**Major Changes between 2011 and 2012 Budgets include:**

- The 2012 property tax revenues are based on the assessed valuation that includes the biennial reappraisal of the County’s taxable property. The assessed valuation for the County’s 2012 tax year fell by 3% compared to the prior year due to the impact of the economic downturn on real property. This translates into a decrease in budgeted property tax revenue of $4.4 million. The County has been anticipating a decline in this revenue since the 2008 recession. For the past several years expenditure budgets were maintained at flat funding levels so that operating budgets were sustainable with falling revenues.

- In the November 2010 election, voters approved ballot issue 1B that authorized an increase in the rate of Sales and Use Tax of 0.15% for open space acquisition and maintenance, as well as additional bonding authority. This was not included in the 2011 adopted budget and was supplemented appropriately during the year. The 2012 budget includes this new open space funding as well as the carryover of $10 million in unexpended bond proceeds from 2011.

- As the local economy improves we have seen an increase in sales and use tax revenues. The 2012 budget assumes that these revenues will increase by 6% compared to 2010 actuals. This additional revenue is designated to support sales and use tax programs approved by voters in prior years, including open space acquisition and maintenance, worthy cause, offender management and transportation and trails.

- The 2012 budget includes several major capital outlay software projects that will be undertaken over multiple years. To enable contractual obligations to be made with the vendors for these projects the entire cost of the multi-year projects has been appropriated in the General Fund, with the intent of carrying over unexpended amounts into future years according to cash flow requirements.

- The Road and Bridge Fund budget includes over $1 million of transportation grants, as well as an increased budget for fuel to reflect the higher prices, and one-time funding for reconfiguration of transportation infrastructure. This budget includes funding carried over from prior years to complete construction on a new Road Maintenance center. It is expected that there will be projects in 2012 that will receive additional Federal and State revenues, and they will be budgeted when the amounts are known.

- The Social Services Fund 2012 budget has an increase of $1.6 million, which is primarily funded by carryover appropriated from unexpended amounts in 2011 in the Temporary Safety Net Fund. This fund was approved by voters in November 2010 for 5 years to provide a temporary safety net of human services programs funded by 0.090 mills of property tax revenue.

- The Better Buildings ARRA Grant Fund 2012 appropriation was reduced from 2011 by $5.9 million to reflect the progressive spend-downs of the grant funding as this program nears completion. Other decreases in the 2012 budget are in the Qualified Energy Conservation Bond Fund by $2.1 million as the bond proceeds from 2009 are expended on capital infrastructure projects and the Clean Energy Options LED Fund by $1.4 million as the sustainability projects are completed.

- The Fleet Services Fund increased by $1.7 million due to the need to address an internal accounting change to recognize the sale of fuel from inventory in this fund to the other County funds where the fuel is consumed. This expenditure budget increase is completely offset by internal revenues.

- The Recycling Center Fund increased by over $800,000 in 2012 which is attributed primarily to the increase in revenue from the sale of recycled materials that are produced by this facility.

- In November 2008 the voters approved a 10-year extension of the county sales and use tax to provide for capital facilities for non-profit organizations. The Worthy Cause Fund revenues generated by the approved 0.05% sales and use tax began on January 1, 2009 and will end December 31, 2019. The 2012 budget for this fund is $1.8 million, which includes unexpended non-profit awards from prior years.

- In the November 2007