41%

Source: Broomfield Economic Development Corporation

Foreclosure Activity

The following table sets forth data on the number of foreclosures filed in the City and County for the time period indicated. Such information does not take into account the number of foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosures		
Year	Number of Foreclosures Filed	Percent Change
2005	124	(5.3%)
2006	195	57.2%
2007	246	26.2%
2008	273	11.0%
2009	337	22.4%
2010	296	(12.2%)
2011	212	(28.4%)

Source: Broomfield Office of Public Trustee; Division of Local Affairs, Department of Housing

Transportation

The City and County is situated at the intersection of four major transportation routes-U.S. Highway 36 (the "Denver-Boulder Turnpike"), which connects Denver and Boulder; Colorado Highway 121, a principal metropolitan area north-south thoroughfare; and Colorado Highway 128, a principal metropolitan east-west thoroughfare. The City and County is connected to areas to the north and south by U.S. 287, which intersects with Highway 36.

In November 2003, the Northwest Parkway toll road was completed and opened to the public. This major roadway through the north section of Broomfield provides a 9-mile link between I-25 on the east, where it connects with E-470, providing direct access to Denver International Airport, and 96th Street on the west, near Flatiron Crossing Mall. On November 21, 2007, the Northwest Parkway LLC, a joint venture between Brisa Auto-Estradas S.A. and Companhia de Concessões Rodoviárias, entered into a concession and lease agreement for the operation and maintenance of the Northwest Parkway from the Northwest Parking Public Highway Authority ("NWPPHA"). In the future, consideration will be given to adding an extension to the current parkway. The NWPPHA continues to pursue opportunities towards this goal. The Jefferson Parkway Public Highway Authority is working to complete the next segment of the regional beltway from SH 128 to SH 93.

In addition, Interstate Highway 25, the primary north-south highway through the state, is adjacent to the eastern most boundaries of the City and County. Denver International Airport is located approximately 26 miles east of the City and County.

The City and County is adjacent to Rocky Mountain Metropolitan Airport Jefferson County, Colorado, a general aviation facility located southwest of Broomfield, which is the base for corporate jet aircraft, charter and private aircraft. Rocky Mountain Metropolitan Airport is also home to the FAA regional office and other aviation education enterprises and supporting businesses. A major educational institution at the airport is Redstone College of Aviation Technology - Redstone College, with over 750 students.

The City and County's transportation needs are further served by the Regional Transportation District ("RTD") bus system on local routes within the City and County and with commuter service to Denver and Boulder. The RTD Park 'n' Ride facility in Broomfield has the highest utilization rate in the district. A Park 'n' Ride Center recently opened in the Arista development.

The 120th Avenue Connection is a joint project with the Colorado Department of Transportation ("CDOT"). The project is part of the overall reconstruction of the Wadsworth Interchange. The design, right-of-way-acquisition and construction of the 120th Avenue Connection has been underway since 2007. Phase I, was from State Highway 128, a new road serving Arista including a bridge over US 36 with a segment of local street tying in existing Old Wadsworth Blvd in Original Broomfield. Phase II , continuing the new road east from where it touches down in Original Broomfield, under the railroad tracks, and coming back up to grade to connect to existing 120th Ave at Teller Street. Phase III, included new Commerce Street and 118th Avenue local roadway connections. Phases I and III were completed in 2010; Phase II will be started in 2013 and completed in 2014.

Parks and Recreation

Broomfield has a 276-acre park system with bike paths and trails connecting each park as well as the new Municipal Complex which includes the Aquatic Center. The City and County's Public Works maintains the parks, and the 130 plus acres of vacant space near Great Western Reservoir. Customized health and fitness programs are offered to local businesses by the Parks and Recreation Department. The City and County recently completed a skate park and added batting cages.

The City and County has completed the 14,900 square foot recreational center with a new wing for senior citizens and an 8,500 square foot aquatics center. The recreational facilities were completed in June of 1991. The Municipal Center building was completed in January, 1995. The Municipal Center contains the City and County's administration offices and as a central records office also contains the Clerk and Recorder, Assessor, Public Trustee and Treasurer. The space previously occupied by the library, the police department and municipal courts was renovated. Adjacent to the Municipal Center is the police and courts building. In addition to the police department it houses the municipal, county and district courts. South of the Municipal Center is the Mamie Doud Eisenhower Public Library. The Paul Derda Recreation Center opened in 2003.

1STBANK Center. The 1ST BANK Center is a 6,000-seat multi-purpose arena that opened with its first event on November 9, 2006 (a concert by Bonnie Raitt), and hosts professional sports games and exhibitions, concerts, conventions and other public events. Peak Entertainment is the new operator of the 1ST BANK Center. Peak Entertainment is a new partnership formed by AEG Live Rocky Mountains and Kroenke Sports Enterprises, two of Colorado's premier entertainment corporations. 1STBANK Center opened on March 5, 2010 with a performance by Furthur, featuring Phil Lesh and Bob Weir of the legendary group, the Grateful Dead.

Education

Six school districts are located within the City and County: Boulder Valley School District Re-2, Adams County School District 12, Jefferson County School District Re-1, St. Vrain Valley School District, Brighton School District 27-J and Ft. Lupton School District RE-8. Adams County School District 12 operates four elementary schools, one middle school and one high school within the City and County, with a combined 2011 enrollment of approximately 5,274 students. Boulder Valley School District Re-2 operates three elementary schools, one K-8, one middle school, and one high school with the City and County, which has a combined 2011 enrollment of approximately 4,074 students. Boulder Valley School District Re-2 offers special education courses to students at its schools located within the City and County.

The Archdiocese of Denver has opened the Holy Family High School in Broomfield. Holy Family High School continues to develop its 52 acre campus on the northeast corner of 144th and Sheridan Blvd. The high school serves over 550 students from throughout the Denver metropolitan area.

The University of Colorado at Boulder is located approximately fifteen miles northwest of the City and County and had a Fall 2011 enrollment of 29,884 students. Front Range Community College, Westminster Campus is located one mile south of the City and has approximately 2,268 full time and 3,810 part-time students. Other colleges and universities are also located in the Denver Metropolitan Area.

The educational composition of the City and County's population, as estimated by the Broomfield Economic Development Corporation, is illustrated by the following data:

EDUCATIONAL DATA

Grade K-8	1.2%
Grade 9-12	3.4%
High School Graduate	20.9%
Associates Degree	10.1%
Bachelor's Degree	28.0%
Graduate Degree	14.0%
Some College, No Degree	22.5%

U.S. Department of Commerce, Bureau of the Census

Employment Statistics

The distribution of major employers in the area reflects the major influences of light industry and high technology. Colorado's largest employment base is in the multi-faceted "Services" sector, notably communications, telecommunications and software development. Business services are the fastest growing sub-sector. Colorado's economy has a diverse manufacturing base, especially in high-tech durable goods. Electrical and non-electrical machinery and instruments are the largest employers, primarily in computers, peripherals and other high-tech equipment.

The table below shows the distribution of industries in Colorado for the 3rd Quarter, 2011.

Industry	Units	Employment
Agriculture, Forestry, and Fisheries	1,418	15,720
Mining	1,595	28,521
Utilities	617	13,983
Construction	17,852	120,745
Manufacturing	5,303	131,061
Transportation & Warehousing	3,975	71,168
Information	3,170	74,418
Wholesale Trade	12,718	92,970
Retail Trade	17,118	242,516
Finance and Insurance	10,189	98,595
Real Estate, Rental and Leasing	9,074	42,289
Professional, Scientific and Technical Services	30,110	174,130
Management of Companies and Enterprises	1,667	30,141
Administrative, Support and Waste Services	10,008	142,662
Educational Services	2,766	184,058
Health Care and Social Assistance	14,141	269,761
Arts, Entertainment and Recreation	2,593	53,839
Accommodation and Food Services	12,083	235,680
Other Services, Except Public Administration	12,818	67,850
Public Administration	1,894	144,188
Unclassified Establishments	585	466
Estimated Total Jobs	171,764	2,234,762

Source: Labor Market Statistics, Quarterly Census of Employment and Wages Program

As indicated in the following chart, Retail Trade is the major employment sector in Broomfield County, comprising approximately 17.1% of the County's work force. The other largest employment sectors are: Manufacturing, Professional & Technical Services, Accommodation & Food Services, and Information.

**AVERAGE EMPLOYMENT WITHIN SELECTED INDUSTRIES
BROOMFIELD COUNTY**

	2006	2007	2008	2009	2010	2011 ¹
Agriculture, Forestry, and Fisheries	*	*	*	0	0	0
Mining	14	12	8	17	21	16
Utilities	*	0	0	0	0	0
Construction	1,341	1,244	1,440	1,299	1,394	1,179
Manufacturing	4,717	4,713	4,588	5,107	4,701	4,796
Transportation & Warehousing	256	273	304	256	202	206
Information	2,610	2,853	2,925	2,645	2,651	2,912
Wholesale Trade	794	900	881	960	1,085	1,352
Retail Trade	5,296	5,266	5,019	4,773	5,041	5,046
Finance and Insurance	1,003	1,078	986	912	877	854
Real Estate, Rental and Leasing	564	609	598	492	476	459
Professional and Technical Services	3,894	4,197	4,557	4,264	4,019	4,328
Management of Companies and Enterprises	1,840	2,049	1,891	1,582	1,642	1,943
Administrative and Waste Services	973	889	893	1,099	1,244	908
Educational Services	198	286	268	252	314	331
Health Care and Social Assistance	931	997	1,101	1,312	1,405	1,434
Arts, Entertainment and Recreation	414	371	390	379	308	312
Accommodation and Food Services	3,238	3,178	2,958	2,887	2,910	3,001
Other Services, Except Public Administration	586	532	531	548	536	590
Unclassified	*	*	8	2	*	*
Government	1,158	1,178	1,252	1,222	*	*
TOTAL**	29,704	30,517	30,414	29,863	28,826	29,667

¹ 3rd Quarter, 2011

* Asterisks indicate non-disclosable data

** Columns do not add up to the TOTAL ALL INDUSTRIES because not all industries are listed and some data is suppressed.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information Section, Colorado Labor Force Review

The following tables, derived from information supplied by the Colorado Department of Labor and Employment, present information on employment within the County, the CMSA and the State.

LABOR FORCE ESTIMATES						
	Broomfield County		Denver-Aurora-Broomfield MSA ¹		Colorado	
Year	Labor Force ²	Percent Unemployed ²	Labor Force ²	Percent Unemployed ²	Labor Force ²	Percent Unemployed ²
2006	25,766	4.3%	1,355,737	4.4%	2,655,556	4.3%
2007	30,213	3.6%	1,369,414	3.9%	2,685,040	3.8%
2008	31,021	4.5%	1,401,317	4.9%	2,732,133	4.8%
2009	30,983	7.7%	1,399,916	8.3%	2,736,665	8.1%
2010	30,887	7.8%	1,401,415	9.0%	2,725,202	8.9%
2011	30,912	7.3%	1,399,773	8.3%	2,723,027	8.3%
2012 ³	30,706	7.0%	1,393,502	8.2%	2,720,673	8.2%

¹ Denver-Aurora-Broomfield MSA consists of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties
² Annual Average
³ March, 2012
Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data

Other Demographic and Economic Statistics

The City's population increased from 7,261 in 1970 to 20,730 in 1980 to 24,638 in 1990 to 38,272 in 2000 to 57,304 in 2011, an increase of 686% over 40 years. The table which follows shows the population growth of the City.

POPULATION				
Year	Broomfield	Percent Increase	Denver-Aurora MSA ^{2,3}	Colorado
1970	7,261	60.1%	1,238,205	2,209,596
1980	20,730	185.5%	1,618,461	2,889,735
1990	24,638	18.8%	1,622,980	3,294,473
2000	38,272	5.5%	2,179,240	4,301,261
2005 ¹	49,900	30.4%	2,353,962	4,660,780
2006 ¹	52,660	5.5%	2,385,341	4,753,044
2007 ¹	53,807	2.2%	2,481,292	4,842,259
2008 ¹	54,586	1.5%	2,532,851	4,935,213
2009 ¹	55,632	1.9%	2,584,091	5,024,748
2010	57,889	4.0%	2,543,482	5,029,196

¹ Estimates
² Denver-Aurora MSA consists of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties
³ After 1990 Boulder County is no longer included in the statistical area.
Source: City and County of Broomfield; Division of Local Government, State Demography Office, U.S. Census Bureau

AGE DISTRIBUTION			
Age	Broomfield	Denver-Aurora CBSA¹	Colorado
0-17	26.5%	25.2%	24.3%
18-24	8.3%	8.1%	9.7%
25-34	13.9%	14.1%	13.3%
35-44	16.5%	15.1%	13.3%
45-54	16.2%	15.1%	14.3%
55 -64	10.9%	11.7%	11.7%
65 and Older	7.7%	10.7%	13.4%
¹ Includes Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park Counties			

APPENDIX D

City and County Financial Information

Prospective investors should be aware that the Certificates are payable solely from the Revenues. Inclusion of the following material, as APPENDIX D, is for information purposes only and does not imply that the Certificates constitute a general obligation of the City and County or lien on any City and County revenues other than the Revenues.

Budget Process

The City and County's fiscal year runs from January 1 to December 31. Pursuant to the Charter, the City and County Manager is required to submit a proposed operating budget to the Council prior to the beginning of each fiscal year. The budget must provide a complete financial plan of all municipal funds and activities for the ensuing fiscal year. Generally, the budget is submitted to the City Council prior to November 15th. The City Charter requires the City Council to conduct a public hearing on the proposed budget prior to its final adoption. The Council must adopt the budget before the final day established by law for the certification by the City and County of its tax levy (i.e., December 15th). If the Council fails to adopt a budget by that date, the amounts appropriated for the current fiscal year will be deemed adopted for the ensuing year on a month-to-month basis, with all items pro-rated accordingly, until the Council adopts a budget.

The Charter also requires the City and County Manager to submit to Council a long-range capital program simultaneously with submission of the proposed budget. The five year plan must include a list of proposed capital improvements to be undertaken in the following fiscal years; cost estimates, methods of financing and recommended schedules for those improvements; and the estimated annual cost of operating and maintaining the facilities.

Supplemental appropriations may be made by the Council if the City and County Manager certifies that revenues in excess of those estimated in the budget are available for appropriation. The Council may make emergency appropriations to meet emergencies which in the Council's judgment may affect life, health, property or the public peace. To the extent unappropriated revenues are not available to meet the emergency appropriation, the Council may authorize the issuance of emergency notes by ordinance, which may be renewed from time to time, but the notes and renewals of any fiscal year must be paid not later than the last day of the fiscal year succeeding the year in which the emergency appropriation was made.

If it appears probable to the City and County Manager that revenues will be insufficient to meet appropriations, he must report to the City Council immediately indicating the estimated amount of the deficit, any remedial action taken, and recommendations as to future steps to be taken. The Council is required to take any action it deems necessary to prevent or minimize the deficit, and may by ordinance reduce any appropriation.

At any time during the fiscal year the City and County Manager may transfer unencumbered appropriation balances among programs within a department, office or agency, and upon written request by the City and County Manager the Council may transfer unencumbered appropriation balances from one department, office, agency or object to another. However, no appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below the amount required by law to be appropriated, or by more than the amount of the unencumbered appropriation balance.

Financial Statements

The City Charter requires that an independent audit be made of the City and County's accounts at least annually. The City and County's audit for fiscal year 2011 was performed by as Rubin Brown, LLP, Certified Public Accountants, Denver, Colorado. The City and County's 2011 financial statements and the opinion rendered thereon by Rubin Brown, LLP are included as "APPENDIX G" hereto, in reliance upon such firm as experts in accounting and auditing. Such financial statements represent the most current audited information available for the City and County.

History of City and County General Fund Revenue and Expenditures

The City and County's General Fund is the general operating fund that is used to account for all financial resources except those required to be accounting for in another fund. Set forth hereafter is a five year comparative statement of General Fund revenue, expenditures and changes in fund balance of the City and County.

The figures in the chart have been derived from the City and County's financial statements for the years 2007 through 2011. Such figures are set forth in accordance with generally accepted accounting principles. The following information should be read together with the City and County's 2011 audited financial statements and accompanying notes which appear in APPENDIX H. Preceding years' financial statements may be obtained from the sources noted in "INTRODUCTION--Additional Information." The General Fund described below is not pledged to pay the Bonds. The 2011 General Fund revenue and expenditures are anticipated to be within the adopted 2012 Budget.

**FIVE YEAR SUMMARY OF GENERAL FUND
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

Years Ended December 31

	2007	2008	2009	2010	2011
REVENUES:					
Taxes					
Property	\$17,463,954	\$19,344,658	\$19,839,335	\$20,323,564	\$20,766,482
Sales and Use	24,634,847	22,434,531	18,999,480	21,729,768	22,976,609
Other	4,317,431	4,649,206	4,352,136	4,650,428	4,686,776
Licenses and Permits	2,733,282	1,995,754	1,273,825	1,703,877	1,538,240
Intergovernmental	3,254,016	3,026,094	1,745,460	2,152,896	1,783,343
Charges for Services	9,361,617	9,799,628	11,314,736	11,431,876	11,597,657
Fines and Forfeitures	516,237	580,932	672,062	518,858	659,910
Investment Earnings	1,763,976	1,415,962	379,685	1,878,689	667,951
Miscellaneous	517,768	437,252	730,174	707,369	263,032
Total Revenues	64,563,128	63,684,017	59,306,893	65,097,325	64,940,000
EXPENDITURES					
Total Expenditures	53,659,034	55,878,305	52,758,765	54,948,708	55,160,947
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,904,094	7,805,712	6,548,128	10,148,617	9,779,053
OTHER FINANCING SOURCES (USES)					
Transfers In	899,784	936,117	842,595	1,066,689	1,368,497
Transfers Out	(11,849,929)	(6,692,536)	(6,298,953)	(7,146,469)	(11,860,949)
Sale of Capital Assets	64,616	46,235	43,482	44,313	50,497
Total Other Financing Sources (Uses)	(10,885,529)	(5,710,184)	(5,412,876)	(6,035,467)	(10,441,955)
NET CHANGE IN FUND BALANCE	18,565	2,095,528	1,135,252	4,113,150	(662,902)
FUND BALANCE-January 1	23,559,936	23,578,501	25,674,029	26,809,281	30,992,431
FUND BALANCE-December 31	\$23,578,501	\$25,674,029	\$26,809,281	\$30,922,431	\$30,259,529
Sources: City and County of Broomfield Financial Statements, 2006-2011					

Major Sources of City and County Revenues

The following sources of the City and County revenues are applied to the City and County operations and maintenance, capital expenditures and debt service payments. The expenditures of certain revenues, or portions thereof, may be subject to restricted uses (e.g., the payment of certain outstanding obligations of the City and County).

Ad Valorem Property Taxes. The City and County levies ad valorem property taxes pursuant to State law against all taxable property within the City and County. In 2011, General Fund ad valorem property tax revenues amounted to \$20,766,482 which represented approximately 32.0% of General Fund revenues for 2011.

Pursuant to the Charter and State law the Council has the power to levy and collect ad valorem taxes on or against all taxable property within the City and County. The assessed valuation of such taxable property is determined as of January 1 of each year by each county assessor in accordance with procedures provided by State law.

Sales, Use, and Certain Excise Taxes. Municipal Sales and Use Tax collections are another of the City and County's major source of revenues. In 2011, General Fund Sales and Use Tax revenue was \$22,976,609 which represented approximately 35.3% of total General Fund revenues for 2011.

Charges for Services. The City and County collects General Fund revenues for various services provided including: building plan reviews, clerk & recorder services, treasurer services, court services, processing of zoning documents and recreation services. In 2011, General Fund Charges for Services revenue totaled \$11,597,657 which represented approximately 17.9% of General Fund revenues.

Other Revenue. The City and County also receives revenues from several additional sources which contribute to the City and County General Fund, including the following: tobacco tax, specific ownership tax, business taxes, license and permit fees, intergovernmental revenues, fines and other miscellaneous revenues. In 2011, the City and County received an aggregate of \$4,686,776 from these sources which represented approximately 7.2% General Fund revenues. None of these sources individually accounted for more than 1% of the total General Fund revenues of the City and County for 2011.

The following table sets forth total general governmental tax revenues by source unaudited from the years 1999-2011:

TOTAL GOVERNMENTAL TAX REVENUES (Amounts Expressed in Thousands) (Unaudited)							
Year	General Property Taxes	Specific Ownership Tax	Sales and Use Taxes	Business Taxes	Tobacco Tax	Miscellaneous Taxes	Total Taxes
1999	3,923	416	18,156	1,069	91	140	23,795
2000	5,392	588	26,560	1,277	97	266	34,180
2001	6,437	890	38,088	1,578	170	264	47,427
2002	20,122	1,449	42,971	1,522	213	257	66,534
2003	22,280	1,468	43,606	1,887	229	426	69,896
2004	24,178	1,525	45,090	1,971	263	376	73,403
2005	23,599	1,551	48,005	2,234	238	395	76,022
2006	24,361	1,584	50,386	2,399	229	484	79,443
2007	24,643	1,630	54,616	2,489	219	481	84,078
2008	27,873	1,617	49,501	2,869	204	442	82,506
2009	28,437	1,482	43,618	2,693	183	400	76,813
2010	29,214	1,439	49,121	3,012	182	492	83,460
2011	29,148	1,401	51,661	3,063	189	566	86,028

Property Subject to Taxation

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the City and County. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the City and County's assessor (the "Assessor") to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax

levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the City and County as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the Assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor's office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2009 / collection year 2011 will be based on an analysis of sales and other information for the period January 1, 2007 to June 30, 2008. The following table sets forth the State Property Appraisal System for property tax levy years 2005 through 2009:

<u>Collection Year</u>	<u>Levy Year</u>	<u>Value Calculated As Of</u>	<u>Based on the Market Period</u>
2006	2005	July 1, 2004	Jan. 1, 2003 to June 30, 2004
2007	2006	July 1, 2004	Jan. 1, 2003 to June 30, 2004
2008	2007	July 1, 2006	Jan. 1, 2005 to June 30, 2006
2009	2008	July 1, 2006	Jan. 1, 2005 to June 30, 2006
2010	2009	July 1, 2008	Jan. 1, 2007 to June 30, 2008
2011	2010	July 1, 2008	Jan. 1, 2007 to June 30, 2008
2012	2011	July 1, 2009	Jan. 1, 2008 to June 30, 2009

The Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to determine accurately the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-98 and 1999-2000); 9.15% of statutory actual value (levy years 2001-02); and 7.96% of statutory actual value (levy years 2003-04, 2005-06, 2007-08 and 2009-10). In December 2010, the Colorado Legislative Council (the research division of the Colorado General Assembly) projected that the residential assessment rate will remain at 7.96% for levy years 2009-12. This projection is only an estimate, however, and is subject to change. In 2003, Colorado voters rejected a proposed amendment to the constitution which would have permanently fixed the residential assessment ratio at 8%.

Non-residential property. All non-residential taxable property, (including the commercial property in the City and County, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the City and County's Board of Equalization. Upon the conclusion of such hearings, the Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by Commissioners of the City and County. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners of the City and County; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after

January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the City and County's assessed valuation may be subject to modification following any such annual assessment study.

Homestead Property Tax Exemption. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later, the exemption is equal to 50% of the first \$200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. In 2009, the Colorado General Assembly eliminated the senior citizen exemption for tax year 2009. In 2010, the Colorado General Assembly eliminated the senior citizen exemption for tax year 2010 and 2011. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the City and County. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The Assessor is required to certify to the assessed valuation of property subject to the City and County's mill levy no later than August 25th of each year. Subject to the limitations of TABOR, based upon the valuation certified by the Assessor, the City and County computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the City and County's property tax, and together with other legally available City and County revenues, will raise the amount required by the City and County in its upcoming fiscal year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The Commissioners of the City and County levy the tax on all property subject to taxation by the City and County. By December 22nd of each year, the Commissioners of the City and County must certify to the Assessor the levy for all taxing entities within the City and County. If the Commissioners of the City and County fail so to certify, it is the duty of the Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior

to the final step in the taxing procedure, which is the delivery by the Assessor of the tax list and warrant to the City and County's treasurer (the "Treasurer").

Adjustment of Taxes to Comply with Certain Limitations. Section 29-1-301, C.R.S., contains a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments).

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in December 2009 are being collected in 2010. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The Treasurer collects current and delinquent property taxes, as well as any interest or penalty.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the Treasurer would be sufficient to produce the amount required with respect to property taxes levied by the City and County and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the City and County there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners of the City and County after that time.

Assessed Valuation

Colorado statutes provide procedures for the valuation of property for assessment purposes. Assessed valuation is computed as a percentage of the actual value of the taxable property being assessed. The actual value of taxable real property is the value determined by the assessor of the county wherein the property is located by appropriate consideration of the cost approach, the market approach, the income approach, use approach and other approaches. Under Section 20, past or future sales by a lender or government shall also be considered as comparable market sales and their sale prices kept as public records. Furthermore, under Section 20, actual value for residential property is determined solely by the market approach to appraisal. Until 1989, Colorado statutes also required that actual values be based on uniform data from a preselected base year. This practice was begun in the mid-1940s to counter inflationary changes, and adjustments to this base factor have resulted in shifts in the valuation figures. Colorado statutes now require the level of value for the tax years 2006 and 2010 to be based on the level of value for the period of one and one-half years immediately prior to July 1, 2005.

As of January 1, 1985, the Colorado General Assembly was required to determine the percentage of the aggregate statewide valuation for assessment which is attributable to residential real property. For each subsequent year, the General Assembly must re-determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding any increased valuation for assessment attributable to new construction and increased oil and gas production. For each year in which there is a change in the level of actual value, the General Assembly is required to adjust the assessed valuation ratio for residential real property as necessary to maintain the previous year's percentage of aggregate statewide valuation attributable to residential real property. Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, and has decreased from 15.00% in levy years 1989-90 to 7.96% for levy years 2003-04 and 2005-06. In December 2010, the Colorado Legislative Council (the research division of the Colorado General Assembly) projected that the residential assessment rate will decline to approximately 7.62% for levy years 2007-08, to approximately 7.39% for levy years 2009-12. Such reductions are, however, only projections and are subject to change. In 2003, Colorado voters rejected a proposed amendment to the constitution which would have permanently fixed the residential assessment ratio at 8%.

All non-residential taxable property with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

The Constitution provides for an annual review of statewide assessment compliance. The Director of the Legislative Council is authorized to retain an independent contractor to review assessments and determine deviations from established compliance tolerances. Based on the independent contractor's report, the State Board of Equalization may issue orders to County Assessors to reappraise classes of property found not to be in compliance with acceptable valuations. The purpose of the reappraisals is to achieve a more uniform and equitable valuing of property within the state for property tax purposes as mandated by a 1982 Colorado constitutional amendment.

Debt Limitation

The City Charter (the "Charter") provides that the City and County may not issue bonds payable from general property taxes if the aggregate amount of such indebtedness of the City and County (after giving effect to the indebtedness to be incurred) would exceed 10 percent of the assessed valuation of the taxable property within the City and County as shown by the last assessment for City and County purposes. Excluded from the computation of indebtedness for the purpose of this limitation are general obligation bonds or other evidences of indebtedness issued by the City and County for the acquisition, extension, or improvement of the Sewer system, short-term notes, local improvement district bonds, revenue bonds, and long-term installment contracts. Based on the 2011 assessed valuation of \$981,915,574 the City and County's general obligation debt limit is \$98,191,557 and the amount of outstanding debt applicable to the limit (after deductions allowed by the Charter) is \$0 leaving a legal debt margin of \$98,191,557.

The City and County may not issue general obligation debt unless approved by a two-thirds vote of the City Council and by a majority of the electors in a special or general election. Although subject to the provisions of Section 20, the City Charter provides that, upon a two-thirds vote of the City Council, the City and County may issue general obligation debt equal to 2 percent of the City and County's assessed valuation without a vote of the electors. The general obligation indebtedness permitted under the 2 percent clause is \$19,638,311. No general obligation debt is outstanding under the 2 percent clause.

Overlapping Debt

The table below sets forth information concerning December 31, 2011 outstanding indebtedness of other taxing entities and the portion of that indebtedness attributable to the City and County.

OVERLAPPING DEBT				
Overlapping Entity¹	2011 Assessed Valuation	Outstanding General Obligation Debt	Estimated Portion of Debt Attributed to the City and County	
			Percentage	Amount
Adams County School District #12	\$286,520,467	\$326,924,373	15.629%	\$51,095,337
Anthem West Metropolitan District	41,122,920	56,000,000	100.000%	56,000,000
Apex Parks and Recreation District	23,625,767	10,360,000	1.886	195,400
Arista Metropolitan District	3,483,721	73,390,000	80.394	59,001,010
Boulder Valley School District #RE2J	586,970,134	362,535,000	12.799	46,402,305
Brighton School District #27J	10,655	156,890,000	0.0025	2,824
Broadlands Metropolitan District No. 2	66,430,950	13,875,000	100.000	13,875,000
Broomfield Village Metropolitan District No. 2	16,410,320	8,445,000	100.000	8,445,000
Great Western Park Metropolitan District No. 3	1,124,270	4,666,625	100.000	4,666,625
Interlocken Consolidated Metropolitan District	166,992,230	89,595,517	100.000	89,595,517
Jeffco Business Center Metropolitan District No. 1	3,400,630	2,016,000	100.000	2,016,000
Jefferson County School District #RE1	102,503,876	452,710,000	1.651	7,474,242
Lambertson Farms Metropolitan District Nos. 1, 2, 3	7,646,050	20,000,000	100.000%	20,000,000
McKay Landing Metropolitan District No. 2	18,768,580	11,250,000	100.000	11,250,000
MidCities Metropolitan District No. 2	37,069,400	23,505,000	100.000	23,505,000
North Metro Fire Rescue District	981,915,574	23,400,000	74.985	17,546,373
Northern Colorado Water Conservancy District	573,760,052	4,729,921	4.466	211,234
Palisade Metropolitan District No. 2	179,890	3,800,000	100.000	3,800,000
Red Leaf Metropolitan District No. 2	13,538,200	5,505,000	100.000	5,505,000
Spruce Meadows Metropolitan District	5,764,760	2,885,000	100.000	2,885,000
St. Vrain Valley School District No. RE-IJ	3,270,082	438,805,000	0.140	613,888
Weld County School District RE-8	2,640,360	7,720,000	0.765	59,066
Westlake Water and Sanitation District	3,792,340	51,366	100.000	51,366
Wildgrass Metropolitan District	14,833,330	10,130,000	100.000	10,130,000
Total Overlapping Debt:	:			\$448,495,177

¹ The following entities also overlap the City and County but have no outstanding general obligation debt: Adams County, Boulder County, Jefferson County, Louisville Fire Protection District, Parkway Circle Metropolitan District, Regional Transportation District, Standley Lake Water and Sanitation District, and Urban Drainage and Flood Control District.

² The percentage of each entity's outstanding debt attributable to the City and County is calculated by determining the proportionate amount of that entity that overlaps the City and County and dividing the 2010 certified assessed valuation of the overlapping portion of the City and County by the total assessed value of such overlapping entity. The dollar amount attributable to the City and County is calculated by multiplying the attributable percentage by the outstanding general obligation debt of the overlapping entity.

Sources: Broomfield Assessor's Office, and individual entities

The City and County's residents are subject to property tax mill levies of various other taxing entities. Accordingly, taxes assessed by those entities increase the total taxes paid by the City and County's property owners. The tables below set forth a sample mill levy schedule for residents who live in the City and County based on school districts. The combined mill levy for the City and County for taxes assessed in 2010 and collected in 2011 and for taxes assessed in 2011 and collected in 2012 is 28.968 mills.

SAMPLE MILL LEVIES		
Taxing Entity	2010 Mill Levy¹	2011 Mill Levy²
Adams County School District		
City and County of Broomfield	11.457	11.457
Adams County School District #12	70.359	70.276
Broomfield County	15.774	15.261
Broomfield Health & Human Services	1.737	2.250
Urban Drainage and Flood Control District	.523	.566
North Metro Fire Rescue Authority	11.225	11.176
Broadlands Metropolitan District No. 2	13.530	14.300
TOTAL	124.605	125.286
Boulder Valley School District #RE2J		
City and County of Broomfield	11.457	11.457
Boulder Valley School District #RE2J	43.838	44.843
Broomfield County	15.774	15.261
Broomfield Health & Human Services	1.737	2.250
North Metro Fire Rescue Authority	11.225	11.176
Interlocken Metropolitan District	33.500	33.500
TOTAL	117.531	118.487
Jefferson County School District #RE-1		
City and County of Broomfield	11.457	11.457
Jefferson County School District #RE-1	48.210	48.721
Broomfield County	15.774	15.261
Broomfield Health and Human Services	1.737	2.250
North Metro Fire Rescue Authority	11.225	11.176
TOTAL	88.403	88.865
St. Vrain School District RE-IJ		
City and County of Broomfield	11.457	11.457
St. Vrain School District RE-IJ	46.837	47.614
Broomfield County	15.774	15.261
Broomfield Health and Human Services	1.737	2.250
TOTAL	75.805	76.582
¹ For taxes assessed in 2009 and collected in 2010.		
² For taxes assessed in 2010 and collectible in 2011.		

Summary of Indebtedness

The table below summarizes the revenue bond obligations of the City and County as of December 31, 2011. There are no general obligation bonds outstanding.

OUTSTANDING DEBT			
Revenue Debt	Original Principal	Interest Rate	Principal Amount Outstanding as of 12/31/___
1996 Sewer Note	\$2,514,119	4.71%	\$825,287
1998B Sewer Revenue Bonds	4,095,000	3.65-4.80%	1,605,000
2001 Sewer and Wastewater Reclamation Revenue Bonds	54,930,000	5.00%	45,705,000
2002 Sales and Use Tax Revenue Refunding and Improvement Bonds	117,950,000	5.00-5.50%	95,880,000
2009 Sales and Use Tax Revenue Improvement Bond	13,000,000	4.625%	12,650,000
2012 Water Revenue Refunding Bonds (Advance Refunded 2002 Water Revenue Bonds)	49,750,000	2.00-5.00%	49,750,000
Total Revenue Bond Debt			\$206,415,287

Certificates of Participation. On December 1, 1999 the City and County entered into a Master Facilities Lease Purchase Agreement with the City and County of Broomfield, Colorado Building Corporation (the "Corporation"), as Lessor and Sublessor and the City and County, as Lessee and Sublessee. On December 29, 1999, \$51,920,000 Certificates of Participation, Series 1999 (the "Series 1999 Facilities Certificates") evidencing assignments of undivided proportionate interests in rights to receive revenues under the Lease were issued to finance City and County facilities. The Lease was amended as of October 15, 2000. On October 26, 2000, \$5,635,000 Certificates of Participation, Series 2000 (the "Series 2000 Facilities Certificates") were issued to finance additional City and County Facilities. Assuming annual renewal of the Lease, as amended, Base Rentals are approximately \$4,250,000 a year. On July 15, 2008, the City and County substituted a surety bond for funds on deposit in the Reserve Fund for the Series 1999 Facilities Certificates and Series 2000 Facilities Certificates. The Series 1999 Facilities Certificates and Series 2000 Facilities Certificates were refunded with the proceeds of the \$87,710,000 Refunding Certificates of Participation, Series 2010 (the "Series 2010 Certificates").

On October 15, 2000, the City and County entered into an Open Space, Park and Recreation Facilities Lease Purchase Agreement (the "Open Space Lease") with the Corporation as Lessor and the City and County, as Lessee. On October 26, 2000, \$65,765,000 Certificates of Participation, Series 2000 (the "Series 2000 Recreation Certificates") evidencing assignments of undivided proportionate interests in rights to receive revenues under the Open Space Lease were issued to finance open space land acquisitions, park land acquisitions, a new recreation center, athletic fields and other recreational facilities. Assuming annual renewal of the Open Space Lease, Base Rentals are approximately \$5,920,000 a year. On July 15, 2008, the City and County substituted a surety bond for funds on deposit in the Reserve Fund for the Series 2000 Recreation Certificates. The Series 2000 Recreation Certificates were refunded with the proceeds of the \$87,710,000 Refunding Certificates of Participation, Series 2010 (the "Series 2010 Certificates").

On April 21, 2006, the City and County and the City of Westminster, Colorado, as Lessees, entered into an Open Space Lease Purchase Agreement with The Broomfield-Westminster Open Space Foundation, Inc., as Lessor to acquire approximately 110 acres of land known as the Metzger Farm. Assuming annual renewal of the Open Space Lease Purchase Agreement, the City and County's Base Rentals are approximately \$1,000,000 a year.

See the notes in the City and County's 2011 Audited Financial Statements set forth in APPENDIX G for a description of the payment schedules associated with all of the referenced obligations.

The following tables provide a history of assessed valuations, actual valuations, tax levies and collections for the City and County:

HISTORY OF ASSESSED VALUATION AND MILL LEVIES IN THE CITY AND COUNTY				
Levy Year	Collection Year	Assessed Valuation in the City and County¹	Percent Increase (Decrease)	Total Mill Levy
2003	2004	\$851,670,252	9.58%	28.968
2004	2005	\$843,146,852	(1.00%)	28.968
2005	2006	\$849,903,281	.80%	28.968
2006	2007	\$872,416,252	2.65%	28.968
2007	2008	\$969,073,671	11.08%	28.968
2008	2009	\$1,011,147,365	4.34%	28.968
2009	2010	\$1,018,846,937	0.76%	28.968
2010	2011	\$1,014,650,938	(.41%)	28.968
2011	2012	\$981,915,574	(3.23%)	28.968

¹Sources: 2003-2011 Abstract of Assessment and Tax Levies; Broomfield County Assessor's Office

HISTORY OF ASSESSED AND ACTUAL VALUATION IN THE CITY AND COUNTY			
Levy Year	Collection Year	Assessed Valuation in the City and County¹	Actual Valuation in the City and County¹
2003	2004	851,670,252	5,907,461,280
2004	2005	843,146,852	6,019,728,037
2005	2006	849,903,281	6,405,335,576
2006	2007	872,416,252	6,712,513,123
2007	2008	969,073,671	7,659,456,105
2008	2009	1,011,147,365	7,990,862,461
2009	2010	1,018,846,937	8,202,791,938
2010	2011	1,014,650,938	7,688,097,947
2011	2012	981,915,574	7,184,714,235

¹Sources: 2003-2011 Abstract of Assessment and Tax Levies; Broomfield County Assessor's Office

PROPERTY TAX COLLECTIONS OF THE CITY AND COUNTY					
Levy Year	Collection Year	Assessed Valuation	Total Taxes Levied¹	Total Tax Collections	Total Tax Collections as a Percentage Tax Levied
2002	2003	\$777,184,305	\$22,513,475	\$22,279,968	98.96%
2003	2004	\$851,670,252	\$24,671,189	\$24,177,671	97.99%
2004	2005	\$843,146,852	\$24,424,277	\$23,598,520	96.61%
2005	2006	\$849,903,281	\$24,619,998	\$24,361,217	98.95%
2006	2007	\$872,416,252	\$25,272,154	\$24,642,659	97.51%
2007	2008	\$969,073,671	\$28,072,126	\$27,872,634	99.29%
2008	2009	\$1,011,147,365	\$29,176,748	\$28,436,768	97.50%
2009	2010	\$1,018,846,937	\$29,513,958	\$29,213,902	99.00%
2010	2011	\$1,014,650,938	\$29,392,408	\$29,147,511	99.17%
2011	2012 ²	\$981,915,574	\$28,444,130	N/A	N/A
¹ Taxes collected include delinquent taxes levied in previous years. ² Full payment due by April 30, 2012 or first half payment by February 29, 2012 and second payment by July 15, 2012. Sources: City and County of Broomfield Assessor's and Treasurer's Offices					

2011 PRINCIPAL TAXPAYERS			
Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation
Oracle America, Inc	Software	\$48,463,310	4.94%
FlatironHolding LLC.	Regional Retail	45,240,320	4.61%
Level 3 Communications	Utility	28,180,600	2.87%
Hines VAF Mountain View LP	Commercial Developer	17,182,130	1.75%
Hunter Douglas	Manufacturing	14,020,390	1.43%
FSP 390 Interlocken Corp	Office Building	12,934,000	1.32%
DDR Flatiron, LLC	Retail	12,853,050	1.31%
FSP 380 Interlocken Corp	Office Building	11,310,000	1.15%
Equastone Views LLC	Real Estate Investment Advisors	11,281,000	1.15%
Public Service Co. of Colorado	Utility	11,279,500	1.15%
Total Assessed Value less TIF		\$212,744,300	21.67%
Sources: City and County of Broomfield Assessor's Office			

Authority for Imposition of Sales and Use Taxes

The Constitutional Amendment creating the City and County provides that the existing Charter of the City shall become the Charter of the City and County. The Charter provides that the City and County may levy and collect taxes, including Sales and Use Taxes, for municipal purposes. The Charter provides that (after approval of the Charter in 1974) no Sales and Use Tax may be levied until approved by a majority of the City and County's electors voting thereon. The City's Sales Tax was initially levied at the rate of 1% from 1971 through 1979 and the Use Tax was initially levied at the rate of 1% from 1974 through 1979. The Sales and Use Tax was increased to a rate of 2.0% effective January 1980 through June 1984. After approval from City electors on May 15, 1984, the Sales and Use Tax was increased to a rate of 3.0% on July 1, 1984. Effective January 1, 1990, the Sales and Use Tax rate was increased to 3.5% as approved by the registered electors of the City on August 1, 1989. Effective January 1, 1995, the Sales and Use Tax rate was increased to 3.75% with .25% for "open space" as approved by the registered electors of the City on November 8, 1994.

The Constitutional Amendment provides that the City and County shall have the power to continue to impose and collect sales, use and property taxes that were imposed by the City and the Counties of Adams, Boulder, Jefferson and Weld within the areas where said taxes were imposed on November 14, 2001, until the voters of the City and County approve uniform sales, use and property taxes within the City and County or approve increased sales, use, or property taxes within the City and County. On November 6, 2001, the voters of the City and County approved a uniform County Sales and Use Tax rate of .4% and its combination with the present City Sales and Use Tax rate of 3.75%, resulting in a uniform and combined City and County Sales and Use Tax rate of 4.15%. The rate is effective January 1, 2005. The voters of the City also approved the extension of the Sales and Use Tax rate of .25% for open space and improvement and maintenance thereof. With the State's 2.9% sales and use tax, the 0.6% sales tax of the Regional Transportation District ("RTD"), the 0.1% Cultural Facilities District tax, and the 0.1% Football District tax, and .2% Flatiron Improvement District tax, the total sales and use taxes in effect as of January 1, 2001 with the City and County ranges from 6.65% to 8.05%. A portion of the City previously in Jefferson County also had an additional 0.5% "open space" sales tax. A portion of the City previously in Boulder County also had an additional .25% "open space" sales and use tax, .10% "recycling" sales and use tax and .05% "worthy cause" sales and use tax. A portion of the City previously in Adams County also had a 0.5% sales tax for a judicial center and a .2% "open space" sales tax.

The following table summarizes City and County Sales and Use Tax as of January 1, 2012.

SALES AND USE TAX RATES		
JANUARY 1, 2012		
	City and County/ except FlatIron	FlatIron Improvement District
City and County	4.15%	4.15%
State of Colorado	2.90%	2.90%
RTD, CFD, FD ¹	1.20%	1.20%
FlatIron District ²	N/A	.2%
TOTAL	8.25%	8.45%
¹ RTD = Regional Transportation District; CFD = Cultural Facilities District; FD = Football District. Collected by the Colorado Department of Revenue on the State Return		
² FlatIron Crossing Mall, FlatIron Crossing Village, FlatIron Marketplace, Mainstreet at FlatIron now collected by the City and County		
Note: the City and County Lodging Tax is not figured into the above table. The Lodging Excise Tax is 1.6% and is now collected on the City and County Return		

Description of the Sales and Use Tax

The City and County regards the sale of tangible personal property or of certain services, as a taxable privilege and imposes a charge, through the imposition of its Sales Tax, for the exercise of that privilege. The Sales Tax is imposed upon all sales of tangible personal property at retail or the furnishing of services within the City and County. The City and County's Use Tax is levied upon the privilege of using or consuming in the City and County any construction and building materials and using, storing or consuming in the City and County motor or other vehicles on which registration is required, purchased at retail and not subject to the Sales Tax, without regard to whether the property is purchased either from sources within or without the City and County.

Pursuant to the Sales and Use Tax Ordinance finally adopted December 11, 2001, taxable tangible personal property and services consist of the same tangible personal property and services taxable by State statute, including but not limited to, the following: Corporeal personal property; telephone and telegraph service; gas, electric, and steam services; room and accommodations service; certain meal service; food (as defined by State statute) not purchased with food stamps, and cover, door, and related charges. The Sales Tax is subject to the same exemptions provided by State law except that purchases of (i) machinery or machine tools, (ii) food, and (iii) coal, electricity, gas, fuel oil, and wood sold to occupants of residences, all of which are exempt from State sales tax, are subject to the City and County's Sales Tax. Specific exempt transactions include, but are not limited to, sales to the United States government, the State, its departments or institutions, and the political subdivisions thereof; sales protected under federal law relating to interstate commerce; sales to charitable organizations for use in their exempt activities; sales of cigarettes; sales of prescription drugs and prosthetic devices; sales of

therapeutic devices; certain sales relating to the monthly rental of rooms; sales made to public schools; and sales of special fuel. Reference should be made to the Broomfield Municipal Code Chapter 3-04, for a complete listing of exempt transactions. State law prohibits the City and County from applying its Sales Tax to the sale of food purchased with food stamps.

The Use Tax provides that a person who builds, alters, expands, modifies or improves any building or other structure or improvement to real property located within the City and County and who purchases lumber, fixtures or any other building materials and supplies used therefor from any source outside of the City and County's corporate limits, or any resident who buys a new or used motor or other vehicle outside the City and County's corporate limits, or any resident who buys a new or used motor or other vehicle outside the City and County's corporate limits for which registration is required under Colorado law, and stores or uses such vehicle within the City and County, must pay a use tax on the gross purchase price thereof. Exemptions from this tax include, but are not limited to, the storage, use or consumption of tangible personal property: The sale of which is subject to the City and County's Sales Tax; the sale or use of which has already been subjected to a sales or use tax of another municipality legally imposed on the purchaser or user equal to or greater than the City and County's Sales and Use Tax; purchased for resale in the City and County; brought into the City and County by a non-resident for his own storage, use or consumption while temporarily within the City and County; and by the United States Government, the State, or religious or charitable corporations. Reference should be made to the Code and State statutes for a complete list of exempt transactions.

Manner of Collection of Sales and Use Taxes

The collection, administration, and enforcement of the City and County's Sales Tax is performed by the Finance Director of the City and County (the "Finance Director").

Any person engaged in the business of selling, at retail, tangible personal property subject to the Sales and Use Tax must obtain a City and County license. Licenses are subject to annual renewal on January 1st; however, it is the City and County's policy to automatically renew such licenses each year except for cause. The City and County Finance Director estimates that there are approximately 2,020 licensed businesses currently operating within the City and County.

Every contractor, subcontractor or other person who constructs, alters or improves any structure and purchases building supplies therefor, is required to file with the City and County a return monthly and remit the Use Tax due.

Sales Tax. The Sales Tax must be collected on the total purchase price of taxable articles of tangible personal property or taxable services that are purchased or sold by or to a customer. Although ostensibly imposed on any vendor in business that sells such property or provides such services, the Sales Tax is in reality imposed on the customer or purchaser of such property or services. Vendors are not allowed to deduct costs incurred in the collection of Sales Taxes. It is the obligation of the vendor to collect the Sales Tax from the purchaser or customer and thereafter to remit all such revenues to the Finance Director. On or before the 20th day of the month, each vendor must file a return with the Finance Director for the preceding month remitting the Sales Tax on the total price of all taxable

tangible goods and taxable services. Permission may be obtained from the Finance Director to file returns on a basis other than monthly if circumstances so justify.

Use Tax. Use Taxes are collected from two major sources: (1) use of construction and building materials (the "Building Use Tax"), and (2) purchases of motor or other vehicles (the "Vehicle Use Tax"). For the year ended December 31, 2009, the relative contribution of each of these sources to total Use Tax collections was 47% (audited), and 53% (audited), respectively. A brief description of each of these sources follows.

Building Use Tax. The City and County collects the Building Use Tax when a building permit is issued. Any over-payment of Building Use Tax by a contractor is refunded at the time a certificate of occupancy is issued.

Vehicle Use Tax. In the State, all vehicles must be licensed by the county in which the operator of such vehicle resides; therefore, the Vehicle Use Tax is collected by the counties during their licensing process. Revenues from such Vehicle Use Tax are remitted to the City and County on a monthly basis.

Remedies for Delinquent Taxes

The Finance Director enforces the collection of the Sales Tax and the Vehicle Use Tax as specified in Broomfield Municipal Code. The City and County enforces the collection of its Building Use Tax. Failure to file a return with the City and County, failure to pay the Sales or Use Tax, or being deficient in any amount due without reasonable cause, will result in a penalty being added to the amount due. In the case of a deficiency due to negligence, the vendor must pay \$15 or 10% of the amount of such deficiency, which is greater as a penalty. In addition, interest on the amount of such deficiency and penalty at the rate of interest established by the Broomfield Municipal Code from the time the return and Sales or Use Tax was due is payable together with the penalty ten days after the Finance Director or the City gives written notice of payment due. If the deficiency is a result of fraud, the vendor is obligated to pay a penalty of 100% of the amount of the deficiency and an additional three percent per month. Unpaid taxes may be collected for the preceding 36 months.

Failure to pay the Sales Tax or Use Tax and any interest or penalties thereon, when due, will result in a written notice of final determination, assessment, and demand for payment which shall be served upon the vendor by certified mail. This assessment of the tax is due and payable thirty days after notice of its determination is given. Such notice informs the recipient that the Sales and Use Tax constitutes a first and prior lien on the real and personal property of the taxpayer, which lien shall have precedence over other liens on tangible real and personal property, except as to liens for general taxes created by State law and valid mortgages or other prior liens of record, as specified in State statutes.

After filing of such notice and the lapse of the time provided for payment of taxes, the Finance Director may issue a warrant for the distraint, seizure, and sale of the real and personal property of the taxpayer, as provided in State statutes.

History of Sales and Use Tax Collections

The following charts present history of Sales and Use Tax collections in the City and County. Such information represents the most current Sales and Use Tax collection information available as of the date of this Official Statement.

Year	Sales Tax ¹ Collections	Percent Increase (Decrease)	Total Use Tax Collections	Percent Increase (Decrease)	Total Sales and Use Tax ¹ Collections	Total Percent Increase (Decrease)
1998	\$8,870,703	-	\$5,831,297	-	\$14,702,000	-
1999	10,373,423	16.9%	7,782,577	33.5%	18,156,000	23.4%
2000	18,772,684	80.1%	7,787,316	.06%	26,560,000	46.2%
2001	30,145,278	60.6%	7,942,722	2.0%	38,088,000	43.4%
2002	35,565,955	17.9%	7,405,045	(6.7%)	42,971,000	12.8%
2003	36,897,313	3.7%	6,708,687	(9.4%)	43,606,000	1.5%
2004	37,583,660	1.9%	7,506,340	11.9%	45,090,000	3.4%
2005	39,794,238	5.9%	8,210,762	9.4%	48,005,000	6.5%
2006	40,325,987	1.3%	10,060,013	22.5%	50,386,000	4.9%
2007	41,856,610	3.8%	12,759,390	26.8%	54,616,000	8.4%
2008	40,667,198	(2.8%)	8,833,802	(30.7%)	49,501,000	(9.3%)
2009	37,506,891	(7.8%)	6,111,109	(30.8%)	43,618,000	11.9%
2010	42,168,207	12.4%	6,953,103	13.8%	49,121,310	12.6%
2011	44,236,563	4.9%	6,231,970	(10.4%)	50,468,533	2.74%

Principal Sales Tax Generators

The following chart sets forth the estimated and historic top ten Sales Tax Generators in the City and County. Gross sales of generating entities are confidential. No assurances can be given that such entities will continue to maintain their status as major Sales Tax Generators in the City in the future.

ESTIMATED GENERATORS OF SALES TAX REVENUES	
2011	2012
Type of Business	Type of Business
1. Public Utility	1. Public Utility
2. Retail Store	2. Retail Store
3. Retail Store	3. Retail Store
4. Grocery Store	4. Grocery Store
5. Grocery Store	5. Grocery Store
6. Retail Store	6. Retail Store
7. Retail Store	7. Retail Store
8. Retail Store	8. Retail Store
9. Grocery Store	9. Grocery Store
10. Service Industry	10. Service Industry
Source: City and County of Broomfield	

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APPENDIX E

Form of Bond Counsel Opinion

HAHN, SMITH, WALSH & MANCUSO, P.C

August 28, 2012

City and County of Broomfield, Colorado
Acting by and through its
Sewer Activity Enterprise
One DesCombes Drive
Broomfield, Colorado 80020

Re: \$43,480,000 City and County of Broomfield, Colorado
acting by and through its Sewer Activity Enterprise
Sewer and Wastewater Reclamation Revenue Refunding Bonds
Series 2012

Ladies and Gentlemen:

We have acted as bond counsel to the City and County of Broomfield, Colorado (the "City and County"), acting by and through its City and County of Broomfield, Colorado Sewer Activity Enterprise (the "Sewer Enterprise"), in connection with the issuance of its Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, dated the date hereof (the "Issue Date"), in the aggregate principal amount of \$43,480,000 (the "Series 2012 Bonds"). We have examined a certified record of proceedings of the City Council of the City and County, acting by and through its Sewer Enterprise, including Ordinance No 1956, amended, finally adopted on July 24, 2012, as supplemented by the Sale Certificate (as so supplemented, the "Series 2012 Bond Ordinance").

The Series 2012 Bonds mature on the dates, bear interest at the rates and are transferable and payable in the manner and subject to the limitations provided in the Series 2012 Bond Ordinance. The Series 2012 Bonds are subject to redemption prior to maturity as provided in the Series 2012 Bond Ordinance. The Series 2012 Bonds are issued for the purpose of refunding valid and outstanding indebtedness of the City and County, acting by and through its Sewer Enterprise and paying the costs of issuing the Series 2012 Bonds, by virtue of and in full conformity with the Constitution of the State of Colorado, the Charter of said City and County, Title 11, Article 57, Part 2, C.R.S., Title 11, Article 59.7, Part 1 and all other laws of the State of Colorado thereunto enabling; and it is hereby certified and recited that all requirements of law have been fully complied with by the proper officers of the City and County in issuing the Series 2012 Bonds. The Series 2012 Bonds are also issued pursuant to Sections 11-57-201, et. seq. (the "Supplemental Act"). Pursuant to Section 11-57-210 of the Supplemental Act, that recital shall be conclusive evidence of the validity and the regularity of the issuance of the Series 2012 Bond after its delivery for value.

The Series 2012 Bonds are special, limited obligations of the City and County, acting by and through its Sewer Enterprise payable from the Net Revenues of the Sewer System deposited to the Sewer Enterprise Fund in accordance with the Municipal Code including investment income thereon, and revenues deposited in the Series 2012 Supplemental Sewer Revenue Account, including any additional funds or revenues which the City Council of the City and County, acting by and through its Sewer Enterprise hereafter pledges to the payment of the Series 2012 Bonds, as provided in the Series 2012 Bond Ordinance (the "Pledged Revenues"). The Series 2012 Bonds shall never constitute or give rise to a general obligation of the City and County and no owner of Series 2012 Bonds may look to any source of funds other than the Pledged Revenues and for the payment of principal and interest on the Series 2012 Bonds. The Series 2012 Bonds constitute first and prior, but not necessarily exclusive liens on the Pledged Revenues.

We have examined the Home Rule Charter of the City and County, the City and County Municipal Code, the Constitution and laws of the State of Colorado, the Code, and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 5 and 6 below, and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion, including a certified copy of the record of proceedings of the City and County, acting by and through its Sewer Enterprise taken preliminary to the issuance of the Series 2012 Bonds. As to questions of fact material to our opinion, we have relied upon the representations of the City and County, acting by and through its Sewer Enterprise contained in the Bond and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination of the aforementioned proceedings and such other documents as we have deemed relevant and necessary as a basis for the opinions set forth herein, we are of the opinion that:

1. The Series 2012 Bonds have been duly authorized, executed and delivered under the Home Rule Charter of the City and County, the Series 2012 Bond Ordinance and the Constitution and laws of the State of Colorado now in force.

2. The Series 2012 Bonds and the Series 2012 Bond Ordinance are valid and binding special and limited obligations of the City and County, acting by and through its Sewer Enterprise, enforceable according to their respective terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America, by the reasonable exercise of the sovereign police power of the State of Colorado and by the exercise of the powers delegated to the United States of America by the federal Constitution.

3. The Series 2012 Bonds are secured by a valid lien on and security interest in the Pledged Revenues to the extent provided in the Series 2012 Bond Ordinance.

4. Additional bonds may be subsequently issued on a parity with the Series 2012 Bonds.

5. Interest on the Series 2012 Bonds, including original issue discount properly allocable to the owners of the Series 2012 Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest and such original issue discount are taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the City and County, acting by and through its Sewer Enterprise comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2012 Bonds in order that interest and original issue discount thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City and County, acting by and through its Sewer Enterprise has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest and original issue discount on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2012 Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2012 Bonds.

6. To the extent interest on the Series 2012 Bonds, including original issue discount properly allocable to the owners of the Series 2012 Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, the interest and original issue discount on the Series 2012 Bonds are not subject to income taxation by the State of Colorado. We express no opinion regarding other state tax consequences arising with respect to the Series 2012 Bonds.

The rights of the owners of the Series 2012 Bonds and the enforceability of the Series 2012 Bonds and the Series 2012 Bond Ordinance may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State of Colorado and its governmental sovereignty of the State of Colorado and to the exercise by the United States of America of powers delegated to it by the United States Constitution.

As bond counsel, we are passing only upon those matters set forth in this opinion. We express no opinion herein with respect to the creditworthiness or condition, financial or otherwise, of the City and County, acting by and through its Sewer Enterprise, or with respect to the accuracy or completeness of any documents prepared or used or statements made in connection with the offering or sale of the Series 2012 Bonds, or with respect to any federal or Colorado tax consequences arising from the receipt or accrual of interest on or the ownership of the Series 2012 Bonds, except those specifically addressed herein.

This opinion is rendered as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In performing our services as bond counsel, the City and County, acting by and through its Sewer Enterprise is our sole client in this transaction and as bond counsel we have not been engaged by, nor have we undertaken to advise, any other party or to opine as to matters not specifically covered herein. The inclusion of addressees of this opinion letter other than the City and County, acting by and through its Sewer Enterprise does not create or imply an attorney-client relationship between Hahn, Smith, Walsh & Mancuso, P.C., as bond counsel, and any such other addressee.

HAHN, SMITH, WALSH & MANCUSO, P.C.

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS UNDERTAKING (the "Continuing Disclosure Undertaking" or the "Undertaking") is executed and delivered by the City and County of Broomfield, Colorado (the "City and County"), acting by and through its City and County of Broomfield, Colorado Sewer Activity Enterprise (the "Sewer Enterprise"), in connection with the issuance of City and County of Broomfield, Colorado Sewer Activity Enterprise, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, in the principal amount of \$43,480,000 (the "Series 2012 Bonds"). The Series 2012 Bonds are being issued pursuant to an Ordinance of the City Council of the City and County, acting by and through its Sewer Enterprise, authorizing the issuance of the Series 2012 Bonds, finally adopted by the City Council on July 24, 2012 (the "Series 2012 Bond Ordinance").

In consideration of the purchase of the Series 2012 Bonds by the Initial Purchasers (as defined below), the City and County, acting by and through its Sewer Enterprise, covenants and agrees as follows:

SECTION 1. *Purpose of the Undertaking.* This Undertaking is being executed and delivered by the City and County, acting by and through its Sewer Enterprise, for the benefit of the Owners of the Series 2012 Bonds and in order to allow the Initial Purchasers to comply with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended.

SECTION 2. *Definitions.* The definitions set forth in the Series 2012 Bond Ordinance apply to any capitalized term used in this Undertaking unless otherwise defined in this Section. As used in this Undertaking, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information or operating data with respect to the City and County delivered at least annually pursuant to Section 3 hereof, substantially similar to the type included in the following captions of the Official Statement: "THE SEWER SYSTEM - Sewer Revenues and Historical Operating Statistics" and "REVENUES AVAILABLE FOR DEBT SERVICE" and as set forth on Exhibit A. Annual Financial Information may, but is not required to, include Audited Financial Statements. Annual Financial Information may be provided in any format deemed convenient by the City and County.

"Audited Financial Statements" means the annual financial statements for the City and County, prepared in accordance with generally accepted accounting principles as in effect from time to time, audited by a firm of certified public accountants.

"Commission" means the Securities and Exchange Commission.

"Events" means any of the events listed in Section 4(a) of this Undertaking.

"Initial Purchasers" means the initial purchasers of the Series 2012 Bonds.

"MSRB" means the Municipal Securities Rulemaking District. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314; telephone (703) 797-6600; fax (703) 797-6700.

"Obligated Person" means the City and County acting by and through its Sewer Enterprise and any other person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or a part of the Series 2012 Bonds (other than providers of municipal bond insurance, letters of credit or other liquidity facilities).

"Official Statement" means the final Official Statement dated July 24, 2012 together with any supplements thereto prior to the date the Series 2012 Bonds are issued, delivered in connection with the original issue and sale of the Series 2012 Bonds.

"Owners(s) of the Series 2012 Bonds" means the registered owners of the Series 2012 Bonds, and so long as the Series 2012 Bonds are subject to the Book Entry System, any person who, through any contract arrangement or otherwise, has or shares investment power with respect to the Series 2012 Bonds, which includes the power to dispose, or direct the disposition, of the Series 2012 Bonds.

"Rule 15c2-12" means Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. *Provision of Annual Financial Information.*

(a) Commencing with the Fiscal Year ended December 31, 2012, and annually while the Series 2012 Bonds remain outstanding, the City and County shall provide Repositories Annual Financial Information and Audited Financial Statements with respect to the City and County.

(b) Such Annual Financial Information with respect to the City and County shall be provided not later than 210 days after the end of each Fiscal year. If not provided as a part of the Annual Financial Information, the Audited Financial Statements with respect to the City and County will be provided when available, but in no event later than 210 days after the end of each Fiscal Year.

(c) The City and County may provide Annual Financial Information and Audited Financial Statements with respect to the City and County by specific cross-reference to other documents which have been submitted to the Repositories or filed with the Commission. If the document so referenced is a final official statement within the meaning of Rule 15c2-12, such final official statement must be available from the MSRB. The City and County shall clearly identify each such other document provided by cross-reference.

(d) The City and County acknowledges that at present there is no Obligated Person other than the City and County.

(e) The City and County shall provide or cause to be provided, in a timely manner, to the MSRB notice of any failure of the City and County to timely provide the Annual Financial Information and Audited Financial Statements as specified in this Section 3.

SECTION 4. *Reporting of Events.*

(a) The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds, if material;
- k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the obligated person;*

m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the City and County obtains knowledge of the occurrence of an Event, the City and County shall as soon as possible determine if such Event would constitute material information for owners of the Series 2012 Bonds; provided, however, that any Event under subsection (a)(viii), (ix) or (xi) will always be deemed to be material.

SECTION 5. Term. This Undertaking shall be in effect from and after the issuance and delivery of the Series 2012 Bonds and shall extend to the earlier of (i) the date all principal and interest on the Series 2012 Bonds shall have been deemed paid pursuant to the terms of the Series 2012 Bond Ordinance; (ii) the date that the City and County shall no longer constitute an "obligated person" with respect to the Series 2012 Bonds within the meaning of Rule 15c2-12; and (iii) the date on which those portions of Rule 15c2-12 which require this Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2012 Bonds, which determination shall be evidenced by an opinion of nationally recognized bond counsel selected by the City and County a copy of which opinion shall be given to the Initial Purchasers.

**For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.*

SECTION 6. *Manner of Submission.* The information and notices required to be submitted to the MSRB pursuant to this Disclosure Undertaking shall be submitted in an electronic format, and shall be accompanied by identifying information, in the manner prescribed by the MSRB. A description of such format and information as presently prescribed by the MSRB is included in Exhibit B hereto. Nothing in this Disclosure Undertaking shall be construed to relieve the District of its obligation to provide notices to the Owners as required by the Bond Resolution.

SECTION 7. *Amendment; Waiver.* Notwithstanding any other provision of this Undertaking, the City and County may amend this Undertaking, and any provision of this Undertaking may be waived (a) if such amendment occurs prior to the actual issuance and delivery of the Series 2012 Bonds and the Participating Underwriters consent thereto, (b) if such amendment is consented to by the Owners of no less than a majority in aggregate principal amount of the Series 2012 Bonds obtained in the manner prescribed by the Series 2012 Bond Ordinance, or (c) if such amendment or waiver is otherwise consistent with Rule 15c2-12. Written notice of any such amendment or waiver shall be provided by the City and County to the Repositories and the MSRB, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided.

SECTION 8. *Additional Information.* Nothing in this Undertaking shall be deemed to prevent the City and County from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Undertaking; provided that the City and County shall not be required to do so. If the City and County chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Undertaking, the City and County shall have no obligation under this Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

SECTION 9. *Beneficiaries.* This Undertaking shall inure solely to the benefit of the City and County, the Initial Purchasers and Owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

Date: August__ 2012

CITY AND COUNTY OF BROOMFIELD,
COLORADO, ACTING BY AND THROUGH
ITS SEWER ACTIVITY ENTERPRISE

By: _____
Mayor

(S E A L)

ATTEST:

City and County Clerk

EXHIBIT A

"Annual Financial Information" means the financial information or operating data with respect to the City and County delivered at least annually pursuant to Section 3 hereof, substantially similar to the type included in the following captions of the Official Statement: "THE SEWER SYSTEM - Sewer Revenues and Historical Operating Statistics," "THE WASTEWATER RECLAMATION SYSTEM - Wastewater Reclamation Revenues and Historical Operating Statistics" and "REVENUES AVAILABLE FOR DEBT SERVICE." It does not include financial information or operating data in the captions the "THE WATER SYSTEM."

EXHIBIT B

MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, as of January 1, 2010, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by: (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure

documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at <http://www.emma.msrb.org>

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APPENDIX G

**Audited Financial Statements of the City and County
As of and for the year ended
December 31, 2011**

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City and County of Broomfield, Colorado



**Comprehensive Annual Financial Report for the Year Ended
December 31, 2011**

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**CITY AND COUNTY OF BROOMFIELD,
COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2011

ISSUED BY:

DEPARTMENT OF FINANCE



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**City and County of Broomfield, Colorado
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2011**

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May 17, 2012

To the Honorable Mayor, members of the City Council and the Citizens of the City and County of Broomfield:

The Charter for the City and County of Broomfield (Broomfield) and state law require Broomfield to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). The financial statements must also be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report of the City and County of Broomfield, Colorado, for the fiscal year ended December 31, 2011, is submitted herewith. All disclosures necessary to enable the reader to gain an understanding of Broomfield's financial condition have been included.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rest with management. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of Broomfield. Management of Broomfield assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Broomfield's management has established a comprehensive internal control framework that is designed to both protect the assets of Broomfield from loss, theft or misuse and to compile sufficient reliable data for the preparation of Broomfield's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Broomfield's comprehensive framework of internal controls has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement.

Broomfield's financial statements have been audited by RubinBrown LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Broomfield for the fiscal year ended December 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Broomfield's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the independent audit of the financial statements of Broomfield, the independent auditors also performed tests as part of a 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 the administration of federal awards. The Single Audit Reports are presented as the last section of this book.

Generally accepted accounting principles 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 compliment the MD&A and should be read in conjunction with it. Broomfield's MD&A begins on page 15, immediately following the report of the independent auditors.

Profile of the City and County of Broomfield

Broomfield was incorporated as a city on June 6, 1961, and became a home rule city under the Constitution of Colorado on adoption of its Charter on November 5, 1974. At that time, Broomfield was located in the counties of Adams, Boulder and Jefferson. Broomfield annexed into Weld County in 1990. For a number of years, citizens and elected officials expressed interest in forming a consolidated City and County. In November 1996, citizens voted to place a question on a statewide ballot to authorize creation of the City and County of Broomfield. In May 1998, the Colorado General Assembly adopted a Resolution which placed the question on the ballot for the November 3, 1998 statewide election, and over 61% of Colorado voters voted in favor of the creation of the City and County of Broomfield. The creation of a city and county last occurred in Colorado in 1902 when the City and County of Denver was formed. The creation of the City and County of Broomfield is a significant event in both Colorado's history and in the history of Broomfield. The three years from 1999 to 2001 were a transition period. On November 15, 2001 all areas within the City of Broomfield were detached from the counties of Adams, Boulder, Jefferson and Weld and became the City and County of Broomfield, the 15th largest county in Colorado.

Broomfield, Colorado has a population estimated at 57,304 and is located on U.S. Highway 36/Boulder Turnpike between Denver and Boulder, making it part of the Denver metropolitan area. Broomfield is within a thirty minute commute to the Denver International Airport (DIA). Although Broomfield existed as a small rural community in the mid 1800's, its emergence as a significant regional governmental entity began in the 1950's when construction of Broomfield was begun as one of the state's first master planned communities. Broomfield has maintained a unique community atmosphere through careful planning and provides a full range of local government services to its residents. These services include general government, public safety, community development, assessor, clerk & recorder services, library services, public works, parks maintenance, recreation & cultural events, facility maintenance, health & human services and public utilities. Broomfield's utilities include water, wastewater and water reclamation systems.

This report includes all funds of Broomfield, the Arista Local Improvement District (a local improvement district included as a blended component unit), the City and County of Broomfield, Colorado Building Corporation (a non-profit corporation included as a blended component unit) and the Broomfield Housing Authority (a blended component unit). Additionally, the Broomfield Urban Renewal Authority and the Flatirons Improvement District are reported as discretely presented component units. Discretely presented units are reported in a separate column to emphasize that they are legally separate from the primary government. Thus, the debt of the Broomfield Urban Renewal Authority, while disclosed, is neither a general nor a limited obligation of Broomfield. The Flatirons Improvement District does not have any debt outstanding.

The council/manager form of government was adopted in Broomfield's Charter. The Council, an elected body of eleven members, is the policy-making arm of the government. Two council members are elected from each of Broomfield's five wards on staggered four-year terms. The mayor is elected at large every two years. The council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, appointment of the Municipal Court judge and hiring both the City and County Manager and the City and County Attorney.

The City and County Manager serves as Broomfield's chief administrative officer and is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of Broomfield, and for appointing the heads of the various departments.

Broomfield's charter requires that Broomfield establish and maintain a budgetary control system for all funds and activities. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. All appropriations, except those within the capital expenditure funds, lapse at year-end to the extent that they have not been expended or encumbered. Appropriations for capital expenditure funds continue in effect until the purpose for which they were made has been accomplished or abandoned. Formal budgetary integration is employed as a management control device during the year for all funds and established by function and activity within an individual fund. Broomfield also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The appropriation resolution for expenditures is adopted at the fund level. The City and County Manager is authorized to transfer budgeted amounts among programs and departments within a fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. As demonstrated by the statements and schedules included in the financial section of this report, Broomfield continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

For additional context to readers of the Comprehensive Annual Financial Report, management provides the following comments about the economy and financial status.

Local economy. Broomfield's first Master Plan to guide expansion and development was adopted in 1964. Since that time, as a result of expansion and with an eye to the future, Broomfield has continually updated the Master Plan. The current version of the Master Plan was adopted in 2005 and reflects the evolution of Broomfield toward a higher quality, family oriented community within the overall context of a strategic front-range location in the metropolitan area between Denver and Boulder.

Broomfield's economy is diversified with employment in manufacturing, services, retail and wholesale trade, government and construction. In the last ten years Broomfield has experienced an increase in high-tech and retail jobs through the attraction of many high-tech firms and the completion of 2,200,000 square feet of retail construction in the vicinity of the Flatiron Crossing regional mall. This retail center includes Flatirons Crossing, MainStreet at Flatirons and Flatirons Marketplace. The majority of the employment in Broomfield is concentrated in the southwest part of the city, in and around the Interlocken Advanced Technology Center.

Historically, Broomfield has been an economic leader in the region. Broomfield has a diverse economic base, which portends a healthy economy for years to come. The retail trade sector employs a large portion of the workforce for Broomfield and influences Broomfield's economy. The table below sets forth taxable retail sales figures within Broomfield for the past five years. The reduction in taxable retail sales from 2008 to 2009 reflects the slowing economy that was exhibited nationally. With the economy expected to recover over the next several years, sales tax revenue for Broomfield is projected at conservative levels for 2012 and 2013.

TAXABLE RETAIL SALES (IN THOUSANDS)					
	Fiscal Year				
	2007	2008	2009	2010	2011
Amount	1,008,593	979,931	903,781	1,016,101	1,065,941
% Increase (Decrease)	3.80	(2.84)	(7.77)	12.43	4.91

Compared to the 2011 national average for population growth (0.7 percent) the State of Colorado realized a higher percentage increase (1.4 percent). Colorado's 7.9 percent annual average unemployment rate remains lower than the national average of 8.5 percent; and the Colorado Department of Labor and Employment shows the annual average unemployment rate for 2011 in Broomfield at 6.9 percent. Inflation in Colorado for 2011 increased at a slightly higher rate than the national average. The 2011 year-end average Consumer Price Index for the Denver-Boulder area increased 3.6 percent from the 2010 average (compared to the national average of 3.2 percent for this same period).

Local construction activity in commercial, industrial and residential building decreased slightly from 2010. Broomfield issued 187 building permits for new single family homes in 2011 accounting for \$60,385,364 in new residential construction value. However, new multi-family permits decreased to 42 for 2011. While new single family residential and townhome permits are down from February 2011, both business and apartment/condominium permits are up. Throughout 2011 the construction of new residential and commercial properties reflected an increase in activity as the economy picked up.

Single and Multi-Family Housing Growth in Broomfield				
Year	New Single Family Permits	New Multi-Family Permits	Total New Permits Issued	% Change from Prior Year
2004	507	213	720	28%
2005	583	214	797	11%
2006	744	195	939	18%
2007	473	151	624	(34%)
2008	152	63	215	(66%)
2009	132	37	169	(21%)
2010	170	62	232	37%
2011	187	42	229	(1%)

Broomfield continues taking into account the economic climate while budgeting for growth in new commercial and industrial development. Growth rates for 2011 and 2012 remain conservative, reflecting the delay of several projects. The expected growth in commercial and retail development continues to be in the area surrounding the 1STBANK Center, the Interlocken Advanced Technology Center and the areas in the northeast section of Broomfield.

	<u>2011</u>	<u>2012</u>
New Square Feet	214,088	346,000
Estimated Valuation	\$25,690,560	\$42,792,000
Estimated Assessed Valuation	\$7,450,262	\$12,409,680

Projected commercial and industrial development for 2011. In the southwestern section of Broomfield a master-planned, mixed use community, Arista, is under construction. This multi-year project, on approximately 209 acres, is planned to include 1,200 units of multi-family residential housing, 800,000 square feet of retail space and 250,000 square feet of office space. This project is an urban-transit oriented development that incorporates facilities of the Regional Transportation District (RTD). The central feature of the development, located along the US 36 corridor, is the 1STBANK Center, a 6,000 seat multi-purpose facility owned by the Broomfield Urban Renewal Authority.

Another development, Lambertson Farms, began construction in 2008 and is projected to include approximately 550 residential units and 200,000 square feet of commercial/retail including a major chain grocery store.

Broomfield's sales and use tax receipts for the previous five years are shown in the following table. Combined sales and use tax collections for 2011 surpassed the prior year collection levels. While collections were up for 2011 the rate of increase from 2010 to 2011 was lower than the increase from 2009 to 2010. The continued increase is the result of the recovering economy over the previous two years.

Sales and Use Tax Receipts	
Year	Amount Collected
2007	54,616,346
2008	49,500,862
2009	43,617,936
2010	49,121,310
2011	51,660,585

Property tax revenues collected in 2011 were based on the Broomfield mill levy of 11.457 mills for city operations and 17.511 for county operations, bringing the total mill levy for Broomfield to 28.968 mills. Allocations of property tax levy by purpose for the 2011 revenue year and the preceding four revenue years are as follows (in mills):

Fund Allocations		2007	2008	2009	2010	2011
CITY	General Operating	5.058	5.221	5.321	5.321	5.321
	Streets	0.695	0.695	0.695	0.695	0.695
	Library	2.204	2.041	1.941	1.941	1.941
	Capital Improvements - General	3.500	3.500	3.000	3.000	3.000
	Capital Improvements - Facilities	---	0.500	0.500	0.500	0.500
	Total City	11.457	11.457	11.457	11.457	11.457
COUNTY	General Operating	15.774	12.674	12.674	13.031	13.031
	Public Health	---	1.230	1.230	1.230	1.230
	Human Services	1.737	1.737	1.737	1.245	1.245
	Mental Health	---	0.870	0.870	1.005	1.005
	Facilities Reserve	---	1.000	1.000	1.000	1.000
	Total County	17.511	17.511	17.511	17.511	17.511
Total City and County		28.968	28.968	28.968	28.968	28.968

Long-term financial planning. Council and management are working on several long-term plans that will strengthen the financial position of Broomfield. Through financial management policies, Council has set priorities for the services provided by Broomfield. In 2004, City Council adopted a Long Range Financial Plan to provide a method to assist in achieving the goal of economic sustainability for Broomfield now and at build-out. The plan was updated in 2009 and utilizes key ratios that relate land uses to revenues and expenditures. Major components of the plan were developed for General Governmental Fund types and for Utility/Enterprise Fund types. Based on the initial plan, Broomfield's financial base is expected to remain healthy through build-out. This plan has been continually evaluated as land use decisions are made and continues to show Broomfield is able to maintain an excellent financial status.

The city council has established five main priorities including budget review and finances, facilities planning and improvements, comprehensive water use plan, implementation of an economic development strategic plan and transportation projects. Ongoing projects within these priorities include: the Wadsworth interchange project, support for the "THINK Broomfield" program, support of the business technical assistance program, internal traffic flow improvements, promoting manufacturing jobs, and lessening local government burdens on local businesses.

Relevant Financial Policies

In order to protect Broomfield's essential service programs and provide for funding requirements during periods of economic downturns or other unforeseen catastrophic events, Broomfield has established reserve policies. In the governmental funds, the policy requires a reserve be maintained at a minimum of 10 percent of the current year expenditures for operations and debt service payments. In the enterprise funds, the policy requires a reserve be maintained at a minimum of 10 percent of operating expenditures plus two year's debt service payments. The 2012 budget shows maintaining the governmental funds reserve at 17.77 percent of expenditures. In addition, the reserve for the Enterprise funds is projected to be at 17.13 percent of expenditures plus 3.31 years of debt service, exceeding the minimums established by reserve policies.

The long term debt policy for Broomfield states that long term debt will not be used for current ongoing operations. As such, annual operating budgets provide for adequate design, construction, maintenance and replacement of Broomfield's existing capital equipment and infrastructure.

Policies related to utility rates and fees for Broomfield's utility operations require that user fees and charges will be set for each enterprise fund at a level that supports the operating costs for the utility, including annual depreciation of capital assets and overhead charges. Utility license fees, which allow access to new customers on the system, are set to cover the cost of growth-related expenditures for system expansion.

Major Initiatives

The focus of the 2012 budget is the continuation and improvement of reserve balances while meeting the priorities and needs of the community. Capital planning continues to recognize the need for funding of new and expanding City and County facilities, transportation improvements, utility system improvements (water, wastewater and water reclamation), and preservation of existing infrastructure assets. In addition, on-going services for social programs and public health were identified as priorities.

Careful monitoring of the 2012 budget has been implemented throughout the first quarter of the year and will continue while the economic recovery continues to be evaluated.

Awards and Acknowledgements

Independent Audit. The Charter for the City and County of Broomfield and state law require Broomfield to have its financial statements audited by an independent firm of certified public accountants. The Council selected RubinBrown LLP to fulfill this requirement. RubinBrown LLP provided an unqualified opinion on the 2011 financial statements.

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and County of Broomfield for its comprehensive annual financial report (CAFR) for the fiscal year that ended December 31, 2010. 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. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

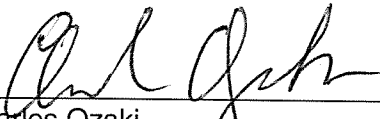
A Certificate of Achievement is valid for a period of one year only. Broomfield has received a Certificate of Achievement for the last twenty-one consecutive years (fiscal years ended 1990-2010). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Award for Distinguished Budget Presentation. The GFOA recognized Broomfield with an award for Distinguished Budget Presentation for its budget for fiscal year 2011. This marked the seventeenth consecutive year Broomfield has received this award. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and as a communications device.

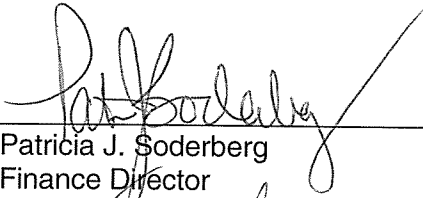
Acknowledgements. The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of Broomfield's Finance Department. We would like to recognize the members of the Fiscal Services Division who worked many hours to ensure the completion of this document and fulfill other financial responsibilities over the past few months. We would also like to thank the independent certified public accounting firm of RubinBrown LLP for their input and able assistance and the professional manner in which they have performed their audit engagement.

Lastly, we would like to thank the Mayor, City Council, and each Department Director for their interest and support in planning and conducting the financial operations of Broomfield in a responsible and progressive manner.

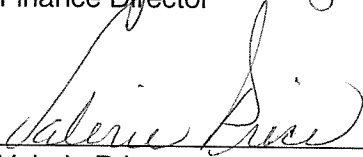
Respectfully submitted,



Charles Ozaki
City and County Manager



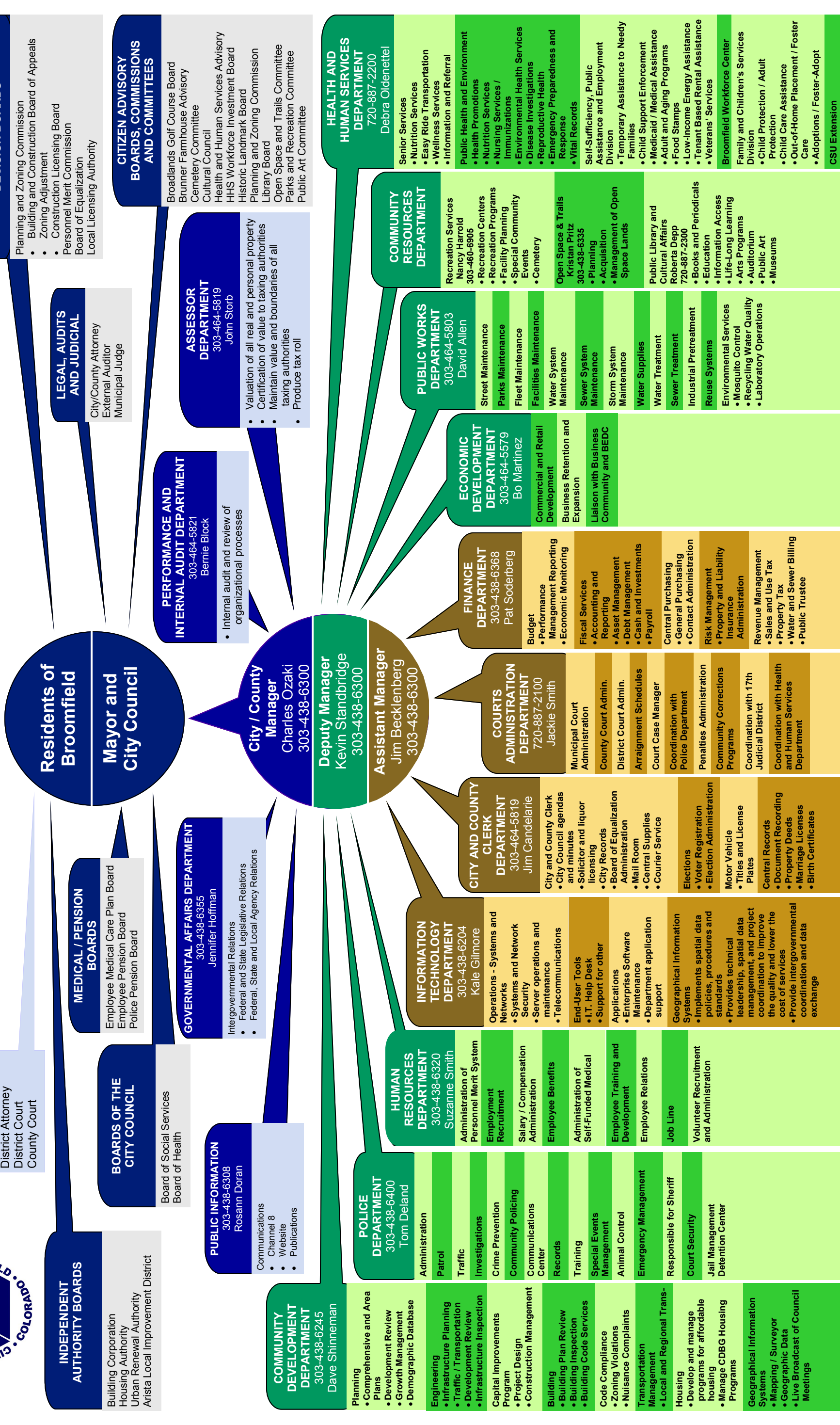
Patricia J. Soderberg
Finance Director



Valerie Price
Accounting Manager



City and County of Broomfield Government



CITY AND COUNTY OF BROOMFIELD, COLORADO

Directory of Elected and Appointed Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Mayor	Patrick Quinn	November 2013
Mayor Pro Tem	Greg Stokes	November 2013
Councilmember	Bob Gaiser	November 2013
Councilmember	Todd Schumacher	November 2015
Councilmember	Mike Shelton	November 2015
Councilmember	Dennis P. McCloskey	November 2013
Councilmember	Kevin Jacobs	November 2015
Councilmember	Sam Taylor	November 2013
Councilmember	David Jurcak	November 2015
Councilmember	Wayne L. Anderson	November 2015
Councilmember	Martha Derda	November 2013

Appointed Officials

City and County Manager	Charles Ozaki
Deputy City and County Manager	Kevin Standbridge
City and County Attorney	William A. Tuthill, III
Independent Auditor	RubinBrown, LLP

Other Officials

Assistant City and County Manager	James Becklenberg
Director of Finance	Patricia J. Soderberg

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City and County of Broomfield
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

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Independent Auditors' Report

City Council
City and County of Broomfield
Broomfield, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City and County of Broomfield, Colorado (Broomfield), as of and for the year ended December 31, 2011, which collectively comprise Broomfield's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Broomfield's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information was audited by BONDI & Co. LLC, who merged with RubinBrown LLP as of June 1, 2011, and whose report dated April 8, 2011, expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information.

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 the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Broomfield as of December 31, 2011 and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General and the Human Services funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To The City Council
City and County of Broomfield

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2012 on our consideration of Broomfield'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 15 through 26; the schedules of funding progress and employer contributions, on page 101; and the modified approach for streets infrastructure capital assets, on pages 103 through 104, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Broomfield's financial statements as a whole. The schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the introductory section, combining and individual major and nonmajor fund financial statements and schedules; component unit financial statements; capital asset schedules; statistical tables; and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, combining and individual major and nonmajor fund financial statements and schedules, component unit financial statements, capital asset schedules, and the Local Highway Finance Report are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation of the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RubinBrown LLP

May 17, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City and County of Broomfield (Broomfield) offers the readers of Broomfield's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2011. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and Broomfield's financial statements, which can be found on pages 1 and 27 of this report, respectively.

Financial Highlights

- The assets of Broomfield exceeded its liabilities at the close of the most recent fiscal year by \$737,785,648 (net assets). Of this amount, \$153,576,564 is unrestricted and may be used to meet Broomfield's ongoing obligation to citizens and creditors.
- Broomfield's total net assets increased by \$13,802,437. The government net assets increased by \$12,296,055 (4.5 percent) and the business-type assets increased by \$1,506,382 (less than 1 percent).
- As of December 31, 2011, Broomfield's governmental funds reported a combined ending fund balance of \$86,913,077, an increase of \$5,592,626 in comparison with the prior year. Approximately 30 percent of this total amount, \$26,087,970, is available for spending at City Council's discretion (unassigned).
- At December 31, 2011, the unassigned fund balance for the general fund was \$26,093,063, or 47 percent of total general fund expenditures.
- Broomfield's total outstanding debt decreased by \$13,165,000 (4.5 percent). This is the result of principal payments made during the year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Broomfield's basic financial statements. Broomfield's basic financial statements comprise three components:

- 1) Government-Wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to the Financial Statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Broomfield's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Broomfield's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, increases and decreases in net assets may provide an indication of whether Broomfield's financial position is improving or deteriorating.

The *statement of activities* presents information reflecting how Broomfield's net assets have changed during the fiscal year just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of Broomfield 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 Broomfield include general government, public safety, community development, public works, parks & recreation, facility maintenance, and health & human services. The business-type activities of Broomfield include water, sewer and water reclamation.

The government-wide financial statements include not only the City and County of Broomfield itself (known as the *primary government*), but also the City and County of Broomfield, Colorado Building Corporation (a blended component unit), the Broomfield Housing Authority (a blended component unit), the Arista Local Improvement District (a blended component unit), the Broomfield Urban Renewal Authority (shown as a discretely presented component unit) and the Flatirons Improvement District (shown as a discretely presented component unit). See Note 1 in the notes to the financial statements for more details regarding these entities and their relationship to Broomfield.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund Financial Statements. Traditional users of Broomfield's financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than fund types.

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. A *major fund* generally meets both of the following criteria: 1) total assets, liabilities, revenues or expenditures/expenses are at least 10% of the corresponding total (assets, liabilities, etc.) for that fund type (i.e. *governmental* or *proprietary* funds) and 2) total assets, liabilities, revenues or expenditures/expenses of the individual governmental or proprietary fund are at least 5% of the corresponding total for all governmental or proprietary funds combined.

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

Governmental Funds. *Governmental funds* are used to report those same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide statements, however, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is 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. As such, the government fund financial statements may be useful in evaluating a government's near-term financing requirements.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison may provide readers with a better understanding of the long-term impact of Broomfield's near-term financing decisions. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances.

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, Sales & Use Tax Capital Fund, the Building Corporation Debt Service Fund and the Human Services Fund. These four funds are considered to be major funds. Data from the other eleven governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* located within the supplementary information following the notes to the financial statements. The non-major funds include Special Revenue Funds (Library, Streets, Conservation Trust, Cemetery, Lodging, Housing Authority (a blended component unit) and Arista Local Improvement District (a blended component unit)), a Debt Service Fund, and Capital Projects Funds (Building Corporation-a blended component unit, Open Space and Services Expansion Fee).

Broomfield adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement for the general fund has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

Proprietary Funds. Broomfield maintains two different types of *proprietary funds*, enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Broomfield uses enterprise funds to account for its water, sewer, and water reclamation operations. *Internal service funds* are accounting devices used to accumulate and allocate costs internally among Broomfield's various functions. Broomfield uses an internal service fund to account for employee health benefits provided by Broomfield. These services predominantly benefit the governmental rather than business-type functions. As such, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Water, Sewer, and Water Reclamation enterprise funds are all considered to be major funds and are, therefore, presented separately in the proprietary fund statements. Broomfield's internal service fund is also presented in the proprietary fund statements.

Broomfield adopts an annual appropriated budget for all of its proprietary funds. Budgetary comparison statements have been provided in the supplementary information following the notes to the financial statements to demonstrate compliance with this budget.

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Broomfield's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Broomfield maintains trust-type fiduciary funds to account for resources held by Broomfield in a trustee capacity (pension funds). Broomfield's trust funds are combined into a single, aggregated presentation in the fiduciary fund statements. Individual fund data for each of the fiduciary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

Broomfield adopts an annual appropriated budget for all of its fiduciary funds. Budgetary comparison statements have been provided in the supplementary information following the notes to the financial statements to demonstrate compliance with this budget.

The basic fiduciary fund financial statements can be found on pages 39-40 of this report.

Notes to the Financial Statements. The notes to the financial statements are considered an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-97 of this report.

Required Supplementary Information. In addition to the basic financial statements, which include the accompanying notes, this report also presents *required supplementary information*. Included is Broomfield's net pension (obligation)/asset, and the annual pension cost to provide pension benefits to the employees covered by its defined benefit pension plan. Broomfield has also elected to utilize the modified approach to account for and report its street infrastructure capital assets. The required supplementary information includes an explanation of the modified approach and recent assessments that have been performed using the street infrastructure management system. The required supplementary information can be found on pages 101-103 of this report.

Combining Statements and Schedules. The *combining statements and schedules* referred to earlier in connection with the non-major governmental funds, internal service funds, and fiduciary funds are presented following the required supplementary information. Following the combining statements, budget schedules for all non-major funds are presented individually. In addition, budget schedules for the Sales & Use Tax Capital Projects Fund, Enterprise Funds, and the Internal Service Fund are also presented following the schedules for non-major funds.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, Broomfield's assets exceeded liabilities by \$737,785,648. The following summaries of net assets and changes in net assets are presented for the current year with comparative totals for the fiscal year 2010.

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets.

City and County of Broomfield						
As of December 31, 2011						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$127,603	\$120,937	\$91,981	\$91,587	\$219,584	\$212,524
Capital assets	383,730	385,307	474,023	478,748	857,753	864,055
Other non-current assets	4,975	4,725	811	869	5,786	5,594
Total assets	<u>516,308</u>	<u>510,969</u>	<u>566,815</u>	<u>571,204</u>	<u>1,083,123</u>	<u>1,082,173</u>
Other liabilities	46,988	45,227	7,516	7,559	54,504	52,786
Long-term liabilities	193,888	202,606	96,945	102,798	290,833	305,404
Total liabilities	<u>240,876</u>	<u>247,833</u>	<u>104,461</u>	<u>110,357</u>	<u>345,337</u>	<u>358,190</u>
Net assets:						
Invested in capital assets, net of related debt	184,431	177,797	373,568	372,750	557,999	550,547
Restricted	24,961	21,462	1,250	1,250	26,211	22,712
Unrestricted	66,040	63,877	87,536	86,847	153,576	150,724
Total net assets	<u>\$275,432</u>	<u>\$263,136</u>	<u>\$462,354</u>	<u>\$460,847</u>	<u>\$737,786</u>	<u>\$723,983</u>

For more detailed information see the Statement of Net Assets on page 27 of this report.

By far the largest portion of Broomfield's net assets (76 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any debt used to acquire those assets that is still outstanding. Broomfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Broomfield's investment in 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 Broomfield's net assets (3 percent) represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$153,576,564 may be used to meet Broomfield's ongoing obligations to its citizens and creditors.

The total net assets reported for the Primary Government increased by \$13,802,437 during the current fiscal year. The current year change in net assets is attributed to growth in the governmental activities of \$12,296,055 and an increase in business-type activities of \$1,506,382. For the governmental funds, this was the result in of a \$5 million decrease in expenditures and an increase in capital grants and contributions. In the proprietary funds, charges for services, other revenues and contributions totaled \$37 million and expenditures totaled \$35.5 million resulting in a net change of \$1.5 million.

Changes in Net Assets

The following table reflects a condensed summary of activities and changes in net assets.

City and County of Broomfield's Changes in Net Assets						
December 31, 2011						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	\$14,785	\$14,641	\$20,201	\$19,951	\$34,986	\$34,592
Operating grants & contributions	12,945	13,931			12,945	13,931
Capital grants & contributions	6,198	2,943	15,199	9,917	21,397	12,860
General revenues						
Sales & Use taxes	51,661	49,121			51,661	49,121
Property taxes	29,148	29,214			29,148	29,214
Other taxes & fees	5,219	5,125			5,219	5,125
Investment earnings	1,341	4,308	1,352	4,182	2,693	8,490
Other	440	833	441	399	881	1,232
Total Revenues	121,737	120,116	37,193	34,449	158,930	154,565
Expenses:						
General government	19,739	19,174			19,739	19,174
Public safety	21,639	21,275			21,639	21,275
Community development	3,988	4,168			3,988	4,168
Public works	21,225	23,337			21,225	23,337
Parks & recreation	16,325	14,507			16,325	14,507
Facility maintenance	3,745	3,521			3,745	3,521
Health & human services	13,219	14,097			13,219	14,097
Interest on long-term debt	9,561	14,537			9,561	14,537
Water			19,625	19,290	19,625	19,290
Sewer			13,424	12,552	13,424	12,552
Water reclamation			2,638	2,658	2,638	2,658
Total expenses	109,441	114,616	35,687	34,500	145,128	149,116
Increase in net assets	12,296	5,500	1,506	(51)	13,802	5,449
Net assets - January 1	263,136	257,636	460,847	460,898	723,983	718,534
Net assets - December 31	\$275,432	\$263,136	\$462,353	\$460,847	\$737,785	723,983

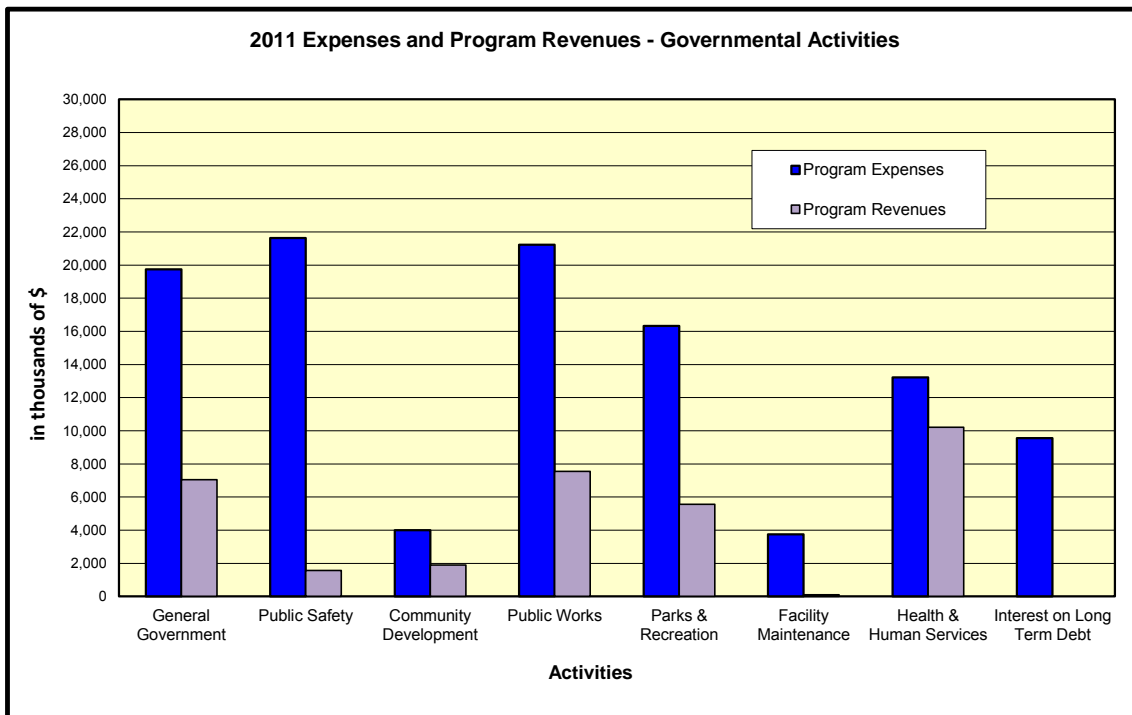
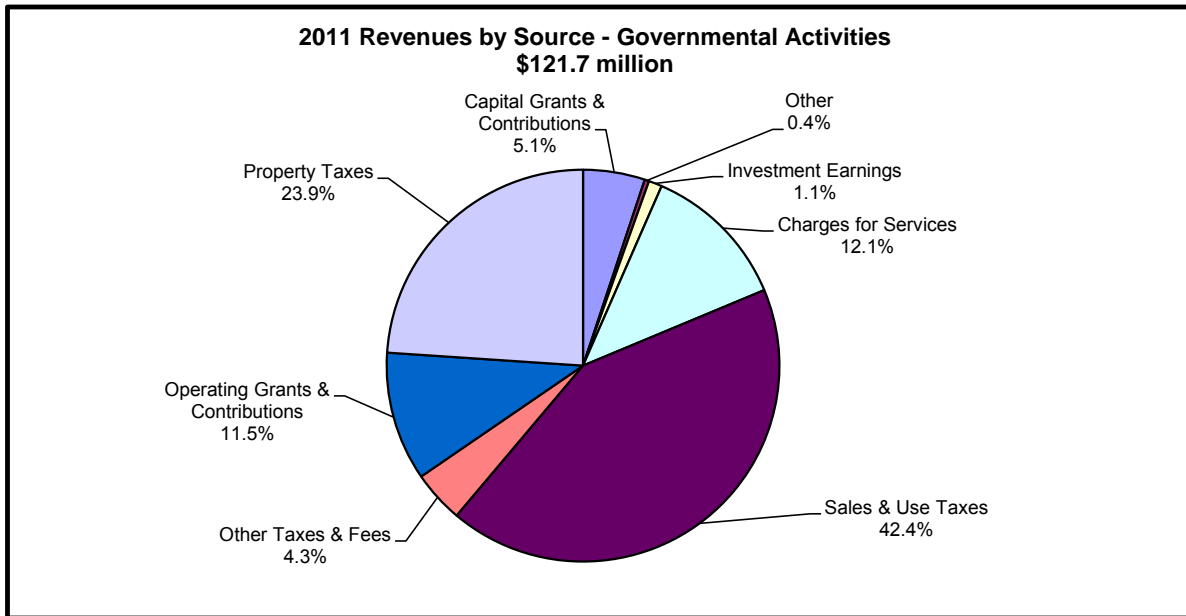
For more detailed information see the Statement of Net Activities on pages 28-29 of this report.

The above condensed summary of Broomfield's governmental and business-type activities for the period ended December 31, 2011, reflects net assets increasing by \$13,802,437. Revenue and expense graphs are presented below to enhance the reader's understanding of the current year activities.

Governmental Activities

Governmental Activities increased Broomfield's Net Assets by \$12,296,055.

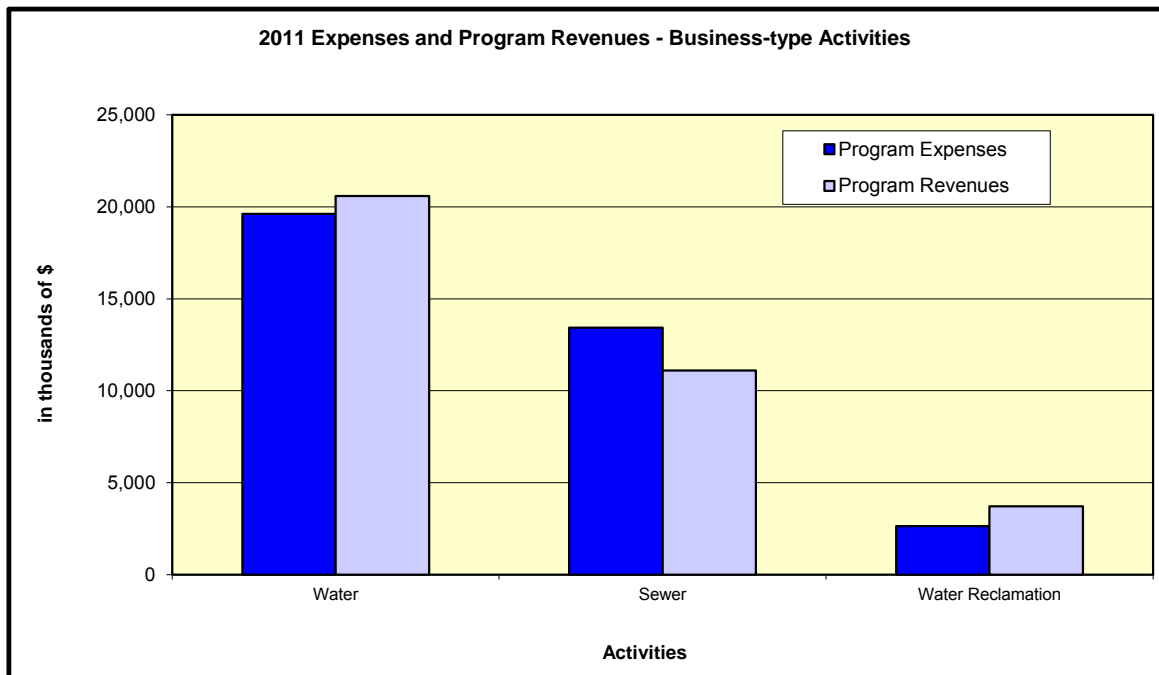
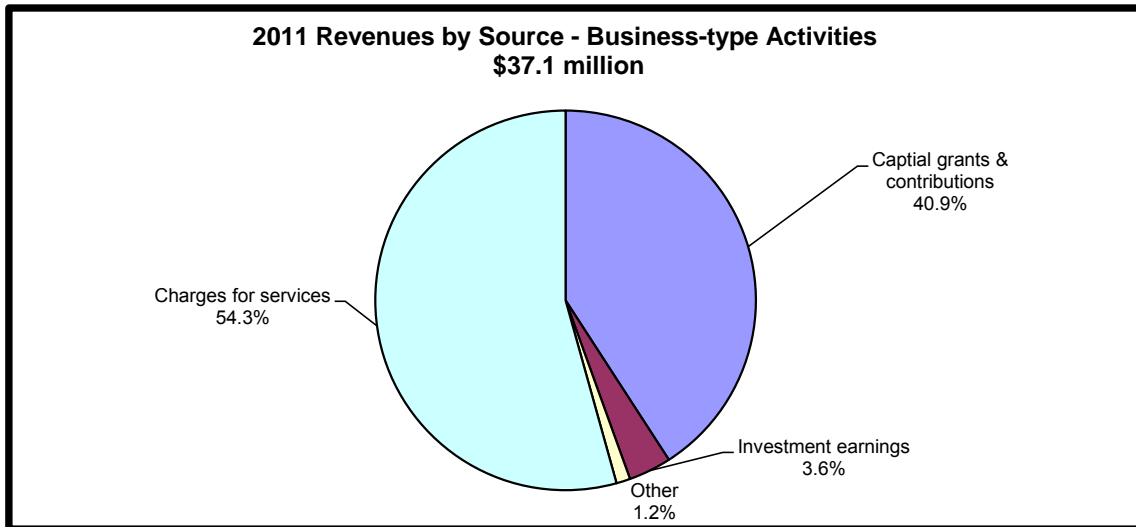
The following charts illustrate governmental revenues by source and the governmental program revenues and expenses by function as reported on the statement of changes in net assets.



Business-type Activities

Business-type Activities increased Broomfield's Net Assets by \$1,506.382.

The following charts illustrate business-type revenues by source and the business-type program revenues and expenses by function as reported on the statement of changes in net assets.



Governmental activities. Governmental activities during 2011 increased Broomfield's net assets by \$12,296,055, accounting for 89 percent of Broomfield's overall increase in net assets. The comments below describe key revenue and expense elements for the year:

- Sales & use tax revenues, representing the largest single revenue source at \$51,660,585 in 2011, increased \$2,539,275 (5 percent) over 2010 levels due to an improved economy over the last several years.
- Property tax revenues decreased by less than 1 percent (\$66,391) over the prior year because of a decrease assessed value for the 2011 property tax revenues.
- Investment earnings decreased \$2,966,817 (69 percent) from prior year revenues, due to the continued decline in interest earned on investments.
- Capital grants and contributions increased \$3,254,872 (10.6 percent) due to increased acceptances of public improvements as compared to 2010. These one-time public improvement acceptances in 2011 included streets, landscaping, and a pedestrian underpass.
- Charges for services were basically flat, showing a minimal increase of \$144,338 (less than 1 percent) from 2010.
- Total expenses for governmental activities, \$109,441,380, showed a decrease of \$5,175,402 (4.5 percent) from 2010. This is primarily due to a decrease in interest on long-term debt (\$4,976,571) resulting after the refunding in 2010. Health and human services, community development and public works also showed a reduction in expenses from 2010 amounts.

Business-type activities. Business-type activities increased Broomfield's net assets by \$1,506,382. Below is information regarding key revenue and expense elements of the business-type activities:

- Interest revenue decreased by \$2,829,951 (67 percent) due to the continued decline in interest earned on investments.
- Capital contributions received from developers in 2011 totaled \$14,429,506, an increase of 45.5 percent over the amount received in 2010. This represents license fees paid by new users on the utility systems. It is used to retire debt and to build infrastructure.
- Charges for services reported in 2011, \$20,201,415, increased (1 percent) from prior year due to increases in water sales and sewer revenues. Water consumption was up from 2010 due to more water usage in the summer.
- The water and sewer funds received intergovernmental revenue totaling \$769,636. This revenue has not been received in the past, and accounted for 3.6 percent of the total revenue for business-type activities.
- Expenses related to business-type activities increased by \$1,406,027 (5 percent) from 2010 amounts. This increase is due to slight increases in most operating expenses including depreciation expense.

Financial Analysis of Broomfield's Funds

As noted previously, Broomfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Broomfield's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Broomfield'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 noted in the financial highlights on the first page of this analysis, at the end of the current fiscal year, Broomfield's governmental funds reported a combined ending fund balance of \$86,913,077, an increase of \$5,592,626 in comparison with the prior year. Of the combined ending fund balance; \$509,109 constitutes non-spendable fund balance, \$19,036,772 restricted fund balance, \$3,663,595 committed fund balance, \$37,615,631 assigned fund balance, and \$26,087,970 unassigned fund balance.

The General Fund is Broomfield's chief operating fund. At the end of the current fiscal year, the total fund balance of the General Fund was \$30,259,529. Of this amount, \$26,093,063 (87 percent) is unassigned and

available for spending at the government's discretion. The remainder of the fund balance; \$3,795,669 is committed for specific purposes determined by a formal action of the City Council, \$370,797 is designated as non-spendable because the funds are associated with inventory and prepaid expenses. In the current fiscal year, the fund balance of the General Fund decreased \$662,902. The overall stability of the fund balance is a result of a conscious effort by Broomfield's City Council and management to limit expenditure growth and maintain fund reserves.

The Sales and Use Tax Fund is Broomfield's primary capital projects fund and is used to account for revenues generated from a one and a half percent sales and use tax. In addition, revenues and commitments as outlined in various development agreements for public infrastructure are accounted for in this fund. Spending from this fund is restricted to capital improvement projects. At the end of the current fiscal year, the total fund balance of the Sales and Use Tax Fund was \$37,275,355. Of this amount, \$3,404,608 (9.1 percent) is restricted for specific purposes in developers' agreements and \$10,901 is designated as non-spendable because the funds are associated with prepaid expenses. The remaining \$33,859,846 (82.8 percent) is assigned for capital projects. In the current fiscal year, the fund balance in the Sales and Use Tax Fund increased \$6,227,671. Major capital construction and improvement projects financed through this fund are generally anticipated and planned well ahead of time. A five-year plan of capital projects, including estimated costs, funding sources and anticipated timelines is reviewed on an annual basis.

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

Total net assets for the enterprise funds increased \$1,506,382 during 2011 while net assets for the Internal Service Fund increased by \$54,396. The year-end net asset balances and changes in net assets for proprietary funds are reflected in the following table for 2011, with comparative balances for 2010.

Table of Net Assets & Change in Net Assets - Proprietary Funds (amounts expressed in thousands)				
	Net Assets at		Change in Net Assets for Year Ended	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Major Enterprise Funds				
Water	\$281,742	\$279,694	\$2,048	\$1,303
Sewer	121,203	121,446	(243)	(1,097)
Water Reclamation	59,409	59,707	(299)	(257)
Total of Major Enterprise Funds	462,354	460,847	1,506	(51)
Internal Service Fund	3,165	3,111	54	749
Total Proprietary Funds	\$465,519	\$463,958	\$1,560	\$698

Component Units.

The Broomfield Urban Renewal Authority (BURA): The Broomfield Urban Renewal Authority (BURA) receives tax increment revenue to service bonds issued for improvements made within the boundaries of the authority. A majority of these improvements relate to street infrastructure and public improvements for commercial or retail business centers. Even though these infrastructure improvements may benefit BURA over time as a result of increases in the assessed valuation of properties within the district, no infrastructure assets are recorded within BURA in relation to these activities. Infrastructure improvements are maintained by Broomfield once they are built and, as such, they are included as assets of the primary government. In 2006, BURA completed construction on the 1STBANK Center located within the Wadsworth Interchange Renewal Project. This facility is carried as an asset of the component unit.

BURA uses governmental fund accounting. The unrestricted net assets of BURA at the end of the fiscal year are reported at \$5,201,286. The restricted net assets of \$6,549,127 are restricted for debt service. However, there is a deficit of \$11,118,745 in BURA's net assets invested in capital assets, net of the related debt used to acquire those assets. The total net assets for BURA at December 31, 2011 reflect the sum of these three amounts, \$631,668. The total change in net assets for BURA for the year ended December 31, 2011 was a decrease of \$560,359. See the component unit financial statements on pages 138-143 of this report for more information.

The Flatiron Improvement District (FID): The Flatiron Improvement District (FID) collects revenues associated with a 0.2% sales tax levied on all retail sales within its boundaries. These revenues are used to finance the operations of a shuttle system in and around the Flatiron retail area. The shuttle pathways and vehicles were purchased and are maintained by Broomfield and, as such, are included as assets of the primary government.

A study conducted in 2008 indicated that ridership on the shuttle has been steadily decreasing over the past few years. As a result, the shuttle service was suspended as of December 31, 2008 and the FID board of directors recommended that an analysis of future operations of the system be prepared to evaluate how the system could be re-tooled to provide more effective services. The FID contracted with a transportation consultant to explore future operations. They presented their findings to the FID board in early 2010. The board has decided to pursue contract transportation services that would include new programs to accommodate hotel and sporting/entertainment event shuttles.

The FID uses governmental fund accounting. The unrestricted net assets of the FID at the end of the fiscal year amount to \$2,206,386. This balance represents all of the FID's net assets and may be used to meet the FID's ongoing obligations. The total change in net assets for the FID for the year ended December 31, 2011 was an increase of \$852,193. See the component unit financial statements on pages 144-146 of this report for more information.

Budgetary Highlights

Governmental Funds

General Fund. The increase from the original budgeted expenditures to the final budget amounted to \$592,839 and can be attributed to additional expenditures related to Public Health and Public Safety.

Capital Asset and Debt Administration

Capital Assets. Broomfield's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounted to \$857,752,330 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings & improvements, machinery, equipment and infrastructure associated with the water, sewer and water reclamation systems, as well as street systems, trails, and traffic signal infrastructure.

Infrastructure Assets. Historically, infrastructure (roads, bridges, and capital improvements other than buildings) has not been reported nor depreciated in governmental financial statements. Infrastructure represents a significant portion of a government's assets. Similarly, the outflow of resources expended by a government to maintain infrastructure also represents a sizable portion of its operations. GASB 34 requires that the infrastructure assets be valued and reported within the governmental column of the government-wide statements. Broomfield has completed implementation of this valuation and reporting, including inception-to-date balances for all infrastructure assets.

In addition, GASB 34 requires that the government elect to either (a) depreciate these assets over their estimated useful lives, or (b) use the modified approach whereby the government develops an asset management system to maintain the service delivery potential of these assets indefinitely. Broomfield has elected to use the modified approach to address its street infrastructure capital assets. In using the modified approach, Broomfield will be required to utilize its asset management system to periodically (at a minimum of three years) measure and demonstrate maintenance of the assets at a locally determined level of service. Broomfield's policy is to achieve a rating of "satisfactory" or better on at least 70 percent of all streets. The 2011 assessment shows a rating of "satisfactory" or better on 85 percent of the street infrastructure assets. Over time, this information regarding the condition and maintenance of Broomfield's infrastructure assets should assist readers of the financial statements in evaluating the local government. See the required supplementary information for further detail.

City and County of Broomfield's Capital Assets Net of Depreciation (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land & water rights	\$58,625	\$58,266	\$189,828	\$189,559	\$248,453	\$247,825
Infrastructure	239,180	237,586			239,180	237,586
Construction in progress	2,287	1,613	6,692	6,048	8,979	7,661
Buildings and improvements	80,917	84,680	102,639	106,029	183,556	190,709
Transmission, distribution and collection systems			174,483	176,554	174,483	176,554
Machinery & equipment	2,720	3,162	381	558	3,101	3,720
Total capital assets	\$383,729	\$385,307	\$474,023	\$478,748	\$857,752	\$864,055

Major capital improvements during this fiscal year included the following:

Governmental Activities

- Acquisition of 9.85 acres of open space land
- Completed improvements on 144th Avenue
- Street infrastructure projects (Wadsworth and 120th Connection, Lowell Blvd.)
- Acceptance of public improvements for streets infrastructure of approximately 22,577 linear feet
- Acceptance of 18.2 acres of public improvements for open space
- Acceptance of pedestrian underpass of approximately 103 linear feet

Proprietary Activities

- Water and Wastewater infrastructure to support development in northeastern Broomfield
- Acceptance of public improvements infrastructure for:
 - 35,874 linear feet of water lines
 - 23,414 linear feet of sewer lines
 - 11,262 linear feet of storm sewer lines
 - 3 Storm Culverts
- Purchase of additional water rights

Additional information on Broomfield's capital assets can be found in Note 5 on pages 58-59 of this report.

Long-term debt. At the end of the current fiscal year, Broomfield's outstanding debt totaled \$291,745,287 (bonds, notes and certificates of participation). Of this amount \$208,160,000 represents bonds secured by specified revenue sources (i.e. revenue bonds). Of the remaining amount, \$82,760,000 represents debt primarily secured by new facilities or equipment being financed by certificates of participation and \$825,287 represents notes payable.

City and County of Broomfield's Outstanding Debt (amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenue bonds	\$108,530	\$111,345	\$99,630	\$105,030	\$208,160	\$216,375
Certificates of participation	82,760	87,710	-	-	82,760	87,710
Notes payable	-	-	825	969	825	969
Total outstanding debt	\$191,290	\$199,055	\$100,455	\$105,999	\$291,745	\$305,054

Additional information on Broomfield's long-term obligations can be found in Note 7 on pages 61-69 of this report.

Economic Factors

- At the end of 2011, unemployment in Broomfield was at 6.9 percent. This was lower than the State of Colorado unemployment rate of 7.9 percent for December and lower than the national average unemployment rate for 2011 (8.5 percent).
- Combined sales and use tax collections in 2011 surpassed the prior year collection levels. While collections were up for 2011 the rate of increase from 2010 to 2011 was lower than the increase from 2009 to 2010. The continued increase is the result of the recovering economy over the previous two years. While this economic recovery is projected to continue, sales and use tax revenue projections for 2012 and 2013 continue at conservative levels.
- Broomfield's building permit values were lower than the average activity over the last four years. A total of 3,323 building permits were issued with a construction value of \$133 million. However the construction value was an increase of 2.7 percent over 2010.

Financial Contact

Broomfield's financial statements are designed to provide its users (citizens, taxpayers, customers, investors and creditors) with a general overview of Broomfield's finances and to demonstrate Broomfield's accountability. Questions concerning any of the information presented in this report or requesting additional information should be sent to Broomfield's Finance Director's attention at the following address:

City and County of Broomfield
Attention: Finance Director
One DesCombes Drive
Broomfield, CO 80020

City and County of Broomfield, Colorado

STATEMENT OF NET ASSETS

December 31, 2011

	Primary Government				
	Governmental Activities	Business - Type Activities	Total	Component Units BURA	Units FID
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$29,895,872	\$7,144,486	\$37,040,358	\$10,506,519	\$2,020,129
Restricted Cash and Cash Equivalents	9,438,267		9,438,267	564,791	
Investments	51,838,403	80,699,381	132,537,784		
Restricted Investments				5,978,500	
Receivables:					
Taxes	35,340,031		35,340,031	7,988,162	
Accounts	613,747	2,371,961	2,985,708	844,803	500
Accrued Interest	299,102	431,487	730,589		
Due from Other Governments	830,671	204,189	1,034,860		192,603
Internal Balance	(1,076,424)	1,076,424			
Inventory of Supplies at Cost	32,429		32,429		
Prepaid Items	391,231	53,072	444,303	50,409	
Total Current Assets	127,603,329	91,981,000	219,584,329	25,933,184	2,213,232
Non-Current Assets:					
Capital Assets (non-depreciable)	246,828,851	196,519,858	443,348,709	8,334,275	
Capital Assets (net of accumulated depreciation)	136,900,631	277,502,990	414,403,621	35,622,043	
Investment in Joint Venture	2,916,078		2,916,078		
Deferred Outflow of Resources - Rate Swap				6,998,483	
Unamortized Bond Issuance Costs	2,058,627	811,120	2,869,747	895,594	
Total Non-Current Assets	388,704,187	474,833,968	863,538,155	51,850,395	
Total Assets	516,307,516	566,814,968	1,083,122,484	77,783,579	2,213,232
LIABILITIES					
Current Liabilities:					
Accounts Payable	4,172,042	1,231,103	5,403,145	233,588	6,846
Accrued Liabilities	2,224,888	485,234	2,710,122	58,170	
Accrued Vacation	195,510	5,030	200,540		
Due to Other Governments	1,221,409		1,221,409	313,334	
Advances for Construction	1,221,294		1,221,294		
Unearned Revenue	29,203,384		29,203,384	7,988,152	
Bonds Payable and Certificates of Participation, due within one year	8,400,000	5,645,000	14,045,000	1,545,000	
Claims Payable, due within one year	349,099		349,099		
Notes Payable, due within one year		150,058	150,058		
Total Current Liabilities	46,987,626	7,516,425	54,504,051	10,138,244	6,846
Non-Current Liabilities:					
Accrued Vacation	2,990,087	304,432	3,294,519		
Unearned Revenue		1,980,000	1,980,000		
Interest Rate Swap Liability				6,998,483	
Bonds Payable and Certificates of Participation	190,898,038	93,985,000	284,883,038	56,955,000	
Notes Payable		675,228	675,228	3,060,184	
Total Non-Current Liabilities	193,888,125	96,944,660	290,832,785	67,013,667	
Total Liabilities	240,875,751	104,461,085	345,336,836	77,151,911	6,846
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	184,431,444	373,567,562	557,999,006	(11,118,745)	
Restricted for:					
Capital Projects	5,715,400		5,715,400		
Debt Service	9,003,635	1,250,000	10,253,635	6,549,127	
Development Agreements	3,404,608		3,404,608		
Emergency Reserves	3,671,054		3,671,054		
Health Insurance Claims	3,165,381		3,165,381		
Unrestricted	66,040,243	87,536,321	153,576,564	5,201,286	2,206,386
Total Net Assets	\$275,431,765	\$462,353,883	\$737,785,648	\$631,668	\$2,206,386

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

City and County of Broomfield, Colorado

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2011

FUNCTIONS/PROGRAMS ACTIVITIES:	Program Revenues				Total
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$19,738,659	\$6,481,960	\$388,915	\$169,413	\$7,040,288
Public Safety	21,638,964	838,393	735,689		1,574,082
Community Development	3,988,142	1,817,989	67,366		1,885,355
Public Works	21,225,148	644,280	1,946,623	4,957,489	7,548,392
Parks and Recreation	16,325,384	4,488,769		1,071,103	5,559,872
Facility Maintenance	3,745,348	103,117			103,117
Health and Human Services	13,218,911	410,609	9,806,053		10,216,662
Interest on Long Term Debt	9,560,824				
Total Governmental Activities:	109,441,380	14,785,117	12,944,646	6,198,005	33,927,768
Business - Type Activities:					
Water	19,624,913	12,812,733		7,777,757	20,590,490
Sewer	13,423,582	5,971,251		5,121,385	11,092,636
Water Reclamation	2,638,098	1,417,431		2,300,000	3,717,431
Total Business - Type Activities:	35,686,593	20,201,415		15,199,142	35,400,557
Total Primary Government	\$145,127,973	\$34,986,532	\$12,944,646	\$21,397,147	\$69,328,325
Component Units:					
Broomfield Urban Renewal Authority	\$10,884,205				
Flatiron Improvement District	69,619				
Total Component Units	\$10,953,824				

General Revenue

Taxes:
 Property
 Sales & Use
 Other
 Investment earnings
 Gain on Sale of Assets
 Miscellaneous
 Total General Revenue

Change in Net Assets

Net Assets - January 1

Net Assets - December 31

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

Net (Expense) Revenue and Change in Net Assets

Primary Government				
Governmental Activities	Business - Type Activities	Total	Component Units BURA FID	
(\$12,698,371)		(\$12,698,371)		
(20,064,882)		(20,064,882)		
(2,102,787)		(2,102,787)		
(13,676,756)		(13,676,756)		
(10,765,512)		(10,765,512)		
(3,642,231)		(3,642,231)		
(3,002,249)		(3,002,249)		
(9,560,824)		(9,560,824)		
<u>(75,513,612)</u>		<u>(75,513,612)</u>		
	\$965,577	965,577		
	(2,330,946)	(2,330,946)		
	1,079,333	1,079,333		
	<u>(286,036)</u>	<u>(286,036)</u>		
<u>(75,513,612)</u>	<u>(286,036)</u>	<u>(75,799,648)</u>		
			(\$10,884,205)	
				(\$69,619)
			<u>(10,884,205)</u>	<u>(69,619)</u>
29,147,511		29,147,511	8,052,264	
51,660,585		51,660,585	1,027,234	837,278
5,219,513		5,219,513		
1,341,096	1,351,639	2,692,735	323,927	2,268
24,599	7,954	32,553		
416,363	432,825	849,188	920,421	82,266
<u>87,809,667</u>	<u>1,792,418</u>	<u>89,602,085</u>	<u>10,323,846</u>	<u>921,812</u>
12,296,055	1,506,382	13,802,437	(560,359)	852,193
263,135,710	460,847,501	723,983,211	1,192,027	1,354,193
<u>\$275,431,765</u>	<u>\$462,353,883</u>	<u>\$737,785,648</u>	<u>\$631,668</u>	<u>\$2,206,386</u>

City and County of Broomfield, Colorado
GOVERNMENTAL FUNDS

Balance Sheet

December 31, 2011

	Primary Government					Total Governmental
	General	Sales and Use Tax	Building Corporation Debt Service	Human Services Fund	Total Other Governmental	
ASSETS						
Cash and Cash Equivalents	\$8,797,509	\$10,477,280	\$229,081	\$2,239,221	\$6,544,812	\$28,287,903
Restricted Cash and Cash Equivalents			8,422,073		1,016,194	9,438,267
Investments	20,453,960	27,763,600		863,675	863,529	49,944,764
Receivables:						
Taxes	23,758,733	6,718,359		2,227,491	3,003,626	35,708,209
Accounts	170,580	64,508		9,367	1,114	245,569
Accrued Interest	41,111	237,574		4,916	3,370	286,971
Due from Other Governments	332,068	45,208		285,998	167,397	830,671
Interfund Receivables	298,561	12,231		28,523	34,784	374,099
Inventory	32,429					32,429
Prepaid Items	338,368	10,901	2,916	4,486	120,009	476,680
Total Assets	54,223,319	45,329,661	8,654,070	5,663,677	11,754,835	125,625,562
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	836,843	2,772,217		15,739	547,243	4,172,042
Accrued Liabilities	1,231,702	19,310		54,137	138,684	1,443,833
Due to Other Governments	1,011,227	210,182				1,221,409
Interfund Payables	75,538	273,986		100	1,100,899	1,450,523
Advances for Construction		1,221,294				1,221,294
Unearned Revenue	20,808,480	3,557,317		2,227,491	2,610,096	29,203,384
Total Liabilities	23,963,790	8,054,306		2,297,467	4,396,922	38,712,485
Fund Balances:						
Nonspendable:						
Inventory	32,429					32,429
Prepays	338,368	10,901	2,916	4,486	120,009	476,680
Restricted for:						
Capital Projects					2,176,420	2,176,420
Debt Service			8,651,154		1,133,536	9,784,690
Development Agreements		3,404,608				3,404,608
Emergency Reserves	3,671,054					3,671,054
Committed for:						
Capital Projects					3,538,980	3,538,980
Severance Pay	124,615					124,615
Assigned for:						
Capital Projects		33,859,846				33,859,846
Health and Human Services				3,361,724		3,361,724
Cemetery Operations					169,530	169,530
Library Operations					54,868	54,868
Housing Authority Operations					169,663	169,663
Unassigned	26,093,063				(5,093)	26,087,970
Total Fund Balance	30,259,529	37,275,355	8,654,070	3,366,210	7,357,913	86,913,077
Total Liabilities and Fund Balances	\$54,223,319	\$45,329,661	\$8,654,070	\$5,663,677	\$11,754,835	\$125,625,562

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

RECONCILIATION OF THE BALANCE SHEET OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

Amount reported for governmental activities in the statement of net assets (page 27) are different because:

Total fund balances - governmental funds (page 30)	<u>\$86,913,077</u>
Overfunded annual required contributions in the Employee Pension Trust Fund have resulted in a negative net pension obligation, but does not represent a financial asset in the funds.	(86,190)
Capital assets net of accumulated depreciation used in the governmental activities are not current financial resources. Therefore they are not reported in the funds.	383,729,482
Other long-term assets that are not available to pay for current period expenditures, such as unamortized bond issuance costs.	2,058,627
Equity interest in joint venture operations in which the government participates.	2,916,078
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	3,165,381
Other long-term liabilities, including bonds, notes, and capital leases payable are not due and payable in the current period and therefore are not reported in the funds.	(199,298,038)
Accrued interest payable on debt is not due and payable in the current period and therefore is not reported in the funds.	(781,055)
Accrued compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,185,597)</u>
Net Assets of governmental activities (page 27)	<u>\$275,431,765</u>

City and County of Broomfield, Colorado
GOVERNMENTAL FUNDS

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

For the Fiscal Year Ended December 31, 2011

	Primary Government				Total Governmental	Total Governmental
	General	Sales and Use Tax	Building Corporation Debt Service	Human Services Fund		
REVENUES						
Taxes:						
Property	\$20,766,482	\$3,537,652		\$2,191,042	\$2,652,335	\$29,147,511
Sales & Use	22,976,609	25,557,181			3,126,795	51,660,585
Lodging Tax					448,679	448,679
Other	4,686,776			84,058		4,770,834
Licenses and Permits	1,538,240					1,538,240
Intergovernmental	1,783,343	403,449		8,696,860	3,021,388	13,905,040
Charges for Services	11,597,657			197,743	791,567	12,586,967
Fines and Forfeitures	659,910					659,910
Investment Earnings	667,951	429,216	\$824	61,090	131,555	1,290,636
Developer Contributions		65,568			34,784	100,352
Miscellaneous	263,032	140,270		11,811	1,250	416,363
Total Revenues	64,940,000	30,133,336	824	11,242,604	10,208,353	116,525,117
EXPENDITURES						
Current:						
General Government	14,321,989	1,749,220			2,560,067	18,631,276
Public Safety	20,213,592	209,028				20,422,620
Community Development	3,589,087	766			253,224	3,843,077
Public Works	1,967,176	11,309,868			3,626,241	16,903,285
Parks & Recreation	9,876,390	2,545,419			833,094	13,254,903
Facility Maintenance	3,395,628	343,110				3,738,738
Health & Human Services	1,724,309			11,456,993		13,181,302
Capital Outlay	72,776	2,216,690			971,883	3,261,349
Debt Service:						
Principal			4,950,000		2,815,000	7,765,000
Interest			4,218,655		5,760,176	9,978,831
Other			583		2,024	2,607
Total Expenditures	55,160,947	18,374,101	9,169,238	11,456,993	16,821,709	110,982,988
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,779,053	11,759,235	(9,168,414)	(214,389)	(6,613,356)	5,542,129
OTHER FINANCING SOURCES (USES)						
Transfers In	1,368,497	7,331,167	9,168,655	941,167	10,068,294	28,877,780
Transfers Out	(11,860,949)	(12,862,731)		(1,157,903)	(2,996,197)	(28,877,780)
Sale of Capital Assets	50,497					50,497
Total Other Financing Sources (Uses)	(10,441,955)	(5,531,564)	9,168,655	(216,736)	7,072,097	50,497
Net Change in Fund Balance	(662,902)	6,227,671	241	(431,125)	458,741	5,592,626
FUND BALANCE - January 1	30,922,431	31,047,684	8,653,829	3,797,335	6,899,172	81,320,451
FUND BALANCE - December 31	\$30,259,529	\$37,275,355	\$8,654,070	\$3,366,210	\$7,357,913	\$86,913,077

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

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Amount reported for governmental activities in the statement of activities (page 28-29) are different because:

Net change in fund balances - total governmental funds (page 32)	<u><u>\$5,592,626</u></u>
Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of (\$9,555,878) and loss on assets (\$38,401) exceeded capital outlays of \$3,261,349 in the current period. Additions of assets in note 5 of \$8,488,541 are made up of capital outlay in the current period of \$3,261,349, public improvement acceptances and other contributions of \$4,612,360, and assets paid from prior year construction in progress and current year risk management uncovered losses of \$614,832.	(6,332,930)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This constitutes contributed assets that are not included in the fund statements.	4,781,773
The repayment of the principal of long-term debt is reported as an expenditure in the governmental funds.	7,765,000
The governmental funds report the effect of issuance costs, premiums, discounts and similar items as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities. This is the amount representing current year amortization of issuance costs of \$105,592, premium \$446,960, and the decrease in the year end balance of accrued interest payable, \$79,246.	420,614
Expenditures for decreased accruals for compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(165,517)
Additional overfunding of the net pension obligation in the Employee Pension Trust Fund do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.	(149,495)
Loss from sale of assets in the governmental funds does not reflect the book value of the assets sold as a reduction of the revenues of the governmental funds.	(25,898)
Change in the net assets of a joint venture entity in which the government has an equity interest is not recorded in the governmental funds due to the long-term nature of the joint venture assets and liabilities.	355,486
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net gain from the activities of the internal service fund is reported with the governmental activities.	<u>54,396</u>
Change in net assets of governmental activities (pages 28-29)	<u><u>\$12,296,055</u></u>

City and County of Broomfield, Colorado
GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	2011 Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Taxes:					
Property	\$20,955,227	\$20,867,584	\$20,766,482	(\$101,102)	\$20,323,564
Sales & Use	20,648,164	22,600,856	22,976,609	375,753	21,729,768
Other	4,594,098	4,594,098	4,686,776	92,678	4,650,428
Licenses and Permits	946,015	1,676,053	1,538,240	(137,813)	1,703,877
Intergovernmental	1,628,524	1,925,480	1,783,343	(142,137)	2,152,896
Charges for Services	11,148,197	11,311,938	11,597,657	285,719	11,431,876
Fines and Forfeitures	611,130	610,130	659,910	49,780	518,858
Investment Earnings	668,000	728,500	667,951	(60,549)	1,878,689
Miscellaneous	197,809	250,439	263,032	12,593	707,369
Total Revenues	<u>61,397,164</u>	<u>64,565,078</u>	<u>64,940,000</u>	<u>374,922</u>	<u>65,097,325</u>
EXPENDITURES					
Current:					
General Government	14,886,221	15,205,664	14,321,989	(883,675)	14,323,630
Public Safety	20,675,376	20,435,986	20,213,592	(222,394)	19,941,872
Community Development	3,609,341	3,622,475	3,589,087	(33,388)	3,946,902
Public Works	2,123,768	2,120,297	1,967,176	(153,121)	1,966,677
Parks & Recreation	10,444,309	10,314,995	9,876,390	(438,605)	9,149,276
Facility Maintenance	3,812,515	3,832,897	3,395,628	(437,269)	3,428,314
Public Health	1,957,708	2,028,977	1,724,309	(304,668)	2,107,171
Capital Outlay	79,827	73,970	72,776	(1,194)	84,866
Contingency	1,562,459	923,424	(923,424)	(923,424)	(923,424)
Total Expenditures	<u>59,151,524</u>	<u>58,558,685</u>	<u>55,160,947</u>	<u>(3,397,738)</u>	<u>54,948,708</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,245,640</u>	<u>6,006,393</u>	<u>9,779,053</u>	<u>3,772,660</u>	<u>10,148,617</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	1,280,037	1,694,982	1,368,497	(326,485)	1,066,689
Transfers Out	(7,991,564)	(11,914,140)	(11,860,949)	53,191	(7,146,469)
Sale of Capital Assets	28,700	28,700	50,497	21,797	44,313
Total Other Financing Sources (Uses)	<u>(6,682,827)</u>	<u>(10,190,458)</u>	<u>(10,441,955)</u>	<u>(251,497)</u>	<u>(6,035,467)</u>
 Net Change in Fund Balance	 (4,437,187)	 (4,184,065)	 (662,902)	 3,521,163	 4,113,150
 FUND BALANCE - January 1	 26,330,579	 30,130,152	 30,922,431	 792,279	 26,809,281
 FUND BALANCE - December 31	 <u>\$21,893,392</u>	 <u>\$25,946,087</u>	 <u>\$30,259,529</u>	 <u>\$4,313,442</u>	 <u>\$30,922,431</u>

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

City and County of Broomfield, Colorado
HUMAN SERVICES FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Taxes:					
Property	\$2,300,069	\$2,282,965	\$2,191,042	(\$91,923)	\$2,684,730
Other	89,645	89,644	84,058	(5,586)	86,268
Intergovernmental	9,658,604	9,538,636	8,696,860	(841,776)	9,485,454
Charges for Services	147,000	148,000	197,743	49,743	220,974
Investment Earnings	48,000	62,000	61,090	(910)	118,112
Miscellaneous	6,100	28,798	11,811	(16,987)	29,720
Total Revenues	<u>12,249,418</u>	<u>12,150,043</u>	<u>11,242,604</u>	<u>(907,439)</u>	<u>12,625,258</u>
EXPENDITURES					
Senior Programs	619,806	659,323	639,611	(19,712)	649,897
Human Services Administration	1,896,333	1,944,145	1,845,171	(98,974)	1,801,760
Direct Assistance:					
Aid to Needy and Disabled	52,500	50,000	43,783	(6,217)	55,850
Work Force Center	700,829	850,962	773,433	(77,529)	1,039,638
TANF Administration	844,185	792,183	502,288	(289,895)	582,478
Child Care	456,371	423,471	454,481	31,010	497,295
Child Support Enforcement	241,154	243,072	264,726	21,654	280,046
Child Welfare	2,727,093	2,752,184	2,433,087	(319,097)	2,569,928
Adult and Elderly	5,085,865	4,708,439	4,500,413	(208,026)	4,507,719
Contingency	70,249	70,249		(70,249)	
Total Expenditures	<u>12,694,385</u>	<u>12,494,028</u>	<u>11,456,993</u>	<u>(1,037,035)</u>	<u>11,984,611</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(444,967)</u>	<u>(343,985)</u>	<u>(214,389)</u>	<u>129,596</u>	<u>640,647</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	901,776	852,270	941,167	88,897	508,596
Transfers Out	(927,580)	(1,202,296)	(1,157,903)	44,393	(678,622)
Total Other Financing Sources (Uses)	<u>(25,804)</u>	<u>(350,026)</u>	<u>(216,736)</u>	<u>133,290</u>	<u>(170,026)</u>
Net Change in Fund Balance	(470,771)	(694,011)	(431,125)	262,886	470,621
FUND BALANCE - January 1	2,810,488	\$3,782,680	3,797,335	14,655	3,326,714
FUND BALANCE- December 31	<u>\$2,339,717</u>	<u>\$3,088,669</u>	<u>\$3,366,210</u>	<u>\$277,541</u>	<u>\$3,797,335</u>

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

City and County of Broomfield, Colorado

PROPRIETARY FUNDS

Statement of Net Assets

December 31, 2011

	Water Fund	Sewer Fund	Water Reclamation Fund	Total Enterprise Funds	Total Internal Service Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$3,740,502	\$969,329	\$2,434,655	\$7,144,486	\$1,607,969
Investments	50,092,639	25,808,853	4,797,889	80,699,381	1,893,639
Receivables:					
Accounts	1,154,086	626,628	591,247	2,371,961	
Accrued Interest	273,243	143,001	15,243	431,487	12,131
Due from Other Governments	133,099	71,090		204,189	
Interfund Receivables	1,076,424			1,076,424	
Prepaid Items	29,666	19,371	4,035	53,072	741
Total Current Assets	<u>56,499,659</u>	<u>27,638,272</u>	<u>7,843,069</u>	<u>91,981,000</u>	<u>3,514,480</u>
Non-Current Assets					
Property, Plant and Equipment:					
Land and Water Rights	170,651,848	2,710,990	16,464,966	189,827,804	
Treatment and Pumping Plants	34,510,622	83,783,728	7,647,875	125,942,225	
Accumulated Depreciation	(12,532,565)	(20,193,826)	(1,294,259)	(34,020,650)	
Wells, Reservoir and Storage Tanks	8,847,089		5,526,420	14,373,509	
Accumulated Depreciation	(3,081,891)		(574,500)	(3,656,391)	
Transmission, Distribution and Collection Systems	111,639,274	102,613,396	33,633,780	247,886,450	
Accumulated Depreciation	(37,744,341)	(27,658,259)	(8,000,166)	(73,402,766)	
Machinery, Equipment, Vehicles, Furniture and Shops	2,806,503	1,914,610	139,872	4,860,985	
Accumulated Depreciation	(2,531,235)	(1,840,510)	(108,627)	(4,480,372)	
Construction in Progress	5,878,322	564,953	248,779	6,692,054	
Unamortized bond issuance costs	244,142	566,978		811,120	
Total Non Current Assets	<u>278,687,768</u>	<u>142,462,060</u>	<u>53,684,140</u>	<u>474,833,968</u>	
Total Assets	<u>335,187,427</u>	<u>170,100,332</u>	<u>61,527,209</u>	<u>566,814,968</u>	<u>3,514,480</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	675,124	426,665	129,314	1,231,103	
Accrued Liabilities	247,748	236,508	978	485,234	349,099
Accrued Compensated Absences	860	4,170		5,030	
Current Portion of Bonds Payable	3,700,000	1,945,000		5,645,000	
Current Portion of Notes Payable		150,058		150,058	
Total Current Liabilities	<u>4,623,732</u>	<u>2,762,401</u>	<u>130,292</u>	<u>7,516,425</u>	<u>349,099</u>
Noncurrent Liabilities:					
Accrued Compensated Absences	201,490	94,962	7,980	304,432	
Deferred Revenue			1,980,000	1,980,000	
Revenue Bonds (Net of Current Portion)	48,620,000	45,365,000		93,985,000	
Notes Payable (Net of Current Portion)		675,228		675,228	
Total Noncurrent Liabilities	<u>48,821,490</u>	<u>46,135,190</u>	<u>1,987,980</u>	<u>96,944,660</u>	
Total Liabilities	<u>53,445,222</u>	<u>48,897,591</u>	<u>2,118,272</u>	<u>104,461,085</u>	<u>349,099</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	226,123,626	93,759,796	53,684,140	373,567,562	
Restricted for:					
Debt Service		1,250,000		1,250,000	
Health Insurance Claims					3,165,381
Unrestricted	55,618,579	26,192,945	5,724,797	87,536,321	
Total Net Assets	<u>\$281,742,205</u>	<u>\$121,202,741</u>	<u>\$59,408,937</u>	<u>\$462,353,883</u>	<u>\$3,165,381</u>

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

City and County of Broomfield, Colorado

PROPRIETARY FUNDS

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Fiscal Year Ended December 31, 2011

	Water Fund	Sewer Fund	Water Reclamation Fund	Total Enterprise Funds	Total Internal Service Fund
OPERATING REVENUES:					
Charges for Services	\$12,670,114	\$5,971,251	\$1,330,901	\$19,972,266	
Other Services	142,619			142,619	\$4,829,324
Water Leases and Royalties			86,530	86,530	
Intergovernmental Revenues	384,818	384,818		769,636	
Miscellaneous	217,644	214,654	527	432,825	673,884
Total Operating Revenues	13,415,195	6,570,723	1,417,958	21,403,876	5,503,208
OPERATING EXPENSES:					
Personnel Services	2,616,109	2,172,742	106,459	4,895,310	
Supplies and Materials	774,200	550,029	109,293	1,433,522	
Contractual Services	1,720,016	1,091,231	737,056	3,548,303	384,553
Utilities	415,409	683,619	186,281	1,285,309	
Services Provided by General Fund	1,335,995	929,923	76,334	2,342,252	
Water Purchases	5,257,803			5,257,803	
Depreciation & Amortization	4,771,324	5,494,973	1,422,675	11,688,972	
Benefit Payments					4,472,896
Insurance Premiums					641,823
Total Operating Expenses	16,890,856	10,922,517	2,638,098	30,451,471	5,499,272
Operating Income (Loss)	(3,475,661)	(4,351,794)	(1,220,140)	(9,047,595)	3,936
NONOPERATING REVENUES (EXPENSES):					
Investment Earnings	857,000	403,221	91,418	1,351,639	50,460
Interest Expenses and Fiscal Charges	(2,734,057)	(2,490,160)		(5,224,217)	
Gain (Loss) on Disposal of Capital Assets	7,954	(10,905)		(2,951)	
Total Nonoperating Revenue (Expenses)	(1,869,103)	(2,097,844)	91,418	(3,875,529)	50,460
Income (Loss) before Interfund Transfers & Contributions	(5,344,764)	(6,449,638)	(1,128,722)	(12,923,124)	54,396
Capital Contributions	7,392,939	4,736,567	2,300,000	14,429,506	
Transfers In		1,469,925		1,469,925	
Transfers Out			(1,469,925)	(1,469,925)	
Change in Net Assets	2,048,175	(243,146)	(298,647)	1,506,382	54,396
Net Assets - January 1	279,694,030	121,445,887	59,707,584	460,847,501	3,110,985
Net Assets - December 31	\$281,742,205	\$121,202,741	\$59,408,937	\$462,353,883	\$3,165,381

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

City and County of Broomfield, Colorado

PROPRIETARY FUNDS

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2011

	Water Fund	Sewer Fund	Water Reclamation Fund	Total Enterprise Funds	Total Internal Service Fund
Cash Flows from Operating Activities:					
Cash Received From Customers	\$13,718,455	\$6,809,587	\$1,324,917	\$21,852,959	
Cash Received From Users					\$5,740,050
Cash Paid to Suppliers	(9,345,021)	(3,130,899)	(1,055,975)	(13,531,895)	
Cash Paid to Employees & Providers	(2,612,296)	(2,166,603)	(106,017)	(4,884,916)	(5,686,369)
Net Cash Provided by Operating Activities	<u>1,761,138</u>	<u>1,512,085</u>	<u>162,925</u>	<u>3,436,148</u>	<u>53,681</u>
Cash Flows from Noncapital Financing Activities:					
Transfer from other Funds		1,469,925		1,469,925	
Transfer to other Funds			(1,469,925)	(1,469,925)	
Net Cash Provided (Used) by Noncapital Financing Activities		<u>1,469,925</u>	<u>(1,469,925)</u>		
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets	(1,135,612)	(1,122,646)	(54,125)	(2,312,383)	
Proceeds from the Sale of Capital Assets	7,954			7,954	
Principal Payments--Bonds, Notes & Leases	(3,535,000)	(2,008,232)		(5,543,232)	
Interest Paid	(2,747,951)	(2,500,095)		(5,248,046)	
Capital Contributions--Customers	5,020,372	1,868,729	2,300,000	9,189,101	
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(2,390,237)</u>	<u>(3,762,244)</u>	<u>2,245,875</u>	<u>(3,906,606)</u>	
Cash Flows from Investing Activities:					
Interest Received	970,515	485,425	101,956	1,557,896	52,034
Purchase of Investment Securities	(23,500,602)	(11,105,361)	(2,160,278)	(36,766,241)	(844,333)
Net Cash Provided in Investing Activities	<u>(22,530,087)</u>	<u>(10,619,936)</u>	<u>(2,058,322)</u>	<u>(35,208,345)</u>	<u>(792,299)</u>
Net Increase in Cash and Cash Equivalents	(23,159,186)	(11,400,170)	(1,119,447)	(35,678,803)	(738,618)
Cash and Cash Equivalents, January 1	26,899,688	12,369,499	3,554,105	42,823,292	2,346,587
Cash and Cash Equivalents, December 31	<u>\$3,740,502</u>	<u>\$969,329</u>	<u>\$2,434,658</u>	<u>\$7,144,489</u>	<u>\$1,607,969</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	Water Fund	Sewer Fund	Water Reclamation Fund	Total Enterprise Fund	Total Internal Service Fund
Operating Income (Loss)	(\$3,475,661)	(\$4,351,794)	(\$1,220,140)	(\$9,047,595)	\$3,936
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:					
Depreciation and Amortization Expense	4,771,324	5,494,973	1,422,675	11,688,972	
Changes in Assets and Liabilities:					
Accounts Receivable	304,398	238,864	(13,041)	530,221	236,842
Due from Other Funds	(1,138)			(1,138)	
Prepaid Items	(29,550)	(10,205)	(1,885)	(41,640)	(741)
Accounts Payable	187,952	134,107	54,874	376,933	(186,356)
Accrued Liabilities	1,614	(881)	(1)	732	
Accrued Vacation	2,199	7,021	443	9,663	
Deferred Revenue			(80,000)	(80,000)	
Total Adjustments	<u>5,236,799</u>	<u>5,863,879</u>	<u>1,383,065</u>	<u>12,483,743</u>	<u>49,745</u>
Net Cash Provided by Operating Activities	<u>\$1,761,138</u>	<u>\$1,512,085</u>	<u>\$162,925</u>	<u>\$3,436,148</u>	<u>\$53,681</u>
Noncash Investing, Capital and Financing Activities:					
Developer Contributed Public Improvements	\$2,372,567	\$2,867,838		\$5,240,405	
Decrease in Fair Market Value of Investments	(135,676)	(103,796)	(\$13,472)	(252,944)	(\$3,018)

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

City of County of Broomfield, Colorado
PENSION TRUST FUNDS

Statement of Fiduciary Net Assets

December 31, 2011

ASSETS

Restricted Cash and Cash Equivalents	\$11,200,572
Accounts Receivable	
Loans Receivable	2,200,461
Accrued Interest receivable	26,003
Total Current Assets	<u>13,427,036</u>
Restricted Investments	
Corporate Bonds	1,465,280
Equity Investments	44,050,876
Fixed Income Investments in Defined Contribution Plans	7,898,465
U.S. Agencies	1,448,818
Total Restricted Investments	<u>54,863,439</u>
Total Assets	<u>68,290,475</u>

LIABILITIES

Forfeitures Payable	<u>144,435</u>
Total Liabilities	<u>144,435</u>

NET ASSETS

Held in Trust for Pension Benefits	<u><u>\$68,146,040</u></u>
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City and County of Broomfield, Colorado
PENSION TRUST FUNDS

Statement of Changes in Fiduciary Net Assets

For the Fiscal Year Ended December 31, 2011

ADDITIONS

Contributions	
City Contributions	\$2,919,788
Employee Contributions	<u>3,098,913</u>
Total Contributions	<u>6,018,701</u>
Investment Earnings	<u>(2,512,777)</u>
Total Additions	<u>3,505,924</u>

DEDUCTIONS

Benefit Payments	4,856,514
Forfeitures	25,624
Professional Services	<u>166,389</u>
Total Deductions	<u>5,048,527</u>

CHANGES IN NET ASSETS (1,542,603)

**NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS**

Beginning of Year	69,688,643
End of Year	<u><u>\$68,146,040</u></u>

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

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Broomfield was incorporated June 6, 1961, and became a home rule city under the Constitution of the State of Colorado on November 5, 1974. In November, 1998 citizens approved a statewide Colorado constitutional amendment to allow the City of Broomfield to become the City and County of Broomfield (Broomfield). On November 15, 2001 Broomfield officially began County operations.

The City Charter establishes the City Council as the policy making legislative body of the City. The City Council also serves as the County Board of Commissioners. The Council is made up of ten members from five wards. The Mayor is elected at large and votes only in the case of a tie. The Mayor has the right to veto any ordinance, which may be overridden by two-thirds vote of the entire Council.

The accounting policies of Broomfield conform to accounting principles generally accepted in the United States as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

Broomfield applies the criteria set forth in GASB Statements Number 14 and 39, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents, and the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to: fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

Included within the reporting entity, in blended presentation:

City and County of Broomfield Colorado Building Corporation (CCBCBC) - The CCBCBC, a legally separate, nonprofit corporation, was created to facilitate Broomfield financings, including the acquisition of real estate, property and improvements for lease to Broomfield. The CCBCBC is governed by a five-member Board of Directors, which includes the City Manager, Assistant City Manager, Finance Director and two members of City Council. CCBCBC is presented as a major governmental fund.

Broomfield Housing Authority – The Authority was organized pursuant to Colorado Revised Statutes, Section 29-4-205(2) to facilitate improvements in dwelling and housing conditions for persons of low income within Broomfield. On January 22, 2002 Council passed Resolution 2002-39-HA to adopt the by-laws for the Housing Authority. Broomfield Council Members act as commissioners of the Authority and the Mayor acts as chairman. Broomfield Housing Authority is presented as a special revenue fund with the non-major governmental funds.

Arista Local Improvement District (A-LID) – The A-LID was created pursuant to Section 15 of the Broomfield Home Rule Charter and Chapter 14-08 of the Broomfield Municipal Code to facilitate transportation improvements within the Arista development. The City Council serves as the Board of Directors of the District. The District is supported by a 0.2% sales tax that is pledged under an intergovernmental agreement to the Arista Metropolitan District. The District uses these funds to provide parking adjacent to the Broomfield Event Center. The A-LID is presented as a special revenue fund with the non-major governmental funds.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Included within the reporting entity, in discrete presentation:

Broomfield Urban Renewal Authority (BURA) – The Authority was organized pursuant to Colorado Revised Statutes, Part I, Article 25, Title 31 to finance various improvement projects within the Authority's boundaries. Complete financial statements for the Authority are included within this document. The debt of the Authority is presented in all statements and disclosed in the notes, as tax increment revenue bonds, but it is not a general or a limited obligation of Broomfield. However, the Authority is fiscally dependent upon Broomfield because the City Council approves the Authority's budget, levies taxes and must approve any debt issuances. An allocation of \$1,450,000 is charged to BURA for centralized services provided by the City for project administration, finance, human resources, legal, and planning. The Authority is presented in a column separate from the financial data of Broomfield to emphasize it is legally separate from Broomfield.

Flatiron Improvement District (FID) – The FID was created pursuant to Colorado Revised Statutes, Section 30-20-601 to facilitate transportation improvements within the US 36 Sub-Area. The District is governed by a five-member Board of Directors made up of four members representing the property owners within the District and one member from Broomfield. Broomfield owns the zip paths and shuttle vehicles that provide free transportation within the District. The FID operates and maintains the system as a service to the City and County of Broomfield, and provides no services to any other entities. The FID is supported by a 0.2% sales tax levied by Broomfield which pays for the operations of the shuttle. A study conducted in 2008 indicated that ridership on the shuttle has steadily decreased over the past several years. As a result, the shuttle service was suspended as of December 31, 2008 and the Board recommended a study be implemented in 2009 to analyze the future operations of the system. The Board is pursuing contract transportation services. The Flatiron Improvement District is presented in a column separate from the financial data of Broomfield to emphasize it is legally separate from Broomfield.

None of the component units included in the reporting entity issue their own financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government–Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied and become an enforceable lien on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Water, sewer, and water reclamation services furnished to customers are recognized as revenue when provided. Customer accounts receivable for these funds include unbilled charges for services at December 31, 2011.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. With regard to self-insurance claims and judgments, an additional expenditure may be recorded based on actuarial information.

Property taxes, franchise taxes, licenses, sales and use taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of and changes in financial position rather than upon net income.

Broomfield reports the following major governmental funds:

The General Fund is the government'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 Human Services Fund accounts for property taxes, specific ownership taxes, and state and federal payments. Spending is restricted or committed to all forms of public assistance and welfare activities.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Sales and Use Tax Fund is a capital projects fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Revenues are generated from one and one half percent sales and use tax.

The City and County of Broomfield Colorado Building Corporation Debt Service Fund is a blended component unit. This fund accounts for resources and payments of principal and interest associated with certificates of participation in a master lease agreement between Broomfield and the City and County of Broomfield Colorado Building Corporation.

The other governmental funds of the City are considered nonmajor funds. They include special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income changes in net assets (or cost recovery) financial and cash flows.

Broomfield reports the following major proprietary funds:

The Water, Sewer, and Water Reclamation Funds account for the provision of water, sewer, and reclaimed water services to residents and some outside users. All activities that are necessary to providing such services are accounted for in these funds, including, but not limited to: administration and billing operations, environmental monitoring, capital outlay and maintenance, financing and related debt service.

Additionally, Broomfield reports the following funds types

An Internal Service Fund accounts for Broomfield's Employee Medical Care Plan. Broomfield initiated a self-funded health plan in order to contain rising health care costs. The plan is administered by a Board of Trustees pursuant to Broomfield Municipal Code.

Fiduciary Funds:

Pension Trust Funds are used to account for Broomfield's defined benefit and defined contribution pension trusts to provide retirement benefits for its employees/retirees.

Non-Current Governmental Assets/Liabilities

Although GASB Statement No. 34 eliminates the presentation of Account Groups, it does provide for the maintenance of the underlying records. The non-current governmental assets/liabilities are presented within the governmental column in the government-wide statement of net assets.

All Governmental Accounting Standards Board (GASBs) pronouncements as well as all Financial Accounting Standards Board (FASBs) Accounting Standards Codification (ASC) of the Committee on Accounting Procedure issued on or before November 30, 1989 generally are followed in both the government-wide and proprietary fund financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. Governments have the option of following private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. Broomfield has elected not to follow subsequent private-sector guidance.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Broomfield has adopted all current GASB pronouncements that are applicable. The GASB issued statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which would have been effective for the current statements ending December 31, 2011 but it was implemented early, for the statements ending December 31, 2010.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between Broomfield's utility functions and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The water, sewer, and water reclamation funds also recognize as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental funds report deferred revenue on their balance sheets. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources received by Broomfield before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when Broomfield has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Limited comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in Broomfield's financial position. However, comparative data has not been presented in all statements since its inclusion would make the statements unduly complex and difficult to read. The partial comparative data included in the basic financial statements is displayed in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Broomfield's financial statements for the year ended December 31, 2010 from which the partial information is derived.

The significant accounting policies for Broomfield's discretely presented component units are substantially the same as for the primary government. Additional disclosures follow:

All transactions and balances of the various fund types of the discretely presented component units are aggregated in a single column on the face of the government-wide financial statements. These columns are presented separately from the financial data of the primary government (Broomfield) in order to distinguish between data of the primary government and that of the component units.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The discretely presented component units' data presented in the government-wide statements includes total data for all fund types of the Flatiron Improvement District (FID) and Broomfield Urban Renewal Authority (Authority), including its General Fund, Capital Projects Fund, Debt Service Fund, and its non-current assets and liabilities. Where appropriate, additional disclosures have been included to give the reader increased understanding of the significance of various finance-related matters. Since the FID and the Authority do not issue separate financial statements, the Flatiron Improvement District and Broomfield Urban Renewal Authority fund statements are included as supplemental information.

The Board of Directors of the Authority approves its budget by resolution, as does the Board of Directors of the FID. The budgets are submitted to Broomfield's City Council for approval. Budgetary matters with respect to basis of accounting and legal level of budgetary control are generally the same for the Authority and the FID as those of Broomfield.

D. Assets, Liabilities and Net Assets or Equity

a. Cash, Cash Equivalents, and Investments

Broomfield considers all investments that mature within 60 days or less at the date of purchase to be classified as cash equivalents.

Broomfield's authorization is in compliance with restrictions set forth by State of Colorado Statutes. Investments are stated at fair value. Investments held in the pension trust funds are restricted for the benefit of the participants. Broomfield's investments consist of non-negotiable guaranteed investment contracts, money market funds, U.S. agencies, and amounts invested in local government investment pools. The guaranteed investment contracts cannot be traded; therefore they are reported using a cost-based measurement.

When repurchase agreements are executed, the fair value of the securities must be equal to 102% of the cost of the repurchase agreement.

In accordance with authorized investment policies, Broomfield invests in various mortgage-backed securities, such as collateralized mortgage obligations and interest-only strips. These securities are reported at fair value.

b. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "interfund receivables/payables." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

c. Inventories

Inventory is valued at cost (first-in, first-out) in the governmental funds. Inventory in all other funds is not recorded, as it is not significant. The cost is recorded as an expenditure at the time individual inventory items are purchased.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

d. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

e. Restricted Assets and Equity

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets and equity on the balance sheet because their use is limited by applicable bond covenants.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curb and gutter, sidewalks, drainage systems, traffic signs, and lighting systems) are reported at historical cost or estimated historical cost in the applicable governmental or business-type activities' columns in the government-wide financial statements. Donated capital assets are valued at their estimated fair value on the date received. It is Broomfield's policy to capitalize all capital expenditures over \$5,000 in accordance with State of Colorado Statutes.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset useful lives are not capitalized. Property that is capitalized is depreciated over its estimated useful life on the straight line basis. Estimated useful lives are as follows:

Computer Equipment	3 years
Office Furniture & Machines, Vehicles, Tools & Work Equipment	5 years
Traffic Signals	10 years
Improvements other than Land	15 years
Musical Equipment	20 years
Transmission, Distribution, and Collection Lines	25 - 50 years
Buildings	30 - 40 years
Trails	30 - 40 years
Bridges	50 years

GASB Statement No. 34 provides for an alternative approach to depreciation for measuring the value of certain infrastructure assets and the related costs incurred to maintain their service life at a locally established minimum standard. In order to adopt this alternative method for street infrastructure, Broomfield has developed an asset management system which will determine if the minimum standards are being maintained. Broomfield has elected to use this alternative method for reporting only its street infrastructure capital assets. All other infrastructure is being depreciated under the standard method.

Interest incurred during construction in the enterprise funds is reflected in the capitalized value of the asset constructed, net of investment earnings on invested loan proceeds during the same period. Net interest expense capitalized during the year ended December 31, 2011 amounted to \$0.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

g. Compensated Absences

Unused vacation and compensatory leave is paid to the employees upon separation from Broomfield. Employees are permitted to accumulate a limited amount of earned but unused vacation and compensatory leave. A liability for these amounts is reported in the government-wide and proprietary fund financial statements.

Sick pay is not accrued, as it is not available for payment if not used. Any annual unused sick pay at the end of each year is converted into vacation leave at a 1 for 1 ratio (i.e. for every 1 hour of unused sick leave an employee would receive 1 hour of additional vacation leave).

h. Long Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs and any costs as a result of refunding previous debt issues are reported as deferred charges and amortized over the term of the related bonds.

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

i. Fund Equity

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable*, such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a resolution approved by the City Council.
4. *Assigned* fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balance allows City Council to delegate the authority to spend to the City and County Manager or designee.
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

i. Fund Equity (Continued)

City and County of Broomfield's Comprehensive Fund Balance Policy:

Appropriate Level of Unrestricted Fund Balance to be Maintained in the General Fund

The City and County of Broomfield shall plan and manage annual revenue and expenditure budgets that provide an (unreserved) unassigned general fund balance of at least 10% of operating costs. For General Governmental Funds, the reserve goal is 16.67% of current year expenditures for operations, debt service, and Certificates of Participation payments (equal to approximately two months of operating expenditures and debt service).

Order of Fund Balance Spending Policy

The City and County's policy is to apply expenditures against restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

First non-spendable fund balances are determined, then restricted fund balances for specific purposes are determined (not including spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

Policy for Replenishing Deficiencies

If the General Fund balance should fall below 10% of annual general fund expenditures within a given year or the next succeeding year, the City Manager shall alert the City Council to the circumstances and recommend appropriate short-term actions to maintain the desired level.

Fund Balance Reporting as a result of the City and County of Broomfield's Comprehensive Fund Balance Policy

Nonspendable:

Inventory: The City and County maintains an inventory of fuel for various vehicles in the amount of \$32,429.

Prepays: The City and County prepays various expenses in order to take advantage of price breaks. These amounts (\$476,680) will be recorded as expenditures in 2012.

Restricted:

Capital Projects funds report \$2,176,420 of fund balance restricted for future capital project construction. Debt Service restricts \$9,784,690 for debt service payments, and Sales and Use Tax fund restricts \$3,404,608 for payment to developers as requirements of various agreements are met.

Emergency Reserves: Tax Spending and Debt Limitations amendment requires local governments to establish Emergency Reserves. Broomfield has restricted \$3,671,054 of fund balance for this reserve. See Note 16 for further information regarding the limitations of this State amendment.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Assets or Equity (Continued)

i. Fund Equity (Continued)

Committed:

Severance Pay: The City Council passed a resolution authorizing and approving an employment agreement with the City and County Manager. The agreement stipulates that one week of current salary for each year of employment completed will be paid upon termination. In addition, all unused annual leave will be paid at current salary rate. For fiscal year ending December 2011 the amount is \$124,615.

Capital Projects: The Service Expansion Fee Fund commits \$3,538,980 for joint municipal/educational facility projects and other Broomfield capital projects.

Assigned:

Capital Projects (\$33,859,846) is assigned to capital projects, Health and Human Services (\$3,361,724) is assigned to the operations of the Health and Human Services Fund, Cemetery (\$169,530), Library (\$54,868) and Housing Authority (\$169,663) are assigned to fund the on-going operations of each respective fund.

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Broomfield follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed operating budget for the next fiscal year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain tax payer comments.
3. Prior to December 14th, the budget is legally enacted through passage of a resolution by the City Council.
4. The last date to certify tax levies to the County Commissioners is December 15th.
5. A certified copy of the budget must be filed with the State of Colorado Division of Local Government by January 30th. Additionally, the City Manager is authorized to transfer budgeted amounts among programs and departments within a fund: however, any revisions that alter the total expenditures of any fund must be approved by the City Council. City Council made several supplemental budget appropriations during the year increasing the original budget for the reporting entity, including discretely and blended component units, mainly to facilitate capital spending.
6. Formal budgetary integration is employed as a management control device during the year for all funds.
7. Budgets for all governmental and fiduciary funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the enterprise funds and internal service fund are adopted on a non-GAAP budgetary basis to fulfill statutory requirements. Principally, budgeting for the proprietary funds provides for a full accrual basis of accounting, capital expenditures, and bond principal payments, but does not provide for depreciation and amortization.
8. Unused appropriations lapse at the end of each fiscal year.

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CASH DEPOSITS AND INVESTMENTS

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents as of December 31, 2011.

	Government-wide Statement of Net Assets				Pension Trust Funds	Total
	Primary Government			Component Units	Statement of Fiduciary Net Assets	
	Governmental Activities	Business-Type Activities	Total		Assets	
Cash and Cash Equivalents	\$29,895,872	\$7,144,486	\$37,040,358	\$12,526,648		\$49,567,006
Restricted Cash and Cash Equivalents	9,438,267		9,438,267	564,791	\$11,200,572	21,203,630
Investments	51,838,403	80,699,381	132,537,784		54,863,439	187,401,223
Restricted Investments				5,978,500		5,978,500
Total Cash and Investments	\$91,172,542	\$87,843,867	\$179,016,409	\$19,069,939	\$66,064,011	\$264,150,359

A. Deposits

Primary Government

The carrying amount of Broomfield's deposits as of December 31, 2011, was \$16,411,135.

Component Units

The carrying amount of the Broomfield Urban Renewal Authority's unrestricted deposits as of December 31, 2011, was \$3,183,385.

The carrying amount of the Flatiron Improvement District's unrestricted deposits as of December 31, 2011, was \$1,984,411.

Custodial Credit Risk

Guidance from the Colorado Division of Banking concludes that public deposits collateralized under PDPA and held in the name of the government have no custodial credit risk. Colorado state statutes govern Broomfield's deposit of cash. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. State regulatory commissioners have indicated that all financial institutions holding deposits for Broomfield are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA.

PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments and Cash Equivalents

At December 31, 2011, Broomfield's investment balances were:

Investment Type	Fair Value		Weighted Average Maturity (Years) *
	Primary Government	Component Units	
FFCB	\$23,169,166		2.1304
FHLB	104,730,140		2.7551
FHLMC	9,069,480		0.3308
Guaranteed Investment Contract		\$5,978,500	0.0084
Local Government Investment Pools	16,198,221	7,923,643	0.0028
Subtotal	153,167,007	13,902,143	
Restricted in Government Investment Pools	1,016,194		0.0028
	<u>\$154,183,201</u>	<u>\$13,902,143</u>	

* *Fair Value Basis*

Investment in Trust Funds (Retirement Plans)

Investment Type	Fair Value	Weighted Average Maturity (Years) *
Money Purchase Mutual Funds	\$44,050,876	0.0028
U.S. Agencies	1,448,818	4.7424
Corporate Bonds	1,465,280	4.4842
Equity Funds	7,898,465	NA
Money Market	11,184,720	0.0028
Guaranteed Investment Contract	15,852	0.0028
	<u>\$66,064,011</u>	

* *Fair Value Basis*

The credit quality ratings for the retirement plan bond investments range from BBB+ to AAA.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments and Cash Equivalents

Broomfield's investment policies and procedures govern investment policies. Investments of Broomfield and its discretely presented component units may include:

- Depositories enumerated in section 24-75-603, C.R.S., and secured as provided in articles 10.5 and 47 of title 11, C.R.S.
- Certificates of deposit or similar instruments at any state or national bank or savings and loan association, provided that the entire amount of such deposit is insured by the federal deposit insurance corporation or the federal savings and loan insurance company. All such deposits in out-of-state banks or savings and loans must have a rate of return which is at least seventy-five basis points greater than the best in-state quote received.
- Bonds or other interest-bearing obligations of the United States.
- Bonds or interest-bearing obligations, the payment of which is unconditionally guaranteed by the United States.
- United States government obligation money market funds.
- Bonds which are a direct obligation of the State of Colorado or any county or school district therein.
- State of Colorado state highway revenue anticipation warrants.
- Bonds which are direct general obligations of any incorporated city in the State of Colorado which has existed continuously for a period of ten years prior to the making of such investment.
- National Housing Act bonds and notes.
- Higher Education Act loans.
- Repurchase agreements of any marketable security otherwise authorized by law where the market value of such security is at all times at least equal to the moneys involved, and there is assignment of such security pursuant to current depository regulations.
- Investment pools authorized by part 7 of article 75 of title 24, C.R.S. (Ord. 767 § 1, 1988).
- Net asset value per share in the ColoTrust Plus+ and in the CSAFE investments pools is reported in their annual reports as \$1.00. The fair value of our position in the pools is the same as the value of the pool shares.

In addition to the above, investments in the General Employee Pension Plan and in the Police Pension Plan may include:

- Guaranteed investment contracts
- Corporate bonds
- Mutual fund equities

Investment options of the Police Money Purchase Plan and the Employee Money Purchase Plan are determined with the third party custodian. The plans currently offer a wide range of money market funds, mutual funds and real estate backed funds. Participation in investment options is solely the responsibility of the plan participant.

Interest Rate Risk

Broomfield does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments and Cash Equivalents

Credit Quality Risk

Broomfield's investment policy limits the types of investments available and thereby establishes the credit risk allowed on investments. The vast majority of investments of the Primary Government and Component Units are invested in Bonds or other obligations of the United States Government, agencies which are backed by unconditional guarantees of the United States Government, or investment pools which are all discussed more fully below.

Broomfield's investments in U.S. Agency securities (FHLB, FNMA, FHLMC) are rated AAA by Standard and Poor's and Aaa Moody's Investor Service. These securities are indirectly guaranteed by the United States Government. The credit rating of the Farm Credit Debt Securities (FFCB): Moody's Investors Service has assigned a rating of Aaa to the long-term debt of the System and a rating of P-1 to the short-term debt of the System. Standard & Poor's Ratings Service has assigned a rating of AAA to the long-term debt of the System and a rating of A-1+ to the short-term debt of the System. Fitch Ratings has assigned a rating of AAA to the long-term debt of the System and F1+ to the short-term debt of the System, along with a long-term issuer default rating of AAA.

Broomfield's investments in Colorado Local Government Liquid Asset Trust Plus+ (Colotrust) are rated AAAM by Standard and Poor's, Fitch's and Moody's Investor Service. Information related to Colotrust can be found on their website, www.colotrust.com. Colorado Surplus Asset Fund Trust (CSAFE) investments are rated AAAM by Standard and Poor's. Information related to CSAFE, including their annual audited financial statements, can be found at their website, www.csafe.org. CSAFE and Colotrust are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. Colotrust and CSAFE are routinely monitored by the Colorado Division of Securities with regard to operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. Net asset value per share in the ColoTrust Plus+ and in the CSAFE investments pools is reported in their annual reports as \$1.00. As of December 31, 2011, Broomfield had \$19,063,079 invested in CSAFE (of which \$1,016,194 is reported in the Debt Service fund as restricted cash, \$7,323,133 is reported by the discretely presented BURA component unit, and \$564,791 in restricted cash equivalents of the Debt Service fund) and \$6,074,979 invested in Colotrust Plus+ (of which \$35,718 is reported in the discretely presented FID component unit).

As of December 31, 2011, Broomfield had \$9,438,267 and the BURA Component Unit had \$6,543,291 held by trustees or fiscal agents pledged for the payment or security of certain bonds and certificates of participation. These monies were invested in accordance with the provisions outlined in the associated Indentures of Trust for the obligations. In some situations, these investments differ from those permitted by Broomfield's investment policy. Included in these investments at December 31, 2011, are unrated guaranteed investment contracts with maturity dates in fiscal year 2029 and 2030 authorized by City Council and the Urban Renewal Authority Board prior to purchase.

Restrictions on Cash and Investments

Restricted cash and cash equivalents of \$1,016,194 and \$8,422,073 are restricted in the Debt Service Fund and the Building Corporation Debt Service Fund, respectively, for debt service.

Broomfield Urban Renewal Authority, a component unit, has restricted cash and cash equivalents of \$564,791 for debt service and restricted investments of \$5,978,500 for debt service.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 3: CASH DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments and Cash Equivalents

Concentration of Credit Risk

Broomfield Urban Renewal Authority, a component unit, has more than 5% of investments in a single issuer. \$5,978,499 was invested in Ixis Funding Corp GIC as of December 31, 2011. This investment is 35.07% of Broomfield Urban Renewal Authority total cash and investments. Broomfield does not have a policy that addresses the limitations on the amount that can be invested in any one issuer. More than 5% of Broomfield's investments are concentrated in FFCB, 15.02%; in FHLB, 67.93%; and in FHLMC, 5.88%.

NOTE 4: RECEIVABLES

Receivables at December 31, 2011, for Broomfield's individual major, non-major, internal service, and fiduciary funds in the aggregate consist of the following:

City and County of Broomfield								
Receivables:	General Fund	Sales & Use Tax Fund	Human Services Fund	Water	Sewer	Water Reclamation	Non-Major and Internal Service Funds	Pension Trust Funds
Taxes	\$23,758,733	\$6,718,359	\$2,227,491				\$3,003,626	
Accounts	170,580	64,508	9,367	\$1,154,086	\$626,628	\$591,247	1,114	\$2,226,464
Accrued Interest	41,111	237,574	4,916	273,243	143,001	15,243	15,501	
Due from Other Governments	332,068	45,208	285,998	133,099	71,090		167,397	
Total Receivables	\$24,302,492	\$7,065,649	\$2,527,772	\$1,560,428	\$840,719	\$606,490	\$3,187,638	\$2,226,464

Component Units			
Receivables	BURA	FID	Total
Taxes	\$7,988,162		\$7,988,162
Accounts	844,803	\$500	845,303
Due from Other Governments		192,603	192,603
Total Receivables	\$8,832,965	\$193,103	\$9,026,068

Property taxes to be collected in 2012 for Broomfield were levied by the City Council and certified prior to December 15, 2011, by Broomfield's Assessor for collection. These taxes attach as an enforceable lien on property as of January 1 of the following year. On January 1 the County Treasurer bills the property owners. Taxes are receivable in two equal installments on February 28 and June 15 or in full on April 30.

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 5: CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
Primary Government:				
Governmental Activities				
Capital assets, not being depreciated:				
Land and Conservation Easements	\$58,266,075	\$359,103		\$58,625,178
Improvements other than buildings	4,038,315			4,038,315
Infrastructure Systems	177,423,527	3,579,616		181,003,143
Public Art	876,968	9,800	(\$11,800)	874,968
Construction in Progress	1,612,959	1,146,308	(472,020)	2,287,247
Total capital assets, not being depreciated	<u>242,217,844</u>	<u>5,094,827</u>	<u>(483,820)</u>	<u>246,828,851</u>
Capital assets, being depreciated:				
Buildings	92,553,443	170,166	(7,500)	92,716,109
Improvements other than buildings	32,760,744	573,274	(88,186)	33,245,832
Equipment	21,223,903	1,126,564	(1,701,557)	20,648,910
Infrastructure Systems	82,827,716	1,523,710		84,351,426
Total capital assets being depreciated	<u>229,365,806</u>	<u>3,393,714</u>	<u>(1,797,243)</u>	<u>230,962,277</u>
Less accumulated depreciation for:				
Buildings	(25,466,657)	(2,809,361)	7,500	(28,268,518)
Improvements other than buildings	(20,082,031)	(1,696,326)	88,186	(21,690,171)
Equipment	(18,062,059)	(1,542,184)	1,675,659	(17,928,584)
Infrastructure Systems	(22,666,366)	(3,508,007)		(26,174,373)
Total accumulated depreciation	<u>(86,277,113)</u>	<u>(9,555,878)</u>	<u>1,771,345</u>	<u>(94,061,646)</u>
Total capital assets being depreciated, net	<u>143,088,693</u>	<u>(6,162,164)</u>	<u>(25,898)</u>	<u>136,900,631</u>
Governmental activities capital assets, net	<u>\$385,306,537</u>	<u>(\$1,067,337)</u>	<u>(\$509,718)</u>	<u>\$383,729,482</u>
Business-type activities				
Capital assets, not being depreciated:				
Land and water rights	\$189,559,266	\$268,538		\$189,827,804
Construction in progress	6,047,878	1,017,601	(\$373,425)	6,692,054
Total capital assets, not being depreciated	<u>195,607,144</u>	<u>1,286,139</u>	<u>(373,425)</u>	<u>196,519,858</u>
Capital assets, being depreciated:				
Treatment and pumping plants	125,594,051	373,425	(25,251)	125,942,225
Wells, reservoir and storage tanks	14,373,509			14,373,509
Transmission, distribution and collection systems	242,303,803	5,582,647		247,886,450
Machinery, equipment, vehicles, furniture and shops	4,911,613	47,552	(98,180)	4,860,985
Total capital assets being depreciated	<u>387,182,976</u>	<u>6,003,624</u>	<u>(123,431)</u>	<u>393,063,169</u>
Less accumulated depreciation for:				
Treatment and pumping plants	(30,501,742)	(3,533,251)	14,343	(34,020,650)
Wells, reservoir and storage tanks	(3,436,580)	(219,811)		(3,656,391)
Transmission, distribution and collection systems	(65,748,188)	(7,654,578)		(73,402,766)
Machinery, equipment, vehicles, furniture and shops	(4,355,015)	(223,535)	98,178	(4,480,372)
Total accumulated depreciation	<u>(104,041,525)</u>	<u>(11,631,175)</u>	<u>112,521</u>	<u>(115,560,179)</u>
Total capital assets being depreciated, net	<u>283,141,451</u>	<u>(5,627,551)</u>	<u>(10,910)</u>	<u>277,502,990</u>
Business-type activities capital assets, net	<u>\$478,748,595</u>	<u>(\$4,341,412)</u>	<u>(\$384,335)</u>	<u>\$474,022,848</u>

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 5: CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit:				
Capital assets, not being depreciated:				
Land	\$6,254,558			\$6,254,558
Construction in Progress		\$2,079,717		2,079,717
Total capital assets, not being depreciated	<u>6,254,558</u>	<u>2,079,717</u>		<u>8,334,275</u>
Capital assets, being depreciated:				
Buildings	40,014,284			40,014,284
Improvements other than buildings	390,414	5,438	(\$395,852)	
Equipment	4,004,082			4,004,082
Total capital assets being depreciated	<u>44,408,780</u>	<u>5,438</u>	<u>(395,852)</u>	<u>44,018,366</u>
Less accumulated depreciated for:				
Buildings	(3,951,428)	(1,000,357)		(4,951,785)
Equipment	(2,639,951)	(804,587)		(3,444,538)
Total accumulated depreciation	<u>(6,591,379)</u>	<u>(1,804,944)</u>		<u>(8,396,323)</u>
Total capital assets being depreciated, net	<u>37,817,401</u>	<u>(1,799,506)</u>	<u>(395,852)</u>	<u>35,622,043</u>
Component unit capital assets, net	<u>\$44,071,959</u>	<u>\$280,211</u>	<u>(\$395,852)</u>	<u>\$43,956,318</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General Governmental	\$912,960	
Public Safety	1,130,425	
Community Development	106,459	
Public Works	4,318,919	
Parks and Recreation	3,055,059	
Health and Human Services	32,056	
Water		\$4,745,466
Sewer		5,463,034
Water Reclamation		1,422,675
Total Depreciation Expense	<u>\$9,555,878</u>	<u>\$11,631,175</u>

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2011, is as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General	\$298,561	\$75,538
Sales and Use Tax	12,231	273,986
Health and Human Services	28,523	100
Non-Major	34,784	1,100,899
Total Governmental Activities	<u>374,099</u>	<u>1,450,523</u>
Water	<u>1,076,424</u>	<u> </u>
Total Business-type Activities	<u>1,076,424</u>	<u> </u>
Total all-fund types	<u><u>\$1,450,523</u></u>	<u><u>\$1,450,523</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that payments between funds are made, and when interfund goods and services are provided or reimbursable expenditures occurred.

Interfund Transfers:

	Transfer In:						Total
	General	Sales and Use Tax	Building Corporation Debt Service	Human Services	Non-Major Governmental	Sewer	
Transfers out:							
General		\$6,014,651	\$3,887,034	\$941,167	\$1,018,097		\$11,860,949
Sales & Use Tax	\$261,915		3,929,503		8,671,313		12,862,731
Building Corporation Debt Service							
Human Services	657,903	500,000					1,157,903
Non-Major Governmental	448,679	816,516	1,352,118		378,884		2,996,197
Water Reclamation						\$1,469,925	1,469,925
Total Transfer Out	<u>\$1,368,497</u>	<u>\$7,331,167</u>	<u>\$9,168,655</u>	<u>\$941,167</u>	<u>\$10,068,294</u>	<u>\$1,469,925</u>	<u>\$30,347,705</u>

Transfers are used to move revenues from the fund with collection authorization to the Debt Service fund as debt service principal and interest payments become due, move restricted amounts from borrowings to the Debt Service fund to establish mandatory reserve accounts, and move unrestricted General fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies. The transfer from the Water Reclamation fund to the Sewer fund represents the Water Reclamation fund's support of the debt service payment on the 2001 Sewer and Wastewater Reclamation Revenue bonds. Proceeds from these bonds funded construction of the Water Reclamation system.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 7: LONG-TERM DEBT

Broomfield utilizes various types of debt and other long-term obligations in conducting its business. The following describes the various bonds and other types of financing used by Broomfield and its component units.

General Obligation Bonds: Broomfield issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. As of December 31, 2011, there are no general obligation bonds outstanding.

Revenue Bonds: When issuing revenue bonds for the construction of capital assets, Broomfield pledges specific revenue derived from the acquired or constructed asset to pay debt service. Broomfield issues revenue bonds for both governmental and business-type activities. As of December 31, 2011, Broomfield had \$108,530,000 of sales and use tax revenue bonds outstanding for governmental activities and \$99,630,000 of revenue bonds outstanding for business-type activities. Sales and use tax revenues and reserves are pledged for the government debt. The business-type debt is secured by operating revenues of the related enterprise funds.

Certificates of Participation: Through the CCBCBC, Broomfield uses certificates of participation (COP's) for the acquisition and construction of major capital facilities and improvements. The debt is secured by the constructed facilities and improvements. Debt service payments are made from the rents collected by CCBCBC based upon lease agreements between Broomfield and CCBCBC. In 2010, the CCBCBC refunded the 1999 and 2000 COPS carrying an interest rate from 4.55% to 6.00% on the 1999 issue and 4.50% to 5.75% on the 2000 issue. These issues were defeased as part of the issuance of new debt in the amount of \$87,710,000, issued at an average interest rate of 4.77%. The new debt was dated October 29, 2010. The payment to the Escrow Fund of \$94,379,981 and all issuance costs of the transactions were paid from bond proceeds. The transactions resulted in a difference in cash flows of \$10,236,988 and net present value savings (economic gain) of \$11,690,423. As of December 31, 2011, Broomfield had \$82,760,000 of COP's outstanding for governmental activities.

Notes Payable: Broomfield issues notes payable for the acquisition of major capital facilities and improvements. The business-type debt was used to acquire land and water rights in the Sewer and Water funds. BURA, a component unit, issued a note to acquire land for the Broomfield Event Center facility. Debt service payments are made from pledged revenues from the respective funds. Broomfield had \$825,287 of notes payable outstanding at December 31, 2011, for business-type activities. BURA had \$3,060,182 of notes payable outstanding at December 31, 2011.

Tax Increment Revenue Bonds: Broomfield Urban Renewal Authority (BURA), a component unit, issues tax increment revenue bonds to provide funds for the acquisition and construction of BURA improvements. BURA debt service payments are made from the pledged revenue from the incremental value of the ad valorem property taxes. As of December 31, 2011, BURA had \$58,500,000 of tax increment revenue bonds outstanding.

Pledged Revenues: Over the years Broomfield has issued revenue bonds which pledged revenues as collateral. Revenue bonds have been issued as sales tax revenue bonds and utilities revenue bonds. These bonds were issued to finance various construction projects within each of the issuing funds, with the pledged revenue coming from the respective fund.

	<u>Remaining Amount Pledged</u>	<u>Remaining Commitment</u>
Governmental Activities		
Sales and Use Tax Revenue Bonds	\$175,357,796	2012-2031
Business-type Activities		
Utilities Revenue Bonds	\$141,851,862	2012-2031

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

Pledged Revenues (Continued)

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain as to future amounts. However, debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage or comparison of pledged revenues net of specific operating expenses for the Utilities Revenue bonds is provided in Table 16.

Interest Rate Exchange Agreements: The \$59,785,000 Series 2005 BURA Tax Increment Revenue Bonds bear interest in a Weekly Mode as determined by a Remarketing Agent. As a means to offset potential rises in interest rates, BURA entered into interest rate exchange agreements with Royal Bank of Canada (RBC) and BNP Paribas. The intention of these agreements was to effectively change BURA's interest rate on the bonds to a synthetic fixed rate of 3.937%. As of December 31, 2011, the fair value of the exchange agreement with RBC was (\$3,525,768) and the fair value of the exchange agreement with BNP Paribas was (\$3,472,715).

- **Terms:** The bonds expire in 2030, and the related exchange agreements mature on December 1, 2015. The notional amounts of \$29,892,500 and \$29,892,500 for RBC and BNP Paribas, respectively, match the total principal outstanding on the variable rate bonds, \$58,500,000. The exchange agreements were entered into at the same time the bonds were issued (October 26, 2005). Starting in fiscal year 2010 the notional value of the exchange agreements and the principal amount of the associated debt decline. Under the exchange agreements BURA has agreed to pay interest on the notional amount to the Exchange Providers at a fixed interest rate with the Exchange Providers paying BURA's interest payments based on levels or changes in interest rates using the USD-BMA Municipal Swap Index. The fixed amounts and floating amounts are to be netted against each other into a single monthly payment, the payment of one being due only to the extent it exceeds the other.
- **Letter of Credit:** The bonds are secured by an irrevocable direct-pay letter of credit in the aggregate stated amount of \$59,056,902 which is available to pay principal and interest on the bonds, if necessary. The letter of credit was issued by BNP Paribas and has a termination date of March 1, 2011, which was extended to March 1, 2012. As of December 31, 2011 there were no draws outstanding against the letter of credit.
- **Risk Disclosure - Credit Risk:** The exchange agreements noted above rely upon the performance of the third parties who serve as swap counterparties, and as a result the Authority is exposed to the risk that a swap counterparty may fail to perform according to their contractual obligations. The appropriate measurement of this risk as of December 31, 2011 is the fair value of the exchange agreements as noted above. Current credit ratings of the swap counterparties are as follows: RBC has a Moody's rating of Aa1; BNP has a Moody's rating of Aa3.
- **Risk Disclosure - Termination Risk:** As outlined in the exchange agreements with the swap counterparties, following an event of default or a termination event, the parties have the right to terminate the agreement. Termination amounts calculated per the agreement will become due on a specified payment date based upon when notice of termination was given.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

The following tables display the debt service requirements for the obligations described above, using rates in effect as of December 31, 2011:

A. Summary of Annual Requirements to Amortize Outstanding Bonds, Notes and Lease Principal:

GOVERNMENTAL (amounts expressed in thousands)			
Year	Sales & Use Tax Revenue Bonds	Certificates of Participation	Total Principal Payments for Governmental Type Activities
2012	\$3,020	\$5,380	\$8,400
2013	3,235	5,540	8,775
2014	3,560	5,710	9,270
2015	3,765	5,965	9,730
2016	3,955	4,700	8,655
Subtotal	17,535	27,295	44,830
2017 - 2021	23,090	23,765	46,855
2022 - 2026	29,855	13,475	43,330
2027 - 2031	38,050	18,225	56,275
Total	\$108,530	\$82,760	\$191,290

BUSINESS-TYPE (amounts expressed in thousands)			
Year	Revenue Bonds	Notes Payable	Total Principal Payments for Business-Type Activities
2012	\$5,645	\$150	\$5,795
2013	5,915	157	6,072
2014	6,205	165	6,370
2015	6,505	173	6,678
2016	6,830	181	7,011
Subtotal	31,100	826	31,926
2017 - 2021	39,795		39,795
2022 - 2026	15,895		15,895
2027 - 2031	12,840		12,840
Total	\$99,630	\$826	\$100,456

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

A. Summary of Annual Requirements to Amortize Outstanding Bonds, Notes and Lease Principal: (Continued)

TOTAL GOVERNMENTAL AND BUSINESS-TYPE (amounts expressed in thousands)				COMPONENT UNIT
Year	Governmental	Business-Type	Total Principal Payments for Gov. & Business Type Activities	Total Principal Payments for BURA
2012	\$8,400	\$5,795	\$14,195	\$1,545
2013	8,775	6,072	14,847	2,432
2014	9,270	6,370	15,640	2,566
2015	9,730	6,678	16,408	2,707
2016	8,655	7,011	15,666	2,095
Subtotal	44,830	31,926	76,756	11,345
2017 - 2021	46,855	39,795	86,650	12,160
2022 - 2026	43,330	15,895	59,225	15,535
2027 - 2031	56,275	12,840	69,115	21,460
Total	\$191,290	\$100,456	\$291,746	\$60,500

B. Summary of Requirements to Amortize Outstanding Bonds, Notes and Lease Interest:

GOVERNMENTAL (amounts expressed in thousands)			
Year	Sales & Use Tax Revenue Bonds	Certificates of Participation	Total Interest Payments for Governmental Type Activities
2012	\$5,596	\$3,775	\$9,371
2013	5,416	3,614	9,030
2014	5,222	3,448	8,670
2015	5,017	3,192	8,209
2016	4,832	2,899	7,731
Subtotal	26,083	16,928	43,011
2017 - 2021	20,835	10,968	31,803
2022 - 2026	14,060	6,561	20,621
2027 - 2031	5,850	2,226	8,076
Total	\$66,828	\$36,683	\$103,511

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

B. Summary of Requirements to Amortize Outstanding Bonds, Notes and Lease Interest:
(Continued)

BUSINESS-TYPE (amounts expressed in thousands)			
Year	Revenue Bonds	Notes Payable	Total Interest Payments for Business Type Activities
2012	\$4,948	\$37	\$4,985
2013	4,685	30	4,715
2014	4,405	22	4,427
2015	4,110	15	4,125
2016	3,776	6	3,782
Subtotal	21,924	110	22,034
2017 - 2021	13,276		13,276
2022 - 2026	5,028		5,028
2027 - 2031	1,994		1,994
Total	\$42,222	\$110	\$42,332

TOTAL GOVERNMENTAL AND BUSINESS-TYPE (amounts expressed in thousands)				COMPONENT UNIT
Year	Governmental	Business-Type	Total Interest Payments for Gov. & Bus. Type Activities	Total Interest Payments for BURA
2012	\$9,371	\$4,985	\$14,356	\$2,874
2013	9,030	4,715	13,745	2,938
2014	8,670	4,427	13,097	2,805
2015	8,209	4,125	12,334	2,665
2016	7,731	3,782	11,513	2,517
Subtotal	43,011	22,034	65,045	13,799
2017 - 2021	31,803	13,276	45,079	10,936
2022 - 2026	20,621	5,028	25,649	7,635
2027 - 2031	8,076	1,994	10,070	3,123
Total	\$103,511	\$42,332	\$145,843	\$35,493

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

C. Summary of Outstanding Bonds, Notes and Leases

General long-term obligations of Broomfield at December 31, 2011, are comprised of the following:

<u>Date Issued</u>	<u>Description/Interest Rates</u>	<u>Maturity Dates</u>	<u>Original Balance</u>	<u>Outstanding Balance</u>
Bonds Serviced by Sales & Use Tax Fund and Open Space Fund through the Debt Service Fund				
(secured by sales and use tax revenue)				
2002	Sales and Use Tax Revenue and Refunding Bonds (5.00% - 5.50%)	2031	\$117,950,000	\$95,880,000
Bonds Services by Sales & Use Tax Fund through the Debt Service Fund				
(secured by sales and use tax revenue)				
2009	Sales and Use Tax Revenue Improvement Bond (4.625%)	2031	\$13,000,000	\$12,650,000
COPs Serviced by General Fund, Sales & Use Tax Fund and Open Space Fund through the City & County of Broomfield, Colorado Building Corporation Debt Service Fund				
2010	Lease Certificates of Participation (2.00% - 5.00%)	2029	\$87,710,000	\$82,760,000
Other Obligations of Governmental Funds				
N/A	Accrued Compensated Absences	N/A	N/A	\$3,185,597
Other Obligations of Internal Service Fund used by Governmental Activities				
N/A	Claims Payable	N/A	N/A	\$349,099
Total				\$194,824,696

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

C. Summary of Outstanding Bonds, Notes and Leases (Continued)

Business-type long-term obligations at December 31, 2011, are comprised of the following:

Date Issued	Description/Interest Rates	Maturity Dates	Original Balance	Outstanding Balance
Water Fund Revenue Bonds				
(secured by water fund revenues)				
2000	Water Revenue Bonds (5.30% - 5.50%)	2020	\$31,000,000	\$20,655,000
2002	Water Revenue Bonds (2.50% - 5.00%)	2022	\$43,000,000	\$31,665,000
Sewer Fund Revenue Bonds				
(Secured by sewer fund revenue)				
1998	Sewer Revenue Bonds (3.65% - 4.80%)	2017	\$4,095,000	\$1,605,000
2001	Sewer and Wastewater Reclamation Revenue Bonds (4.25% - 5.00%)	2031	\$54,930,000	\$45,705,000
Other Obligations of Enterprise Funds				
1996	Sewer Note Payable (4.71%)	2016	\$2,514,119	\$825,287
N/A	Accrued Compensated Absences	N/A	N/A	\$309,463
Total				<u>\$100,764,750</u>

Component unit long-term obligations at December 31, 2011, are comprised of the following:

Date Issued	Description/interest Rates	Maturity Dates	Original Balance	Outstanding Balance
2005	Tax Increment Revenue Bonds (variable interest rates) (secured by pledged revenues)	2030	\$59,785,000	\$58,500,000
2005	Subordinate Convertible Capital Appreciation Revenue Note (Broomfield Event Center Project), Series 2005 (7%) (secured by pledged revenues)	2015		
	Accreted Value		\$3,259,134	\$3,259,134
	Less: Discount		(\$1,259,134)	(\$198,952)
	Total Note		\$2,000,000	\$3,060,182
Total				<u>\$61,560,182</u>

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

C. Summary of Outstanding Bonds, Notes and Leases (Continued)

Long-term liability activity for the year ended December 31, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Primary Government					
Governmental Activities					
Bonds and COPs					
Revenue Bonds	\$111,345,000		(\$2,815,000)	\$108,530,000	\$3,020,000
Certificates of Participation	87,710,000		(4,950,000)	82,760,000	5,380,000
Unamortized Premium	8,454,998		(446,960)	8,008,038	
Total Bonds and COPs	<u>207,509,998</u>		<u>(8,211,960)</u>	<u>199,298,038</u>	<u>8,400,000</u>
Other Obligations					
Compensated Absences	3,020,080	3,795,508	(3,629,991)	3,185,597	195,510
Claims Payable	226,882	4,473,450	(4,351,233)	349,099	349,099
Total Other Obligations	<u>3,246,962</u>	<u>8,268,958</u>	<u>(7,981,224)</u>	<u>3,534,696</u>	<u>544,609</u>
Governmental Activities Long Term					
Liabilities	<u>\$210,756,960</u>	<u>\$8,268,958</u>	<u>(\$16,193,184)</u>	<u>\$202,832,734</u>	<u>\$8,944,609</u>
Business Type Activities					
Bonds					
Revenue Bonds	\$105,030,000		(\$5,400,000)	\$99,630,000	\$5,645,000
Total Bonds	<u>105,030,000</u>		<u>(5,400,000)</u>	<u>99,630,000</u>	<u>5,645,000</u>
Other Obligations					
Notes Payable	968,519		(143,232)	825,287	150,058
Compensated Absences	299,799	367,425	(357,761)	309,463	5,030
	<u>1,268,318</u>	<u>367,425</u>	<u>(500,993)</u>	<u>1,134,750</u>	<u>155,088</u>
Business Type Activities Long					
Term Liabilities	<u>\$106,298,318</u>	<u>\$367,425</u>	<u>(\$5,900,993)</u>	<u>\$100,764,750</u>	<u>\$5,800,088</u>

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 7: LONG-TERM DEBT (CONTINUED)

C. Summary of Outstanding Bonds, Notes and Leases (Continued)

Component Unit	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds					
Tax Increment Revenue Bonds	\$59,415,000		(\$915,000)	\$58,500,000	\$1,545,000
Total Bonds	<u>59,415,000</u>		<u>(915,000)</u>	<u>58,500,000</u>	<u>1,545,000</u>
Other Obligations					
Notes Payable, at Accreted Value	3,259,134			3,259,134	
Less Discount	(402,423)		203,471	(198,952)	198,952
Total Notes	<u>2,856,711</u>		<u>203,471</u>	<u>3,060,182</u>	<u>198,952</u>
Component Unit Long Term Liabilities	<u>\$62,271,711</u>		<u>(\$711,529)</u>	<u>\$61,560,182</u>	<u>\$1,743,952</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long term liabilities for them are included as part of the above totals for governmental activities. At year end \$349,099 of internal service fund claims payable are included in the above amounts. Also, for the governmental activities, compensated absences are liquidated by the general fund, the special revenue funds and the capital funds.

NOTE 8: INDUSTRIAL DEVELOPMENT and QUALIFIED 501(c)(3) REVENUE BONDS

As of December 31, 2011, Broomfield authorized the issue of the following industrial development and qualified 501(c)(3) revenue bonds:

Year Issued	Project	Total Issue Amount
1984	Buckeye Investments	\$2,000,000
1995	Up with People, Inc. (refunding)	\$1,300,000

The above bonds including interest do not constitute debt or indebtedness of Broomfield within the meaning of the Constitution or statutes of the State of Colorado. Also, Broomfield has no power to pay or contribute to any part of the costs of acquiring the Projects, or to operate the Projects as business.

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS

Broomfield's employees are covered under four separate retirement plans. In addition, employees may also participate in an Internal Revenue Code 457 Plan on a voluntary basis. (Broomfield makes no contributions to the 457 Plan.) Broomfield's 2011 payroll for full-time personnel is \$34,638,039. Covered payroll and contributions to the various plans, shown both in dollars and percent of covered payroll, are as follows:

Number of Active Full-Time Employees	Plan	Covered Payroll	Covered Payroll as a % of Total Payroll	Employee Contributions (Including Rollovers)		City Contributions	
				Dollars	%	Dollars	%
	Employee Pension Plan						
12	Tier 2	\$826,634					
34	Tier 1	2,344,361					
	Total (b)	\$3,170,995	9.15%	\$175,807	5.54%	\$440,272	13.88%
(a)	Police "Old" Pension Fund					\$72,000	
142	Police Money Purchase	\$10,535,156	30.41%	\$1,072,092	10.18%	\$1,053,515	10.00%
427	Employee Money Purchase (b)	\$24,102,883	69.59%	\$1,851,014	7.68%	\$1,354,001	5.62%
	Totals (b)	37,809,034	109.15%	\$3,098,913		\$2,919,788	
		(3,170,995)	-9.15%				
		\$34,638,039	100.00%				

- (a) Plan partially terminated in 2000, with active employees moved to the Police Money Purchase Plan.
- (b) The employees who participate in the Employee Pension Plan also participate in the Employee Money Purchase Plan. The payroll for these 46 employees, \$3,170,995 is counted in Covered Payroll for both plans and the number of employees is counted in the number of participants for both plans. The \$3,170,995 in Covered Payroll has been netted out of the total 2011 Broomfield Covered Payroll.

Covered employees should refer to pension plan documents for detail plan descriptions and benefits.

Broomfield Employees' Pension Plan

A. Plan Description and Summary of Significant Accounting Policies

Broomfield Employees' Pension Plan is a single-employer defined benefit pension plan originally established to cover all full-time employees excluding any employee covered under the Policemen's Pension Fund or the Broomfield Money Purchase Plan for "New Hire" Police Officers. On March 28, 2000 the plan was amended to cover only employees hired prior to May 31, 2000. In addition, employees in the plan as of May 30, 2000 were given the option to transfer the actuarial cash equivalent value of their benefit in this plan to the Employees' Money Purchase Plan. This decision is irrevocable. All employees remaining in the Employee Pension Plan will have the option twice each year to exercise an election to transfer the actuarial cash equivalent value of their benefit to the Employees' Money Purchase Plan.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Pension Plan (Continued)

A. Plan Description and Summary of Significant Accounting Policies (Continued)

The Plan is not subject to the provisions of the Employees' Retirement Income Security Act of 1974 (ERISA); however, it has received a favorable determination letter from the Department of Treasury IRS which indicates that the terms of the Plan conform to the Internal Revenue Code. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The Broomfield Employees' Pension Plan was established under Chapter 2.20 of the Broomfield Municipal Code. Amendments to the Plan may be made by a majority vote of the City Council.

An employee shall be eligible for a normal pension if his or her employment with the employer is terminated on or after the employee's sixty-fifth birthday and after the employee has completed seven or more years of service, which date shall be deemed the employee's "normal retirement date." The normal form of benefit under the plan is a life annuity commencing on the first day of the month after retirement. Employees are eligible for a normal benefit beginning as early as age 55 if the employee qualifies for the "Rule of 80" retirement. The last payment shall be made as of the first day of the month in which the death of the retired employee occurs.

Upon normal retirement, Tier I employees will receive a monthly benefit equal to 2.0% of the employee's average monthly compensation multiplied by his or her years of service. Tier II employees will receive a monthly benefit amount equal to 1.25% of the employee's average monthly compensation multiplied by his or her years of service.

An employee who makes mandatory contributions to the Plan (Tier I), who terminates employment, attains age 55, and whose age and years of service under the Plan equals 80 or more is eligible for a "Rule of 80" pension. The "Rule of 80" pension provides normal pension benefits. Employees of both Tiers may elect early retirement at age 55 and receive reduced retirement benefits. The Plan also provides for a deferred vested retirement as well as death and disability benefits.

The Plan is administered by Wells Fargo Retirement Plan Services. The equity securities and fixed income securities are reported on a fair value basis. Investment income is recognized as earned and gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Period end fair value estimates are determined by the administrator based on market quotes. Administrative costs are paid out of earnings for the defined benefit plan.

B. Contributions and Reserves

Broomfield's funding policy is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contributions are determined using an entry age normal cost actuarial funding method. Future unfunded actuarial accrued liabilities are amortized as fixed dollar charges over a period of 30 years.

The Plan was first amended on March 14, 1995, to require employee contributions for all new members and allow for major changes in plan provisions. Prior to this amendment the Plan was entirely funded by Broomfield. The first amendment stated that each employee hired on or after March 29, 1995, was required to contribute 8.5% of compensation as a condition of employment and participation in the Plan. Employees hired before the effective date of the first amendment could elect not to contribute to the Plan and receive lower benefits (Tier II). Employees electing the lower level of benefits (Tier II) were required to sign an irrevocable waiver.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Pension Plan (Continued)

B. Contributions and Reserves (Continued)

Employees hired prior to the effective date of the first amendment who did not file an election not to make contributions to the Plan were required to contribute to the Plan. The second amendment to the Plan dated March 28, 2000, limited this plan to employees hired before May 31, 2000. In addition, participants in the Plan as of May 31, 2000 were given the option to transfer the actuarial cash equivalent value of their benefit in the Plan to the Employees' Money Purchase Plan. Employees remaining in this Plan continue to fall into two tiers of benefits. Tier 1 employees are required to contribute 7.5% of compensation into the Plan. Employees hired before March 14, 1995 that did not elect to take Tier 1 benefits are still not required to contribute to the Plan and will receive lower benefits at retirement. Employees' eligibility for a defined benefit will receive a refund of their employee contribution account balance plus interest. Broomfield shall contribute 4.46% of each participating employee's salary each year. In 2011, Broomfield contributed an additional \$298,858 to the Plan based on actuary recommendation.

During the year ended December 31, 2011 employer contributions totaling \$440,272 and employee contributions of \$175,807 were made to the Plan. Normal cost for the Plan year beginning January 1, 2011, was \$271,430 and there was an unfunded actuarial accrued liability as of January 1, 2011, of \$5,269,959.

C. Schedule of Funding Progress

Employee's Pension Plan Year	2011
Actuarial Valuation Date	1/01/2012
Actuarial Valuation of Assets	\$8,830,203
Actuarial Accrued Liability (AAL)	\$14,100,162
Unfunded AAL (UAAL)	\$5,269,959
Funded Ratio	62.6%
Actual Covered Payroll	\$3,170,995
UAAL as a Percentage of Covered Payroll	166.2%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial liability for benefits.

D. Actuarial Assumptions and Methods

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

ACTUARIAL ASSUMPTIONS AND METHODS

	Employees' Pension Plan
Valuation Date	01/01/2011
Actuarial Method	Entry Age Normal
Amortization Method	Fixed Dollar
Remaining Amortization Period	30 years, open
Asset Valuation Method	Actuarial Value

Actuarial Assumptions	Employees' Pension Plan
Investment Rate of Return	7.50%
Projected Salary Increases	6.75%
Includes Inflation at	3.25%
Cost of Living Adjustments	0 – 3%

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Pension Plan (Continued)

D. Actuarial Assumptions and Methods (Continued)

Plan assets are projected using the most recent 5-years average rate of return for expected investment earnings. Twenty percent of the difference between the projected value and the market value is recognized each year.

E. Annual Pension Cost and Net Pension Asset/(Obligation)

	2009	2010	2011
Annual Required Contribution (ARC)	\$159,739	\$471,232	\$493,592
Interest on Net Pension Obligation (NPO)	(\$27,650)	(\$34,183)	(\$990)
Adjustment to ARC	\$29,029	\$31,806	\$1,039
Adjustment to ARC - prior year		\$374,950	\$46,022
Annual Pension Cost	\$161,118	\$843,490	\$539,663
Employer Contributions Made	(\$248,218)	(\$405,215)	(\$440,272)
Change in NPO	(\$87,100)	\$438,590	\$99,391
NPO at the Beginning of the Year	(\$368,673)	(\$455,773)	(\$13,201)
NPO/NPA at the End of the Year	(\$455,773)	(\$17,183)	\$86,190
Actuarial Interest Rate for Calculating Current ARC	7.50%	7.50%	7.50%
Actuarial Amortization Factor	12.70%	12.70%	12.70%
Percentage of Contributions Made to Annual Pension Cost	154.1%	48.0%	81.6%

Employee Membership Data

Year	Retiree and Beneficiaries Currently Receiving Benefits	Terminated Employees Entitled to Benefits But Not Yet Receiving Benefits	Active Employees	Total
2001	4	34	92	130
2002	4	30	86	120
2003	6	33	79	118
2004	9	34	73	116
2005	10	31	70	111
2006	10	32	65	107
2007	14	30	60	104
2008	17	30	57	104
2009	20	29	52	101
2010	23	30	48	101
2011	25	28	47	100

Financial reports including applicable financial statements and required supplementary information for the City of Broomfield Colorado Pension Plan for City Employees may be obtained by contacting:

Wells Fargo Institutional Trust Services
1740 Broadway, C7300-105
Denver, CO 80274

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Policemen's Pension Fund (Pre-April 7, 1978)

A. Plan Description and Summary of Significant Accounting Policies

The Policemen's Pension Fund (pre-April 7, 1978) is a single-employer defined benefit pension plan. Administration of and benefits under the Broomfield Policemen's Pension Fund are provided under Chapter 2.24 of the Broomfield Municipal Code. Only sworn members of the Police Department who were hired prior to April 7, 1978, are eligible to participate in this plan. On November 14, 2000, the plan was amended to reflect a partial termination. All active participants were given actuarially determined distributions representing their total vested interest in the plan. The remaining participants are all retirees and beneficiaries who will continue to receive benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Any member of the Police Department who shall have reached the age of 55 years, and who shall have served for a period of 20 years in such department or any departments in the state, or who, in the alternative, shall have completed 25 years in such department or any departments in the state, regardless of his age, shall be entitled to a monthly pension equal to 55% of the amount of the employee's earnings for one year immediately prior to retirement. A delayed retirement benefit of 2% of earnings for each completed year worked beyond normal retirement is included in the plan benefits.

The general management and control of the Policemen's Pension Fund is vested in a board of trustees. The board of trustees consists of the Mayor, the City Manager, the Finance Director, and two sworn members of the Police Department. Survivors' benefits are available for spouses, dependent parents, and children under the age of 18.

A deferred retirement benefit is payable to the employee at normal retirement date in an amount equal to the vested percentage of the benefit he/she would have been entitled to had they been eligible to retire on their separation date. The following table represents the current vesting schedule, which was adopted on November 9, 1993:

<u>Years of Employment</u>	<u>Vested %</u>	<u>Amount of Benefit</u>
Less than 5 years	0%	0%
5	25%	50% of final earnings
6	30%	50% of final earnings
7	35%	50% of final earnings
8	40%	50% of final earnings
9	45%	50% of final earnings
10	50%	50% of final earnings
11	60%	50% of final earnings
12	70%	50% of final earnings
13	80%	50% of final earnings
14	90%	50% of final earnings
15	100%	50% of final earnings
16	100%	51% of final earnings
17	100%	52% of final earnings
18	100%	53% of final earnings
19	100%	54% of final earnings
20 or more	100%	55% of final earnings

On April 1st of each year, pension benefits will be adjusted as necessary to reflect an increase or decrease in the cost of living. This adjustment will be based on the U.S. Department of Labor's cost of living index during the preceding calendar year. Adjustments are limited to a maximum of 3% and will not decrease below the amount for which the member was initially qualified.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Policemen's Pension Fund (Pre-April 7, 1978) (Continued)

A. Plan Description and Summary of Significant Accounting Policies (Continued)

The Fund is administered by Ameritas Financial Services. Ameritas utilized the following investment vehicles for 2010: 100% of funds are invested in guaranteed investment accounts with market fluctuations determining the percentage allocation between medium-term (5-10 year) and long-term (10-20 year) bonds. The Fund does not invest in real estate, mortgages, or stocks of any kind. Equity securities and fixed income securities are reported at fair value. Investment income is recognized as earned and gains and losses are recognized on the transaction date. Administrative costs are paid out of earnings for the defined benefit plan.

B. Contributions and Reserves

Broomfield's funding policy is to provide for periodic employer contributions to accumulate sufficient assets to pay benefits when due. The required contributions are determined using the pre-determined monthly benefit payments plus a maximum cost of living adjustment of 3.00%.

Prior to November 14, 2000, each member of the Police Department who was hired before April 7, 1978, and who was enrolled in the Policemen's Pension Fund was required to pay 10.0% of their salary to the Fund, to be deducted from the employee's paycheck. In addition, Broomfield contributed 13.829% of the monthly salaries paid to enrolled members to the Policemen's Pension Fund. On November 14, 2000, the plan was amended to allow a partial termination. All active participants were given distributions representing their vested interest in the plan. With no active participants remaining, Broomfield will fund amounts annually to cover the annuity payments for retirees and beneficiaries remaining in the plan.

There are no active employees in the Broomfield Policemen's Pension Fund. Due to the limited number of surviving retired participants and the fact that no new participants are allowed, an actuarial study was not conducted. Valuation of assets is taken as Fund Balance at the balance sheet date.

Yearly liability is estimated as four times fourth quarter benefit payments times 1.03 (maximum cost-of-living increase allowed by plan is set at 3%). The yearly expected liability is funded with a yearly one-time employer contribution to the plan. In 2011, Broomfield funded the Broomfield Policemen's Pension Plan with \$72,000. At December 31, 2011, Net Assets were \$15,852. Actual 2011 Benefit Payments were \$71,492. In 2011, Legal and Administrative Expenses were \$1,446. In 2011, earnings were \$1,285. Broomfield contributed 1.01% of 2012 benefit payments. The cost of living increase effective 4/1/2012 is 2.93%. The 2012 liability is calculated to be \$72,496, based on 4th quarter funding annualized and multiplied by cost of living adjustment. The plan was funded at \$72,000 for 2012.

Financial reports including applicable financial statements and required supplementary information for the City of Broomfield Policemen's Pension Plan GA2161 may be obtained by contacting:

Ameritas Life Insurance Corp.
One Ameritas Way, PO Box 81889
Lincoln, Nebraska 68501-1889

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Policemen's Pension Fund (Pre-April 7, 1978) (Continued)

B. Contributions and Reserves (Continued)

<u>Year</u>	Employee Membership Data				<u>Total</u>
	<u>Retiree and Beneficiaries</u>	<u>Terminated Employees</u>		<u>Active</u>	
	<u>Currently Receiving Benefits</u>	<u>Entitled to Benefits But Not Yet Receiving Benefits</u>		<u>Employees</u>	
2001	5	1		0	6
2002	5	0		0	5
2003	5	0		0	5
2004	5	0		0	5
2005	5	0		0	5
2006	5	0		0	5
2007	5	0		0	5
2008	5	0		0	5
2009	5	0		0	5
2010	5	0		0	5
2011	5	0		0	5

Broomfield Money Purchase Plan for "New Hire" Police Officers
(Hired on or after April 8, 1978)

A. Plan Description

Police officers hired on or after April 8, 1978 unanimously voted to withdraw from the State of Colorado Fire and Police Pension Association. This plan is a single employer defined contribution plan that was approved by the City Council effective January 1, 1988. On November 14, 2000 the plan was amended to include officers employed as of that date who were previously covered under the Policemen's Pension Fund (pre-April 7, 1978) plan.

The general management and control of the Money Purchase Plan for "New Hire" Police Officers is vested in a pension committee consisting of five persons: three employees elected by the active participants in the plan, the City Manager or his designee, and the Director of Human Resources. The Pension Committee appointed Wells Fargo Retirement Plan Services to establish the trust fund and administer the fund's assets.

The purpose of this defined contribution plan and trust is to provide funds for retirement of covered employees and to provide funds for their beneficiaries in the event of death. The members are required to contribute 10.0% of their base salary and Broomfield matches this contribution with 10.0%. The Plan provides for the employer to pick up the employee's 10% contribution; therefore, such employee's contribution is not includable as taxable income. An employee shall have a non-forfeitable interest in the percentage of his employer contribution account determined pursuant to the following vesting schedule:

<u>Consecutive Years of Service</u>	<u>Vested %</u>
Under 3 years	0%
3 yrs. but less than four	20%
4 yrs. but less than five	40%
5 yrs. but less than six	60%
6 yrs. but less than seven	80%
7 yrs. or more	100%

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Money Purchase Plan for “New Hire” Police Officers
(Hired on or after April 8, 1978)

A. Plan Description (Continued)

Voluntary employee contributions. An employee may make voluntary contributions under the plan for any plan year in any amount up to the maximum percentage of compensation permitted by law. Such contributions shall be accounted for separately in the voluntary contribution sub-account. Such sub-account shall be at all times non-forfeitable by the employee.

Changes in voluntary contributions. An employee may elect to change his or her voluntary contribution rate, provided that only one such change shall be allowed during any plan year. An employee may discontinue voluntary contributions at any time. Once an employee discontinues voluntary contributions, he or she may not resume voluntary contributions for six calendar months.

An employee shall have a non-forfeitable interest in his/her entire employer contribution account, which has not been forfeited previously, if he/she is employed by Broomfield when he/she becomes disabled or dies.

The plan provides for the Trustee to make a loan to any participant. Each loan shall be made upon written application of the participant and shall be subject to the approval of the plan administrator.

The distribution of an employee's account shall normally commence 60 days after the close of the Plan year during which the latter of the following events occur:

1. Employee attains age 55
2. Employee separates from service

The employee may elect to have his or her benefits distributed at a later date or make a rollover contribution to a new employer's plan, provided that the new employer certifies to the trustee that its plan provides for the acceptance of a qualifying rollover distribution.

Employees who separate from service and who have a combined non-forfeitable interest of less than \$5,000 shall be paid their lump sum value within 60 days after the close of the plan year. The FPPA of the State of Colorado continues to provide death and disability benefits to all police officers in accordance with state statutes, Section 31-30-1008, C.R.S. Survivors' benefits are available for spouses, dependent parents, and children under the age of 18.

B. Summary of Significant Accounting Policies

The Plan's assets are administered by Wells Fargo Retirement Plan Services and the financial statements are prepared using the accrual basis of accounting. The equity securities and fixed income securities are reported at fair value. Contributions are wired to the administrator bi-weekly and recognized as revenue at the time they are received; investment income is recognized at the time it was earned; gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. As of each accounting date, the trust assets held in each investment fund offered shall be valued, by the trustee, at fair market value, and the investment income and gains or losses for each fund shall be determined. Such investment income and gains or losses shall be allocated proportionately among all account balances on a fund-by-fund basis. The allocation shall be in the proportion that each such account's portion of a given fund bears to the total fund, as of the immediately preceding accounting date.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Money Purchase Plan for “New Hire” Police Officers
(Hired on or after April 8, 1978) (Continued)

B. Summary of Significant Accounting Policies (Continued)

Employees have the following investment options available:

CITY AND COUNTY OF BROOMFIELD PEACE OFFICERS MP PLAN
INVESTMENT PERFORMANCE HISTORY
Performance Data as of 12/31/2011

<u>Investment Name</u>	<u>Prior 3 Months</u>	<u>Prior 12 Months</u>	<u>Prior 3 Years</u>	<u>Prior 5 Years</u>	<u>Prior 10 Years</u>
Wells Fargo Stable Return G	0.57%	2.45%	2.97%	3.72%	4.28%
PIMCO Total Return	2.16%	3.91%	8.60%	7.82%	6.53%
Wells Fargo Total Return Bond Adm	1.29%	8.30%	8.87%	7.15%	6.09%
Oakmark Equity & Income (I)	8.97%	0.64%	9.71%	4.39%	7.10%
WF Advtg Dow Jones Trgt Today	1.90%	4.42%	7.12%	4.69%	4.43%
WF Advtg Dow Jones Trgt 2010	2.52%	3.70%	8.30%	3.86%	4.22%
WF Advtg Dow Jones Trgt 2020	4.25%	1.34%	10.42%	2.41%	3.93%
WF Advtg Dow Jones Trgt 2030	6.68%	-1.72%	12.88%	1.16%	3.69%
WF Advtg Dow Jones Trgt 2040	8.20%	-4.03%	14.08%	0.40%	3.58%
WF Advtg Dow Jones Trgt 2050	8.46%	-4.47%	14.06%	NA	NA
American Century Sm Cap Value	14.51%	-6.73%	17.12%	2.49%	7.60%
JP Morgan Large Cap Growth Select	9.18%	2.90%	19.37%	4.93%	3.29%
Janus Twenty (T)	8.13%	-8.19%	12.06%	2.11%	4.87%
MFS Value A	11.73%	-0.21%	10.23%	-0.65%	4.39%
Wells Fargo S&P Midcap Index N	12.88%	-2.06%	19.14%	2.99%	6.71%
WF Advantage Index - Admin	11.68%	1.90%	13.88%	-0.49%	2.63%
WF Advantage Small Cap Opp-Adm	13.90%	-4.40%	15.62%	3.07%	7.72%
American Funds EuroPacific Grw	4.53%	-13.61%	9.55%	-1.46%	6.51%
Janus Overseas (T)	0.30%	-32.78%	12.61%	-2.92%	7.57%
Prudential Global Real Estate Z	8.53%	-5.47%	16.39%	-3.92%	11.11%
T Rowe Price Emrging Mrkts Stock	5.15%	-18.84%	21.27%	0.12%	12.98%

C. Funding Status and Progress

The funding level of 10.0% for employees' and 10.0% for employer's contributions has been budgeted for 2012. Broomfield's contribution to the Broomfield Money Purchase Plan for “New Hire” Police Officers in 2011 was \$1,053,515.

An actuarial report is not required for this plan since it is established as a defined contribution plan and meets the requirements as a money purchase plan. Broomfield received a favorable determination letter from the Department of the Treasury (IRS) which indicated that the terms of the Plan conform to the Internal Revenue Code section 1.401(b)(3).

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Money Purchase Plan for “New Hire” Police Officers
(Hired on or after April 8, 1978) (Continued)

C. Funding Status and Progress (Continued)

Employees participating in the Plan are entitled to the amount in the employee contribution account, employee voluntary contribution account, and the vested portion of the employer contribution account, including the amount credited from FPPA refunds, and including any gains, losses, expenses, or increases or decreases in fair value attributable to investment of the accounts. In no event shall Broomfield's liability to pay benefits exceed the value of the employees' accounts; Broomfield shall not be liable for losses, depreciation, or shrinkage in the value of any investment under the Plan.

Financial reports including applicable financial statements and required supplementary information for the City of Broomfield Colorado Pension Plan for City Employees may be obtained by contacting:

Wells Fargo Institutional Trust Services
1740 Broadway, C7300-105
Denver, CO 80274

Broomfield Employees' Money Purchase Plan

A. Plan Description

Broomfield Employees' Money Purchase Plan is a defined contribution plan that was approved by the City Council effective January 1, 1994. The purpose of this defined contribution plan and trust is to provide funds for retirement of covered employees and to provide funds for their beneficiaries in the event of death. Participants of the plan are full-time permanent employees who are not covered under Broomfield's two police pension plans.

The general management of the Employee Money Purchase Plan is administered by the trustee, Wells Fargo Retirement Plan Services.

Prior to March 28, 2000, employees were required to contribute 4% of their base salary and Broomfield contributed 2% to each participant. On March 28, 2000, the plan was amended as follows: Employees who elected to remain participants in the Employees' Pension Plan are required to participate in the Employees' Money Purchase Plan by contributing 4% of their base salary and Broomfield contributes 2% to each participant's account in the Employees' Money Purchase Plan. All employees hired after May 31, 2000, and those employees who have elected to transfer their vested balance from the Employees' Pension Plan into the Employees' Money Purchase Plan are required to contribute 10.5% of their base salary and Broomfield contributes 6.46% into each participant's account in the Employees' Money Purchase Plan. On November 26, 2002, City Council adopted an ordinance related to an amendment to the Employee Money Purchase Pension Plan. This ordinance impacts only the Employee Money Purchase Plan for General Employees and provides for the following changes:

- An option was made available to participants who were making mandatory contributions to the Plan at a level of 10.50% to reduce their contribution level to 6.00%. Any participant making this election must execute an irrevocable election form changing their contribution level. For employees electing the reduction in their mandatory contribution rate, the employer contribution rate will be reduced from 6.46% to 6.00%.
- Beginning January 8, 2003, all employees who make the irrevocable election or are hired on or after January 8, 2003, will be required to contribute at the 6.00% level (with corresponding employer contributions at 6.00%).

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Money Purchase Plan (Continued)

A. Plan Description (Continued)

The plan provides for the employer to "pick up" the employee's contribution under Section 414(h) of the IRS code; therefore such employee's contribution is not includable as taxable income. An employee shall have a non-forfeitable interest in the percentage of his employer contribution account determined pursuant to the following vesting schedule:

<u>Consecutive Years of Service</u>	<u>Vested %</u>
1 year or more	20%
2 years or more	40%
3 years or more	60%
4 years or more	80%
5 years or more	100%

An employee and their beneficiaries shall have a non-forfeitable interest in the entire employer contribution account if he is employed by Broomfield when he becomes disabled or dies.

Voluntary after-tax employee contributions. A participant may make voluntary after-tax contributions to the plan. Such contributions shall not exceed the maximum percentage of compensation permitted by law and will be subject to the limitations on allocations described in plan documents. Voluntary contributions shall be accounted for separately in the voluntary after-tax contribution sub-account and shall be at all times non-forfeitable by the employee.

Changes in voluntary contributions. A participant may elect to change his or her voluntary contribution rate, provided that only one such change shall be allowed during any plan year. A participant may discontinue voluntary contributions at any time; however, once discontinued, a participant cannot resume voluntary contributions for six calendar months.

The plan provides for the Trustee to make a loan to any active participant. Each loan shall be made upon the written application of the participant and shall be subject to the approval of the plan administrator. Loans shall:

1. Be secured by the participant's vested accrued benefit and bear a reasonable rate of interest.
2. Require that repayment (principal and interest) be amortized in level payments, not less than monthly, over a period not extending beyond five years from the date of the loan, unless the loan is for the sole purpose of buying the principal residence of the participant.
3. Not exceed \$50,000 or 50% of the participant's vested accrued benefit, whichever is less.

The distribution of an employee's account shall normally commence when the following occurs:

1. Employee attains age 65.
2. Employee attains age 55, and is credited with five years of service.
3. Employee separates from service.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Money Purchase Plan (Continued)

The employee may elect to make a rollover contribution to a new employer's plan, provided that the new employer certifies to the trustee that its plan provides for acceptance of a qualifying rollover distribution. Additionally, the employee may elect to make a rollover contribution to an Individual Retirement Account (IRA).

B. Summary of Significant Accounting Policies

The Plan's assets are administered by Wells Fargo Retirement Plan Services and the financial statements are prepared using the accrual basis of accounting. The equity securities and fixed income securities are reported at fair value. Contributions are wired to the trustee bi-weekly and recognized at the time they are received; investment income is recognized at the time it was earned; gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. All accounts are valued by Wells Fargo Retirement Plan Services quarterly.

Employees have the following investment options available:

CITY & COUNTY OF BROOMFIELD MONEY PURCHASE PLAN
INVESTMENT PERFORMANCE HISTORY
Performance Data as of 12/31/2011

<u>Investment Name</u>	<u>Prior 3 Months</u>	<u>Prior 12 Months</u>	<u>Prior 3 Years</u>	<u>Prior 5 Years</u>	<u>Prior 10 Years</u>
WF Coll Stable Return (N4)	0.47%	2.04%	2.56%	3.30%	3.86%
Dreyfus Int Term Income (A)	0.74%	7.30%	11.06%	6.14%	5.61%
WF Advtg Dow Jones Trgt Today	1.90%	4.42%	7.12%	4.69%	4.43%
WF Advtg Dow Jones Trgt 2010	2.52%	3.70%	8.30%	3.86%	4.22%
WF Advtg Dow Jones Trgt 2020	4.25%	1.34%	10.42%	2.41%	3.93%
WF Advtg Dow Jones Trgt 2030	6.68%	-1.72%	12.88%	1.16%	3.69%
WF Advtg Dow Jones Trgt 2040	8.20%	-4.03%	14.08%	0.40%	3.58%
WF Advtg Dow Jones Trgt 2050	8.46%	-4.47%	14.06%	NA	NA
Amercian Century Sm Cap Value	14.51%	-6.73%	17.12%	2.49%	7.60%
Baron Small Cap	12.30%	-1.58%	18.01%	1.87%	7.37%
Dodge & Cox Stock Fund	11.17%	-4.08%	12.63%	-4.10%	4.03%
Federated Capital Appreciation	8.70%	-5.24%	6.77%	-0.89%	2.00%
Janus Twenty (T) JAVLX	8.13%	-8.19%	12.06%	2.11%	4.87%
Morgan Stanley Mid Cap Growth	3.31%	-7.11%	25.33%	4.90%	7.00%
MFS Value R3	11.71%	-0.20%	10.24%	-0.65%	4.39%
T. Rowe Price Mid Cap Value	8.91%	-5.02%	17.32%	1.14%	7.73%
WF Advantage Index Fund - Adm	11.68%	1.90%	13.88%	-0.49%	2.63%
WF Advantage Capital Growth	9.61%	-5.46%	14.41%	-0.64%	3.12%
American Europacific Growth	4.53%	-13.61%	9.55%	-1.46%	6.51%
T Rowe Price Emrging Mrkts Stock	5.15%	-18.84%	21.27%	0.12%	12.98%
Virtus Real Estate Sec (A)	16.37%	9.63%	21.42%	-1.18%	11.60%

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 9: RETIREMENT PLANS (CONTINUED)

Broomfield Employees' Money Purchase Plan (Continued)

C. Funding Status and Progress

A summary of the current contribution requirements are as follows:

	<u>Employees'</u> <u>Contributions</u>	<u>Employer's</u> <u>Contributions</u>
Employees participating in both the Employees' Pension Plan and the Employees' Money Purchase Plan	4.00%	2.00%
Employees participating in only the Employees' Money Purchase Plan, electing not to execute an irrevocable election form changing their contribution level	10.50%	6.46%
Employees participating in only the Employees' Money Purchase Plan, electing to execute an irrevocable election form changing their contribution level, and for all general employees hired on or after January 8, 2003	6.00%	6.00%

Broomfield's contribution to the Broomfield Employee's Money Purchase Plan for 2011 was \$1,354,001.

An actuarial report is not required for this plan since it is established as a defined contribution plan and meets the requirements as a money purchase plan. Broomfield's plan conforms with the requirements of the Internal Revenue Code Section 1.401(a) and employee contributions to the Trust are tax-deferred under Section 414(h).

Financial reports including applicable financial statements and required supplementary information for the City of Broomfield Colorado Pension Plan for City Employees may be obtained by contacting:

Wells Fargo Institutional Trust Services
1740 Broadway, C7300-105
Denver, CO 80274

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 10: CITY AND COUNTY OF BROOMFIELD EMPLOYEES' MEDICAL CARE EXPENSE PLAN

A. Plan Description

Broomfield initiated a self-funded health plan (Plan) in January 1982, in order to contain rising health care costs. The partially self-funded plan provides a very competitive health benefit design at an affordable funding level. A Board of Trustees administers the Plan pursuant to the provisions of the Municipal Code: five members - consisting of one member from City Council, the Director of Finance or designee, the Director of Human Resources or designee, and two employee representatives. The self-funded plan enables Broomfield to manage health care costs by enacting Plan amendments in the following areas:

1. Plan design - changing the balance of cost-sharing between Broomfield and employees; initiating incentives to employees for saving costs.
2. Medical intervention - Plan features which encourage employees to seek second surgical opinions and require mandatory review of all non-emergency hospitalization and continued stay review of all hospitalizations.
3. Claims management - using data analysis of medical claims to identify potential problem areas.
4. Claims administration - improving procedures to insure that improper claims are not paid and that benefit payments are coordinated with other insurance companies to insure liability for payment is transferred to the proper company.
5. Lifestyle/Wellness - programs to detect and prevent disease and encourage good health habits in employees.
6. Communications - educating and encouraging employees to become better consumers of health care.

The Board of Trustees has recommended the purchase of aggregate and specific reinsurance (stop-loss coverage) to minimize the exposure to risk. The reinsurance package removes the danger of financial burdens resulting from excessive claims since the insurance carrier must reimburse Broomfield for claims paid above the following predetermined amounts:

- Aggregate reinsurance -- The aggregate attachment point for 2011 based on actual enrollment was \$4,606,397.
- Specific reinsurance – The specific (individual) stop loss was \$100,000 for 2010. The 2011 specific stop loss is \$100,000. Specific stop loss can be satisfied by one individual or by all family members combined.

The Board of Trustees has established the following guidelines for determining the recommended funding level:

1. Fund to 100% of the aggregate attachment point to provide maximum financial protection in the case of catastrophic losses.
2. Fund to cover anticipated increases to operating costs; claim cost increases; aggregate reinsurance cost increases; specific reinsurance increases; claims administration and Plan Consultant cost increases; and any increases to the cost containment program.
3. Incurred but unreported claim reserve to provide adequate protection for payment of claims if the Plan is terminated (3 months of anticipated claims costs).

The recommended funding level is proposed by the Board of Trustees to the City Manager and City Council and the final decision is made based on a review of the recommendations, the Plan's history of actual expenditures incurred and the current fund balance. A reconciliation of changes in the liability for claims follows:

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 10: CITY AND COUNTY OF BROOMFIELD EMPLOYEES' MEDICAL CARE EXPENSE PLAN (CONTINUED)

A. Plan Description (Continued)

Claims Payable at 12/31/09	\$261,280
Plus Claims Incurred	3,510,601
Less Benefits Paid	<u>(3,236,426)</u>
Claims Payable at 12/31/10	535,455
Plus Claims Incurred	4,472,896
Less Benefits Paid	<u>(4,659,252)</u>
Claims Payable at 12/31/11	<u><u>\$349,099</u></u>

NOTE 11: CONTINGENT LIABILITIES

Broomfield is a defendant in miscellaneous litigation covering various matters. In the opinion of management and legal counsel, it is expected that the final settlement of these matters will not materially affect the financial statements of Broomfield.

Under the 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 grant. Such audits could lead to reimbursements to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management believes disallowances, if any resulting from any such audits would be immaterial.

NOTE 12: DEVELOPER CONTRIBUTIONS

During the year, developer contributions in the Enterprise funds increased by the following amounts:

<u>Source</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Water Reclamation</u>	<u>Totals</u>
Developer contributions included in net income for the year ended:				
December 31, 2002	\$186,304,557	\$85,084,836	\$21,485,763	\$292,875,156
December 31, 2003	14,950,420	6,769,740	871,833	22,591,993
Adjustment to Prior Period	(532,463)		532,463	
December 31, 2004	16,480,376	9,696,473	1,609,183	27,786,032
December 31, 2005	21,591,284	9,107,981	649,431	31,348,696
December 31, 2006	22,028,481	9,416,811	745,705	32,190,997
December 31, 2007	17,609,516	8,375,296	2,269,536	28,254,348
December 31, 2008	21,042,944	17,642,259	1,960,310	40,645,513
December 31, 2009	18,885,455	30,014,950	26,590,005	75,490,410
December 31, 2010	5,284,251	2,722,868	1,909,655	9,916,774
December 31, 2011	<u>7,392,939</u>	<u>4,736,567</u>	<u>2,300,000</u>	<u>14,429,506</u>
Total Developer Contributions	<u><u>\$331,037,760</u></u>	<u><u>\$183,567,781</u></u>	<u><u>\$60,923,884</u></u>	<u><u>\$575,529,425</u></u>

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 13: RISK MANAGEMENT

Broomfield is exposed to various risks of loss related to torts; theft of, damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters. On January 7, 1986, the City Council authorized Broomfield to participate in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). A separate and independent governmental and legal entity, which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, C.R.S., as amended, 29-1-101 et. seq., C.R.S., as amended, 29-13-102, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2).

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss to the limit of the financial resources of CIRSA. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

The scope, terms, conditions, and limitations of the coverage are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents. There has been no change in the deductibles or coverages over the last three years. The types and monetary limits of the coverage are generally described below.

A. Types of Coverage (subject to the limit of CIRSA's liability as described in Section B below)

1. Property coverage.
2. Liability coverage:
 - a. General liability.
 - b. Auto liability.
 - c. Law enforcement liability.
 - d. Public official errors and omissions liability.
 - e. Excess liability (for federal and out-of state public officials' claims and federal and out-of-state law enforcement).
3. Crime coverage (including employee dishonesty and money and securities).

B. Excess Insurers, Aggregate Limits and Member Deductibles

For the coverages described in Section A, CIRSA is liable only for payment of the applicable self-insured retentions and only to a total annual aggregate amount for CIRSA members as a whole of the amount of the applicable CIRSA loss fund for the coverage period. There is no aggregate excess coverage over any loss fund.

Coverage in excess of this CIRSA self-insured retention is provided only by the applicable excess insurers in applicable excess policies, and payable only by those excess insurers. In the past 3 years Broomfield had no settlements that exceeded insurance coverage.

A member selected deductible applies to each municipality's claims/occurrences. Payment of the deductible shall reduce the amount otherwise payable under the applicable CIRSA retention.

2011 CIRSA SELF-INSURED RETENTIONS:

1. \$500,000 per claim/occurrence property
2. \$600,000 per claim/occurrence liability
3. \$600,000 per claim/occurrence public officials' liability
4. \$150,000 per claim/occurrence crime

2011 CIRSA LOSS FUND AMOUNTS:

Loss fund amounts are as adopted or amended from time to time by the Board of Directors based on the members in the property/casualty pool for the year and interest earnings on those amounts. Information on current loss fund amounts is available from the CIRSA Deputy Executive Director/Chief Financial Officer, at (303) 757-5475.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 13: RISK MANAGEMENT (CONTINUED)

C. Excess Liability Coverage

Additional coverage in “excess” of the foregoing underlying coverage is provided by RSUI Indemnity Insurance Company, Discover Property & Casualty Insurance Company and AIG.

The coverage includes:

1. Property/excess property to \$500.5 million per claim/occurrence.
2. General/auto liability (claims subject to the Governmental Immunity Act): to \$150,000 per person and \$600,000 per occurrence.
3. General (claims not subject to the Governmental Immunity Act): to \$5 million per claim/occurrence.
4. Auto liability (claims not subject to the Governmental Immunity Act): to \$1.5 million per claim/occurrence.
5. Excess law enforcement liability and public officials’ errors and omissions liability coverage: to \$5 million per claim/occurrence
6. Excess Crime: to \$2 million per claim/occurrence.

Losses incurred in excess of loss finds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

There is a deductible paid by the municipality of \$150,000 (liability) and \$150,000 (property), which applies to each of its claims/occurrences. In the past 3 years, Broomfield has made one settlement that exceeded excess liability coverages. No payments were made against this claim in 2011.

Broomfield continues to carry commercial insurance for Workers’ Compensation and accident insurance for volunteer and service workers. Furthermore, Broomfield offers each full-time employee health insurance with a commercial carrier or a City self-funded health plan (see Note 10).

NOTE 14: JOINT VENTURES

A. Northern Colorado Water Conservancy Sub-district (Windy Gap Project)

The Municipal Sub-district, Northern Colorado Water Conservancy District (Sub-district), was established July 6, 1970, pursuant to the Water Conservancy District Act. The sub-district is a political subdivision of the State of Colorado. In 1989, Broomfield purchased 13 allotment contracts from the City of Greeley, Colorado, and Broomfield’s petition to enter the sub-district was approved. In 1991, Broomfield also purchased 43 allotment contracts from the City of Boulder, Colorado. Broomfield is an 11.67% participant in the Sub-district and has invested \$31,428,921 in Sub-district water rights to date; however Broomfield has no equity interest in the Sub-district. The Sub-district currently provides a supplemental water supply for the cities of Boulder, Broomfield, Greeley, Longmont, Loveland, the Town of Estes Park, the Platte River Power Authority, and various other domestic water suppliers.

The governing board of the Sub-district is a Board of twelve (12) directors appointed for four-year terms by the presiding State District Court Judges of each of the four judicial districts located wholly or partly within the boundaries of the Northern Colorado Water Conservancy District. Officers are elected by the Board of Directors at its annual meeting. Broomfield and other participating entities have no control over the Sub-district’s budgeting or financing.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 14: JOINT VENTURES (CONTINUED)

A. Northern Colorado Water Conservancy Sub-district (Windy Gap Project) (Continued)

The Sub-district had \$56,698,995 in outstanding water revenue bonds payable as of September 30, 2011. The participants have agreed to service this debt and pay operating expenses through water allotment contracts. The water allotment contracts are not debts of the participants and do not obligate them to make payments from taxes which would be otherwise available for the general purpose of the participants. The contracts merely authorize the Sub-district to levy and collect within the boundaries of the participants assessments of the Sub-district. If the participants fail to make the payments required by these contracts, the Sub-district may assess the property owners within Broomfield directly.

The Board of Directors adopted a September 30th, rather than December 31st, year-end date. For a copy of the Sub-district's financial statements, contact John Budde 970-622-2253. The key financial data for the year ended September 30, 2011, from the audited financial statements of the Sub-district are as follows:

Current Assets	\$18,707,770
Other Assets	62,331,580
Total Assets	<u>81,039,350</u>
Current Liabilities	9,532,112
Non-current Liabilities	50,073,995
Total Liabilities	<u>59,606,107</u>
Net Assets	<u><u>\$21,433,243</u></u>
Operating Revenues	\$13,538,859
Operating Expenses	5,616,304
Operating Income	7,922,555
Non-operating Revenue and Expenses	<u>(2,863,781)</u>
Change in Net Assets	5,058,774
Net Assets, Beginning of Year	<u>16,374,469</u>
Net Assets, End of Year	<u><u>\$21,433,243</u></u>

B. Broomfield-Westminster Open Space Foundation

The Broomfield-Westminster Open Space Foundation (Foundation) was established December 14, 2005, for the purpose of financing and leasing real property to be used as open space for Broomfield and the City of Westminster, Colorado (Westminster). The Foundation is a Colorado nonprofit corporation established by council action of both participants. The initial action of the Foundation involved acquisition of approximately 150 acres of undeveloped land for open space purposes. The Board of Directors of the Foundation is composed of an equal number of Directors from Broomfield and Westminster and one Director who is not an employee or resident of either joint venture party. Participation in financing for the operating expenditures of the Foundation is shared equally between Broomfield and Westminster.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 14: JOINT VENTURES (CONTINUED)

B. Broomfield-Westminster Open Space Foundation (Continued)

On April 24, 2006, the Foundation purchased open space land at a cost of \$10,613,691. Financing for this purchase was structured through grant funds and the issuance of \$9,500,000 in Certificates of Participation (COPs) by the Foundation. As long as the COPs are outstanding, the Foundation owns the property acquired. In accordance with a Lease Agreement between the Foundation (the Lessor), Broomfield and Westminster (jointly referred to as the Lessees), the Lessees' obligations to pay Base Rentals in support of the Foundation's COP repayments are from year to year only, subject to each of the Lessees' annual right to renew the Lease. The Lessees are under no obligation to exercise their option to purchase the property acquired by the Foundation. Once the COPs have matured, if both Lessees have made all of their corresponding lease payments to the Foundation, Broomfield and Westminster will each own an undivided 50% interest in the property. If either Lessee does not make their lease payments when due, the other Lessee has the option to make a substitute payment and receive an increase in eventual ownership of the property. As of December 31, 2011, Broomfield's equity interest in the joint venture (50% of the net assets) equaled \$2,916,078.

The following schedule represents the financial position of the Foundation as of December 31, 2011. Financial reports for the Broomfield-Westminster Open Space Foundation may be obtained by contacting:

City and County of Broomfield
 Finance Director
 One DesCombes Drive
 Broomfield, CO 80020

Broomfield-Westminster Open Space Foundation	
Current Assets	\$1,108,202
Other Assets	10,818,126
Total Assets	11,926,328
Current Liabilities	719,173
Long Term Liabilities	5,375,000
Total Liabilities	6,094,173
Net Assets	\$5,832,155
Operating Revenues	\$1,022,903
Operating Expenses	18,288
Operating Income	1,004,615
Non Operating Revenues Under Expenditures	(293,643)
Change in Net Assets	710,972
Net Assets, Beginning of Year	5,121,183
Net Assets, End of Year	\$5,832,155

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 15: COMMITMENTS

A. Municipal Sub-district - Northern Colorado Water Conservancy District (Windy Gap Project)

Broomfield has complied with its contractual obligations surrounding the Windy Gap Project. The annual allotment payments have been recorded as capital expenditures for water rights in the Water Proprietary Fund. Payments to the Municipal Sub-district in 2011 were \$268,538.

Broomfield's allotment payments to service its portion of the Municipal Sub-district debt for the contracts purchased from the City of Greeley through the year 2016 is as follows:

<u>Year</u>	<u>Payment</u>
2012	\$268,760
2013	268,748
2014	268,653
2015	268,938
2016	275,918
2017*	276,270
Total	<u><u>\$1,627,287</u></u>

*Debt Service payments for the year 2017 are to be made from the Municipal Sub-district's debt reserve fund.

B. Broomfield-Westminster Open Space Foundation

Broomfield has complied with its obligations associated with the lease payments in support of the Broomfield-Westminster Open Space Foundation (the Foundation) acquisition of property. The annual lease payments have been recorded as an adjustment to the investment in joint venture assets in the governmental financial statements. Payments to the Foundation in 2011 were \$346,111.

Broomfield's lease payments to support the Foundation payments on the outstanding Certificates of Participation through 2025 are as follows:

<u>Year</u>	<u>Payment</u>
2012	\$342,111
2013	342,861
2014	344,574
2015	345,861
2016	346,724
Subtotal	<u>1,722,131</u>
2017-2021	1,724,086
2022-2025	1,378,625
Total	<u><u>\$4,824,842</u></u>

C. Construction Contracts

Broomfield has \$5,351,800 in outstanding contracts with various contractors. Enterprise contracts comprise \$247,402 and Governmental fund type contracts comprise \$5,104,398.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. On November 2, 1993, Broomfield voters approved a ballot question relieving Broomfield of many of the amendment's revenue raising and spending restrictions. Broomfield believes it is in compliance with the remaining requirements of the amendment. However, Broomfield has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2011, the amount required as Emergency Reserves in compliance with the amendment is \$3,671,054. This amount is disclosed as restricted net assets on the Statement of Net Assets and committed fund balance on the Governmental Fund Balance Sheet.

NOTE 17: COMPLIANCE WITH DEBT COVENANTS

Broomfield's Sewer Enterprise fund is in compliance with its covenants and obligations under the Colorado Water Resources and Power Authority Note Payable. The agreement establishes that the Sewer Enterprise Fund maintain funds for three months of operations budgeted for the current calendar year but in no event greater than \$1,250,000.

NOTE 18: DEVELOPMENT AGREEMENTS

Broomfield is involved in several Development agreements to promote growth within Broomfield. All of these agreements are structured so that future revenues are committed to meet development obligations, but only as the revenues are earned. If revenues are not earned from the sources outlined in the agreements, Broomfield is not obligated to fund the expenditures from other sources. Any revenues collected which have not yet been spent to meet obligations per the agreements are carried in fund balance in the Sales and Use Tax Fund. The obligations to be repaid through these future revenues and the funding sources committed are summarized below. Following the narratives is a table that outlines the status of each of the agreements as of December 31, 2011.

Adams County School District 12

The agreement provides for cost sharing within the school district boundaries for construction of joint use facilities and infrastructure improvements for new schools. As Service Expansion Fees (SEF) are collected, they are reserved for projects determined jointly by Broomfield's City Council and the Adams County School District Board of Directors.

Anthem (Preble Creek)

The developer has agreed to construct street improvements in the amount of \$43 million. Broomfield has agreed to reimburse the developer \$20.22 million, plus interest at approximately 6% to the extent that revenues are available. The following are identified as payment sources: 50% of Broomfield's 3.75% Sales Tax (net of the .25% open space portion), 70% of Broomfield's 3.75% Building Use Tax (net of the .25% open space portion), and 50% of SEF revenues generated from this development. The agreement terminates upon payment of the reimbursement amount, or in the year 2025 – whichever occurs first.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

Arista Metro District (Park 36 Metro District/Broomfield Urban Transit Village)

The developer is responsible for substantial up-front investments in public and private infrastructure improvements for the Arista project (previously Broomfield Urban Transit Village/Park 36 Metro District). The metro district changed its legal name to Arista Metro District in August 2005. The total costs of the public infrastructure improvements are estimated to be \$36,950,000. The funding source, for the reimbursements, is 50% of Broomfield's SEF revenues, 45% of Broomfield's 3.75% Sales Tax (net of the .25% open space portion) and 50% of Broomfield's 3.75% Use Tax (net of the .25% open space portion) collected within the development area. Also, 10% of Broomfield's 3.5% Sales Tax will be shared with BURA to provide additional coverage for the Event Center debt service. The agreement terminates upon payment of the reimbursement amount, or in the year 2028 – whichever occurs first.

Aspen Creek Subdivision

Broomfield agreed to purchase land for an elementary school within the subdivision and for road improvements within the subdivision. Funding sources for the land purchase and improvements are SEF and Use Taxes on building construction collected from parcels within the subdivision. Since inception, the scope of eligible reimbursement costs has expanded to include additional infrastructure improvements. In 2011, it was determined that the developer obligations were complete and no additional amounts were owed to the developer. The balance being held was returned to the originating funds

The Broadlands

Broomfield has agreed to pay the water license fees for the golf course taps located within the development. In addition, costs associated with installation of a water line, water usage for irrigation on the golf course and street improvements were committed. The funding source to pay for these items will come from SEF and Use Taxes on building construction for homes within the subdivision. Since inception, the costs associated with the eligible expenditures for street improvements and golf course water has escalated due to rising construction and water costs.

Broadlands West

The agreement states that Broomfield will fund construction of a playground adjacent to the elementary school and pay for road improvements within the subdivision. Total costs will be funded from SEF collected on homes built within the subdivision. Additionally, due to a timing issue, Broomfield advanced funds and is reimbursing itself for expenditures required to be made on behalf of the school district for playground improvements. In 2011, it was determined that the developer obligations were complete and no additional amounts were owed to the developer. The balance being held was returned to the originating funds

Broomfield Urban Renewal Authority

The City has entered into various cooperation agreements with Broomfield Urban Renewal Authority to allocate specific revenues collected by the City to developers. The developers and the Authority are working together to plan and develop parcels within the urban renewal areas.

Broomfield Village (Koll) and MidCities Metropolitan Districts

On property adjacent to the Flatiron Crossing Mall, (Mainstreet at Flatiron and Flatiron Marketplace) these Metro Districts will develop additional shopping/retail/hotel sites. The Metro Districts are issuing debt to cover public improvements on these sites. The terms of the agreement with the Districts then provide that Broomfield will share in Sales Tax revenues and Use Taxes collected on building construction associated with the development until the Districts' debt is paid.

Country Estates

As Certificates of Occupancy are issued Broomfield's portion of SEF collected is being accumulated to pay for or offset the cost of a soft surface trail from the Crystal Pines Trail through the open space to the Community Ditch Trail.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

Flatiron Crossing Mall/Westcor

In 2002, Broomfield issued sales and use tax bonds to pay off the Flatiron Mall/Westcor development obligation. A portion of sales tax generated from the mall will be used to make the debt service payments.

Green Family Farms

Broomfield has agreed to reimburse the developer for improvements to Zuni Street adjacent to the development. The reimbursement is funded from 50% of the SEF collected from within the 31 lot subdivision.

Geodis Global Solutions

Geodis Global Solutions entered into an investment agreement to relocate from the IMB plant in Boulder to 12303 Airport Way in Broomfield. Reimbursement would include 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Herb's Meat and Specialty Foods

The incentive agreement allowed Herb's Meat and Specialty Foods to relocate from Boulder to the Depot Hill Shopping Center at U.S. Highway 287 and 10th Avenue. Reimbursement would include 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 4 years.

Interlocken 385

Under the terms of the "Southeast Boulder County, South 96th Street, Dillon Road, and US 287 Area Comprehensive Development Plan Intergovernmental Agreement", the City of Broomfield may purchase a 300 foot Right-of-Way (ROW for the Northwest Parkway) through the Trillium and Boulder County Land Venture properties, at the same time Boulder County and Louisville make their purchase. Boulder County will advance funding for the entire purchase of the two properties (including the Northwest Parkway ROW) and has asked Broomfield to enter into an agreement to purchase the Northwest Parkway ROW from Boulder County. Interlocken Ltd has agreed to advance Broomfield \$1,575,000 for the purpose of funding city transportation projects. Broomfield has the discretion to allocate these funds and can use the funds to purchase the ROW. Interlocken may receive a future credit for these funds for additional financial obligation to the city that they might incur if Interlocken obtains approval to modify their Master PUD Plan to increase site coverage and/or density. If no modification occurs within twenty years, the credit will expire.

Lambertson Farms

This development is for up to 554 residential units and 202,939 square feet of commercial property, which would include a new grocery store and inline shops at the northeast corner of Zuni Street and West 136th Avenue. The City has agreed to reimburse the developer up to \$8,272,200 plus interest for public improvements associated with the development. Funding for reimbursement is from 50% of the 3.5% sales tax collected from the commercial development and 50% of the SEF collected on the residential development. The agreement expires in 2029.

Level 3 Communications, Inc.

Per the agreement, Broomfield will reimburse Level 3 Communications, Inc. a projected total amount of \$2,100,000 for costs they incurred building public improvements at their location. Use Taxes on building and construction materials and Property Taxes paid by Level 3 Communications, Inc. for real and personal property will be used to fund the reimbursements. In 2011, it was determined that the developer obligations were complete and no additional amounts were owed to the developer. The balance being held was returned to the originating funds.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

Macerich - Flatiron Crossing Mall Redevelopment

The City entered into an agreement with Macerich, owners of Flatiron Crossing Mall, for a multi-phase project that would include renovation of the old Lord & Taylor space, redevelopment of the Village shopping area and construction of a 140 room hotel on the site. Construction would occur in phases and reimbursement would only occur at the completion of a phase. Funding would be from 50% of the 3.5% sales tax collected within each specific phase. Total estimated cost to Broomfield for all phases would be \$11,124,801 plus interest over 25 years.

McData Corporate Campus

The City Council adopted a resolution outlining a development agreement which will serve as the master agreement governing the Developers' and Broomfield's rights and responsibilities for the proposed Great Western Park/McData Corporate Campus development. Under this agreement, Broomfield will reimburse the Developer for public improvements constructed on the site using 50% of the 3.75% Use Tax (net of the .25% open space portion) paid in the McData project. In addition, Broomfield will rebate McData 50% of the personal property tax liability that they would otherwise be obligated to pay for a period not to exceed four years. In 2011, it was determined that the developer obligations were complete and no additional amounts were owed to the developer. The balance being held was returned to the originating funds.

McKay Landing Subdivision

Broomfield is committed to pay up to \$697,000 for street improvements and a portion of the cost of a pedestrian underpass within this residential subdivision. Funding will be provided by SEF collected on homes built within the development.

MidCities and Broomfield Village (Koll) Metropolitan Districts

On property adjacent to the Flatiron Crossing Mall, (Mainstreet at Flatiron and Flatiron Marketplace) these Metro Districts will develop additional shopping/retail/hotel sites. The Metro Districts are issuing debt to cover public improvements on these sites. The terms of the agreement with the Districts then provide that Broomfield will share in Sales Tax revenues and Use Taxes collected on building construction associated with the development until the Districts' debt is paid.

Miscellaneous/Other

The balance represents the accumulated unallocated interest earnings in the fund.

National Entertainment Network

National Entertainment Network entered into an investment agreement to relocate corporate offices in Broomfield. Reimbursement would include 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Nickel Street Retail

The developer is responsible for significant upgrades to the site and the building, as well as, construction of additional retail structures. This project falls within the Broomfield Retail Center Urban Renewal Plan. Broomfield is to reimburse the developer for public improvements up to \$250,000. These payments are to be funded by 50% of the 3.75% Sales Tax (net of the .25% open space portion) collected by business in the development.

Noodles

Noodles' incentive agreement allowed for the location of their corporate office to Broomfield, includes reimbursement of 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of the facility at 520 Zang Street and 50% of Broomfield's personal property tax levied on the developer's personal property located in Broomfield for a period of 5 years.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

Parkway Circle

The developer will construct infrastructure and utilities. In addition, they will designate 6% of the housing units as affordable housing in lieu of the open/public land dedication. Broomfield is to reimburse developer for infrastructure improvements, plus interest, for Midway Extension, certain sidewalk extensions, Midway & Via Varra utilities, stormwater structure, parking structures, etc. The project maximum reimbursement, which includes interest, is 2.5 times the maximum Net Reimbursement amount of \$11,862,400 or \$29,656,000. If the Metro District issues bonds, the project maximum is 2.7 times or \$32,028,480. These payments are to be funded by 50% of Broomfield's 3.75% Sales Tax (net of the .25% open space portion) collected in the development.

Red Hawk Estates

This agreement is for a small development (approximately 13 residential units) west of Zuni Street at W 155th Place. The City agreed to reimburse the developer 50% of the SEF collected within the development for improvements to Zuni Street adjacent to the project.

Red Leaf

The developer is responsible for street improvements at Lowell Blvd. and 136th Ave. Broomfield will reimburse the developer for one third of these arterial road improvements using 50% of SEF revenues (capital projects portion) generated by the development. The estimated cost of the street improvements is \$1,614,386. Broomfield's estimated share is \$538,128.

Renewable Energy Systems Americas, Inc.

Renewal Energy Systems, American Inc. has an incentive agreement to relocate from Austin, Texas to the Eldorado Ridge II Office Building at 11101 West 120th Avenue. Reimbursement would include 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Spruce Meadows

Broomfield has agreed to reimburse the developer for the installation of asphalt on West 152nd from its terminus in the subdivision to Lowell Boulevard. Funding for the reimbursement is Broomfield's portion of SEF as it is collected from development within the subdivision.

Sun Microsystems

Broomfield has agreed to reimburse Sun Microsystems for certain public improvements they constructed as a result of locating in Broomfield. Costs are expected to total \$5,141,000. The funding source for these reimbursements is Use Taxes on building construction and Property Taxes paid by Sun on real and personal property. Property tax reimbursements were completed in 2006.

TransFirst Holdings

TransFirst Holdings has an investment agreement to relocate from Louisville to 12202 Airport Way in Broomfield. Reimbursement would include 86% of 50% of the 3.5% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Villager Square Strip Retail

The developer will make improvements to the perimeter landscaping, parking lot and building façade and in return will be reimbursed up to \$400,000 for the improvements. Funding for the reimbursement is 50% of the 3.75% city Sales Tax (net of the .25% open space portion) collected on sales above what was collected in 2003 from sales on lots 2, 4, 5 and 10. Interest at 6% of the outstanding balance on the agreement anniversary date will be added annually. Reimbursements are limited to a 16 year term.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

VM Ware

VM Ware's incentive agreement allowed them to locate a software development operation in Broomfield at 380 Interlocken Crescent. Reimbursement would include 50% of the 3.75% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Webroot Software

Webroot Software has an investment agreement to relocate from Boulder to 385 Interlocken Crescent in Broomfield. Reimbursement would include 50% of the 3.5% Use Tax (net of the .25% open space portion) on building materials used in the remodel of their facility and 50% of Broomfield's personal property tax levied on the developer's personal property at the location in Broomfield for a period of 10 years.

Wildgrass/144th and Sheridan Property

The agreement provides for costs associated with construction of the North Sewer Outfall lines, Sheridan Boulevard expansion and design and construction of trails within the property. Funding sources to cover these are SEF and Use Taxes collected from construction associated with development of the property.

Walgreens/Willow Run Retail

The developer is responsible for (1) roadway improvements to 128th Avenue, (2) a contribution of \$30,000 to an existing traffic light at W. 128th and (3) the lowering of a Denver Water vault. Broomfield is to reimburse developer for the median or center one-third of the roadway from 50% of Broomfield's 3.75% Sales Tax (net of the .25% open space portion) from retail sales at the site. In 2011, it was determined that the developer obligations were complete and no additional amounts were owed to the developer. The balance being held was returned to the originating funds.

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CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 18: DEVELOPMENT AGREEMENTS (CONTINUED)

Developer Agreement	Fund Balance			Fund Balance
	2010	Revenues	Expenditures	2011
Adams County 12 School District	\$209,130		\$209,130	
Anthem (Preble Creek)	48,812	\$586,446	48,814	\$586,444
Arista Metro District	125,351	150,783	195,563	80,571
Aspen Creek Subdivision	454,466		454,466	
Broadlands	2,861	27,686	30,547	
Broadlands West	299,778		299,778	
Broomfield Urban Renewal Authority		1,027,234	1,027,234	
Broomfield Village and MidCities Metro District	16,540	1,048,416	1,048,416	16,540
Country Estates		1,832		1,832
Flatiron Crossing Mall/Westcor		5,975,187	5,975,187	
Green Family Farms	5,391	9,699	5,392	9,698
Geodis Global Solutions		529		529
Herb's Meat and Speciality Foods	529	765	1,294	
Interlocken 385		323,926	323,926	
Lambertson Farms		751,122	751,122	
Level 3 Communications, Inc.	46,893		46,893	
Macerich Redevelopment	511,817	289,680	801,497	
McData Corporate Campus	1,088		1,088	
McKay Landing Subdivision	11,827			11,827
MidCities and Broomfield Village Metro District	355,479	1,789,338	1,790,011	354,806
Miscellaneous/Other	1,383,576	274,157	323,927	1,333,806
National Entertainment Network		7,007	7,007	
Nickel Street Retail	333	19,457	19,457	333
Noodles		3,522	3,522	
Parkway Circle	24,173	49,677		73,850
Red Hawk Estates	1,747	6,729	1,747	6,729
Red Leaf	3,400			3,400
Renewal Energy Systems Americas, Inc.		4,119	4,119	
Spruce Meadows	39,031	7,099		46,130
Sun Microsystems	594,403			594,403
TransFirst Holdings		13,398	13,398	
Villager Square Strip Retail		81,042	81,042	
VM Ware		8,322	8,322	
Webroot Software		33,653	33,653	
Wildgrass/144th and Sheridan	84,017	462,626	261,792	284,851
Walgreens/Willow Run	27,400		27,400	
	<u>\$4,248,042</u>	<u>\$12,953,451</u>	<u>\$13,795,744</u>	<u>\$3,405,749</u>

Fund Balance at December 31, 2011 includes an restricted amount of \$3,404,608 and a prepaid amount of \$1,141.

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 19: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2011, expenditures exceeded budgeted appropriations in the Police Money Purchase Trust Fund by (\$123,935); in the Employee Money Purchase Trust Fund by (\$706,265); in the Arista Local Improvement Fund (\$997) and in the Broomfield Urban Renewal Authority Debt Service Fund by (\$116,033).

The excess amount in the Police Money Purchase Trust Fund expenditures was due to higher than anticipated requests for benefit payments, \$106,078. The Trust Fund accounting system records revenue not budgeted, Mutual Fund Rebate income, of \$68,031 and Revenue Sharing fees, not budgeted, of \$37,461.

The excess amount in the Employee Money Purchase Trust Fund expenditures was due to forfeitures, \$50,290, higher than anticipated requests for benefit payments, \$618,069 and Revenue Sharing fees, not budgeted, of \$42,037.

The excess amount in the Arista Local Improvement District consists of receipts collected in excess of budget that are forwarded to the bond trustee for debt service payments (\$997).

The excess amount in the Broomfield Urban Renewal Authority Debt Service Fund was due to higher than budgeted interest costs of \$115,483 on the variable interest rate bonds and higher than anticipated arbitrage costs \$850.

NOTE 20: DEFERRED REVENUE – WATER LEASES

In 2006, Broomfield entered into an intergovernmental agreement with the U.S. Department of Energy (DOE) to lease water and to use Broomfield's water supply infrastructure to make deliveries into the stream system on behalf of DOE in association with the clean up at Rocky Flats. The amount of water leased is 282 acre feet in a given year, with a maximum 10-year average of 120 acre feet. DOE agreed to pay \$2,400,000 in advance for the leased water. The term of the lease is 30 years. The lease was entered into subject to subsequent approval of the State of Colorado Water Court for the proposed use of the water. If DOE terminates the lease within this period, Broomfield is not required to refund any of the advanced payment by DOE unless Broomfield is found to be in breach of the intergovernmental agreement. If Broomfield terminates the lease, other than for breach by DOE, a pro rata portion of the advance lease payment will be refunded to DOE. If the final determination of the Water Court renders it impossible for DOE to fulfill its intent in entering into the intergovernmental agreement with Broomfield, DOE may terminate the agreement and Broomfield will return a pro rata portion of the advanced lease payments to DOE. As of December 31, 2011, \$420,000 was recognized as revenue, \$80,000 in the current year, and \$340,000 in the prior years. The deferred portion of the advanced lease payments carried in the Water Reclamation fund was \$1,980,000.

NOTE 21: SUBSEQUENT EVENT

Issuance of Debt

On March 20, 2012, Broomfield City Council approved Ordinance No. 1954, authorizing the issuance of its Water Revenue Refunding Bonds Series 2012 in the principal amount of \$49,750,000 for the purpose of currently refunding the Water Revenue Bonds Series 2000 outstanding in the principal amount of \$20,655,000 and to advance refund the Water Revenue Bonds Series 2002 outstanding in the principal amount \$31,655,000. The winning bidder was Barclay's Capital, Inc. The bonds bear interest at a coupon rate ranging from 2.0% - 5.0% and mature December 1, 2022. Closing on the new bonds is scheduled on or around April 20, 2012.

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REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A



**CITY AND COUNTY OF BROOMFIELD
REQUIRED SUPPLEMENTARY INFORMATION**

OTHER THAN MD&A

December 31, 2011

Employees' Pension Plan

SCHEDULE OF FUNDING PROGRESS

Employees' Pension Plan	Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	1/1/2011	\$ 8,830,203	14,100,162	5,269,959	62.6%	3,170,995	166.2%
2010	1/1/2010	8,312,850	13,428,447	5,115,597	61.9%	3,288,461	155.6%
2009	1/1/2009	8,030,579	13,457,333	5,426,754	59.7%	3,581,583	151.5%
2008	1/1/2008	9,252,760	11,973,460	2,720,700	77.3%	3,589,625	76.2%
2007	1/1/2007	8,665,952	11,245,885	2,589,933	77.0%	3,708,337	69.8%
2006	1/1/2006	7,978,254	10,704,712	2,726,458	74.5%	3,845,952	70.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
2011	\$ 493,592	89.20%
2010	471,132	86.01%
2009	159,739	151.40%
2008	159,205	151.91%
2007	165,392	135.45%
2006	171,529	119.52%

CITY AND COUNTY OF BROOMFIELD
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A
December 31, 2011

NOTE 1: DESCRIPTION

The historical trend information for the Employees' Pension Plan is presented as required supplementary information. An actuarial study is completed on the Employees' Pension Plan annually in accordance with GASB 50. An actuarial study was completed on the Policemen's Pension Plan through 2001. An actuarial study was not completed on the Policemen's Pension Plan in 2002 and an actuarial study is not anticipated for future years. The decision to forego an actuarial study was based on the limited number of plan beneficiaries (5), no active employees, and no future participants allowed. Annuities have been purchased with lump sum distributions for base monthly benefits for two of the five participants with annual cost of living increases paid by the plan. The Policemen's Pension Plan benefit liability is calculated on an annual basis and is funded with an annual employer contribution to the plan.

NOTE 2: ACTUARIAL ASSUMPTIONS AND METHODS

Employees' Pension Plan

Valuation Date	01/01/11
Actuarial Method	Entry Age Normal
Amortization Method	Fixed Dollar
Remaining Amortization Period	30 years, open
Asset Valuation Method	Actuarial Value

Actuarial Assumptions:

Investment Rate of Return	7.50%
Projected Salary Increases	6.75%
Includes Inflation at:	3.25%
Cost of Living Adjustments	0-3%

Plan assets are projected using the most recent 5-years average rate of return for expected investment earnings. Twenty percent of the difference between the projected value and the market value is recognized each year.

NOTE 3: SIGNIFICANT FACTORS AFFECTING TRENDS IN ACTUARIAL INFORMATION

Policemen's Pension Plan (pre April 7, 1978)

An actuarial study was not completed on the Policemen's Pension Plan in 2004 and an actuarial study is not anticipated for future years. The decision to forego an actuarial study was based on the limited number of plan beneficiaries (5), no active employees, and no future participants allowed. The Policemen's Pension Plan benefit liability is calculated on an annual basis and is funded with an annual employer contribution to the plan.

NOTE 4: NET PENSION OBLIGATION (NPO) DISCLOSURE

Employees' Pension Plan

As of December 31, 2011, contributions to the Employees' Plan have resulted in a net over funding (a positive NPO balance) of \$86,190.

**CITY AND COUNTY OF BROOMFIELD
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER THAN MD&A
 December 31, 2011**

MODIFIED APPROACH FOR BROOMFIELD STREETS INFRASTRUCTURE CAPITAL ASSETS

In accordance with GASB Statement No. 34, Broomfield is required to account for and report infrastructure capital assets. Broomfield has several major infrastructure systems including the street system. Each major infrastructure system can be divided into subsystems. For example, the streets can be divided into concrete and asphalt pavements, concrete curb and gutters, streetlights, and land. Subsystem detail is not presented in these basic financial statements; however, Broomfield maintains detailed information on these subsystems.

Broomfield has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Street Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- Broomfield manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- Broomfield documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. Broomfield's Pavement Management Program conducts condition assessment surveys of 100% of the street system annually. Broomfield streets are classified based on land use, access and traffic utilization into the following three classifications: arterial, collector, and local. Each street was assigned a physical condition based on potential defects. A Remaining Service Life (RSL), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 20, where 0 is assigned to the least acceptable physical condition and 20 is assigned to the physical characteristics of a new street. The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
Good	12 – 20
Satisfactory	7 – 11
Fair	3 – 6
Poor	0 – 2

Broomfield's policy is to achieve a rating of 7 or higher for 70% on all streets. This rating allows minor cracking and raveling of the pavement with minor roughness that could be noticeable to drivers traveling at posted speeds. The most recent assessment was completed as of December 31, 2011. That assessment rated Broomfield's streets system as follows:

Condition Distribution

Good	44%
Satisfactory	41%
Fair	13%
Poor	2%

**CITY AND COUNTY OF BROOMFIELD
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER THAN MD&A
 December 31, 2011**

**MODIFIED APPROACH FOR BROOMFIELD STREETS INFRASTRUCTURE
 CAPITAL ASSETS (Continued)**

Broomfield's streets are constantly deteriorating resulting from the following five factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; (4) winter freeze-thaw conditions and water damage from both natural and other urban runoff; and (5) growth of the existing streets system.

Broomfield expended \$3,484,693 and \$3,684,818 in 2010 and 2011, respectively, on street maintenance and street rehabilitation. These expenditures delayed deterioration; however, the overall condition of the streets was not improved through these maintenance expenditures. Broomfield has estimated the amount of annual expenditures required to maintain streets at 70% RSL rating of 7 or higher. A schedule of estimated annual expenditures for the street maintenance for the last five years is presented below:

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual Expenditure</u>
2007	\$3,068,031	\$3,012,785
2008	\$3,267,738	\$2,992,027
2009	\$3,264,167	\$2,874,511
2010	\$3,818,004	\$3,484,693
2011	\$4,134,164	\$3,684,818

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City and County of Broomfield, Colorado
NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

December 31, 2011

	SPECIAL REVENUE FUNDS					
	Library Fund	Street Fund	Conservation Trust Fund	Cemetery Fund	Lodging Tax Fund	Housing Authority Fund
ASSETS						
Cash and Cash Equivalents	\$114,929	\$125,179	\$771,192	\$170,941		\$15,389
Restricted Cash and Cash Equivalents						
Investments	5,611		64,006			100,341
Receivables:						
Taxes	1,921,583	688,047			24,475	
Accounts	10			1,104		
Accrued Interest	179		180			728
Due from Other Governments		145,466				21,931
Interfund Receivables						34,784
Prepaid Items	36,174	5,093	24			1,685
Total Current Assets	2,078,486	963,785	835,402	172,045	24,475	174,858
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	25,072	248,520	56,947	973		2,487
Accrued Liabilities	40,789	27,218		1,542		1,023
Interfund Payables					24,475	
Unearned Revenue	1,921,583	688,047				
Total Liabilities	1,987,444	963,785	56,947	2,515	24,475	3,510
Fund Balances:						
Nonspendable:						
Prepays	36,174	5,093	24			1,685
Restricted for:						
Capital Projects			778,431			
Debt Service						
Committed to:						
Capital Projects						
Assigned to:						
Cemetery Operations				169,530		
Library Operations	54,868					
Housing Authority Projects						169,663
Unassigned Fund Balance		(5,093)				
Total Fund Balances	91,042		778,455	169,530		171,348
Total Liabilities and Fund Balances	\$2,078,486	\$963,785	\$835,402	\$172,045	\$24,475	\$174,858

Arista Local Improvement District Fund	TOTAL SPECIAL REVENUE FUNDS	DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS			TOTAL CAPITAL PROJECTS FUNDS	TOTAL NON MAJOR GOVERNMENTAL FUNDS
		Debt Service Fund	Building Corporation Fund	Open Space Fund	Services Expansion Fee Fund			
\$2,036	\$1,199,666	\$117,717 1,016,194	\$78,504	\$1,946,748	\$3,202,177	\$5,227,429	\$6,544,812 1,016,194 863,529	
	169,958			350,464	343,107	693,571		
1,343	2,635,448			368,178		368,178	3,003,626	
	1,114						1,114	
	1,087			1,107	1,176	2,283	3,370	
	167,397						167,397	
	34,784						34,784	
	42,976			76,908	125	77,033	120,009	
<u>3,379</u>	<u>4,252,430</u>	<u>1,133,911</u>	<u>78,504</u>	<u>2,743,405</u>	<u>3,546,585</u>	<u>6,368,494</u>	<u>11,754,835</u>	
3,379	337,378	375	63,901	138,109	7,480	209,490	547,243	
	70,572			68,112		68,112	138,684	
	24,475			1,076,424		1,076,424	1,100,899	
	2,609,630			466		466	2,610,096	
<u>3,379</u>	<u>3,042,055</u>	<u>375</u>	<u>63,901</u>	<u>1,283,111</u>	<u>7,480</u>	<u>1,354,492</u>	<u>4,396,922</u>	
	42,976			76,908	125	77,033	120,009	
	778,431		14,603	1,383,386		1,397,989	2,176,420	
		1,133,536					1,133,536	
					3,538,980	3,538,980	3,538,980	
	169,530						169,530	
	54,868						54,868	
	169,663						169,663	
	(5,093)						(5,093)	
	<u>1,210,375</u>	<u>1,133,536</u>	<u>14,603</u>	<u>1,460,294</u>	<u>3,539,105</u>	<u>5,014,002</u>	<u>7,357,913</u>	
<u>\$3,379</u>	<u>\$4,252,430</u>	<u>\$1,133,911</u>	<u>\$78,504</u>	<u>\$2,743,405</u>	<u>\$3,546,585</u>	<u>\$6,368,494</u>	<u>\$11,754,835</u>	

City and County of Broomfield, Colorado

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2011

	SPECIAL REVENUE FUNDS					
	Library Fund	Street Fund	Conservation Trust Fund	Cemetery Fund	Lodging Tax Fund	Housing Authority Fund
REVENUES						
Taxes:						
Property	\$1,953,028	\$699,307				
Sales & Use Tax						
Lodging Tax					\$448,679	
Intergovernmental		1,946,623	\$491,729			\$483,036
Charges for Services	61,209			\$86,078		
Investment Earnings	6,145		9,578	81		2,473
Contributions						34,784
Miscellaneous	802	247				
Total Revenues	2,021,184	2,646,177	501,307	86,159	448,679	520,293
EXPENDITURES						
Current Operating:						
General Government	2,016,954					527,348
Community Development						
Public Works		3,626,241				
Parks and Recreation			1,727	110,223		
Capital Outlay:						
Open Space Acquisition & Development						
Park Acquisition & Development			206,252			
Debt Service:						
Principal						
Interest						
Other						
Total Expenditures	2,016,954	3,626,241	207,979	110,223		527,348
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,230	(980,064)	293,328	(24,064)	448,679	(7,055)
OTHER FINANCING SOURCES (USES)						
Transfers In		980,064		38,033		
Transfers Out					(448,679)	
Total Other Financing Sources (Uses)		\$980,064		38,033	(\$448,679)	
Net Change in Fund Balances	4,230		293,328	13,969		(7,055)
FUND BALANCE - January 1	86,812		485,127	155,561		178,403
FUND BALANCE - December 31	\$91,042		\$778,455	\$169,530		\$171,348

Arista Local Improvement District Fund	TOTAL SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS				TOTAL NON MAJOR GOVERNMENTAL FUNDS
		Debt Service Fund	Building Corporation Fund	Open Space Fund	Services Expansion Fee Fund	TOTAL CAPITAL PROJECTS FUNDS	
	\$2,652,335						\$2,652,335
\$15,765	15,765			\$3,111,030		\$3,111,030	3,126,795
	448,679						448,679
	2,921,388			100,000		100,000	3,021,388
	147,287				\$644,280	644,280	791,567
	18,277	\$293	\$179	43,351	69,455	112,985	131,555
	34,784						34,784
	1,049			201		201	1,250
15,765	6,239,564	293	179	3,254,582	713,735	3,968,496	10,208,353
15,765	2,560,067				253,224	253,224	2,560,067
	3,626,241						253,224
	111,950			721,144		721,144	3,626,241
							833,094
	206,252			330,005		330,005	330,005
				435,626		435,626	641,878
		2,815,000					2,815,000
		5,760,176					5,760,176
		2,024					2,024
\$15,765	6,504,510	8,577,200		1,486,775	253,224	1,739,999	16,821,709
	(264,946)	(8,576,907)	179	1,767,807	460,511	2,228,497	(6,613,356)
	1,018,097	8,575,072		105,000	370,125	475,125	10,068,294
	(448,679)			(1,626,002)	(921,516)	(2,547,518)	(2,996,197)
	569,418	8,575,072		(1,521,002)	(551,391)	(2,072,393)	7,072,097
	304,472	(1,835)	179	246,805	(90,880)	156,104	458,741
	905,903	1,135,371	14,424	1,213,489	3,629,985	4,857,898	6,899,172
	\$1,210,375	\$1,133,536	\$14,603	\$1,460,294	\$3,539,105	\$5,014,002	\$7,357,913

City and County of Broomfield, Colorado
LIBRARY FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Property Taxes	\$1,984,193	\$1,969,437	\$1,953,028	(\$16,409)	\$1,957,477
Charges for Services	66,700	66,700	61,209	(5,491)	60,876
Investment Earnings	5,000	6,500	6,145	(355)	14,619
Miscellaneous			802	802	3,081
Total Revenues	<u>2,055,893</u>	<u>2,042,637</u>	<u>2,021,184</u>	<u>(21,453)</u>	<u>2,036,053</u>
EXPENDITURES					
Current:					
Personnel Services	1,524,461	1,576,580	1,567,846	(8,734)	1,571,034
Supplies and Materials	260,350	261,192	256,804	(4,388)	265,705
Contractual Services	192,745	201,389	192,304	(9,085)	169,155
Total Expenditures	<u>1,977,556</u>	<u>2,039,161</u>	<u>2,016,954</u>	<u>(22,207)</u>	<u>2,005,894</u>
Net Change in Fund Balance	78,337	3,476	4,230	754	30,159
FUND BALANCE - January 1	161,264	82,686	86,812	4,126	56,653
FUND BALANCE - December 31	<u>\$239,601</u>	<u>\$86,162</u>	<u>\$91,042</u>	<u>\$4,880</u>	<u>\$86,812</u>

City and County of Broomfield, Colorado
STREET FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Property Tax	\$710,466	\$705,182	\$699,307	(\$5,875)	\$700,900
Intergovernmental	1,727,865	1,926,374	1,946,623	20,249	1,888,419
Miscellaneous			247	247	2,206
Total Revenues	<u>2,438,331</u>	<u>2,631,556</u>	<u>2,646,177</u>	<u>14,621</u>	<u>2,591,525</u>
EXPENDITURES					
Current:					
Personnel Services	1,285,458	1,286,545	1,298,146	11,601	1,258,484
Supplies and Materials	551,840	590,666	518,896	(71,770)	441,669
Contractual Services	812,688	752,152	617,885	(134,267)	791,159
Street Lighting	1,093,368	1,093,368	1,191,314	97,946	1,096,808
Capital Outlay					7,489
Total Expenditures	<u>3,743,354</u>	<u>3,722,731</u>	<u>3,626,241</u>	<u>(96,490)</u>	<u>3,595,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,305,023)</u>	<u>(1,091,175)</u>	<u>(980,064)</u>	<u>111,111</u>	<u>(1,004,084)</u>
OTHER FINANCING SOURCES					
Transfers In	1,305,023	1,091,175	980,064	(111,111)	1,004,084
Total Other Financing Sources	<u>\$1,305,023</u>	<u>\$1,091,175</u>	<u>\$980,064</u>	<u>(\$111,111)</u>	<u>\$1,004,084</u>
Net Change in Fund Balance					
FUND BALANCE - January 1					
FUND BALANCE - December 31					

City and County of Broomfield, Colorado
CONSERVATION TRUST FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Intergovernmental	\$466,700	\$466,700	\$491,729	\$25,029	\$469,222
Investment Earnings	5,000	7,600	9,578	1,978	13,851
Total Revenues	<u>471,700</u>	<u>474,300</u>	<u>501,307</u>	<u>27,007</u>	<u>483,073</u>
EXPENDITURES					
Current:					
Parks & Recreation Projects	347,548	221,934	1,727	(220,207)	42,328
Capital	524,272	435,014	206,252	(228,762)	350,398
Total Expenditures	<u>871,820</u>	<u>656,948</u>	<u>207,979</u>	<u>(448,969)</u>	<u>392,726</u>
Net Change in Fund Balance	(400,120)	(182,648)	293,328	475,976	90,347
FUND BALANCE - January 1	402,867	480,611	485,127	4,516	394,780
FUND BALANCE - December 31	<u>\$2,747</u>	<u>\$297,963</u>	<u>\$778,455</u>	<u>\$480,492</u>	<u>\$485,127</u>

City and County of Broomfield, Colorado
CEMETERY FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Charges for Services	\$72,025	\$72,025	\$86,078	\$14,053	\$138,981
Investment Earnings		100	81	(19)	107
Total Revenues	<u>72,025</u>	<u>72,125</u>	<u>86,159</u>	<u>14,034</u>	<u>139,088</u>
EXPENDITURES					
Current:					
Personnel Services	99,694	99,263	88,538	(10,725)	101,844
Materials & Supplies	15,505	14,505	8,693	(5,812)	13,865
Contractual Services	11,602	12,602	12,992	390	13,536
Capital Outlay					7,971
Total Expenditures	<u>126,801</u>	<u>126,370</u>	<u>110,223</u>	<u>(16,147)</u>	<u>137,216</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(54,776)	(54,245)	(24,064)	30,181	1,872
OTHER FINANCING SOURCES					
Transfers In	58,887	67,101	38,033	(29,068)	27,627
Total Other Financing Sources	<u>58,887</u>	<u>67,101</u>	<u>38,033</u>	<u>(29,068)</u>	<u>27,627</u>
Net Change in Fund Balance	4,111	12,856	13,969	1,113	29,499
FUND BALANCE - January 1	152,337	155,561	155,561		126,062
FUND BALANCE - December 31	<u>\$156,448</u>	<u>\$168,417</u>	<u>\$169,530</u>	<u>\$1,113</u>	<u>\$155,561</u>

City and County of Broomfield, Colorado
LODGING TAX FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Lodging Tax	\$352,457	\$391,962	\$448,679	\$56,717	\$388,067
Total Revenues	<u>352,457</u>	<u>391,962</u>	<u>448,679</u>	<u>56,717</u>	<u>388,067</u>
EXCESS OF REVENUES OVER EXPENDITURES	352,457	391,962	448,679	56,717	388,067
OTHER FINANCING USES					
Transfers Out	(352,457)	(391,962)	(448,679)	(56,717)	(388,067)
Total Other Financing Uses	<u>(352,457)</u>	<u>(391,962)</u>	<u>(448,679)</u>	<u>(56,717)</u>	<u>(388,067)</u>
Net Change in Fund Balance					
FUND BALANCE - January 1					
FUND BALANCE - December 31					

City and County of Broomfield, Colorado
HOUSING AUTHORITY FUND

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Intergovernmental	\$350,000	\$938,152	\$483,036	(\$455,116)	\$404,398
Investment Earnings	2,000	2,600	2,473	(127)	5,741
Contributions	71,943	66,590	34,784	(31,806)	
Miscellaneous					35
Total Revenues	<u>423,943</u>	<u>1,007,342</u>	<u>520,293</u>	<u>(487,049)</u>	<u>410,174</u>
EXPENDITURES					
Current:					
Personnel Services	72,625	72,211	69,507	(2,704)	5,551
Supplies and Materials	450	350	96	(254)	927
Contractual Services	353,460	941,712	457,745	(483,967)	395,711
Total Expenditures	<u>426,535</u>	<u>1,014,273</u>	<u>527,348</u>	<u>(486,925)</u>	<u>402,189</u>
Net Change in Fund Balance	<u>(2,592)</u>	<u>(6,931)</u>	<u>(7,055)</u>	<u>(124)</u>	<u>7,985</u>
FUND BALANCE - January 1	\$ 2,592	\$ 6,931	178,403	171,472	170,418
FUND BALANCE - December 31			<u>\$171,348</u>	<u>\$171,348</u>	<u>\$178,403</u>

City and County of Broomfield, Colorado
ARISTA LOCAL IMPROVEMENT DISTRICT FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Sales Tax	\$11,025	\$14,768	\$15,765	\$997	\$14,755
Investment Earnings					2
Total Revenues	11,025	14,768	15,765	997	14,757
EXPENDITURES					
Current:					
Contractual Services	11,025	14,768	15,765	997	14,757
Total Expenditures	\$11,025	\$14,768	\$15,765	\$997	\$14,757
Net Change in Fund Balance					
FUND BALANCE - January 1					
FUND BALANCE - December 31					

City and County of Broomfield, Colorado
DEBT SERVICE FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Investment Earnings	\$1,000	\$200	\$293	\$93	\$924
Total Revenues	<u>1,000</u>	<u>200</u>	<u>293</u>	<u>93</u>	<u>924</u>
EXPENDITURES					
Debt Service:					
Principal	2,815,000	2,815,000	2,815,000		3,295,000
Interest	5,760,176	5,760,176	5,760,176		5,946,050
Other	5,000	8,200	2,024	(6,176)	2,825
Total Expenditures	<u>8,580,176</u>	<u>8,583,376</u>	<u>8,577,200</u>	<u>(6,176)</u>	<u>9,243,875</u>
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>(8,579,176)</u>	<u>(8,583,176)</u>	<u>(8,576,907)</u>	<u>6,269</u>	<u>(9,242,951)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In:					
Sales and Use Tax Fund	8,304,592	8,304,292	8,301,188	(3,104)	8,880,745
Open Space Fund	275,729	275,084	273,884	(1,200)	273,884
Total Other Financing Sources (Uses)	<u>8,580,321</u>	<u>8,579,376</u>	<u>8,575,072</u>	<u>(4,304)</u>	<u>9,154,629</u>
Net Change in Fund Balance	1,145	(3,800)	(1,835)	1,965	(88,322)
FUND BALANCE - January 1	216,155	127,833	1,135,371	1,007,538	1,223,693
FUND BALANCE - December 31	<u>\$217,300</u>	<u>\$124,033</u>	<u>\$1,133,536</u>	<u>\$1,009,503</u>	<u>\$1,135,371</u>

City and County of Broomfield, Colorado
 BUILDING CORPORATION
 CAPITAL PROJECT FUND
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance-Budget and Actual**

For the Fiscal Year Ended December 31, 2011
 (With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Interest Earnings	\$6,500	\$2,000	\$179	(\$1,821)	\$1,099
Miscellaneous					
Total Revenues	<u>6,500</u>	<u>2,000</u>	<u>179</u>	<u>(1,821)</u>	<u>1,099</u>
EXPENDITURES					
Current	6,500	2,000		(2,000)	2,160
Total Expenditures	<u>6,500</u>	<u>2,000</u>		<u>(2,000)</u>	<u>2,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			<u>179</u>	<u>179</u>	<u>(1,061)</u>
Net Change in Fund Balance			179	179	(1,061)
FUND BALANCE - January 1	15,485	15,485	14,424	(1,061)	15,485
FUND BALANCE - December 31	<u>\$15,485</u>	<u>\$15,485</u>	<u>\$14,603</u>	<u>(\$882)</u>	<u>\$14,424</u>

City and County of Broomfield, Colorado
OPEN SPACE FUND

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Sales & Use Taxes	\$2,825,451	\$3,036,259	\$3,111,030	\$74,771	\$2,959,800
Intergovernmental			100,000	100,000	
Investment Earnings	32,000	41,900	43,351	1,451	94,762
Miscellaneous	26,812	15,362	201	(15,161)	9,642
Total Revenues	2,884,263	3,093,521	3,254,582	161,061	3,064,204
EXPENDITURES					
Current:					
Planning and Administration	536,453	728,453	414,329	(314,124)	358,209
Contractual	735,415	751,505	306,815	(444,690)	78,125
Capital Outlay:					
Open Space Acquisition & Development	161,025	362,284	330,005	(32,279)	139,459
Park Acquisition & Development	520,000	565,456	435,626	(129,830)	211,160
Total Expenditures	1,952,893	2,407,698	1,486,775	(920,923)	786,953
EXCESS OF REVENUES OVER EXPENDITURES	931,370	685,823	1,767,807	1,081,984	2,277,251
OTHER FINANCING USES					
Transfers In		105,000	105,000		
Transfers Out	(1,627,846)	(1,973,973)	(1,626,002)	347,971	(1,727,591)
Total Other Financing Uses	(1,627,846)	(1,868,973)	(1,521,002)	347,971	(1,727,591)
 Net Change in Fund Balance	 (696,476)	 (1,183,150)	 246,805	 1,429,955	 549,660
FUND BALANCE - January 1	1,786,105	1,766,020	1,213,489	(552,531)	663,829
 FUND BALANCE - December 31	 \$1,089,629	 \$582,870	 \$1,460,294	 \$877,424	 \$1,213,489

City and County of Broomfield, Colorado
SERVICES EXPANSION FEE FUND

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Charges for Services	\$589,810	\$654,680	\$644,280	(\$10,400)	\$565,337
Investment Earnings	12,000	38,400	69,455	31,055	39,016
Total Revenues	<u>601,810</u>	<u>693,080</u>	<u>713,735</u>	<u>20,655</u>	<u>604,353</u>
EXPENDITURES					
Current					
Contractual	22,000	258,563	253,224	(5,339)	26,904
Total Expenditures	<u>22,000</u>	<u>258,563</u>	<u>253,224</u>	<u>(5,339)</u>	<u>26,904</u>
Net Change in Fund Balance	<u>579,810</u>	<u>434,517</u>	<u>460,511</u>	<u>25,994</u>	<u>577,449</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	299,778	370,125	370,125		2,438,372
Transfers Out	(1,141,505)	(924,998)	(921,516)	3,482	(228,006)
Total Other Financing Uses	<u>(841,727)</u>	<u>(554,873)</u>	<u>(551,391)</u>	<u>3,482</u>	<u>2,210,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)					
	<u>(261,917)</u>	<u>(120,356)</u>	<u>(90,880)</u>	<u>29,476</u>	<u>2,787,815</u>
FUND BALANCE - January 1	3,958,914	3,541,926	3,629,985	88,059	842,170
FUND BALANCE - December 31	<u>\$3,696,997</u>	<u>\$3,421,570</u>	<u>\$3,539,105</u>	<u>\$117,535</u>	<u>\$3,629,985</u>

City and County of Broomfield, Colorado
SALES AND USE TAX FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Taxes:					
Property	\$3,668,104	\$3,567,578	\$3,537,652	(\$29,926)	\$3,547,231
Sales & Use	23,476,966	24,903,998	25,557,181	653,183	24,416,987
Intergovernmental		488,372	403,449	(84,923)	286,265
Investment Earnings	768,000	623,400	429,216	(194,184)	2,029,073
Developer Contributions	360,000	485,259	65,568	(419,691)	1,430
Miscellaneous	6,000		140,270	140,270	45,253
Total Revenues	<u>28,279,070</u>	<u>30,068,607</u>	<u>30,133,336</u>	<u>64,729</u>	<u>30,326,239</u>
EXPENDITURES					
Current:					
Other	11,714,631	22,674,627	9,770,852	(12,903,775)	10,613,550
Developer Contribution to Public Improvements	5,703,645	7,414,896	6,386,559	(1,028,337)	5,745,553
Capital Outlay	8,816,005	5,723,555	2,216,690	(3,506,865)	7,982,123
Total Expenditures	<u>26,234,281</u>	<u>35,813,078</u>	<u>18,374,101</u>	<u>(17,438,977)</u>	<u>24,341,226</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,044,789</u>	<u>(5,744,471)</u>	<u>11,759,235</u>	<u>17,503,706</u>	<u>5,985,013</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	6,598,218	12,117,236	7,331,167	(4,786,069)	1,576,554
Transfers Out	(13,309,702)	(13,661,652)	(12,862,731)	798,921	(15,789,563)
Total Other Financing Sources (Uses)	<u>(6,711,484)</u>	<u>(1,544,416)</u>	<u>(5,531,564)</u>	<u>(3,987,148)</u>	<u>(14,213,009)</u>
 Net Change in Fund Balance	 (4,666,695)	 (7,288,887)	 6,227,671	 13,516,558	 (8,227,996)
 FUND BALANCE - January 1	 <u>8,236,948</u>	 <u>18,697,459</u>	 <u>31,047,684</u>	 <u>12,350,225</u>	 <u>39,275,680</u>
FUND BALANCE - December 31	<u>\$3,570,253</u>	<u>\$11,408,572</u>	<u>\$37,275,355</u>	<u>\$25,866,783</u>	<u>\$31,047,684</u>

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City and County of Broomfield, Colorado

BUILDING CORPORATION DEBT SERVICE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Investment Earnings	\$183,410	\$410	\$824	\$414	\$90
Total Revenues	183,410	410	824	414	90
EXPENDITURES					
Debt Service:					
Principal	4,950,000	4,950,000	4,950,000		
Interest	4,218,655	4,218,655	4,218,655		2,585,935
Issuance Costs					980,940
Other		4,910	583	(4,327)	18,545
Total Expenditures	9,168,655	9,173,565	9,169,238	(4,327)	3,585,420
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,985,245)	(9,173,155)	(9,168,414)	4,741	(3,585,330)
OTHER FINANCING SOURCES (USES)					
Transfers In:					
General Fund	3,703,625	3,888,943	3,887,034	(1,909)	4,257,614
Sales and Use Tax Fund	3,929,503	3,931,431	3,929,503	(1,928)	4,470,446
Open Space Fund	1,352,117	1,352,781	1,352,118	(663)	1,453,707
Issuance of Refunding Debt					87,710,000
Issuance Premium					8,529,492
Payment to Refunding COP Escrow Agent					(94,379,961)
Total Other Financing Sources (Uses)	8,985,245	9,173,155	9,168,655	(4,500)	12,041,298
 Net Change in Fund Balance			241	241	8,455,968
FUND BALANCE - January 1	197,875	197,875	8,653,829	8,455,954	197,861
FUND BALANCE - December 31	\$197,875	\$197,875	\$8,654,070	\$8,456,195	\$8,653,829

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City and County of Broomfield, Colorado
WATER FUND

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Variance Over/(Under)	2010 Actual
REVENUES							
Charges for Services	\$11,817,322	\$12,012,029	\$12,670,114		\$12,670,114	\$658,085	\$12,568,073
Other Operating Revenue		507,000	392,379		392,379	(114,621)	
Other Non-operating Revenue							2,327
Earnings on Investments	851,000	949,000	857,000		857,000	(92,000)	2,441,449
Gain on the Sale of Capital Assets			7,954		7,954	7,954	
Capital Contributions	5,674,421	7,100,211	7,392,939	(\$2,372,567)	5,020,372	(2,079,839)	5,284,251
Miscellaneous	120,000	237,089	352,702		352,702	115,613	296,961
Total Revenues	18,462,743	20,805,329	21,673,088	(2,372,567)	19,300,521	(1,504,808)	20,593,061
Programs							
Water Supply	6,136,133	6,435,907	6,256,893		6,256,893	(179,014)	5,554,480
Water Treatment	1,610,540	1,556,724	1,452,944		1,452,944	(103,780)	1,455,980
Water System Operations and Maintenance	1,476,101	1,493,824	1,289,760		1,289,760	(204,064)	1,430,848
Environmental Monitoring	850,514	847,104	760,913		760,913	(86,191)	755,633
Administration and Billing	541,377	521,962	512,030		512,030	(9,932)	482,758
Other Expenses	670,053	596,558	465,147		465,147	(131,411)	562,491
Services Provided by General Fund	1,345,547	1,344,399	1,335,995		1,335,995	(8,404)	1,412,821
Debt Service	6,553,864	6,282,351	2,779,907	3,535,000	6,314,907	32,556	2,883,018
Contingency	6,367,006	6,367,006				(6,367,006)	
Bond & Lease Amortization			25,858	(25,858)			25,858
Depreciation			4,745,466	(4,745,466)			4,725,949
Total Program	25,551,135	25,445,835	19,624,913	(1,236,324)	18,388,589	(7,057,246)	19,289,836
Projects							
Raw Water - Purchases, Transmissions and Reservoirs	3,587,260	293,537		314,307	314,307	20,770	
Potable Water - Transmission Lines & Facilities	537,717	1,049,617		749,122	749,122	(300,495)	
Planning and Security	40,500	40,500		47,552	47,552	7,052	
Total Projects	4,165,477	1,383,654		1,110,981	1,110,981	(272,673)	
Total Expenses	29,716,612	26,829,489	19,624,913	(125,343)	19,499,570	(7,329,919)	19,289,836
Change in Net Assets	(\$11,253,869)	(\$6,024,160)	2,048,175	(\$2,247,224)	(199,049)	\$5,825,111	1,303,225
Net Assets - January 1			279,694,030		279,694,030		278,390,805
Capital Outlay Programs/Lease Equipment							
Current Year's Project Expenditures					1,110,981		
Acceptance of Public Improvements					2,372,567		
Principal reduction - Long-Term Debt					3,535,000		
Depreciation					(4,745,466)		
Bond Amortization					(25,858)		
Net Assets - December 31			\$281,742,205		\$281,742,205		\$279,694,030

City and County of Broomfield, Colorado
SEWER FUND

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Variance Over/(Under)	2010 Actual
REVENUES							
Charges for Services	\$5,728,982	\$5,746,773	\$5,971,251		\$5,971,251	\$224,478	\$5,890,966
Other Operating Revenue		499,000	384,818		384,818	(114,182)	
Earnings on Investments	561,000	565,900	403,221		403,221	(162,679)	1,478,812
Gain on the Sale of Capital Assets							
Capital Contributions	2,099,598	2,555,301	4,736,567	(\$2,867,838)	1,868,729	(686,572)	2,722,868
Transfers In	1,469,925	1,469,925	1,469,925		1,469,925		1,170,136
Miscellaneous			214,654		214,654	214,654	192,131
Total Revenues	9,859,505	10,836,899	13,180,436	(2,867,838)	10,312,598	(524,301)	11,454,913
EXPENSES							
Programs							
Sewer System Operations and Maintenance	928,906	925,928	881,070		881,070	(44,858)	850,327
Sewer Treatment	2,103,326	2,302,050	2,148,121		2,148,121	(153,929)	2,054,147
Industrial Pretreatment	159,617	155,138	157,004		157,004	1,866	132,835
Laboratory Operations	438,359	438,797	444,110		444,110	5,313	443,572
Storm Water	235,614	240,196	190,504		190,504	(49,692)	235,367
Administration and Billing	321,060	313,955	308,359		308,359	(5,596)	208,832
Other Expenses	1,673,884	253,399	368,453		368,453	115,054	375,376
Loss on Sale of Capital Assets			10,905		10,905	10,905	
Services Provided by General Fund	934,232	934,262	929,923		929,923	(4,339)	984,056
Debt Service	4,508,677	4,508,827	2,490,160	2,008,232	4,498,392	(10,435)	2,571,096
Transfers Out	3,808,135	3,800,579				(3,800,579)	
Bond and Lease Amortization			31,939	(31,939)			31,938
Depreciation			5,463,034	(5,463,034)			4,664,519
Total Program	15,111,810	13,873,131	13,423,582	(3,486,741)	9,936,841	(3,936,290)	12,552,065
Projects							
Sewer Collection System- Line & Facilities	800,000	828,000		92,714	92,714	(735,286)	
Sewer Treatment Facilities	2,070,000	500,000		17,488	17,488	(482,512)	
Planning and Other	200,000	2,046,224		454,751	454,751	(1,591,473)	
Total Projects	3,070,000	3,374,224		564,953	564,953	(2,809,271)	
Total Expenses	18,181,810	17,247,355	13,423,582	(2,921,788)	10,501,794	(6,745,561)	12,552,065
Change in Net Assets	(\$8,322,305)	(\$6,410,456)	(243,146)	\$53,950	(189,196)	\$6,221,260	(1,097,152)
Net Assets - January 1			121,445,887		121,445,887		122,543,039
Current Year's Project Expenditures					564,953		
Acceptance of Public Improvements					2,867,838		
Principal Reduction - Long-Term Debt					2,008,232		
Depreciation					(5,463,034)		
Bond Amortization					(31,939)		
Net Assets - December 31			\$121,202,741		\$121,202,741		\$121,445,887

City and County of Broomfield, Colorado
WATER RECLAMATION FUND

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Adjustment To Budgetary Basis	Actual On Budgetary Basis	Variance Over/(Under)	2010 Actual
REVENUES							
Charges for Services	\$1,046,008	\$1,162,231	\$1,330,901		\$1,330,901	\$168,670	\$1,278,838
Other Operating Revenue	80,000	80,000	86,530		86,530	6,530	86,410
Earnings on Investments	88,000	100,000	91,418		91,418	(8,582)	261,329
Capital Contributions	2,300,000	2,300,000	2,300,000		2,300,000		1,909,655
Miscellaneous			527		527	527	34,788
Total Revenues	3,514,008	3,642,231	3,809,376		3,809,376	167,145	3,571,020
EXPENSES							
Programs							
Reuse Water Supply	625,969	621,918	561,980		561,980	(59,938)	1,148,076
Other Expenses	683,720	922,600	577,109		577,109	(345,491)	
Service Provided by General Fund	76,334	76,334	76,334		76,334		85,535
Transfers Out	1,469,925	1,469,925	1,469,925		1,469,925		1,170,136
Depreciation			1,422,675	(\$1,422,675)			1,424,046
Total Program	2,855,948	3,090,777	4,108,023	(1,422,675)	2,685,348	(405,429)	3,827,793
Projects							
Reuse Water Distribution - Lines & Facilities							
Reuse Water and Storage Facilities	84,049	35,164				(35,164)	
Total Projects	84,049	35,164				(35,164)	
Total Expenses	2,939,997	3,125,941	4,108,023	(1,422,675)	2,685,348	(440,593)	3,827,793
Change in Net Assets	\$574,011	\$516,290	(298,647)	\$1,422,675	1,124,028	\$607,738	(256,773)
Net Assets - January 1			59,707,584		59,707,584		59,964,357
Current Year's Project Expenditures							
Depreciation					(1,422,675)		
Net Assets - December 31			\$59,408,937		\$59,408,937		\$59,707,584

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City and County of Broomfield, Colorado
HEALTH SELF INSURANCE FUND

**Schedule of Revenues, Expenses, and
Changes in Net Assets-Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
OPERATING REVENUES:					
City Contributions	\$3,886,719	\$3,802,584	\$3,911,334	\$108,750	\$3,850,761
Employee Contributions	910,320	917,240	917,990	750	942,256
Miscellaneous	78,626	519,284	673,884	154,600	278,540
Total Operating Revenues	4,875,665	5,239,108	5,503,208	264,100	5,071,557
OPERATING EXPENSES:					
Benefit Payments	4,865,532	4,662,081	4,472,896	(189,185)	3,510,601
Insurance Premiums	630,250	644,327	641,823	(2,504)	553,242
Professional and Consulting Services	357,525	372,900	371,453	(1,447)	357,018
Wellness Program	15,000	15,000	13,100	(1,900)	13,350
Total Operating Expenses	5,868,307	5,694,308	5,499,272	(195,036)	4,434,211
Operating Income (Loss)	(992,642)	(455,200)	3,936	459,136	637,346
NONOPERATING REVENUES :					
Interest Revenue	43,000	50,300	50,460	160	111,828
Total Nonoperating Revenues	43,000	50,300	50,460	160	111,828
Change in Net Assets	(949,642)	(404,900)	54,396	459,296	749,174
Net Assets - January 1	2,498,457	3,080,224	3,110,985	30,761	2,361,811
Net Assets - December 31	\$1,548,815	\$2,675,324	\$3,165,381	\$490,057	\$3,110,985

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City of County of Broomfield, Colorado
PENSION TRUST FUNDS

Combining Statement of Net Assets

December 31, 2011
(With Comparative Totals for December 31, 2010)

	PENSION TRUSTS				Total Fiduciary Funds	2010
	Police Pension Plan	Employee Pension Plan	Police Money Purchase Plan	Employee Money Purchase Plan		
ASSETS						
Cash and Cash Equivalents	\$15,852	\$152,158	\$3,649,949	\$7,382,613	\$11,200,572	\$10,219,883
Accounts Receivable						
Loans Receivable			832,437	1,368,024	2,200,461	
Accrued Interest Receivable		26,003			26,003	2,226,010
Total Current Assets	15,852	178,161	4,482,386	8,750,637	13,427,036	12,445,893
Investments, at Fair Value						
Fixed Income Investments		2,914,098	3,058,721	4,839,744	10,812,563	9,518,517
Equity Investments		5,339,173	18,559,047	20,152,656	44,050,876	47,327,836
Other						515,209
Total Investments at Fair Value		8,253,271	21,617,768	24,992,400	54,863,439	57,361,562
Total Assets	15,852	8,431,432	26,100,154	33,743,037	68,290,475	69,807,455
LIABILITIES						
Forfeitures Payable			27,950	116,485	144,435	118,812
Total Liabilities			27,950	116,485	144,435	118,812
NET ASSETS						
Held in Trust for Pension Benefits	\$15,852	\$8,431,432	\$26,072,204	\$33,626,552	\$68,146,040	\$69,688,643

City and County of Broomfield, Colorado
PENSION TRUST FUNDS

Combining Statement of Changes in Fiduciary Net Assets

For the Fiscal Year Ended December 31, 2011
(With Comparative Totals for the Fiscal Year Ended 2010)

	PENSION TRUSTS				Total	2010
	Police Pension Plan	Employee Pension Plan	Police Money Purchase Plan	Employee Money Purchase Plan		
ADDITIONS						
Contributions						
City Contributions	\$72,000	\$440,272	\$1,053,515	\$1,354,001	\$2,919,788	\$2,878,231
Employee Contributions		175,807	1,072,092	1,851,014	3,098,913	3,040,331
Total Contributions	<u>72,000</u>	<u>616,079</u>	<u>2,125,607</u>	<u>3,205,015</u>	<u>6,018,701</u>	<u>5,918,562</u>
Investment Earnings	1,285	(169,049)	(1,615,494)	(729,519)	(2,512,777)	7,246,920
Total Additions	<u>73,285</u>	<u>447,030</u>	<u>510,113</u>	<u>2,475,496</u>	<u>3,505,924</u>	<u>13,165,482</u>
DEDUCTIONS						
Benefit Payments	71,492	686,012	990,700	3,108,310	4,856,514	2,353,336
Forfeitures			(24,666)	50,290	25,624	15,859
Professional Services	1,446	26,106	91,293	47,544	166,389	50,686
Total Deductions	<u>72,938</u>	<u>712,118</u>	<u>1,057,327</u>	<u>3,206,144</u>	<u>5,048,527</u>	<u>2,419,881</u>
CHANGES IN NET ASSETS	347	(265,088)	(547,214)	(730,648)	(1,542,603)	10,745,601
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS						
Beginning of Year	15,505	8,696,520	26,619,418	34,357,200	69,688,643	58,943,042
End of Year	<u>\$15,852</u>	<u>\$8,431,432</u>	<u>\$26,072,204</u>	<u>\$33,626,552</u>	<u>\$68,146,040</u>	<u>\$69,688,643</u>

City and County of Broomfield, Colorado
POLICE PENSION TRUST FUND

Schedule of Changes in Net Assets Held in Trust
for Pension Benefits - Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
ADDITIONS					
Contributions					
City Contributions	\$72,000	\$72,000	\$72,000		\$70,000
Total Contributions	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>		<u>70,000</u>
Investment Earnings	1,000	1,055	1,285	\$230	1,441
Total Additions	<u>73,000</u>	<u>73,055</u>	<u>73,285</u>	<u>230</u>	<u>71,441</u>
DEDUCTIONS					
Benefit Payments	72,693	71,492	71,492		69,311
Professional Services	1,000	3,947	1,446	(2,501)	823
Total Deductions	<u>73,693</u>	<u>75,439</u>	<u>72,938</u>	<u>(2,501)</u>	<u>70,134</u>
CHANGES IN NET ASSETS	(693)	(2,384)	347	2,731	1,307
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year	13,954	15,505	15,505		14,198
End of Year	<u>\$13,261</u>	<u>\$13,121</u>	<u>\$15,852</u>	<u>\$2,731</u>	<u>\$15,505</u>

City and County of Broomfield, Colorado
EMPLOYEE PENSION TRUST FUND

**Schedule of Changes in Net Assets Held in Trust
for Pension Benefits - Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
ADDITIONS					
Contributions					
City Contributions	\$445,588	\$445,933	\$440,272	(\$5,661)	\$405,215
Employee Contributions	184,746	182,942	175,807	(7,135)	184,637
Total Contributions	<u>630,334</u>	<u>628,875</u>	<u>616,079</u>	<u>(12,796)</u>	<u>589,852</u>
Investment Earnings	246,246	652,158	(169,049)	(821,207)	940,934
Total Additions	<u>876,580</u>	<u>1,281,033</u>	<u>447,030</u>	<u>(834,003)</u>	<u>1,530,786</u>
DEDUCTIONS					
Benefit Payments	1,157,647	686,012	686,012		620,198
Professional Services	22,500	28,961	26,106	(2,855)	23,895
Total Deductions	<u>1,180,147</u>	<u>714,973</u>	<u>712,118</u>	<u>(2,855)</u>	<u>644,093</u>
CHANGES IN NET ASSETS	(303,567)	566,060	(265,088)	(831,148)	886,693
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year	8,289,673	8,696,520	8,696,520		7,809,827
End of Year	<u>\$7,986,106</u>	<u>\$9,262,580</u>	<u>\$8,431,432</u>	<u>(\$831,148)</u>	<u>\$8,696,520</u>

City and County of Broomfield, Colorado
POLICE MONEY PURCHASE TRUST FUND

**Schedule of Changes in Net Assets Held in Trust
for Pension Benefits - Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
ADDITIONS					
Contributions					
City Contributions	\$1,042,836	\$1,049,353	\$1,053,515	\$4,162	\$1,034,040
Employee Contributions	1,046,336	1,056,369	1,072,092	15,723	1,046,305
Total Contributions	<u>2,089,172</u>	<u>2,105,722</u>	<u>2,125,607</u>	<u>19,885</u>	<u>2,080,345</u>
Investment Earnings	990,000	666,152	(1,615,494)	(2,281,646)	2,970,540
Total Additions	<u>3,079,172</u>	<u>2,771,874</u>	<u>510,113</u>	<u>(2,261,761)</u>	<u>5,050,885</u>
DEDUCTIONS					
Benefit Payments	300,000	884,622	990,700	106,078	313,133
Forfeitures			(24,666)	(24,666)	
Professional Services	23,500	48,770	91,293	42,523	14,262
Total Deductions	<u>323,500</u>	<u>933,392</u>	<u>1,057,327</u>	<u>123,935</u>	<u>327,395</u>
CHANGES IN NET ASSETS	2,755,672	1,838,482	(547,214)	(2,385,696)	4,723,490
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year	24,642,751	26,619,418	26,619,418		21,895,928
End of Year	<u>\$27,398,423</u>	<u>\$28,457,900</u>	<u>\$26,072,204</u>	<u>(\$2,385,696)</u>	<u>\$26,619,418</u>

City and County of Broomfield, Colorado
EMPLOYEE MONEY PURCHASE TRUST FUND

**Schedule of Changes in Net Assets Held in Trust
for Pension Benefits - Budget and Actual**

For the Fiscal Year Ended December 31, 2011
(With Comparative Actual Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
ADDITIONS					
Contributions:					
City Contributions	\$1,371,072	\$1,362,057	\$1,354,001	(\$8,056)	\$1,368,976
Employee Contributions	1,767,401	1,840,299	1,851,014	10,715	1,809,389
Total Contributions	3,138,473	3,202,356	3,205,015	2,659	3,178,365
Investment Earnings	1,400,000	1,227,915	(729,519)	(1,957,434)	3,334,005
Total Additions	4,538,473	4,430,271	2,475,496	(1,954,775)	6,512,370
DEDUCTIONS					
Benefit Payments	1,000,000	2,490,241	3,108,310	618,069	1,350,694
Forfeitures			50,290	50,290	15,859
Professional Services	10,500	9,638	47,544	37,906	11,706
Total Deductions	1,010,500	2,499,879	3,206,144	706,265	1,378,259
CHANGES IN NET ASSETS	3,527,973	1,930,392	(730,648)	(2,661,040)	5,134,111
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of Year	31,575,865	34,357,200	34,357,200		29,223,089
End of Year	\$35,103,838	\$36,287,592	\$33,626,552	(\$2,661,040)	\$34,357,200

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City and County of Broomfield, Colorado
 COMPONENT UNIT
 BROOMFIELD URBAN RENEWAL AUTHORITY

Balance Sheet

December 31, 2011

	Capital Projects	Debt Service	TOTAL COMPONENT UNIT
ASSETS			
Assets			
Cash and Cash Equivalents	\$10,506,519		\$10,506,519
Restricted Cash and Cash Equivalents		\$564,791	564,791
Restricted Investments		5,978,500	5,978,500
Receivables:			
Property Taxes	7,988,162		7,988,162
Other	844,803		844,803
Interfund Receivables		7,686	7,686
Prepaid Expenses	50,409		50,409
Total Assets	19,389,893	6,550,977	25,940,870
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	231,738	1,850	233,588
Due to Other Governments	313,334		313,334
Interfund Payables	7,686		7,686
Deferred Revenue	7,988,152		7,988,152
Total Liabilities	8,540,910	1,850	8,542,760
Fund Balances			
Nonspendable:			
Prepays	50,409		50,409
Restricted:			
Debt Service		6,549,127	6,549,127
Assigned:			
Capital Projects	10,798,574		10,798,574
Total Fund Balances	10,848,983	6,549,127	17,398,110
Total Liabilities and Fund Balances	\$19,389,893	\$6,550,977	\$25,940,870

RECONCILIATION OF THE BALANCE SHEET OF
 COMPONENT UNIT FUND TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

Amount reported for component unit activities in the statement of net assets (page 27) are different because:

Total fund balance - component unit (page 138)	<u>\$17,398,110</u>
Capital assets net of accumulated depreciation used in the component unit activities are not current financial resources. Therefore they are not reported in the fund.	43,956,318
Other long-term assets that are not available to pay for current period expenditures, such as unamortized bond issuance costs.	895,594
Accrued interest payable on debt is not due and payable in the current period and therefore is not reported in the fund.	(58,170)
Accreted value on notes payable is not due and payable in the current period and therefore is not reported in the fund.	(1,060,184)
Bonds, notes, and capital leases payable are not due and payable in the current period and therefore are not reported in the fund.	<u>(60,500,000)</u>
Net Assets of component unit activities (page 27)	<u>\$631,668</u>

City and County of Broomfield, Colorado
 COMPONENT UNIT
 BROOMFIELD URBAN RENEWAL AUTHORITY

Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 For the Fiscal Year Ended December 31, 2011

	Capital Projects	Debt Service	TOTAL COMPONENT UNIT
REVENUES			
Property Taxes	\$8,052,264		\$8,052,264
Sales & Use Tax	1,027,234		1,027,234
Investment Earnings	31,633	\$292,294	323,927
Miscellaneous	920,421		920,421
Total Revenues	<u>10,031,552</u>	<u>292,294</u>	<u>10,323,846</u>
EXPENDITURES			
General Government:			
Contractual Services	4,554,654		4,554,654
Capital Projects	2,085,155		2,085,155
Debt Service:			
Principal		915,000	915,000
Interest		3,834,750	3,834,750
Other		1,850	1,850
Total Expenditures	<u>6,639,809</u>	<u>4,751,600</u>	<u>11,391,409</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,391,743</u>	<u>(4,459,306)</u>	<u>(1,067,563)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In		4,699,198	4,699,198
Transfers Out	(4,699,198)		(4,699,198)
Total Other Financing Sources (Uses)	<u>(4,699,198)</u>	<u>4,699,198</u>	
 Net Change in Fund Balance	 (1,307,455)	 239,892	 (1,067,563)
FUND BALANCE - January 1	12,156,438	6,309,235	18,465,673
FUND BALANCE - December 31	<u>\$10,848,983</u>	<u>\$6,549,127</u>	<u>\$17,398,110</u>

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE COMPONENT UNIT FUND
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

Amount reported for component unit activities in the statement of activities (pages 28-29) are different because:

Net change in fund balance - component unit fund (page 140)	<u>(\$1,067,563)</u>
Component unit fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of (\$1,804,944) and loss on assets (\$395,852) exceeded capital outlays of \$2,085,155 in the current period.	(115,641)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt is reported as an expenditure in the governmental funds.	915,000
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to the component unit fund. However, issuing debt increases long-term liabilities on the statement of net assets, so this transaction has no effect on net assets. Also, the component unit fund reports the effect of issuance costs, premiums, discounts and similar items as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities. This is the amount representing current year amortization of issuance costs of (\$47,344) and the increase in the year end balance of accrued interest payable (\$244,810).	<u>(292,155)</u>
Change in net assets of component unit activities (pages 28-29)	<u>(\$560,359)</u>

City and County of Broomfield, Colorado

COMPONENT UNIT BROOMFIELD URBAN RENEWAL AUTHORITY CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2011
(With Comparative Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Property Taxes	\$6,866,223	\$7,948,552	\$8,052,264	\$103,712	\$6,302,185
Sales & Use Tax	710,515	1,038,917	1,027,234	(11,683)	674,995
Intergovernmental					
Investment Earnings	17,800	20,000	31,633	11,633	23,404
Miscellaneous	550,000	556,000	920,421	364,421	334,637
Total Revenues	<u>8,144,538</u>	<u>9,563,469</u>	<u>10,031,552</u>	<u>468,083</u>	<u>7,335,221</u>
EXPENDITURES					
General Government:					
Contractual Services	3,800,964	5,263,832	4,554,654	(709,178)	4,244,892
Capital Outlay	1,238,000	3,265,968	2,085,155	(1,180,813)	905,976
Total Expenditures	<u>5,038,964</u>	<u>8,529,800</u>	<u>6,639,809</u>	<u>(1,889,991)</u>	<u>5,150,868</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,105,574</u>	<u>1,033,669</u>	<u>3,391,743</u>	<u>2,358,074</u>	<u>2,184,353</u>
OTHER FINANCING USES					
Transfers Out	(4,635,567)	(4,635,567)	(4,699,198)	(63,631)	(3,607,722)
Total Other Financing Uses	<u>(4,635,567)</u>	<u>(4,635,567)</u>	<u>(4,699,198)</u>	<u>(63,631)</u>	<u>(3,607,722)</u>
 Net Change in Fund Balance	 (1,529,993)	 (3,601,898)	 (1,307,455)	 2,294,443	 (1,423,369)
FUND BALANCE - January 1	7,712,590	9,540,146	12,156,438	2,616,292	13,579,807
FUND BALANCE - December 31	<u>\$6,182,597</u>	<u>\$5,938,248</u>	<u>\$10,848,983</u>	<u>\$4,910,735</u>	<u>\$12,156,438</u>

City and County of Broomfield, Colorado
 COMPONENT UNIT
 BROOMFIELD URBAN RENEWAL AUTHORITY
 DEBT SERVICE FUND

Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2011
 (With Comparative Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Investment Earnings			\$292,294	\$292,294	\$263,923
Total Revenues			<u>292,294</u>	<u>292,294</u>	<u>263,923</u>
EXPENDITURES					
Debt Service:					
Principal	\$915,000	\$915,000	915,000		370,000
Interest	3,720,567	3,719,267	3,834,750	115,483	3,452,579
Arbitrage		1,000	1,850	850	9,250
Paying Agent Fees		300		(300)	
Total Expenditures	<u>4,635,567</u>	<u>4,635,567</u>	<u>4,751,600</u>	<u>116,033</u>	<u>3,831,829</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,635,567)</u>	<u>(4,635,567)</u>	<u>(4,459,306)</u>	<u>176,261</u>	<u>(3,567,906)</u>
OTHER FINANCING SOURCES					
Transfers In	4,635,567	4,635,567	4,699,198	63,631	3,607,722
Total Other Financing Sources	<u>\$4,635,567</u>	<u>\$4,635,567</u>	<u>4,699,198</u>	<u>63,631</u>	<u>3,607,722</u>
 Net Change in Fund Balance			239,892	239,892	39,816
FUND BALANCE - January 1			6,309,235	6,309,235	6,269,419
FUND BALANCE - December 31			<u><u>\$6,549,127</u></u>	<u><u>\$6,549,127</u></u>	<u><u>\$6,309,235</u></u>

City and County of Broomfield, Colorado
COMPONENT UNIT
FLATIRON IMPROVEMENT DISTRICT

Balance Sheet

December 31, 2011

ASSETS	<u>Special Revenue</u>
Assets	
Cash and Cash Equivalents	\$2,020,129
Receivables:	
Other	500
Due from other Governments	<u>192,603</u>
Total Assets	<u><u>2,213,232</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	<u>6,846</u>
Total Liabilities	<u>6,846</u>
 Fund Balances	
Unassigned	<u>2,206,386</u>
Total Fund Balances	<u>2,206,386</u>
 Total Liabilities and Fund Balances	<u><u>\$2,213,232</u></u>

City and County of Broomfield, Colorado
 COMPONENT UNIT
 FLATIRON IMPROVEMENT DISTRICT

Schedule of Revenues, Expenditures and
 Changes in Fund Balance

For the Fiscal Year Ended December 31, 2011

	Special Revenue
REVENUES	
Sales Taxes	\$837,278
Investment Earnings	2,268
Miscellaneous	82,266
Total Revenues	921,812
 EXPENDITURES	
General Government:	
Supplies & Materials	1,850
Contractual Services	67,769
Total Expenditures	69,619
Net Change in Fund Balance	852,193
FUND BALANCE - January 1	1,354,193
FUND BALANCE - December 31	\$2,206,386

City and County of Broomfield, Colorado
 COMPONENT UNIT
 FLATIRON IMPROVEMENT DISTRICT
 SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2011
 (With Comparative Totals for the Fiscal Year Ended 2010)

	Original Budget	Final Budget	Actual	Variance Over/(Under)	2010 Actual
REVENUES					
Sales Taxes	\$816,966	\$816,966	\$837,278	\$20,312	\$870,116
Investment Earnings	500	500	2,268	1,768	1,591
Miscellaneous	1,000	1,000	82,266	81,266	3,970
Total Revenues	<u>818,466</u>	<u>818,466</u>	<u>921,812</u>	<u>103,346</u>	<u>875,677</u>
EXPENDITURES					
General Government:					
Personnel Services	48,750	48,750		(48,750)	
Supplies & Materials	11,000	11,000	1,850	(9,150)	2,863
Contractual Services	433,015	433,015	67,769	(365,246)	89,050
Total Expenditures	<u>492,765</u>	<u>492,765</u>	<u>69,619</u>	<u>(423,146)</u>	<u>91,913</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	325,701	325,701	852,193	526,492	783,764
FUND BALANCE - January 1	1,311,380	1,311,380	1,354,193	42,813	570,429
FUND BALANCE - December 31	<u>\$1,637,081</u>	<u>\$1,637,081</u>	<u>\$2,206,386</u>	<u>\$569,305</u>	<u>\$1,354,193</u>

City and County of Broomfield, Colorado

Capital Assets Used in the Operation of Governmental Activities Comparative Schedule By Source

December 31, 2011 and 2010

	2011	2010
GOVERNMENTAL CAPITAL ASSETS:		
Land	\$51,813,932	\$51,454,830
Buildings	92,716,109	92,553,443
Improvements Other Than Buildings	44,095,392	43,610,304
Equipment	21,523,878	22,100,871
Infrastructure	265,354,571	260,251,244
Construction in Progress	2,287,246	1,612,958
Total General Fixed Assets	\$477,791,128	\$471,583,650
 INVESTMENT IN GOVERNMENTAL CAPITAL ASSET:		
Contributed Land	\$188,563	\$188,563
Other Contributions	96,419,810	96,419,811
General Obligation Bonds	18,727,547	18,727,547
Park Grants	398,119	398,119
Police Grants (Equipment)	189,667	189,667
Federal Grants (Equipment)	597,792	597,792
State Grants (Equipment)	9,571	9,571
Conservation Trust	2,372,602	2,372,602
Revenue Sharing	87,830	87,830
General Fund Revenue	234,564,081	228,356,602
Certificates of Participation	124,235,546	124,235,546
Total Governmental Funds Capital Assets	\$477,791,128	\$471,583,650

City and County of Broomfield, Colorado

Capital Assets Used in the Operation of Governmental Activities Schedule by Function and Activity

December 31, 2011

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment and Art	Infrastructure	Construction In Progress	Total
GENERAL GOVERNMENT							
City Manager				\$36,841			\$36,841
Finance		\$8,861		3,761,169		\$306,374	4,076,404
Health & Human Services		2,098,198		201,047		4,663	2,303,908
Total General Government		<u>2,107,059</u>		<u>3,999,057</u>		<u>311,037</u>	<u>6,417,153</u>
PARKS AND RECREATION							
Community Center/Recreation		25,195,693	\$1,035,809	1,056,895			27,288,397
Parks/Open Space	\$46,811,931	961,694	41,229,058	3,196,296	\$30,000	165,424	92,394,403
Total Parks and Recreation	<u>46,811,931</u>	<u>26,157,387</u>	<u>42,264,867</u>	<u>4,253,191</u>	<u>30,000</u>	<u>165,424</u>	<u>119,682,800</u>
PUBLIC SAFETY							
		<u>39,109,829</u>	<u>94,993</u>	<u>4,123,324</u>		<u>187,158</u>	<u>43,515,304</u>
COMMUNITY DEV./PUBLIC WORKS							
	<u>1,477,731</u>	<u>4,048,255</u>	<u>613,278</u>	<u>3,607,354</u>	<u>54,515</u>	<u>1,255,791</u>	<u>11,056,924</u>
MUNICIPAL BUILDING							
		<u>10,804,199</u>		<u>256,693</u>			<u>11,060,892</u>
STREETS							
	<u>1,336,845</u>	<u>325,434</u>	<u>327,898</u>	<u>4,365,630</u>	<u>265,270,054</u>	<u>346,312</u>	<u>271,972,173</u>
LIBRARY/AUDITORIUM							
	<u>2,187,425</u>	<u>10,163,946</u>	<u>794,357</u>	<u>918,629</u>		<u>21,525</u>	<u>14,085,882</u>
Total Governmental Funds Capital Assets	<u>\$51,813,932</u>	<u>\$92,716,109</u>	<u>\$44,095,393</u>	<u>\$21,523,878</u>	<u>\$265,354,569</u>	<u>\$2,287,247</u>	<u>\$477,791,128</u>

City and County of Broomfield, Colorado

Capital Assets Used in the Operation of Governmental Activities Schedule of Changes by Function and Activity

For the Fiscal Year Ended December 31, 2011

Function and Activity	Capital Assets January 1, 2011	Additions	Deletions	Capital Assets December 31, 2011
GENERAL GOVERNMENT:				
City Manager	\$36,841			\$36,841
Finance	3,927,104	\$265,193	\$115,893	4,076,404
Health & Human Services	2,367,584	4,663	68,339	2,303,908
Total General Government	<u>6,331,529</u>	<u>269,856</u>	<u>184,232</u>	<u>6,417,153</u>
PARKS AND RECREATION:				
Community Center/Recreation	27,239,167	123,583	74,353	27,288,397
Parks/Open Space	91,596,944	941,685	144,227	92,394,402
Total Parks and Recreation	<u>118,836,111</u>	<u>1,065,268</u>	<u>218,580</u>	<u>119,682,799</u>
PUBLIC SAFETY	<u>43,430,847</u>	<u>389,981</u>	<u>305,524</u>	<u>43,515,304</u>
COMMUNITY DEV./PUBLIC WORKS	<u>11,238,859</u>	<u>1,344,413</u>	<u>1,526,348</u>	<u>11,056,924</u>
MUNICIPAL BUILDING	<u>11,060,892</u>			<u>11,060,892</u>
STREETS	<u>266,760,912</u>	<u>5,245,841</u>	<u>34,579</u>	<u>271,972,174</u>
LIBRARY/AUDITORIUM	<u>13,924,500</u>	<u>173,182</u>	<u>11,800</u>	<u>14,085,882</u>
Total Governmental Funds Capital Assets	<u>\$471,583,650</u>	<u>\$8,488,541</u>	<u>\$2,281,063</u>	<u>\$477,791,128</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City and County of Broomfield			
		YEAR ENDING : December 2011			
This Information From The Records Of : City and County of Broomfield		Prepared By: Phone:	Tom Kessler 303 464-5825		
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)	5,991,479		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	829,981		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	659,826		
2. General fund appropriations	8,597,575	b. Snow and ice removal	705,256		
3. Other local imposts (from page 2)	1,253,549	c. Other	1,390,671		
4. Miscellaneous local receipts (from page 2)	472,205	d. Total (a. through c.)	2,755,753		
5. Transfers from toll facilities		4. General administration & miscellaneous	40,507		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	820,227		
a. Bonds - Original Issues		6. Total (1 through 5)	10,437,947		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)		a. Interest	1,632,005		
7. Total (1 through 6)	10,323,329	b. Redemption	200,000		
B. Private Contributions		c. Total (a. + b.)	1,832,005		
C. Receipts from State government (from page 2)	1,946,623	2. Notes:			
D. Receipts from Federal Government (from page 2)		a. Interest			
E. Total receipts (A.7 + B + C + D)	12,269,952	b. Redemption			
		c. Total (a. + b.)			
		3. Total (1.c + 2.c)	1,832,005		
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	12,269,952		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
		Opening Debt	Amount Issued	Closing Debt	
A. Bonds (Total)		31,724,942		31,524,942	
1. Bonds (Refunding Portion)					
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	12,269,952	12,269,952	0	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2011

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	699,307	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	471,958
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	554,242	g. Other Misc. Receipts	247
6. Total (1. through 5.)	554,242	h. Other	
c. Total (a. + b.)	1,253,549	i. Total (a. through h.)	472,205
	(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	1,754,332	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	192,291	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	192,291	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	1,946,623	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		1,153,333	1,153,333
b. Engineering Costs		77,608	77,608
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,518,143	1,518,143
(3). System Preservation		3,079,887	3,079,887
(4). System Enhancement & Operation		162,508	162,508
(5). Total Construction (1) + (2) + (3) + (4)		4,760,538	4,760,538
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		5,991,479	5,991,479
			(Carry forward to page 1)

Notes and Comments:

City & County of Broomfield, Colorado

Table 1

Net Assets by Component

Last Nine Fiscal Years

(Unaudited)
(Accrual Basis of Accounting)

	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:									
Invested in capital assets, net of related debt	\$ 40,263,835	\$ 44,701,246	\$ 54,695,039	\$ 74,611,096	\$ 114,253,418	\$ 124,792,958	\$ 178,684,000	\$ 177,796,539	\$ 184,431,444
Restricted	11,836,711	13,995,726	23,227,597	27,669,347	28,283,159	16,069,541	16,426,241	50,204,304	21,350,044
Unrestricted	37,652,935	41,707,735	46,635,991	45,834,430	50,608,949	67,173,061	62,525,217	35,134,867	69,650,278
Total governmental activities net assets	\$ 89,753,481	\$ 100,404,707	\$ 124,558,627	\$ 148,114,873	\$ 193,145,526	\$ 208,035,560	\$ 257,635,458	\$ 263,135,710	\$ 275,431,766
Business-type activities:									
Invested in capital assets, net of related debt	\$ 192,510,060	\$ 216,927,173	\$ 240,680,344	\$ 244,524,884	\$ 248,869,585	\$ 298,811,741	\$ 373,976,952	\$ 372,750,077	\$ 373,567,562
Restricted	8,359			1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Unrestricted	89,878,270	80,790,833	78,642,745	98,494,774	115,836,073	99,288,582	85,671,249	86,847,424	87,536,321
Total business-type activities net assets	\$ 282,396,689	\$ 297,718,006	\$ 319,323,089	\$ 344,269,658	\$ 365,955,658	\$ 399,350,323	\$ 460,898,201	\$ 460,847,501	\$ 462,353,883
Primary government:									
Invested in capital assets, net of related debt	\$ 232,773,895	\$ 261,628,419	\$ 295,375,383	\$ 319,135,980	\$ 363,123,003	\$ 423,604,699	\$ 552,660,952	\$ 550,546,616	\$ 557,999,006
Restricted	11,845,070	13,995,726	23,227,597	28,919,347	29,533,159	17,319,541	17,676,241	22,712,127	22,600,044
Unrestricted	127,531,205	122,498,568	125,278,736	144,329,204	166,445,022	166,461,643	148,196,466	150,724,468	157,186,599
Total primary government net assets	\$ 372,150,170	\$ 398,122,713	\$ 443,881,716	\$ 492,384,531	\$ 559,101,184	\$ 607,385,883	\$ 718,533,659	\$ 723,983,211	\$ 737,785,649

Note: Data is not available to complete the table for prior years.

City & County of Broomfield, Colorado

Table 2

Changes in Net Assets

Last Nine Fiscal Years

(Unaudited)
(Accrual Basis of Accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General Government	\$ 17,765,586	\$ 19,807,098	\$ 17,853,190	\$ 19,792,163	\$ 18,652,762	\$ 18,616,899	\$ 17,374,939	\$ 19,173,423	\$ 19,738,659
Public Safety	16,079,440	17,228,895	17,197,041	18,434,001	20,051,519	20,442,584	19,999,395	21,275,149	21,638,964
Community Development	4,433,213	4,103,727	4,233,001	4,450,072	4,784,660	4,811,519	4,685,884	4,168,366	3,988,142
Public works	15,594,909	15,090,233	13,550,308	16,165,684	22,987,926	22,098,063	24,776,034	23,337,178	21,225,148
Parks and Recreation	9,274,690	10,801,972	11,908,435	12,428,295	15,004,246	14,594,587	14,076,609	14,506,969	16,325,384
Facility Maintenance	2,303,981	3,090,742	3,509,900	3,300,925	3,536,084	3,892,586	3,470,418	3,521,003	3,745,348
Health and Human Services	8,576,507	8,938,952	9,832,506	11,179,060	11,050,195	11,739,322	13,364,928	14,097,299	13,218,911
Agency Cooperation Outlay	461,215	486,424	877,514						
Interest on Long Term Debt	13,269,263	13,653,665	12,868,851	12,529,253	12,193,392	12,103,855	11,952,624	14,537,395	9,560,824
Total governmental activities expenses	87,758,804	93,201,708	91,830,746	98,279,453	108,260,784	108,299,415	109,700,831	114,616,782	109,441,380
Business-type activities:									
Water	16,855,663	19,605,751	16,590,307	17,963,617	18,223,595	18,600,967	18,730,441	19,289,836	19,624,913
Sewer	9,494,550	9,674,506	10,281,973	11,553,039	12,119,323	11,702,968	11,622,700	12,552,065	13,423,582
Water Reclamation	512,264	531,297	1,473,050	1,620,632	1,777,445	2,499,608	3,770,349	2,657,657	2,638,098
Total business-type activities expenses	26,822,477	29,811,554	28,345,330	31,137,288	32,120,363	32,803,543	34,123,490	34,499,558	35,686,593
Total primary government expenses	\$ 114,581,281	\$ 123,013,262	\$ 120,176,076	\$ 129,416,741	\$ 140,381,147	\$ 141,102,958	\$ 143,824,321	\$ 149,116,340	\$ 145,127,973
Program Revenues									
Governmental activities:									
Charges for Services:									
General Government	\$ 3,258,594	\$ 3,186,380	\$ 3,298,829	\$ 4,312,989	\$ 4,683,648	\$ 4,779,132	\$ 6,748,682	\$ 6,503,833	\$ 6,481,960
Public Safety	281,829	312,790	332,740	361,739	203,725	493,692	588,540	744,711	838,393
Community Development	3,150,924	4,769,720	5,363,525	5,695,229	5,232,225	3,230,673	2,037,737	1,916,062	1,817,989
Public Works	209,071	206,106	241,747	687,309	295,293	201,736	133,985	565,337	644,280
Parks and Recreation	1,859,194	2,889,984	3,353,368	3,615,694	4,180,469	4,341,741	4,183,595	4,364,479	4,488,769
Facility Maintenance	80,239	57,101	86,689	87,683	96,815	110,143	102,237	100,903	103,117
Health and Human Services	267,625	325,399	352,574	390,645	316,890	356,849	425,986	445,454	410,609
Total Charges for services	9,107,476	11,747,480	13,029,472	15,151,288	15,009,065	13,513,966	14,220,762	14,640,779	14,785,117
Operating grants and contributions	9,085,284	10,100,300	11,834,792	11,956,807	11,720,020	12,330,438	12,909,066	13,931,167	12,944,646
Capital grants and contributions	574,906	5,491,890	3,206,646	9,586,379	11,499,793	9,691,429	53,528,957	2,943,133	6,198,005
Total governmental activities program revenues	18,767,666	27,339,670	28,070,910	36,694,474	38,228,878	35,535,833	80,658,785	31,515,079	33,927,768
Business-type activities:									
Charges for services:									
Water	9,641,080	9,922,211	11,001,854	12,842,492	12,270,005	13,124,836	11,900,558	12,694,970	12,812,733
Sewer	4,922,466	5,127,799	5,302,080	5,599,769	5,478,733	5,913,384	5,900,989	5,890,966	5,971,251
Water Reclamation	379,330	477,525	610,293	989,393	1,076,095	1,347,348	1,215,238	1,365,248	1,417,431
Capital grants and contributions	22,591,999	27,786,032	31,348,696	32,190,997	28,254,348	40,645,513	75,490,410	9,916,774	15,199,142
Total business-type activities program revenues	37,534,875	43,313,567	48,262,923	51,622,651	47,079,181	61,031,081	94,507,195	29,867,958	35,400,557
Total primary government program revenues	\$ 56,302,541	\$ 70,653,237	\$ 76,333,833	\$ 88,317,125	\$ 85,308,059	\$ 96,566,914	\$ 175,165,980	\$ 61,383,037	\$ 69,328,325

Note: Data is not available to complete the table for prior years.

City & County of Broomfield, Colorado

Table 2 continued

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in Net Assets									
Last Nine Fiscal Years									
(Unaudited)									
(Accrual Basis of Accounting)									
Net (Expenses)/Program Revenues									
Governmental activities	\$ (68,991,138)	\$ (65,862,038)	\$ (63,759,836)	\$ (61,584,979)	\$ (70,031,906)	\$ (72,763,582)	\$ (29,042,046)	\$ (83,101,703)	\$ (75,513,612)
Business-type activities	10,712,398	13,502,013	19,917,593	20,485,363	14,958,818	28,227,538	60,383,705	(4,631,600)	(286,036)
Total primary government net expenses	\$ (58,278,740)	\$ (52,360,025)	\$ (43,842,243)	\$ (41,099,616)	\$ (55,073,088)	\$ (44,536,044)	\$ 31,341,659	\$ (87,733,303)	\$ (75,799,648)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property Taxes	\$ 22,279,967	\$ 24,177,671	\$ 23,598,520	\$ 24,361,217	\$ 24,642,659	\$ 27,872,634	\$ 28,436,768	\$ 29,213,902	\$ 29,147,511
Sales & Use Taxes	43,605,804	45,090,235	48,005,442	50,385,796	54,616,346	49,500,862	43,617,938	49,121,310	51,660,585
Other Taxes	4,010,375	4,134,581	4,417,886	4,695,687	4,818,300	5,132,685	4,758,744	5,124,763	5,219,513
Leases		340,645							
Intergovernmental	1,238,832								
Investment Earnings	2,693,186	1,470,506	2,176,918	3,907,460	4,828,417	4,470,132	841,625	4,307,913	1,341,096
Sale of Assets	(39,011)	52,894	34,020	88,318	(64,083)	23,932	33,954	36,761	24,599
Change in Investment in Joint Venture				1,140,925					
Miscellaneous	4,877,235	1,246,732	1,360,165	561,822	1,021,715	653,370	952,915	797,306	416,363
Total governmental activities	78,666,388	76,513,264	79,592,951	85,141,225	89,863,354	87,653,615	78,641,944	88,601,955	87,809,667
Business-type activities:									
Investment Earnings	670,274	1,340,177	1,366,372	4,044,906	6,353,892	4,732,167	802,407	4,181,590	1,351,639
Sale of Assets	7,554	75,207	89,743	9,483	(2,921)	23,495	432	7,954	7,954
Miscellaneous	282,428	403,920	231,375	406,817	376,211	411,465	361,334	399,310	432,825
Total business-type activities	960,256	1,819,304	1,687,490	4,461,206	6,727,182	5,167,127	1,164,173	4,580,900	1,792,418
Total primary government	\$ 79,626,644	\$ 78,332,568	\$ 81,280,441	\$ 89,602,431	\$ 96,590,536	\$ 92,820,742	\$ 79,806,117	\$ 93,182,855	\$ 89,602,085
Change in Net Assets									
Governmental activities	\$ 9,675,250	\$ 10,651,226	\$ 15,833,115	\$ 23,556,246	\$ 19,831,448	\$ 14,890,033	\$ 49,599,898	\$ 5,500,252	\$ 12,296,055
Business-type activities	11,672,654	15,321,317	21,605,083	24,946,569	21,686,000	33,394,665	61,547,878	(50,700)	1,506,382
Prior Period Adjustment					25,199,205				
Total primary government	\$ 21,347,904	\$ 25,972,543	\$ 37,438,198	\$ 48,502,815	\$ 66,716,653	\$ 48,284,698	\$ 111,147,776	\$ 5,449,552	\$ 13,802,437

Note: Data is not available to complete the table for prior years.

City & County of Broomfield, Colorado

Table 3

Fund Balances, Governmental Funds
Last Ten Fiscal Years

(Unaudited)
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Nonspendable										
Inventory									\$ 45,790	\$ 32,429
Prepays	\$ 79,974	\$ 32,590		\$ 110,037	\$ 106,203	\$ 109,825	\$ 284,326	\$ 422,658	\$ 339,661	\$ 338,368
Restricted										
Emergency Reserves			\$ 2,522,565	2,726,041	3,060,194	3,280,963	3,702,830	3,007,522	3,548,064	3,671,054
Committed										
Severance Pay									203,300	124,615
Unassigned	11,963,811	15,364,930	17,128,962	19,012,983	20,393,539	20,187,713	21,686,873	23,379,101	26,785,616	26,093,063
Total General Fund	\$ 12,043,785	\$ 15,397,520	\$ 19,651,527	\$ 21,849,061	\$ 23,559,936	\$ 23,578,501	\$ 25,674,029	\$ 26,809,281	\$ 30,922,431	\$ 30,259,529
All other governmental funds:										
Nonspendable										
Prepays	\$ 20,479	\$ 106,867		\$ 167,893	\$ 168,606	\$ 57,049	\$ 107,531	\$ 148,045	\$ 128,580	\$ 138,312
Restricted										
Debt Service	10,872,541	16,183,286	\$ 10,431,758	12,829,919	13,052,556	18,043,535	3,496,061	1,421,554	9,789,200	9,784,690
Capital Projects (1)	57,036,396	1,147,698	818,470	841,143	353,762	671,592	1,040,907	1,424,312	1,626,137	2,176,420
Development Agreements	4,005,238	13,902,733	17,187,992	18,733,232	10,323,445	11,214,581	10,011,052	6,121,256	4,248,042	3,404,608
Committed										
Capital Projects				2,645,397	4,853,772	4,657,193	4,587,878	6,825,711	3,629,985	3,538,980
Assigned										
Capital Projects										
Health and Human Services	291,905	474,651	1,888,260	2,760,773	14,889,761	17,586,504	30,003,673	26,322,849	26,799,642	33,859,846
Cemetery Operations	20,481	(719)	840,841	875,025	1,010,445	1,415,584	2,262,735	3,319,014	3,794,585	3,361,724
Library Operations	222,482	109,793	64,644	100,393	114,464	91,787	113,210	126,062	155,561	169,530
Housing Authority Operations	158,993	166,661	117,487	(16,657)	(8,746)	9,252	38,307	25,497	51,714	54,868
Unassigned	878,965	726,624	758,732	1,034,125	871,693	232,644	110,912	393,108	(3,829)	(5,093)
Total all other governmental funds	\$ 73,507,480	\$ 32,817,594	\$ 32,282,296	\$ 40,152,709	\$ 45,804,285	\$ 54,233,487	\$ 51,962,064	\$ 46,293,345	\$ 50,398,020	\$ 56,653,548

(1) Reserved fund balance for Capital Projects Funds as of December 2002 and 2003 includes the unspent proceeds of the Certificates of Participation.

City & County of Broomfield, Colorado

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

(Unaudited)

(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 66,534	\$ 69,896	\$ 73,403	\$ 76,022	\$ 79,443	\$ 84,078	\$ 82,506	\$ 76,813	\$ 83,460	\$ 86,028
Licenses and Permits	1,551	1,430	2,100	2,477	2,876	2,733	1,996	1,274	1,704	1,538
Fines and Forfeitures	428	345	478	436	980	516	581	672	519	660
Charges for Services	6,865	7,332	9,169	10,117	11,295	11,758	10,937	12,275	12,418	12,587
Intergovernmental	11,848	10,549	11,514	12,722	12,444	15,719	13,615	14,172	14,687	13,905
Developer Contributions				1,529	1,529	283	364	267	1	1
Miscellaneous	15,591	5,287	3,181	3,698	4,581	5,876	5,008	1,776	4,993	1,707
Total revenues	102,817	94,839	99,845	105,472	113,148	120,963	115,007	107,249	117,782	116,426
Expenditures										
General government	11,276	15,590	17,254	15,588	16,006	14,874	15,786	14,471	15,202	16,552
Public Safety	13,289	14,521	15,595	16,042	16,999	18,498	19,010	18,702	20,318	20,423
Public Works (2)	6,350	18,214	17,167	16,478	19,161	19,678	18,696	21,452	22,850	20,646
Library Services	1,524	1,728	1,694	1,806	1,858	1,900	2,006	1,982	2,006	2,017
Parks and Recreation	6,180	7,420	8,110	9,167	9,975	12,172	11,666	11,305	11,833	13,255
Capital Outlay & Other	148,750	54,964	17,730	22,936	22,534	25,299	25,753	35,044	26,427	20,271
Debt Service- other	768	13	20	32	12	15	315	210	1,005	2
Debt Service- principal	7,187	6,719	6,957	7,090	7,060	7,401	10,398	10,582	3,295	7,765
Debt Service- interest	11,732	13,034	13,421	12,635	12,295	11,946	11,599	11,243	8,532	9,979
Total expenditures	207,056	132,203	97,948	101,774	105,900	111,783	115,229	124,991	111,468	110,910
Excess (deficiency) of revenues over (under) expenditures	(104,239)	(37,364)	1,897	3,698	7,248	9,180	(222)	(17,742)	6,314	5,516
Other Financing Sources (Uses)										
Transfer in	11,494	20,757	22,295	22,297	24,910	26,861	33,479	22,791	25,958	28,878
Transfer out	(11,494)	20,757	22,295	(22,297)	(24,910)	(26,861)	(33,479)	(22,791)	(25,958)	(28,878)
Capital Lease proceeds	102,189			1,015						
Sale of Capital Assets	42	28	53	34	114	64	46	209	44	50
Note Proceeds	6,000									
Issuance of Debt	16,249							13,000	87,710	
Payment to bond refunding escrow									8,530	
Payment to refunded bond agent									(94,380)	
Total other financing sources	108,540	41,542	44,643	1,049	114	64	46	13,209	1,904	50
Net change in fund balances	\$ 4,301	\$ 4,178	\$ 46,540	\$ 4,747	\$ 7,362	\$ 9,244	\$ (176)	\$ (4,533)	\$ 8,218	\$ 5,566

City & County of Broomfield, Colorado

Table 4 Continued

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Service expenditures:										
Debt Service - principal	\$ 7,187	\$ 6,719	\$ 6,957	\$ 7,090	\$ 7,060	\$ 7,401	\$ 10,398	\$ 10,582	\$ 3,295	\$ 7,765
Debt Service - interest	11,732	13,034	13,421	12,635	12,295	11,946	11,599	11,243	8,532	9,979
Debt Service - other	768	13	20	32	12			210	1,005	2
Total	<u>19,687</u>	<u>19,766</u>	<u>20,398</u>	<u>19,757</u>	<u>19,367</u>	<u>19,347</u>	<u>21,997</u>	<u>22,035</u>	<u>12,832</u>	<u>17,746</u>
Total Expenditures	207,056	132,203	97,948	101,774	105,900	111,783	115,229	124,991	111,468	110,910
Less Capital expenditures:										
Additions per Capital Assets Schedule of Changes	134,655	43,735	5,405	8,747	8,167	6,407	5,825	13,379	8,783	3,261
Total Non-Capital expenditures	<u>\$ 72,401</u>	<u>\$ 88,468</u>	<u>\$ 92,543</u>	<u>\$ 93,027</u>	<u>\$ 97,733</u>	<u>\$ 105,376</u>	<u>\$ 109,404</u>	<u>\$ 111,612</u>	<u>\$ 102,685</u>	<u>\$ 107,649</u>
Total Debt Service to Total Noncapital Expenditures	27.19%	22.34%	22.04%	21.24%	19.82%	18.36%	20.11%	19.74%	12.50%	16.49%

(1) Includes General, Special Revenue, Capital Project, and Debt Service Funds

(2) Includes Public Works and Streets expenditures

City & County of Broomfield, Colorado

Table 5

Tax Revenue by Source, Governmental Funds

Last Ten Fiscal Years

(Unaudited)
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Specific Ownership Tax</u>	<u>Sales & Use</u>	<u>Tobacco Tax</u>	<u>Business Tax</u>	<u>Miscellaneous Taxes</u>	<u>Total</u>
2002	\$ 20,122	\$ 1,449	\$ 42,971	\$ 213	\$ 1,522	\$ 257	\$ 66,534
2003	22,280	1,468	43,606	229	1,887	426	69,896
2004	24,178	1,525	45,090	263	1,971	376	73,403
2005	23,599	1,551	48,005	238	2,234	395	76,022
2006	24,361	1,584	50,386	229	2,399	484	79,443
2007	24,643	1,630	54,616	219	2,489	481	84,078
2008	27,873	1,617	49,501	204	2,869	442	82,506
2009	28,437	1,482	43,618	183	2,693	400	76,813
2010	29,214	1,439	49,121	182	3,012	492	83,460
2011	29,148	1,401	51,661	189	3,063	566	86,028
Change 2002-2011	\$ 9,026	\$ 10	\$ 8,690	\$ 31	\$ 1,541	\$ 309	\$ 19,494

City & County of Broomfield, Colorado

Table 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended December 31 (1)	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources Property	Oil & Gas Property	State Assessed Property	Less: Tax-Exempt Property	Less: Urban Renewal Authority	Total Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 56,371,020	\$ 275,734,202	\$ 338,566,460	\$ 87,523,380	\$ 854,170	\$ 4,990	\$ 3,088,950	\$ 63,223,720	\$ 31,944,800	\$ 48,182,587	\$ 777,184,305	2.897%
2003	64,469,570	285,082,822	388,216,810	89,087,810	929,110	10,650	2,091,590	67,680,440	62,059,470	45,898,380	851,670,422	2.897%
2004	54,169,710	302,326,988	389,602,400	86,907,030	980,850	10,090	3,135,860	52,314,990	81,421,890	46,301,066	843,146,852	2.897%
2005	44,952,750	329,646,091	378,093,130	88,915,140	1,021,610	10,090	4,491,250	50,861,120	90,228,010	48,087,900	849,903,287	2.897%
2006	46,430,880	352,276,936	380,026,910	84,837,110	1,026,760	10,740	6,905,210	49,418,010	97,271,610	48,516,304	872,416,252	2.897%
2007	55,839,050	401,672,081	423,228,880	85,586,710	947,820	10,740	5,832,990	54,561,700	132,583,270	58,606,300	969,073,671	2.897%
2008	53,178,340	423,077,975	442,010,040	86,737,530	942,530	10,740	4,452,940	54,729,600	133,545,950	53,992,330	1,011,147,365	2.897%
2009	51,273,460	424,795,610	452,227,830	91,072,720	949,640	9,410	7,306,270	56,075,000	173,899,270	64,863,003	1,018,846,937	2.897%
2010	45,512,710	432,313,674	463,097,360	89,521,390	981,730	9,430	6,359,460	51,520,800	185,003,120	74,665,616	1,014,650,938	2.897%
2011	41,934,500	431,486,865	438,832,220	80,462,000	919,520	9,310	10,088,730	53,450,300	188,709,690	75,267,861	981,915,584	2.897%

(1) Date of City and County of Broomfield abstract

City & County of Broomfield, Colorado

Table 7

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(Rate per \$1,000 of Assessed Value)

Fiscal Year	City and County of Broomfield						Overlapping Rates					
	General Fund	Special Revenue Funds	Capital Projects Fund	Human Services Fund	Total Direct	Adams RE-12 School District	Boulder RE-2 School District	Jeffco R1 School District	Interlocken Consolidated Metro District	North Metro Fire District		
2002	20.620	3.111	3.5	1.737	28.968	63.786	38.524	45.374	27.240	7.909		
2003	21.169	2.562	3.5	1.737	28.968	62.040	38.255	43.848	27.240	7.955		
2004	21.026	2.705	3.5	1.737	28.968	68.763	37.423	51.098	27.240	7.930		
2005	20.941	2.790	3.5	1.737	28.968	67.060	37.685	49.053	33.500	8.135		
2006	20.832	2.899	3.5	1.737	28.968	67.044	39.564	49.028	33.500	11.179		
2007	20.995	2.736	3.5	1.737	28.968	64.595	37.865	48.118	33.500	11.301		
2008	21.095	2.636	3.5	1.737	28.968	69.671	39.113	48.284	33.500	11.268		
2009	21.168	2.636	3.5	1.664	28.968	70.179	39.999	48.145	33.500	11.307		
2010	21.587	2.636	3.5	1.245	28.968	70.359	43.838	48.210	33.500	11.225		
2011	21.587	2.636	3.5	1.245	28.968	70.276	44.843	48.721	33.500	11.176		

City & County of Broomfield, Colorado

Table 8

Principal Property Tax Payers

Current Year and Ten Years Ago

2011		2002			
Taxpayer	Taxable Assessed Value	Percentage of Total City and County Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City and County Taxable Assessed Value
	Rank		Rank		
Oracle America Inc	\$ 48,463,310	4.94%	1	\$ 56,828,900	8.10%
Flatiron Holding LLC	45,240,320	4.61%	2	47,355,870	6.74%
Level 3 Communications	28,180,600	2.87%	3	26,620,230	3.79%
Hines VAF Mountain View LP	17,182,130	1.75%	4	11,046,000	1.57%
Hunter Douglas Inc	14,020,390	1.43%	5	10,304,470	1.47%
FSP 390 Interlocken Corp	12,934,000	1.32%	6	9,524,470	1.36%
DDR Flatiron Corp	12,853,050	1.31%	7	8,901,420	1.27%
FSP 380 Interlocken Corp	11,310,000	1.15%	8	7,478,550	1.06%
Equastone Views LLC	11,281,000	1.15%	9	6,662,910	0.95%
Public Service Co of Colorado	11,279,500	1.15%	10	5,430,150	0.77%
		21.67%			27.08%
Total Assessed Value less TIF	\$ 212,744,300			\$ 190,152,970	

City & County of Broomfield, Colorado

Table 9

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 20,344,000	\$ 20,122,000	98.9%		\$ 20,122,000	98.9%
2003	22,513,475	22,279,968	99.0%		22,279,968	99.0%
2004	24,671,189	24,177,671	98.0%	(\$2,408)	24,175,263	98.0%
2005	24,424,277	23,598,520	96.6%	(28,995)	23,569,525	96.5%
2006	24,619,998	24,361,217	98.9%	(43,205)	24,318,012	98.8%
2007	25,272,154	24,642,659	97.5%	(858,805)	23,783,854	94.1%
2008	28,072,126	27,872,634	99.3%	430,215	28,302,849	100.8%
2009	29,176,748	28,436,768	97.5%	(183,062)	28,253,706	96.8%
2010	29,513,958	29,213,902	99.0%		29,213,902	99.0%
2011	28,444,130	29,147,511	102.5%		29,147,511	102.5%

(1) Includes collections and abatements of assessments.

City & County of Broomfield, Colorado

Table 10

Sales and Use Tax Revenue by Type of Industry
Last Nine Fiscal Years

Fiscal Year Ended December 31

Category of Taxpayer	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total Sales and Use Taxes
Apparel/Accessory/Jewelry Stores	\$ 5,177,241	\$ 5,597,981	\$ 5,856,394	\$ 5,852,971	\$ 5,916,065	\$ 5,190,192	\$ 4,850,082	\$ 5,329,561	\$ 5,213,869	\$ 48,984,356
Automotive	1,487,843	1,393,093	1,387,828	1,347,871	1,508,071	1,384,523	1,360,012	1,572,310	1,636,539	13,078,090
Construction/Building/Housing	2,164,348	2,245,083	2,233,928	2,107,116	2,022,814	2,046,421	1,795,809	1,892,812	1,848,425	18,356,756
Department Stores	7,014,007	7,624,364	8,819,514	8,702,031	8,268,621	7,403,605	6,714,336	8,128,159	8,559,810	71,234,447
Eating and Drinking	4,911,245	5,245,548	5,308,422	5,252,363	5,389,481	5,075,484	4,896,611	5,256,172	5,432,439	46,767,765
Electronics/Computers/Telecommunications & Info.	3,116,099	3,641,742	3,649,625	3,984,531	4,818,832	5,284,220	4,733,397	5,385,893	6,309,388	40,923,727
Finance/ Insurance/Real Estate/Rental	2,682,146	1,396,528	1,705,502	1,563,743	1,622,472	1,836,104	1,439,423	1,417,572	1,317,874	14,981,364
Furniture/Home Furniture/Office	1,443,329	1,580,961	1,530,791	1,692,704	1,743,490	1,546,627	1,138,939	1,216,659	1,282,247	13,175,747
Grocery Stores	3,067,946	3,008,302	3,079,045	3,255,164	3,569,644	3,838,512	4,289,673	4,725,615	4,977,172	33,811,073
Hobby: Bookstores/Games/Sports/Fitness	911,035	858,857	888,648	989,517	1,014,501	857,134	715,727	777,862	821,007	7,834,288
Hotels & Lodging	1,075,038	1,174,917	1,344,625	1,617,880	1,656,144	1,565,976	1,271,109	1,502,901	1,694,368	12,902,958
Miscellaneous Retail & Other	1,833,807	1,388,522	1,239,557	1,527,026	5,023,415	2,943,779	1,939,973	3,570,660	4,049,458	23,516,197
Professional Services/Arts/Entertainment	1,614,316	1,330,575	1,288,734	1,258,314	1,259,685	957,248	818,652	772,005	764,414	10,063,943
Public Utilities	1,777,702	1,985,434	2,336,053	2,405,711	2,496,778	2,974,418	2,677,325	3,110,636	3,167,071	22,931,128
Total Sales Tax by Year	\$ 38,276,102	\$ 38,471,907	\$ 40,668,666	\$ 41,556,942	\$ 46,310,013	\$ 42,904,243	\$ 38,641,068	\$ 44,658,817	\$ 47,074,081	\$ 378,561,839
Use Tax - Building	\$ 2,717,847	\$ 3,837,074	\$ 4,564,211	\$ 5,439,890	\$ 6,171,264	\$ 4,723,062	\$ 2,842,797	\$ 2,532,091	\$ 2,665,419	\$ 35,493,655
Use Tax - Audit Revenue	4,992	78,762	219,476	985,599	347,808	194,835	216,048	251,351	219,002	2,517,873
Use Tax - Vehicle	3,251,625	3,237,936	3,163,417	3,095,226	3,588,962	3,313,724	2,971,358	3,224,162	3,566,622	29,413,032
Total Use Tax by Year	\$ 5,974,464	\$ 7,153,772	\$ 7,947,104	\$ 9,520,715	\$ 10,108,034	\$ 8,231,621	\$ 6,030,203	\$ 6,007,604	\$ 6,451,043	\$ 67,424,560
Total Sales & Use Tax by Year	\$ 44,250,566	\$ 45,625,679	\$ 48,615,770	\$ 51,077,657	\$ 56,418,047	\$ 51,135,864	\$ 44,671,271	\$ 50,666,421	\$ 53,525,124	\$ 445,986,399

Revenues inclusive of BURA and FID.

City & County of Broomfield, Colorado

Table 11

Ratio of Outstanding Debt by Type

Last Nine Fiscal Years

(Amounts Expressed in Thousands)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Notes	Capital Leases	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Sales Tax Increment Bonds	Certificate of Participation	Capital Leases	Notes	Water Bonds	Sewer Bonds	General Obligation Bonds	Notes	Capital Leases					
2003	\$ 4,215	\$ 113,260	\$ 117,205	\$ 1,992	5,242	\$ 74,000	\$ 60,235	\$ 11,743	127	\$ 5,079	\$ 393,098	35.63%	\$ 8,840		
2004	3,685	111,460	113,470	1,099	5,242	35,290	58,835	160	87	3,291	332,619	28.44%	7,533		
2005	3,130	109,570	109,540	1,399	5,242	71,390	57,385		45	1,593	359,294	28.55%	7,789		
2006	2,555	107,585	105,425	1,014	5,242	68,535	55,875			1,479	347,710	25.54%	6,967		
2007	1,955	105,495	101,105	623	5,242	65,535	54,305			1,360	335,620	21.76%	6,237		
2008	1,330	103,290	96,565	215	2,621	62,470	52,665			1,236	320,392	18.59%	5,869		
2009	680	113,960	91,800			59,235	50,960			1,105	317,740	17.05%	5,711		
2010		111,345	87,710			55,855	49,175			969	305,054	15.60%	5,483		
2011		108,530	82,760			52,320	47,310			825	291,745	14.40%	5,244		

Note: Data is not available to complete the table for prior years.

City & County of Broomfield, Colorado

Table 12

Ratios of General Bonded Debt Outstanding

Last Nine Fiscal Years

General Bonded Debt Outstanding

(Amounts Expressed in Thousands)

Fiscal Year	General Obligation	Total	Percentage of Actual Taxable Value of Property	Per Capita
2003	\$ 15,958	\$ 15,958	1.87%	\$ 339
2004	3,845	3,845	0.46%	81
2005	3,130	3,130	0.37%	63
2006	2,555	2,555	0.30%	50
2007	1,955	1,955	0.20%	36
2008	1,330	1,330	0.14%	25
2009	680	680	0.07%	12
2010			0.00%	
2011			0.00%	

Note: Data is not available to complete the table for prior years.

City & County of Broomfield, Colorado

Table 13

Direct and Overlapping Government Activities Debt

As of December 31, 2011

Taxing Jurisdiction	Outstanding General Obligation Debt	Percentage Applicable to Broomfield	Amount Applicable to Broomfield
Overlapping Debt			
Adams County School District No. 12	\$ 326,924,373	15.629%	\$ 51,095,337
Anthem West Metropolitan District	56,000,000	100.000%	56,000,000
Apex Parks & Recreation District	10,360,000	1.886%	195,400
Arista Metropolitan District	73,390,000	100.000%	73,390,000
Boulder Valley School District No. RE-2J	362,535,000	12.799%	46,402,305
Brighton School District 27J	156,890,000	0.002%	2,824
Broadlands Metropolitan Districts No.2	13,875,000	100.000%	13,875,000
Broomfield Village Metropolitan District No. 2	8,445,000	100.000%	8,445,000
Great Western Park Metropolitan District No. 3	4,666,625	100.000%	4,666,625
Interlocken Metropolitan District	89,595,517	100.000%	89,595,517
Jeffco Business Center Metropolitan District No.1	2,016,000	100.000%	2,016,000
Jefferson County School Dist. No. RE-1	452,710,000	1.651%	7,474,242
Lambertson Farms Metro District No. 1, 2 & 3	19,780,000	100.000%	19,780,000
McKay Landing Metropolitan District No. 2	11,250,000	100.000%	11,250,000
MidCities Metropolitan Districts No. 2	23,505,000	100.000%	23,505,000
North Metro Fire Rescue District	23,400,000	74.985%	17,546,373
Northern Colorado Water Conservancy District	4,729,921	4.466%	211,234
Palisade Metro District #2	3,800,000	100.000%	3,800,000
Red Leaf Metropolitan District No. 2	5,505,000	100.000%	5,505,000
Spruce Meadows Metropolitan District	2,885,000	100.000%	2,885,000
St Vrain Valley School District RE-1J	438,805,000	0.140%	613,888
Weid County School District RE-8	7,720,000	0.765%	59,066
Westlake Water & Sanitation District	51,366	100.000%	51,366
Wildgrass Metropolitan District	10,130,000	100.000%	10,130,000
Total Overlapping Debt			\$ 448,495,177
Direct Debt			
City and County of Broomfield		100.000%	
Total Direct Debt			
Total Direct and Overlapping Debt			\$ 448,495,177

Sources: City and County of Broomfield Assessor's office, and individual entities.

City & County of Broomfield, Colorado

Table 14

Legal Debt Margin Information

	Last Ten Fiscal Years									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 77,718,431	\$ 85,167,042	\$ 84,314,685	\$ 84,990,328	\$ 87,365,676	\$ 96,907,367	\$ 101,114,737	\$ 101,884,694	\$ 101,465,094	\$ 98,191,558
Total net debt applicable to limit	4,725,000	4,725,000	3,685,000	3,130,000	2,555,000	1,955,000	1,330,000	680		
Legal debt margin	72,993,431	80,442,042	80,629,685	81,860,328	84,810,676	94,952,367	99,784,737	101,884,014	101,465,094	98,191,558
Total net debt applicable to the limit as a percentage of debt limit	6.08%	5.55%	4.37%	3.68%	2.92%	2.02%	1.32%	0.00%	0.00%	0.00%

City and County of Broomfield, Colorado

Table 15

Computation of Legal Debt Margin

December 31, 2011

(Unaudited)

**Applicable Bonded Indebtedness to Total Debt Limitations
As Set Forth in Chapter 14, Section 14.7, of the City Charter**

2011 Assessed Valuation	<u>\$ 981,915,584</u>
Maximum Allowable Bonded Indebtedness per City Charter (10%)	98,191,558
Total Debt Outstanding Subject to 10 Percent Charter Limitation:	
	<hr/>
Maximum Debt Expansion Permitted by City Charter	<u>\$ 98,191,558</u>

**Applicable Bonded Indebtedness to 2 Percent Debt Provision
As Set Forth in Section 14.3, Subsection (c), of City Charter**

The City Charter, in Section 14.3, Subsection (c), allows, on a 2/3 vote of the City Council, issuance of general obligation bonds up to a maximum of 2 percent of the assessed valuation. This provision is subject to the 10 percent overall debt limitation referred to in Section 14.7. A comparison of the maximum bonding capability authorized by Section 14.3, Subsection (c) is as follows:

2011 Assessed Valuation	<u>\$ 981,915,584</u>
Bonded Indebtedness Permitted per 2 Percent Clause	19,638,312
Debt Outstanding Issued Under 2 Percent Clause	
	<hr/>
Maximum Debt Expansion under the 2 Percent Provision Permitted by City Charter	<u>\$ 19,638,312</u>

City and County of Broomfield, Colorado

Revenue Bond Coverage
Water and Sewer Bonds
(includes license fees)
Last Ten Fiscal Years

December 31, 2011

(Unaudited)

Water							
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	-----Debt Service Requirements -----			Coverage
				Principal	Interest (3)	Total	
2002	\$ 19,130,304	\$ 7,524,883	\$ 11,605,421	\$ 2,390,000	\$ 1,889,700	\$ 4,279,700	2.71
2003	23,250,711	8,422,755	14,827,956	2,480,000	4,071,073	6,551,073	2.26
2004	24,924,441	11,416,144	13,508,297	12,431,326	3,509,836	15,941,162	0.85 (4)
2005	32,485,864	8,954,144	23,531,720	2,750,000	3,501,381	6,251,381	3.76
2006	35,073,151	10,469,441	24,603,710	2,855,000	3,394,891	6,249,891	3.94
2007	32,945,427	10,768,030	22,177,397	2,970,000	3,285,716	6,255,716	3.55
2008	30,631,502	11,200,489	19,431,013	3,095,000	3,163,956	6,258,956	3.10
2009	18,207,129	11,193,130	7,013,999	3,235,000	3,036,836	6,271,836	1.12
2010	20,014,270	11,655,010	8,359,260	3,380,000	2,895,351	6,275,351	1.33
2011	19,300,521	12,073,682	7,226,839	3,535,000	2,747,351	6,282,351	1.15

<u>Sewer</u>							
<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>-----Debt Service Requirements -----</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>	<u>Total</u>	
2002	\$ 10,820,837	\$ 3,236,849	\$ 7,583,988	\$ 1,295,000	\$ 3,139,892	\$ 3,030,972	2.50
2003	11,157,043	3,701,860	7,455,183	1,345,000	2,977,523	4,322,523	1.72
2004	12,285,803	3,678,303	8,607,500	1,400,000	2,921,680	4,321,680	1.99
2005	14,701,563	4,128,970	10,572,593	1,450,000	2,863,208	4,313,208	2.45
2006	16,160,440	4,647,925	11,512,515	1,510,000	2,802,298	4,312,298	2.67
2007	18,051,435	5,315,449	12,735,986	1,570,000	2,738,498	4,308,498	2.96
2008	17,999,756	4,959,759	13,039,997	1,640,000	2,672,163	4,312,163	3.02
2009	10,007,771	4,781,790	5,225,981	1,705,000	2,602,462	4,307,462	1.21
2010	10,563,906	5,284,512	5,279,394	1,785,000	2,529,145	4,314,145	1.22
2011	10,312,598	5,438,449	4,874,149	1,865,000	2,452,745	4,317,745	1.13

(1) Operating and non-operating revenues with license fees included and bond proceeds excluded.

(2) Expenses less depreciation and amortization, plus losses on disposal of fixed assets and payments to subgrantees.

(3) Interest per debt service schedules paid to bondholders during calendar year, does not include accrued interest.

(4) Principal payments include a voluntary call of \$9,691,326 due 12/09 for the 1989C Capital Appreciation Bonds. Without call, coverage would have been 2.16.

NOTE: All water and sewer bond issues are considered revenue bonds by the City. General obligation bonds of these funds are not supported by a mill levy.

City and County of Broomfield, Colorado

Revenue Bond Coverage
Water and Sewer Bonds
(excludes license fees)
Last Ten Fiscal Years

December 31, 2011

(Unaudited)

Water							
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	-----Debt Service Requirements -----			Coverage
				Principal	Interest (3)	Total	
2002	\$ 10,902,407	\$ 7,524,883	\$ 3,377,524	\$ 2,390,000	\$ 1,889,700	\$ 4,279,700	0.79
2003	10,237,327	8,422,755	1,814,572	2,480,000	4,071,073	6,551,073	0.28
2004	11,085,700	11,416,144	(330,444)	12,431,326	3,509,836	15,941,162	(0.02)
2005	12,026,344	8,954,144	3,072,200	2,750,000	3,501,381	6,251,381	0.49 (4)
2006	14,898,437	10,469,441	4,428,996	2,855,000	3,394,891	6,249,891	0.71
2007	15,665,231	10,768,030	4,897,201	2,970,000	3,285,716	6,255,716	0.78
2008	15,966,704	11,200,489	4,766,215	3,095,000	3,163,956	6,258,956	0.76
2009	12,521,265	11,193,130	1,328,135	3,235,000	3,036,836	6,271,836	0.21
2010	15,308,810	11,655,010	3,653,800	3,380,000	2,895,351	6,275,351	0.58
2011	14,280,149	12,073,682	2,206,467	3,535,000	2,747,351	6,282,351	0.35

Table 17

<u>Sewer</u>							
<u>Fiscal Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>-----Debt Service Requirements -----</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>	<u>Total</u>	
2002	\$ 7,893,931	\$ 3,132,298	\$ 4,761,633	\$ 610,000	\$ 1,157,091	\$ 1,767,091	2.69
2003	6,240,575	3,236,849	3,003,726	1,295,000	3,139,892	4,434,892	0.68
2004	1,460,570	3,701,860	(2,241,290)	1,345,000	2,977,523	4,322,523	(0.52)
2005	6,744,442	3,678,303	3,066,139	1,400,000	2,921,680	4,321,680	0.71
2006	8,902,285	4,128,970	4,773,315	1,450,000	2,863,208	4,313,208	1.11
2007	9,768,255	5,315,449	4,452,806	1,570,000	2,738,498	4,308,498	1.03
2008	9,420,779	4,959,759	4,461,020	1,640,000	2,672,163	4,312,163	1.03
2009	7,884,969	4,781,790	3,103,179	1,705,000	2,602,462	4,307,462	0.72
2010	8,732,045	5,284,511	3,447,534	1,785,000	2,529,145	4,314,145	0.80
2011	8,443,869	5,438,449	3,005,420	1,865,000	2,452,745	4,317,745	0.70

(1) Operating and non-operating revenues.

(2) Expenses less depreciation and amortization, plus losses on disposal of fixed assets and payments to subgrantees.

(3) Interest per debt service schedules paid to bondholders during calendar year, does not include accrued interest.

(4) Principal payments include a voluntary call of \$9,691,326 due 12/09 for the 1989C Capital Appreciation Bonds.

NOTE: All water and sewer bond issues are considered revenue bonds by the City. General obligation bonds of these funds are not supported by a mill levy.

City and County of Broomfield, Colorado

Table 18

Demographic Statistics

2002-2011

(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Education Level Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	45,357	\$ 1,103,263,668	\$ 24,324	33.3	14.1	10,273	4.2
2003	47,137	1,169,468,970	24,810	33.4	14.2	11,788	6.1
2004	47,508	1,258,391,904	26,488	33.5	14.2	12,141	5.0
2005	49,900	1,361,371,800	27,282	33.7	14.2	12,505	5.0
2006	52,660	1,465,369,820	27,827	33.8	14.3	12,675	3.8
2007	53,807	1,542,162,427	28,661	33.9	14.4	13,055	4.7
2008	54,586	1,723,170,848	31,568	34.2	14.4	14,532	5.5
2009	55,632	1,863,672,000	33,500	34.4	14.7	14,725	6.7
2010	57,070	1,955,674,760	34,268	35.0	14.59	14,576	7.4
2011	57,304	2,002,838,204	35,836	35.5	14.63	14,725	6.9

Sources: Colorado Division of Labor and Employment
U.S. Census Bureau, Factfinder2.census.gov

City and County of Broomfield, Colorado

Table 19

Principal Employers

Current Year and Ten Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Level 3 Communications	2,068	1	7.3%	2,350	2	8.4%
Oracle Corporation (1)	1,900	2	6.7%	3,250	1	11.7%
Urban Lending Solutions	1,000	3	3.5%			
Hunter Douglas	805	4	2.8%	987	3	3.5%
Staples (2)	700	5	2.5%	525	7	1.9%
Ball Corporation	648	6	2.3%	550	6	2.0%
Sandoz, Inc.	600	7	2.1%			
City and County of Broomfield	581	8	2.0%			
WhiteWave Foods	450	9	1.6%			
Vail Resorts, Inc.	430	10	1.5%			
TransFirst Holdings, Inc.	385	11	1.4%			
MWH Global	350	12	1.2%			
Brocade Communications Systems, Inc.	300	13	1.1%			
VMWare	275	14	1.0%			
Webroot Software, Inc.	275	15	1.0%			
ZOLL Software, Inc.	225	16	0.8%			
	<u>10,992</u>		<u>38.6%</u>	<u>7,662</u>		<u>27.5%</u>
Total Employment	28,510			27,850		

Sources: Employers and number of employees - Broomfield Economic Development Office
 Total employees - Colorado Department of Labor and Employment
 Total 2001 employment - 2001 Broomfield Budget Book, Appendix, Broomfield at a Glance

Notes: (1) formerly Sun Microsystems
 (2) formerly Corporate Express

City and County of Broomfield, Colorado

Table 20

Construction Values
Last Ten Fiscal Years

December 31, 2011

(Unaudited)
(Amounts Expressed in Thousands)

Fiscal Year	Property-Assessed Value				Commercial Construction (1)		Residential Construction (1)	
	Commercial	Residential	Other (2)	Total	Commercial Permits (3)	Value of Construction (3)	Residential Permits (3)	Value of Construction (3)
2002	\$ 272,619	\$ 275,734	\$ 228,831	\$ 777,184	226	\$ 71,776	3,236	\$ 132,849
2003	\$ 324,987	\$ 285,082	\$ 241,601	\$ 851,670	174	\$ 27,899	3,245	\$ 120,335
2004	\$ 327,248	\$ 302,292	\$ 213,607	\$ 843,147	211	\$ 26,419	3,128	\$ 148,925
2005	\$ 316,175	\$ 329,616	\$ 204,112	\$ 849,903	184	\$ 75,516	5,426	\$ 182,055
2006	\$ 333,926	\$ 351,362	\$ 188,629	\$ 873,917	195	\$ 53,591	3,536	\$ 228,446
2007	\$ 371,449	\$ 401,025	\$ 202,780	\$ 975,254	154	\$ 133,954	2,819	\$ 191,025
2008	\$ 385,083	\$ 422,399	\$ 200,052	\$ 1,007,534	245	\$ 86,304	1,847	\$ 136,154
2009	\$ 394,234	\$ 424,223	\$ 206,687	\$ 1,025,144	274	\$ 84,654	2,112	\$ 59,827
2010	\$ 409,184	\$ 431,983	\$ 193,906	\$ 1,035,073	284	\$ 34,164	5,042	\$ 95,318
2011	\$ 379,695	\$ 431,159	\$ 186,864	\$ 997,718	316	\$ 43,978	2,920	\$ 88,983

(1) Data compiled by the Broomfield Building Department. Includes value of permits issued for new construction as well as additions, alterations, and other improvements.

(2) Other includes: agricultural, industrial, utilities, natural resources, and vacant land.

(3) New software was implemented in 2008 which changed the basis for these statistics.

City & County of Broomfield, Colorado

Full-Time Equivalent City and County Government Employees by Function/Program

Table 21

Function/Program	Last Eight Fiscal Years (1)							
	2004	2005	2006	2007	2008	2009	2010	2011
	as of December 31,							
General Government								
Records - City Clerk	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84
County Clerk and Recording	4.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Elections - Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
County Clerk - Motor Vehicles	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Central Records Office				5.00	5.00	5.00	5.00	5.00
Executive - Management	5.60	5.60	5.60	5.80	5.80	5.80	5.80	5.80
Citizens' Assistance Center	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Communications	4.80	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Project Administration	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Economic Development								
Internal Audit								
Legal	3.35	3.35	3.35	3.35	4.35	4.35	4.35	4.35
Human Resources	8.00	8.00	8.00	7.80	7.10	7.10	6.92	6.92
Municipal Court	4.73	4.73	4.40	4.40	4.40	4.60	4.60	5.10
Court - 17th Judicial District	4.25	4.75	4.75	5.25	5.25	4.75	4.75	4.75
Housing Authority		1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assessor					9.00	9.00	8.00	8.00
Total General Government	53.57	51.27	49.94	53.44	62.74	62.44	63.26	63.76
Finance								
Fiscal and Treasury	13.32	13.32	13.28	13.79	13.79	13.79	12.99	12.91
Revenue Management	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Budget & Compliance	4.00	4.00	4.00	4.00	4.00	4.00	4.80	4.60
Risk Management	1.00							
Centralized Purchasing	1.68	2.18	2.02	1.54	1.54	1.54	1.54	1.82
Revenue Collection	5.25	5.25	5.25	4.75	4.25	4.25	4.25	4.00
Assessor	10.00	10.00	10.00	9.00				
Water Billing	4.01	4.07	4.07	4.45	4.07	4.07	4.07	4.26
Sewer Billing	1.34	1.36	1.36	1.48	1.36	1.36	1.36	1.42
Total Finance	43.60	43.18	42.98	41.01	31.01	31.01	31.01	31.01
Information Technology								
Information Technology	19.00	15.00	15.00	17.00	17.00	17.00	17.00	15.00
Total Information Technology	19.00	15.00	15.00	17.00	17.00	17.00	17.00	15.00

City & County of Broomfield, Colorado

Table 21
Continued

Full-Time Equivalent City and County Government Employees by Function/Program

Function/Program	Last Eight Fiscal Years (1)						as of December 31, 2008	2009	2010	2011
	2004	2005	2006	2007	2008	2009				
Community Development										
Administration		3.60	3.60	3.60	3.60	3.60	3.60	3.50	3.50	3.50
Planning	5.60	6.10	6.30	6.30	6.10	6.10	6.10	5.10	5.10	5.10
Engineering	13.20	11.10	10.10	10.10	10.10	10.10	10.10	8.10	8.10	7.10
Building Inspections	11.60	11.60	14.60	14.60	13.60	13.60	13.60	9.60	9.60	8.60
Commercial Inspections	4.80	4.80	4.60	4.60	4.60	4.60	4.60	3.60	3.60	3.60
Code Enforcement		4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	4.00
Capital Improvements Program	4.70	3.70	3.70	5.10	6.10	6.10	6.10	5.90	5.90	5.90
Engineering/GIS	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Graphic Information Services	5.50	5.50	4.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Total Community Development	47.40	52.40	53.40	52.80	52.60	52.60	52.60	45.30	45.30	42.30
Public Safety - Police										
Administration	6.00	6.00	5.00	5.80	5.80	5.80	5.80	5.80	5.80	7.80
Investigations	16.75	16.75	16.00	16.00	17.00	17.00	17.00	19.00	19.00	19.00
Patrol -City	44.60	44.60	51.55	55.55	55.55	55.55	55.55	56.55	56.55	53.55
Police Training - County	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Records and Communications	13.00	13.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	17.00
Community Resources	13.00	10.00	9.00	9.00	5.00	5.00	5.00	5.00	5.00	5.00
Traffic	7.80	7.80	7.80	7.00	7.00	7.00	7.00	9.00	9.00	9.00
Animal Control					3.00	3.00	3.00	3.00	3.00	3.00
North Metro Fire Communication	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Flatiron Services Unit	9.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00	8.00	7.00
North West Parkway	3.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00	2.00
North Metro Drug Task Force			3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Event Center										1.00
Detention Administration	9.00	9.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Detention Operations	34.00	34.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	35.00
Court Security	5.00	5.00	6.80	6.80	6.80	6.80	6.80	8.80	8.80	8.80
Transport	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Detention Center - Building Maint.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Emergency Services	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	2.00
Police - Civil Process	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Patrol -County	3.00	3.00								
Police Training - City	2.00	2.00								
Total Public Safety - Police	189.15	187.15	194.15	198.15	198.15	198.15	198.15	200.15	200.15	200.15

City & County of Broomfield, Colorado

Table 21
Continued

Full-Time Equivalent City and County Government Employees by Function/Program

Function/Program	Last Eight Fiscal Years (1)							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	as of December 31,							
Community Resources								
Cultural Affairs	1.85	2.35	2.85	3.20	3.45	3.45	3.45	3.60
Open Space Operations	1.80	1.80	2.00	2.05	2.05	2.15	2.15	2.15
Public Library	29.89	29.89	29.89	29.89	29.64	29.54	29.09	27.59
Museum Director							0.80	0.80
Cemetery - Operations	0.20	0.20	0.20	0.15	0.15	0.15	0.15	0.20
Recreation Administration	1.60	1.90	1.15	1.10	1.10	1.15	1.20	1.20
Recreation Facilities and Programs	84.87	84.07	83.02	81.83	81.53	81.48	80.63	73.97
Community Resources Administration	1.00	1.00						
Total Community Resources	<u>121.21</u>	<u>121.21</u>	<u>119.11</u>	<u>118.22</u>	<u>117.92</u>	<u>117.92</u>	<u>117.47</u>	<u>109.51</u>
Public Works								
Administration	1.75	1.75	1.75	1.75	2.75	2.75	1.75	1.75
Fleet Maintenance	9.30	9.30	9.30	9.30	9.80	10.00	10.00	10.00
Park Maintenance	32.00	32.00	32.00	34.00	34.00	34.20	34.20	33.20
Cemetery - Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Facility Maintenance	25.45	25.45	25.50	26.30	25.80	26.00	26.30	28.40
Streets - Maintenance	7.62	7.62	7.62	7.62	7.62	7.82	7.82	6.88
Streets - Snow and Ice Control	1.08	1.08	1.08	1.14	1.14	1.14	1.08	0.96
Streets - Traffic Control	5.94	5.94	5.94	6.88	6.88	6.88	5.94	5.94
Streets - Cleaning	3.36	3.36	3.36	3.36	3.36	3.36	3.36	2.42
Water - Supply	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Water - Treatment Plant	11.20	11.20	11.20	11.20	11.20	11.20	10.40	10.40
Water - Systems Maintenance	10.50	10.50	11.00	11.00	11.00	10.10	9.35	9.35
Water - Environmental Monitoring	7.55	7.55	7.55	7.55	7.75	7.75	7.75	7.75
Sewer - System Operations/Maintenance	8.50	8.50	8.00	8.00	8.00	8.10	8.85	8.35
Sewer - Treatment Plant	11.30	11.30	10.80	11.00	11.00	11.00	11.00	11.80
Sewer - Industrial Pretreatment	3.80	3.80	3.80	3.80	3.30	3.30	3.30	2.00
Sewer - Laboratory Operations	4.05	4.05	5.05	5.05	5.05	5.05	5.05	5.05
Stormwater	1.00	1.00	1.00	1.00	3.30	3.30	3.30	2.80
Water Reclamation	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Total Public Works	<u>148.00</u>	<u>148.00</u>	<u>148.55</u>	<u>152.55</u>	<u>155.55</u>	<u>155.55</u>	<u>153.05</u>	<u>150.65</u>

City & County of Broomfield, Colorado

Table 21
Continued

Full-Time Equivalent City and County Government Employees by Function/Program

Last Eight Fiscal Years (1)

Function/Program	as of December 31,							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Health & Human Services								
HS Support	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
HS Operations & Administration	6.59	7.65	10.12	8.47	9.78	8.00	7.25	7.58
Child Welfare	19.21	23.58	19.97	19.95	21.10	21.15	21.15	20.33
Child Care Assistance			3.21	4.45	1.35	1.35	1.35	1.14
Public Assistance								9.89
Adult/Elderly Services	9.75	9.12	8.65	9.65	9.75	10.80	11.80	1.00
Child Support Enforcement	3.78	4.37	3.68	3.65	3.40	3.90	3.90	3.23
TANF Administration	3.22	2.57	2.35	2.30	3.30	3.30	3.30	4.69
Work Force Center	7.47	7.97	8.04	3.31	9.09	10.37	10.35	10.25
Senior Citizens' Programs	7.80	8.05	8.05	8.05	8.35	8.35	8.35	8.85
Total Health & Human Services	60.47	65.96	66.72	62.48	68.77	69.87	70.10	69.61
Public Health								
Public Health - Administration	1.43	1.03	1.16	7.90	0.85	0.95	0.92	0.81
Public Health - Reproductive Health	0.75	0.80	0.70	1.15	1.15	1.15	1.15	1.65
Public Health - Women, Infants & Children	1.50	1.50	1.40	1.25	1.45	1.55	2.30	2.15
Public Health - Immunization	3.93	3.88	3.88	3.35	5.30	5.30	5.30	4.70
Public Health - Environmental	4.66	4.66	5.66	7.10	5.50	5.50	5.50	5.60
Public Health - Health Promotions	3.16	3.16	4.86	2.90	4.35	4.25	4.25	2.15
Public Health - Vital Statistics	0.74	1.05	1.14	2.98	1.04	1.12	1.12	0.96
Public Health - CSU Extension	0.16	0.56	0.58	0.57	0.57	0.57	0.57	0.53
Public Health - Child Sp Needs	1.00	1.00	1.00	1.12	1.12	1.12	1.12	1.12
Total Public Health	17.33	17.64	20.38	28.32	21.33	21.51	22.23	19.67
Total Integrated City & County	699.73	701.81	710.23	723.97	725.07	726.05	719.57	701.66

Source: City and County Budget Office

(1) Information on total FTE counts prior to 2004 is unavailable.

City & County of Broomfield, Colorado

Operating Indicators by Function/Program

Table 22

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Number of Documents Recorded	20,248	25,135	19,135	17,773	17,303	16,303	14,603	15,500	14,500	15,000
Number of New Voter Registrations	4,664	3,416	6,308	3,243	4,118	3,657	4,506	2,500	4,000	1,450
Number of Vehicle Registrations Renewed	33,963	35,315	35,574	40,446	43,813	48,965	51,186	52,150	54,000	56,970
Number of Positions Recruited	365	421	545	542	568	675	640	475	575	535
Number of Property Appraisals	19,115	19,382	19,686	20,636	21,040	21,432	20,466	23,722	1,800	23,200
Number of Purchase Orders Processed	1,513	1,457	1,491	1,764	1,732	1,727	1,647	1,600	1,550	1,500
Number of Auditorium Patrons	20,100	19,310	24,437	32,010	31,715	36,921	44,366	44,000	46,000	43,500
Number of Annual Library Visits	230,901	238,252	255,394	274,930	283,653	293,246	317,420	343,000	350,250	360,000
Number of Items Circulated	395,823	423,661	450,752	502,390	528,012	550,517	608,008	668,000	698,000	708,450
Number of Cardholders	30,199	22,346	33,371	36,327	38,968	39,029	39,848	40,357	43,398	44,711
Public Safety										
Number of Calls for Service	25,230	25,491	25,873	29,649	28,094	29,577	29,302	29,387	28,392	28,128
Number of Arrests	3,165	3,167	3,421	3,428	3,664	4,176	3,871	3,879	3,652	3,295
Total Miles Patrolled	409,200	509,146	516,494	539,095	597,631	672,075	701,426	700,486	668,365	658,877
Total Number of Traffic Violations	8,866	8,918	10,363	11,710	10,338	11,550	10,679	11,890	10,510	9,022
Number of 911 Calls	13,374	15,088	15,982	17,721	20,501	22,256	21,149	22,448	22,636	22,592
Number of Fire/EMS Calls for Service	NA	NA	3,369	3,975	3,547	3,650	3,762	3,894	3,749	4,140
Total Number of Bookings	2,176	2,428	2,567	2,819	2,830	3,059	2,896	2,959	2,789	2,817
Community Development										
Number of Building Permits Reviewed	979	937	1,128	1,280	1,405	827	411	300	400	500
Number of Public Improvement Permits Issued	371	362	262	295	287	254	320	275	275	300
Number of Inspections for New Buildings	17,073	14,751	16,658	20,438	28,196	16,319	12,448	8,859	5,052	5,781
Public Improvement Inspections (hours)	NA	NA	5,466	7,215	6,673	5,895	4,773	4,500	3,500	3,600
Public Works										
Number of Vehicles & Equipment Maintained	325	332	345	376	370	387	396	399	399	405
Number of Acres Maintained	2,714	3,714	3,488	4,195	4,198	4,378	4,398	4,403	4,874	4,958
Number of Street Miles Maintained	168	175	187	191	195	208	210	220	240	243
Parks & Recreation										
Number of Recreation Center Patrons	NA	35,906	283,127	321,542	346,210	374,830	382,457	320,000	340,920	356,000
Number of Community Center Patrons	65,341	59,370	48,254	55,584	55,829	54,207	58,777	54,693	58,000	62,500
Number of Aquatic Center Patrons	64,614	62,491	38,311	58,000	51,830	56,988	61,689	63,000	63,000	67,000

City & County of Broomfield, Colorado

Operating Indicators by Function/Program

Table 22
Continued

Function/Program	Last Ten Fiscal Years									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Facility Maintenance										
Number of Facilities Maintained	23	23	24	24	24	24	24	24	27	27
Sq. Footage of Facilities Maintained	325,486	416,886	470,435	470,435	470,435	470,435	470,435	470,435	498,429	498,429
Health and Human Services										
Number of Households Served - Benefit Programs	NA	1,583	1,515	1,673	1,834	1,732	3,643	4,007	4,200	4,100
Number of Individuals Served	NA	3,924	2,938	3,373	3,856	3,696	9,864	10,850	11,050	11,300
Number of Calls Regarding Abuse/Neglect	606	607	547	660	582	738	780	812	790	780
Number of Disease Investigations	182	354	130	119	155	75	62	90	40	75
Number of Birth/Death Certificates Issued	3,612	5,544	7,212	7,767	8,091	8,636	7,801	8,250	7,875	7,530
Water										
Water Treated Annually (AF)	6,543	5,807	5,043	5,839	7,698	6,540	6,371	8,220	7,241	7,765
Number of Acre Feet of Water Used	11,082	10,021	9,214	10,634	12,745	11,363	11,332	13,021	12,465	12,475
Number of Water Line Breaks Repaired	24	45	25	30	34	26	20	20	20	15
Number of Meters Installed and Replaced	1,494	930	958	975	1,076	693	944	985	985	900
Number of Customer Service Calls	1,179	1,477	1,605	1,650	2,386	2,662	2,703	2,700	2,750	2,000
Mandated Tests Performed	3,477	3,368	4,133	3,909	4,466	4,879	4,979	4,856	4,270	4,200
Sewer										
Number of Acres Feet Treated	4,783	5,153	5,175	5,496	4,999	5,737	5,205	5,376	5,824	6,329
Miles of Sewer Lines Cleaned	79	84	114	120	102	102	109	106	107	110
Miles of Sewer Lines Video Inspected	25	27	31	35	32	47	29	34	35	37
Number of Sewer Line Back-ups Repaired	5	1	3	4	1	1	1	6	4	5
Mandated Tests Performed	6,045	6,836	7,482	8,858	8,503	9,127	8,600	8,600	8,600	6,300
Water Reclamation										
Acre Feet of Raw Water Delivered	1,149	1,070	2,154	1,000	805	1,380	1,847	1,250	1,500	1,540
Acre Feet of Recycled Water Delivered	NA	NA	18	545	707	536	325	1,000	551	770
Number of Recycled Water Quality Tests	NA	NA	63	331	2,069	1,513	2,664	1,790	2,476	2,476

Source: City and County Budget Office - Service Efforts and Accomplishments Reports.

City & County of Broomfield, Colorado

Table 23

Capital Asset Statistics by Function/Program

Last Nine Fiscal Years

Function/Program	Fiscal Year								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government									
Buildings	7	7	7	7	7	7	7	7	7
Public Libraries	1	1	1	1	1	1	1	1	1
Auditoriums	1	1	1	1	1	1	1	1	1
Public Safety									
Stations	1	1	1	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1	3	3	3
Patrol Units	38	38	39	39	38	38	38	37	37
Public Works									
Miles of Streets	175	187	191	195	208	210	220	240	243
Streetlights	3,552	3,933	4,437	4,694	5,094	5,173	5,578	5,624	5,732
Traffic Signals	54	58	61	67	67	68	71	71	74
Parks and Recreation									
Community Centers	2	2	2	2	2	2	2	2	2
Parks	50	50	52	48	48	48	54	55	58
Park Acreage	495	517	543	542	550	573	524	572	602
Open Space Acreage	4,817	4,823	4,832	5,018	5,091	5,123	5,143	5,273	2,402
Swimming Pools	3	3	3	3	3	3	3	3	3
Tennis Courts	12	12	12	12	12	14	14	14	14
Cemeteries	2	2	2	2	2	2	2	2	2
Water									
Miles of water mains	236	246	279	295	296	308	320	325	355
Fire Hydrants	1,900	2,098	2,625	2,750	2,990	3,050	3,100	3,150	3,175
Pump Stations	4	4	4	4	4	5	5	5	5
Storage capacity (gallons)	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000	33,000,000
Wastewater									
Miles of sanitary sewers	175	185	200	207	210	210	212	215	220
Miles of storm sewers	26	57	62	68	72	72	72	73	76
Treatment Plants	1	1	1	1	1	1	1	1	1
Treatment Capacity (gallons)	5,400,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	12,000,000	12,000,000
Water Reclamation									
Miles of Reuse Lines	14	18	22	28	34	36	40	42	42

Source: City and County Budget Office

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CONTINUING DISCLOSURE FOR DEBT



City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$31,000,000 Water Revenue Bonds, Series 2000 and \$43,000,000 Water Revenue Bonds, Series 2002

Historical Operating Statistics - Water Fund										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Historical Operating Revenues:										
Charges for Services	\$ 8,476,757	\$ 9,249,207	\$ 9,561,745	\$ 10,602,033	\$ 12,403,383	\$ 11,913,272	\$ 12,893,262	\$ 11,779,855	\$ 12,568,073	\$ 12,670,114
Meter Inspections	169,886	238,247	301,537	297,997	331,708	269,005	136,361	93,673	105,945	130,908
Water tap fees and availability of service charges	8,227,897	13,013,384	13,838,741	20,459,560	20,174,714	17,280,106	14,664,798	5,685,864	4,705,460	5,024,427
Other Revenue	313,565	291,006	372,865	228,179	360,239	214,673	247,986	169,375	191,016	217,644
Total Operating Revenue	\$ 17,188,105	\$ 22,791,844	\$ 24,074,888	\$ 31,587,769	\$ 33,270,044	\$ 29,677,056	\$ 27,942,407	\$ 17,728,767	\$ 17,570,494	\$ 18,043,093
Historical Operating Expenses:										
Personnel Services	\$ 1,966,246	\$ 2,043,913	\$ 2,126,598	\$ 2,231,299	\$ 2,357,307	\$ 2,507,697	\$ 2,504,347	\$ 2,673,073	\$ 2,591,596	\$ 2,616,109
Materials and Supplies	706,892	715,605	785,438	959,150	966,077	1,005,792	943,009	689,974	972,928	774,200
Contractual Services	1,330,200	2,113,833	4,898,456	1,278,345	2,115,759	2,051,735	2,003,594	1,610,472	1,793,535	1,720,016
Utilities	339,194	331,760	214,375	337,996	394,745	363,625	436,339	356,168	371,050	415,409
Services rendered by General Fund	886,227	1,004,577	954,599	1,186,098	1,383,040	1,337,436	1,457,941	1,443,683	1,412,821	1,335,995
Water Purchases	2,124,430	2,213,067	2,436,678	2,961,256	3,252,513	3,501,745	3,855,259	4,419,760	4,513,080	5,257,803
Total Operating Expenses	\$ 7,353,189	\$ 8,422,755	\$ 11,416,144	\$ 8,954,144	\$ 10,469,441	\$ 10,768,030	\$ 11,200,489	\$ 11,193,130	\$ 11,655,010	\$ 12,119,532
Net Operating Revenue (Loss)	\$ 9,834,916	\$ 14,369,089	\$ 12,658,744	\$ 22,633,625	\$ 22,800,603	\$ 18,909,026	\$ 16,741,918	\$ 6,535,637	\$ 5,915,484	\$ 5,923,561
Non-Operating Revenues:										
Interest Revenue	\$ 1,583,346	\$ 336,408	\$ 766,149	\$ 806,256	\$ 1,758,193	\$ 3,215,485	\$ 2,612,732	\$ 453,398	\$ 2,441,449	\$ 857,000
Other Revenue (1)	187,159	122,459	83,404	91,839	44,914	52,886	76,363	24,964	2,327	7,954
Net Income (Loss)	\$ 11,605,421	\$ 14,827,956	\$ 13,508,297	\$ 23,531,720	\$ 24,603,710	\$ 22,177,397	\$ 19,431,013	\$ 7,013,999	\$ 8,359,260	\$ 6,788,515
Debt Service Requirements (2)										
Cash and Funds Available	\$ 4,279,700	\$ 6,551,073	\$ 6,251,406	\$ 6,251,381	\$ 6,249,891	\$ 6,255,716	\$ 6,258,956	\$ 6,271,836	\$ 6,275,351	\$ 6,282,351
Coverage Factor	2.71	2.26	2.16	3.76	3.94	3.55	3.10	1.12	1.33	1.08
	\$ 51,833,325	\$ 49,630,000	\$ 42,363,225	\$ 34,829,424	\$ 50,060,515	\$ 62,686,840	\$ 57,079,514	\$ 55,277,794	\$ 55,772,380	\$ 55,546,261

(1) Includes realized gain on sale of assets. Does not include pass-thru grant revenue.

(2) Does not include a \$9,691,326 payment in 2004 for an early call on the 1989C Capital Appreciation Bonds. Scheduled payment was due in 2009.

City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$31,000,000 Water Revenue Bonds, Series 2000 and \$43,000,000 Water Revenue Bonds, Series 2002

Water Sales, revenues and Average Charge by Customer Classification											
Classification	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential (includes multi-unit apartments, duplexes, townhouses and mobile homes)											
Sales (in 000s of gallons)	2,774,124	2,570,442	2,159,384	2,124,612	2,366,300	2,999,758	2,616,215	2,701,792	2,389,442	2,583,981	2,610,104
Sales Revenue	\$ 6,186,296	\$ 5,834,903	\$ 5,096,146	\$ 5,205,301	\$ 5,915,749	\$ 7,829,370	\$ 7,142,266	\$ 7,565,018	\$ 6,690,437	\$ 7,235,146	\$ 7,308,292
Number of tap equivalents	13,810	14,187	14,757	15,197	15,875	16,688	17,361	17,730	17,876	18,067	18,277
Average charge per tap equivalent	\$ 448	\$ 411	\$ 345	\$ 343	\$ 373	\$ 469	\$ 411	\$ 427	\$ 374	\$ 400	\$ 400
Average charge per thousand gallons	\$ 2.23	\$ 2.27	\$ 2.36	\$ 2.45	\$ 2.50	\$ 2.61	\$ 2.73	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80
% increase in average charge per 1,000 gallons	0.00%	1.79%	3.96%	3.81%	2.04%	4.40%	4.60%	2.56%	0.00%	0.00%	0.00%
Industrial and Commercial											
Sales (in 000s of gallons)	464,831	422,881	342,265	331,337	377,266	457,298	395,725	439,937	397,394	426,778	430,424
Sales Revenue	\$ 1,036,574	\$ 959,940	\$ 807,744	\$ 811,776	\$ 943,166	\$ 1,193,547	\$ 1,080,329	\$ 1,231,822	\$ 1,112,702	\$ 1,194,978	\$ 1,205,186
Number of tap equivalents	2,314	2,334	2,339	2,370	2,531	2,544	2,626	2,887	2,973	2,984	3,014
Average charge per tap equivalent	\$ 448	\$ 411	\$ 345	\$ 343	\$ 373	\$ 469	\$ 411	\$ 427	\$ 374	\$ 400	\$ 400
Average charge per 1,000 gallons	\$ 2.23	\$ 2.27	\$ 2.36	\$ 2.45	\$ 2.50	\$ 2.61	\$ 2.73	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80
% increase in average charges per 1,000 gallons	0.00%	1.79%	3.96%	3.81%	2.04%	4.40%	4.60%	2.56%	0.00%	0.00%	0.00%
Other											
Sales (in 000s of gallons)	385,961	363,493	307,731	272,479	289,173	331,649	284,663	300,352	263,058	301,777	301,896
Sales Revenue	\$ 860,693	\$ 825,129	\$ 726,245	\$ 667,575	\$ 722,932	\$ 865,603	\$ 777,129	\$ 840,984	\$ 736,562	\$ 844,975	\$ 845,310
Number of tap equivalents	1,921	2,006	2,103	1,949	1,940	1,845	1,889	1,971	1,968	2,110	2,114
Average charge per tap equivalent	\$ 448	\$ 411	\$ 345	\$ 343	\$ 373	\$ 469	\$ 411	\$ 427	\$ 374	\$ 400	\$ 400
Average charge per 1,000 gallons	\$ 2.23	\$ 2.27	\$ 2.36	\$ 2.45	\$ 2.50	\$ 2.61	\$ 2.73	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80
% increase in average charges per 1,000 gallons	0.00%	1.79%	3.96%	3.81%	2.04%	4.40%	4.60%	2.56%	0.00%	0.00%	0.00%
TOTAL:											
Sales (in 000s of gallons)	3,624,916	3,356,816	2,809,379	2,728,429	3,032,739	3,788,705	3,296,602	3,442,080	3,049,893	3,312,535	3,342,424
Sales Revenue	\$ 8,083,563	\$ 7,619,972	\$ 6,630,135	\$ 6,684,652	\$ 7,581,847	\$ 9,888,521	\$ 8,999,724	\$ 9,637,825	\$ 8,539,701	\$ 9,275,099	\$ 9,358,788
Number of tap equivalents	18,045	18,527	19,199	19,516	20,346	21,077	21,876	22,588	22,817	23,161	23,405
Average charge per tap equivalent	\$ 448	\$ 411	\$ 345	\$ 343	\$ 373	\$ 469	\$ 411	\$ 427	\$ 374	\$ 400	\$ 400
Average charge per 1,000 gallons	\$ 2.23	\$ 2.27	\$ 2.36	\$ 2.45	\$ 2.50	\$ 2.61	\$ 2.73	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80
% increase in average charges per 1,000 gallons	0.00%	1.79%	3.96%	3.81%	2.04%	4.40%	4.60%	2.56%	0.00%	0.00%	0.00%

City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$5,620,000 Sewer Revenue Refunding Bonds, Series 1998A, \$4,095,000 Sewer Revenue Bonds, Series 1998B, and \$54,930,000 Sewer Revenue Bonds, Series 2001.

Historical Operating Statistics - Sewer Fund										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Historical Operating Revenues:										
Charges for Services	\$ 4,397,965	\$ 4,922,466	\$ 5,127,799	\$ 5,302,080	\$ 5,599,769	\$ 5,478,733	\$ 5,913,384	\$ 5,900,989	\$ 5,890,966	\$ 5,971,251
Other Revenue	41,712	30,141	30,211	40,646	75,536	103,490	187,226	194,384	192,131	599,472
Total Operating Revenue	\$ 4,439,677	\$ 4,952,607	\$ 5,158,010	\$ 5,342,726	\$ 5,675,305	\$ 5,582,223	\$ 6,100,610	\$ 6,095,373	\$ 6,083,097	\$ 6,570,723
Historical Operating Expenses:										
Personnel Services	\$ 1,646,651	\$ 1,701,848	\$ 1,679,658	\$ 1,748,534	\$ 1,814,149	\$ 2,002,770	\$ 2,108,958	\$ 2,082,452	\$ 2,107,115	\$ 2,172,742
Materials and Supplies	310,010	307,767	385,996	403,894	434,292	499,175	512,908	505,856	509,822	550,029
Contractual Services	554,290	788,532	682,986	789,469	1,170,386	1,498,390	744,086	692,618	1,004,346	1,091,231
Utilities	201,808	271,773	332,682	491,021	487,336	423,906	573,052	490,699	679,172	683,619
Services rendered by General Fund	524,090	631,940	596,981	696,052	741,762	891,208	1,020,450	1,010,165	984,056	929,923
Depreciation and Amortization	2,382,695	2,673,466	2,986,247	3,208,595	3,882,933	4,003,735	4,011,086	4,189,880	4,696,458	5,494,973
Total Operating Expenses	\$ 5,619,544	\$ 6,375,326	\$ 6,664,550	\$ 7,337,565	\$ 8,530,858	\$ 9,319,184	\$ 8,970,540	\$ 8,971,670	\$ 9,980,969	\$ 10,922,517
Net Operating Revenue (Loss)	\$ (1,179,867)	\$ (1,422,719)	\$ (1,506,540)	\$ (1,994,839)	\$ (2,855,553)	\$ (3,736,961)	\$ (2,869,930)	\$ (2,876,297)	\$ (3,897,872)	\$ (4,351,794)
Non-Operating Revenues:										
Interest Revenue	\$ 1,366,484	\$ 214,250	\$ 464,951	\$ 473,978	\$ 1,901,256	\$ 2,711,357	\$ 1,848,688	\$ 297,151	\$ 1,478,812	\$ 403,221
Interest Expenses and Fiscal Charges	\$ (3,139,892)	\$ (3,079,224)	\$ (3,009,956)	\$ (2,944,408)	\$ (2,874,924)	\$ (2,800,139)	\$ (2,732,428)	\$ (2,651,030)	\$ (2,571,096)	\$ (2,490,160)
Other Revenue (1)	13,010		51,576	62,238	(147,257)	2,196	(305)	73		(10,905)
Total Non-Operating Expenses	\$ (1,760,398)	\$ (2,864,974)	\$ (2,493,429)	\$ (2,408,192)	\$ (1,120,925)	\$ (86,586)	\$ (884,045)	\$ (2,353,806)	\$ (1,092,284)	\$ (2,097,844)
Net Income (Loss)	\$ (2,940,265)	\$ (4,287,693)	\$ (3,999,969)	\$ (4,403,031)	\$ (3,976,478)	\$ (3,823,547)	\$ (3,753,975)	\$ (5,230,103)	\$ (4,990,156)	\$ (6,449,638)

(1) Includes realized gain on sale of assets. Does not include pass-thru grant revenue.

City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$5,620,000 Sewer Revenue Refunding Bonds, Series 1998A, \$4,095,000 Sewer Revenue Bonds, Series 1998B, and \$54,930,000 Sewer Revenue Bonds, Series 2001.

Classification	Sewer Usage, Revenues and Average Charge by Customer Classification										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential (includes multi-unit apartments, duplexes, townhouses and mobile homes)											
Sewer Usage (in Thousands of Gallons)	1,169,413	1,194,354	1,335,420	1,351,493	1,363,023	1,437,837	1,359,738	1,415,708	1,433,753	1,438,453	1,456,416
Monthly Service Charge Revenue	\$ 2,748,121	\$ 2,866,450	\$ 3,271,781	\$ 3,378,733	\$ 3,475,706	\$ 3,738,374	\$ 3,644,097	\$ 3,907,354	\$ 3,957,159	\$ 3,970,131	\$ 4,019,709
Number of Equivalent Residential Taps	15,115	15,608	16,186	16,819	17,614	18,490	19,415	20,080	20,241	20,448	20,671
Average charge per ERT	\$ 182	\$ 184	\$ 202	\$ 201	\$ 197	\$ 202	\$ 188	\$ 195	\$ 196	\$ 194	\$ 194
Average charge per 1,000 Gallons	\$ 2.35	\$ 2.40	\$ 2.45	\$ 2.50	\$ 2.55	\$ 2.60	\$ 2.68	\$ 2.76	\$ 2.76	\$ 2.76	\$ 2.76
Industrial and Commercial											
Sewer Usage (in Thousands of Gallons)	200,847	200,488	216,740	216,316	234,006	236,244	227,755	254,165	262,228	261,128	263,016
Monthly Service Charge Revenue (1)	\$ 471,990	\$ 481,170	\$ 531,013	\$ 540,790	\$ 596,715	\$ 614,234	\$ 610,384	\$ 701,495	\$ 723,749	\$ 720,712	\$ 725,924
Number of Equivalent Residential Taps	2,596	2,620	2,627	2,692	3,024	3,038	3,252	3,605	3,702	3,712	3,733
Average charge per ERT	\$ 182	\$ 184	\$ 202	\$ 201	\$ 197	\$ 202	\$ 188	\$ 195	\$ 196	\$ 194	\$ 194
Average charge per 1,000 Gallons	\$ 2.35	\$ 2.40	\$ 2.45	\$ 2.50	\$ 2.55	\$ 2.60	\$ 2.68	\$ 2.76	\$ 2.76	\$ 2.76	\$ 2.76
Other											
Sewer Usage (in Thousands of Gallons)	15,938	18,595	20,214	19,687	19,114	19,207	17,299	17,414	17,638	17,516	17,544
Monthly Service Charge Revenue	\$ 37,454	\$ 44,628	\$ 49,523	\$ 49,218	\$ 48,740	\$ 49,939	\$ 46,361	\$ 48,064	\$ 48,680	\$ 48,345	\$ 48,421
Number of Equivalent Residential Taps	206	243	245	245	247	247	247	247	249	249	249
Average charge per ERT	\$ 182	\$ 184	\$ 202	\$ 201	\$ 197	\$ 202	\$ 188	\$ 195	\$ 196	\$ 194	\$ 194
Average charge per 1,000 Gallons	\$ 2.35	\$ 2.40	\$ 2.45	\$ 2.50	\$ 2.55	\$ 2.60	\$ 2.68	\$ 2.76	\$ 2.76	\$ 2.76	\$ 2.76
TOTAL:											
Sewer Usage (in Thousands of Gallons)	1,386,198	1,413,437	1,572,374	1,587,496	1,616,143	1,693,288	1,604,792	1,687,287	1,713,619	1,717,097	1,736,976
Monthly Service Charge Revenue	\$ 3,257,565	\$ 3,392,248	\$ 3,852,317	\$ 3,968,741	\$ 4,121,161	\$ 4,402,547	\$ 4,300,842	\$ 4,656,912	\$ 4,729,588	\$ 4,739,188	\$ 4,794,054
Number of Equivalent Residential Taps	17,917	18,471	19,058	19,756	20,885	21,775	22,914	23,932	24,192	24,409	24,653
Average charge per ERT	\$ 182	\$ 184	\$ 202	\$ 201	\$ 197	\$ 202	\$ 188	\$ 195	\$ 196	\$ 194	\$ 194
Average charge per 1,000 Gallons	\$ 2.35	\$ 2.40	\$ 2.45	\$ 2.50	\$ 2.55	\$ 2.60	\$ 2.68	\$ 2.76	\$ 2.76	\$ 2.76	\$ 2.76
% increase in average charges per 1,000 gallons	0.00%	2.13%	2.08%	2.04%	2.00%	1.96%	3.08%	3.08%	0.00%	0.00%	0.00%

(1) Monthly service charge revenue for industrial and commercial accounts does not include sewer surcharge revenue for removal of excess TSS and BOD

City and County of Broomfield

Continuing Disclosure Supplemental Schedule

RE: \$4,095,000 Sewer Revenue Bonds, Series 1998B, and \$54,930,000 Sewer Revenue Bonds, Series 2001.

Sewer Bond Revenue Coverage							
-----Debt Service Requirements -----							
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest (3)	Total	Coverage
1993	\$ 2,751,205	\$ 1,522,875	\$ 1,228,330	\$ 210,000	\$ 453,220	\$ 663,220	1.85
1994	\$ 3,123,984	\$ 1,514,611	\$ 1,609,373	\$ 230,000	\$ 437,160	\$ 667,160	2.41
1995	\$ 3,313,359	\$ 1,655,797	\$ 1,657,562	\$ 280,000	\$ 422,222	\$ 702,222	2.36
1996	\$ 3,956,942	\$ 1,871,027	\$ 2,085,915	\$ 255,000	\$ 404,682	\$ 659,682	3.16
1998	\$ 8,198,000	\$ 2,168,111	\$ 6,029,889	\$ 165,000	\$ 399,620	\$ 564,620	10.68
1999	\$ 9,813,163	\$ 2,311,770	\$ 7,501,393	\$ 410,000	\$ 403,047	\$ 813,047	9.23
2000	\$ 13,000,381	\$ 2,585,047	\$ 10,415,334	\$ 585,000	\$ 387,672	\$ 972,672	10.71
2001	\$ 11,481,822	\$ 3,132,298	\$ 8,349,524	\$ 610,000	\$ 1,157,091	\$ 1,767,091	4.73
2002	\$ 10,820,837	\$ 3,236,849	\$ 7,583,988	\$ 1,295,000	\$ 3,139,892	\$ 3,030,972	2.50
2003	\$ 11,157,043	\$ 3,701,860	\$ 7,455,183	\$ 1,345,000	\$ 2,977,523	\$ 4,322,523	1.72
2004	\$ 12,285,803	\$ 3,678,303	\$ 8,607,500	\$ 1,400,000	\$ 2,921,680	\$ 4,321,680	1.99
2005	\$ 14,701,563	\$ 4,128,970	\$ 10,572,593	\$ 1,450,000	\$ 2,863,208	\$ 4,313,208	2.45
2006	\$ 16,160,440	\$ 4,647,925	\$ 11,512,515	\$ 1,510,000	\$ 2,802,298	\$ 4,312,298	2.67
2007	\$ 18,051,435	\$ 5,315,449	\$ 12,735,986	\$ 1,570,000	\$ 2,738,498	\$ 4,308,498	2.96
2008	\$ 17,999,756	\$ 4,959,759	\$ 13,039,997	\$ 1,640,000	\$ 2,672,163	\$ 4,312,163	3.02
2009	\$ 10,007,771	\$ 4,781,790	\$ 5,225,981	\$ 1,705,000	\$ 2,602,462	\$ 4,307,462	1.21
2010	\$ 10,563,906	\$ 5,284,511	\$ 5,279,395	\$ 1,785,000	\$ 2,529,145	\$ 4,314,145	1.22
2011	\$ 10,312,598	\$ 5,438,449	\$ 4,874,149	\$ 1,865,000	\$ 2,452,745	\$ 4,317,745	1.13

(1) Operating and non-operating revenues with license fees included and bond proceeds excluded.

(2) Expenses less depreciation and amortization, plus losses on disposal of fixed assets and payments to subgrantees.

(3) Interest per debt service schedules paid to bondholders during calendar year, does not include accrued interest.

(4) Principal payments include a voluntary call of \$9,691,326 due 12/09 for the 1989C Capital Appreciation Bonds. Without call, coverage would have been 2.16.

NOTE: All water and sewer bond issues are considered revenue bonds by the City. General obligation bonds of these funds are not supported by a mill levy.

City and County of Broomfield

Continuing Disclosure Supplemental Schedule

**RE: \$2,514,119 1996 Colorado Water Resources and Power Development Authority Note
For Year Ended December 31, 2011**

Operating Revenues:	
Charges for Services	\$ 5,971,251
Miscellaneous	214,654
Intergovernmental Operating Revenue	384,818
Interest Revenue	403,221
Total Operating Revenues	<u>\$ 6,973,944</u>
Capital Contributions:	
Customers	\$ 1,868,729
Developers	-
Transfer from Water Reclamation Fund	1,469,925
Total Capital Contributions	<u>\$ 3,338,654</u>
Gross Revenues:	<u><u>\$ 10,312,598</u></u>
Operating Expense:	
Personnel Services	\$ 2,172,742
Supplies and Materials	550,029
Contractual Services	1,091,231
Utilities	683,619
Services Provided by General Fund	929,923
Total Operating Expenses:	<u><u>\$ 5,427,544</u></u>
Debt Service:	
Principal	\$ 2,008,232
Interest	2,490,160
Total Debt Service	<u><u>\$ 4,498,392</u></u>
Gross Revenue less Total Operating Expense	\$ 4,885,054
Net Revenue divided by Total Debt Service	109% (1)
Rate Covenant Required:	110%
(1) Gross revenues reflects a voluntary write-off of \$242,919 for sewer license fees deferred from prior years. Without reduction in license fee revenue coverage would be 114%.	

City and County of Broomfield, Colorado Building Corporation
Continuing Disclosure Supplemental Schedule
RE: \$87,710,000 Refunding Certificates of Participation, Series 2010

Annual Base Rental and Certificate Debt Service Payment Schedule			
Year	Principal	Interest	Total
2012	\$ 5,380,000	\$ 3,775,275	\$ 9,155,275
2013	\$ 5,540,000	\$ 3,613,875	\$ 9,153,875
2014	\$ 5,710,000	\$ 3,447,675	\$ 9,157,675
2015	\$ 5,965,000	\$ 3,192,175	\$ 9,157,175
2016	\$ 4,700,000	\$ 2,898,738	\$ 7,598,738
2017	\$ 5,020,000	\$ 2,663,738	\$ 7,683,738
2018	\$ 5,215,000	\$ 2,462,938	\$ 7,677,938
2019	\$ 5,480,000	\$ 2,202,188	\$ 7,682,188
2020	\$ 5,720,000	\$ 1,962,438	\$ 7,682,438
2021	\$ 2,330,000	\$ 1,676,438	\$ 4,006,438
2022	\$ 2,440,000	\$ 1,568,675	\$ 4,008,675
2023	\$ 2,565,000	\$ 1,446,675	\$ 4,011,675
2024	\$ 2,685,000	\$ 1,318,425	\$ 4,003,425
2025	\$ 2,820,000	\$ 1,184,175	\$ 4,004,175
2026	\$ 2,965,000	\$ 1,043,175	\$ 4,008,175
2027	\$ 3,115,000	\$ 894,925	\$ 4,009,925
2028	\$ 3,265,000	\$ 739,175	\$ 4,004,175
2029	\$ 11,845,000	\$ 592,250	\$ 12,437,250
TOTAL	\$ 82,760,000	\$ 36,682,950	\$ 119,442,950

City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$87,710,000 Refunding Certificates of Participation, Series 2010

TOTAL GOVERNMENTAL TAX REVENUES (Amounts Expressed in Thousands) (Unaudited)									
Year	General Property Taxes	Specific Ownership Tax	Sales and Use Taxes	Business Taxes	Tobacco Tax	Miscellaneous Taxes	Total Taxes		
1999	\$ 3,923	\$ 416	\$ 18,156	\$ 1,069	\$ 91	\$ 140	\$ 23,795		
2000	\$ 5,392	\$ 588	\$ 26,560	\$ 1,277	\$ 97	\$ 266	\$ 34,180		
2001	\$ 6,437	\$ 890	\$ 38,088	\$ 1,578	\$ 170	\$ 264	\$ 47,427		
2002	\$ 20,122	\$ 1,449	\$ 42,971	\$ 1,522	\$ 213	\$ 257	\$ 66,534		
2003	\$ 22,280	\$ 1,468	\$ 43,606	\$ 1,887	\$ 229	\$ 426	\$ 69,896		
2004	\$ 24,178	\$ 1,525	\$ 45,090	\$ 1,971	\$ 263	\$ 376	\$ 73,403		
2005	\$ 23,599	\$ 1,551	\$ 48,005	\$ 2,234	\$ 238	\$ 395	\$ 76,022		
2006	\$ 24,361	\$ 1,584	\$ 50,386	\$ 2,399	\$ 229	\$ 484	\$ 79,443		
2007	\$ 24,643	\$ 1,630	\$ 54,616	\$ 2,489	\$ 219	\$ 481	\$ 84,078		
2008	\$ 27,873	\$ 1,617	\$ 49,501	\$ 2,869	\$ 204	\$ 442	\$ 82,506		
2009	\$ 28,437	\$ 1,482	\$ 43,618	\$ 2,693	\$ 183	\$ 400	\$ 76,813		
2010	\$ 29,214	\$ 1,439	\$ 49,121	\$ 3,012	\$ 182	\$ 492	\$ 83,460		
2011	\$ 29,148	\$ 1,401	\$ 51,661	\$ 3,064	\$ 189	\$ 565	\$ 86,028		

City and County of Broomfield
 Continuing Disclosure Supplemental Schedule
 RE: \$117,950,000 Sales and Use Tax Bonds, Series 2002A, 2002B, 2002C

HISTORICAL SALES AND USE TAX COLLECTIONS										
Year	Sales Tax (1) Collections	Percent Increase (Decrease)	Motor Vehicle Use Tax (1) Collections	Percent Increase (Decrease)	Construction Material Use Tax (1) Collections	Percent Increase (Decrease)	Total Use Tax Collections	Percent Increase (Decrease)	Total Sales and Use Tax (1) Collections	Percent Increase (Decrease)
1996	\$ 7,221,718	--	\$ 1,701,388	--	\$ 1,112,704	--	\$ 2,814,092	--	\$ 10,035,810	--
1997	\$ 7,355,767	2%	\$ 1,797,799	6%	\$ 2,710,725	144%	\$ 4,508,524	60%	\$ 11,864,291	18%
1998	\$ 8,102,834	10%	\$ 2,046,119	14%	\$ 4,552,593	68%	\$ 6,598,712	46%	\$ 14,701,546	24%
1999	\$ 9,350,442	15%	\$ 2,530,979	24%	\$ 6,274,436	38%	\$ 8,805,415	33%	\$ 18,155,857	23%
2000	\$ 17,360,176	86%	\$ 2,719,521	7%	\$ 6,479,940	3%	\$ 9,199,461	4%	\$ 26,559,637	46%
2001	\$ 29,168,238	68%	\$ 3,159,847	16%	\$ 5,055,589	-22%	\$ 8,215,436	-11%	\$ 37,383,674	41%
2002	\$ 34,697,646	19%	\$ 3,386,981	7%	\$ 4,112,850	-19%	\$ 7,499,831	-9%	\$ 42,197,477	13%
2003	\$ 36,371,518	5%	\$ 3,251,624	-4%	\$ 3,107,571	-24%	\$ 6,359,195	-15%	\$ 42,730,713	1%
2004	\$ 37,114,950	2%	\$ 3,237,936	0%	\$ 3,837,074	23%	\$ 7,075,010	11%	\$ 44,189,960	3%
2005	\$ 39,183,910	6%	\$ 3,163,417	-2%	\$ 4,637,111	21%	\$ 7,800,528	10%	\$ 46,984,438	6%
2006	\$ 39,634,126	1%	\$ 3,095,226	-2%	\$ 6,550,493	41%	\$ 9,645,719	24%	\$ 49,279,845	5%
2007	\$ 41,110,741	4%	\$ 3,588,962	16%	\$ 6,171,263	-6%	\$ 9,760,225	1%	\$ 50,870,966	3%
2008	\$ 39,968,900	-3%	\$ 3,313,724	-8%	\$ 4,723,062	-23%	\$ 8,036,786	-18%	\$ 48,005,686	-6%
2009	\$ 37,506,890	-6%	\$ 2,971,359	-10%	\$ 2,645,302	-44%	\$ 5,616,661	-30%	\$ 43,123,551	-10%
2010	\$ 42,168,207	6%	\$ 3,224,162	-3%	\$ 2,519,160	-47%	\$ 5,743,322	-29%	\$ 47,911,529	0%
2011	\$ 44,236,462	18%	\$ 3,566,623	20%	\$ 2,665,347	1%	\$ 6,231,970	11%	\$ 50,468,432	17%

(1) The actual Sales and Use Tax rate was 3.75% effective January 1, 1995 and increased to 4.15%, effective January 1, 2002. The figures include the .25% Open Space Sales and Use Tax.

City and County of Broomfield
Continuing Disclosure Supplemental Schedule
RE: \$117,950,000 Sales and Use Tax Bonds, Series 2002A, 2002B, 2002C

Estimated Generators of Sales Tax Revenues	
2011	2012
Type of Business	Type of Business
1. Public Utility	1. Public Utility
2. Retail Store	2. Retail Store
3. Grocery Store	3. Retail Store
4. Grocery Store	4. Grocery Store
5. Retail Store	5. Grocery Store
6. Retail Store	6. Retail Store
7. Retail Store	7. Retail Store
8. Grocery Store	8. Retail Store
9. Retail Store	9. Grocery Store
10. Retail Store	10. Service Industry

City and County of Broomfield
Continuing Disclosure Supplemental Schedule
RE: \$117,950,000 Sales and Use Tax Bonds, Series 2002A, 2002B, 2002C

PROJECTED NET PLEDGED REVENUES					
Year	One-Third of 3.50% Sales and Use Tax Revenues	Plus Available Sales and Use Tax Revenues (1)	Net Pledged Revenues Available for Debt Service	Maximum Annual Debt Service	Coverage
2002	\$ 12,080,206	\$ 18,273,991	\$ 30,354,197	\$ 8,784,788	3.46
2003	12,258,660	19,568,974	31,827,634	8,784,788	3.62
2004	12,675,970	19,847,577	32,523,547	8,784,788	3.70
2005	13,495,506	20,430,596	33,926,102	8,784,788	3.86
2006	14,164,682	21,255,497	35,420,179	8,784,788	4.03
2007	15,353,993	22,757,920	38,111,913	8,784,788	4.34
2008	13,915,905	21,831,188	35,747,093	8,784,788	4.07
2009	12,262,071	18,438,891	30,700,962	8,784,788	3.49
2010	13,809,204	20,877,657	34,686,861	8,784,788	3.95
2011	14,187,913	21,635,075	35,822,988	8,784,788	4.08

(1) Available Sales and Use Tax Revenues are the proceeds of two-thirds of the revenues of the City and County's 3.50% Sales and Use Tax less amounts that are deposited in the Sales and Use Tax Reimbursement Special Funds and Supplemental Accounts and amounts deposited into the Operating Budget Account for Fiscal and Treasury Management of the Special Funds.

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**Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In Accordance
With *Government Auditing Standards***

To The City Council
City and County of Broomfield
Broomfield, Colorado

We have audited the financial statements of the City and County of Broomfield (Broomfield), as of and for the year ended December 31, 2011, and have issued our report thereon dated May 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

To The City Council
City and County of Broomfield

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Broomfield in a separate letter dated May 17, 2012.

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

RubinBrown LLP

May 17, 2012



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**Report On Compliance With Requirements That
Could Have A Direct And Material Effect On
Each Major Program And On Internal Control
Over Compliance In Accordance
With OMB Circular A-133**

Independent Auditors' Report

City Council
City and County of Broomfield
Broomfield, Colorado

We have audited the City and County of Broomfield's (Broomfield) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Broomfield's major federal programs for the year ended December 31, 2011. Broomfield's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Broomfield's management. Our responsibility is to express an opinion on Broomfield's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Broomfield's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Broomfield's compliance with those requirements. In our opinion, Broomfield complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Broomfield is responsible for establishing and maintaining effective internal control over compliance with the requirements of law, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Broomfield's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Broomfield's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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

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

RubinBrown LLP

May 17, 2012

CITY AND COUNTY OF BROOMFIELD, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2011

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unqualified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditors' report issued on compliance for major programs:		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major programs:

CFDA No. Name Of Federal Program Or Cluster

10.557	Special Supplemental Nutrition Program for Women, Infants and Children
10.557	Women, Infants and Children - Non-Cash
14.218	Community Development Block Grant
81.128	Energy Efficiency and Conservation Block Grant - ARRA
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Title IV-D Admin
93.658	Title IV-E Foster Care

Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Section II - Financial Statement Findings

None.

CITY AND COUNTY OF BROOMFIELD, COLORADO

Schedule Of Findings And Questioned Costs *(Continued)*

Section III - Federal Award Findings And Questioned Costs

None.

Section IV - Prior Year Findings

Finding 2010-01 – CFDA 93.568 Low Income Home Energy Assistance Program (LIHEAP)

Criteria - The amount of LIHEAP disbursements is based on household sizes including eligible members.

Condition - One client's household receiving LIHEAP benefits included two members lacking proof of United States citizenship, which is in violation of LIHEAP eligibility requirements. However, the benefits paid to the client would have been the same if the adults were not included in the calculation.

Management's Response And Corrective Actions - Finance Department and Human Services Department staffs agree with the auditors on their recommendations and will implement improved processes as follows:

- Since the information recorded by staff on the LIHEAP application was accurate, it appears that this was a data entry error made when transferring the information into the state system for calculation of benefit.
- Health and Human Services (HHS) will now ensure that staff and supervisors are better trained to use the household screen on the State HHS system to properly record citizenship status for each household member before approving benefits. Supervisory reviews will be conducted on new case files.
- HHS training protocol has been revised to ensure this issue is covered in Broomfield's local training program for staff and supervisors; it is also covered in the training provided by the state.
- It is noted that the LIHEAP program was also reviewed by the state auditors within the past year. In a sample size of 20 cases, state auditors found no instance of error in the calculations or non-compliance with the regulations.

Auditor Response - Broomfield implemented procedures in 2011 to ensure determination of eligibility is properly documented.

Finding - 2010-02 - CFDA 93.563 Child Support Enforcement, CFDA 14.228 Neighborhood Stabilization Program.

Criteria - Per the Procurement, Suspension and Debarment compliance requirement, non-federal entities are prohibited from contracting with or making subawards under

CITY AND COUNTY OF BROOMFIELD, COLORADO

Schedule Of Findings And Questioned Costs (*Continued*)

covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the government-wide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity (2 CFR Section 180.300).

Condition - Broomfield did not have a process in place to check to see if a vendor is on the debarment or suspended list before it enters into a transaction.

Management's Response And Corrective Actions - The Finance Department staff agree with the auditors on their observations and recommendations and have implemented a new process using the following steps to be completed when selecting a contractor/vendor for a federally-funded project over \$10,000:

- Purchasing staff will issue a "Request for Qualifications" 15 days before receipt of bid submittals.
- A W-9, indicating the vendor's SSN/TIN, will be required to be submitted by the prospective vendor prior to acceptance of any bids
- Qualified contractors will be subject to a review through the United States Department of Treasury "Excluded Parties List," which reflects the results of the SSN/TIN search. A printout from this site will be maintained in the project file, and attached electronically to the vendor record in the financial software system.
- Only those contractors prequalified by staff and passing the "Excluded Parties List" verification will be requested to submit a bid/proposal for the qualified federally-funded project.
- The prime contractor awarded any contracts associated with federal funds will be responsible for ensuring that their sub-contractors, if any, that receive over \$25,000 of federal funds, are not on the debarred list.
- The Grants Coordinator will develop a process to verify compliance of the prime contractor regarding subcontractors paid.

CITY AND COUNTY OF BROOMFIELD, COLORADO

Schedule Of Findings And Questioned Costs *(Continued)*

Auditor Response - Broomfield implemented procurement policies and procedures to review potential vendors against the suspension and debarment list.

Finding - 2010-03 - CFDA 14.228 Neighborhood Stabilization Program.

Criteria - Per the agreement with the Colorado Department of Local Affairs (Department), the pass-through organization, Broomfield, is required to file monthly status reports.

Condition - Broomfield did not file these reports with the Department in 2010. In March 2011, the Department requested Broomfield submit these reports.

Management's Response And Corrective Actions - We agree with the auditors on their recommendations and have taken the necessary steps as follows:

- All past due reports on the grant in question have been submitted.
- There are no penalties for late reporting for this specific grant.
- The subsequent monthly reports will be completed and current before the program is monitored by the State in May or June of 2011.
- Additional new staff resources in the form of a Grant Coordinator will be committed through the Finance Department to strengthen controls over appropriate reporting requirements for state and federal funding.
- This will include a checklist identifying assignment of responsibility for all processes associated with all grant activity.

Auditor Response - Broomfield implemented procedures to review all new grants and document the compliance requirements.

CITY AND COUNTY OF BROOMFIELD

NOTE TO THE SCHEDULE OF FEDERAL AWARDS

For the Year Ended December 31, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and County of Broomfield and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A - 133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in, the preparation of the basic financial statements.

CITY AND COUNTY OF BROOMFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

Agency/Program Grant Title	<u>Federal CFDA Number</u>	<u>Federal Disbursements/ Expenditures</u>
U.S. Department of Energy		
Energy Efficiency and Conservation Block Grant - ARRA	81.128	\$ 262,352
Main Street Efficiency Initiative - ARRA	81.041	6,750
Solar Trail Lighting	81.041	12,231
Total Department of Energy		<u>281,333</u>
U.S. Department of Transportation		
Formula Grants for Other Than Urbanized Areas	20.509	2,500
Total Department of Transportation		<u>2,500</u>
U.S. Department of Justice		
Passed through State Division of Criminal Justice:		
Bullet Proof Vest Partnership	16.607	6,503
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,084
Enforcing Underage Drinking Laws	16.727	10,572
Subtotal State Division of Criminal Justice		23,159
Passed through Office of Juvenile Justice Delinquency Prevention:		
Missing Children's Assistance	16.543	13,552
Subtotal Office of Juvenile Justice Delinquency Prevention		13,552
Total U.S. Department of Justice		<u>36,711</u>
U.S. Department of Homeland Security		
Passed through Colorado Department of Local Affairs:		
Emergency Management Performance-Local	97.042	61,200
Homeland Security Grant (non-cash - radios)	97.067	195,671
Subtotal Colorado Department of Local Affairs		256,871
Total U.S. Department of Homeland Security		<u>256,871</u>
U.S. Department of Labor		
Passed through Colorado Department of Labor and Employment:		
Trade Adjustment Assistance	17.245	26,847
WIA Adult Program	17.258	91,416
WIA Youth Activities	17.259	49,609
ARRA WIA Youth Activities	17.259	18,750
WIA Dislocated Workers	17.260	53,611
WIA Dislocated Worker Formula Grants	17.278	9,895
ARRA WIA Dislocated Workers	17.260	18,383
Employment Service/Wagner-Peyser Funded Activities	17.207	223,254
ARRA Employment Service/ Wagner-Peyser	17.207	6,032
Governor's Summer Job Hunt	17.207	17,785
Disabled Veterans' Outreach Program (DVOP)	17.801	7,991
Subtotal Colorado Department of Labor and Employment		523,573
Total U.S. Department of Labor		<u>\$ 523,573</u>

(Continued)

See the accompanying note to the schedule of expenditures of federal awards.

CITY AND COUNTY OF BROOMFIELD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Year Ended December 31, 2011

Agency/Program Grant Title	Federal CFDA Number	Federal Disbursements/ Expenditures
U.S. Department of Health and Human Services		
Passed through Colorado Department of Public Health and Environment:		
Public Health Emergency Preparedness	93.069	\$ 72,880
Family Planning Services	93.217	22,854
Preventive Health Services Sexually Transmitted Diseases Control Grants Non-Cash	93.977	1,448
Maternal and Child Health (MCH) Pediatric Research	93.994	13,928
Immunization Grants	93.268	18,286
Center for Disease Control and Prevention Investigations and Technical Assistance	93.283	2,756
West Nile Surveillance Grant	93.283	3,365
Subtotal Colorado Department of Health and Environment		<u>135,517</u>
Passed through Colorado Department of Human Services:		
Promoting Safe and Stable Families	93.556	26,752
Temporary Assistance for Needy Families	93.558	797,330
Child Support Enforcement	93.563	341,907
Low Income Home Energy Assistance Program	93.568	232,547
Child Care and Development Block Grant	93.575	16,637
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	240,962
Chafee Foster Care Independence Program	93.674	10,065
Child Welfare Services State Grants	93.645	27,740
Title IV-E Foster Care	93.658	368,469
Title IV-E Adoption Assistance ARRA	93.659	43,795
Title XX Social Services Block Grant	93.667	225,875
Title XIX Medicaid	93.778	213,648
Subtotal Colorado Department of Human Services		<u>2,545,727</u>
Passed through Colorado Department of Local Affairs:		
Community Services Block Grant	93.569	16,530
Subtotal Colorado Department of Local Affairs		<u>16,530</u>
Passed through Denver Regional Council of Government:		
Caregiver's Support Grant	93.044	64,761
		<u>64,761</u>
Early and Periodic Screening, Diagnostic and Treatment Grant	93.778	43,567
Subtotal Colorado Department of Health Care Policy and Financing		<u>43,567</u>
Total U.S. Department of Health and Human Services		<u><u>\$ 2,806,102</u></u>

(Continued)

See the accompanying note to the schedule of expenditures of federal awards.

CITY AND COUNTY OF BROOMFIELD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
For the Year Ended December 31, 2011

Agency/Program Grant Title	Federal CFDA Number	Federal Disbursements/ Expenditures
U.S. Department of Agriculture		
Passed through Colorado Department of Public Health and Environment:		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	\$ 140,079
Women, Infants and Children Non-Cash Award	10.557	294,281
		<u>434,360</u>
Passed through Colorado Department of Health and Human Services:		
Supplemental Nutrition Assistance Program - Fraud	10.561	5,276
Supplemental Nutrition Assistance Program - Admin - EBT	10.561	221,261
		<u>226,537</u>
Total U.S. Department of Agriculture		<u><u>660,897</u></u>
U.S. Department of Housing and Urban Development		
Home Investment Partnership Program	14.239	91,019
Neighborhood Stabilization Program	14.228	51,960
Community Development Block Grant	14.218	340,057
Total U.S. Department of Housing and Urban Development		<u><u>483,036</u></u>
Total Federal Financial Assistance		<u><u>\$ 5,051,023</u></u>

See the accompanying note to the schedule of expenditures of federal awards.

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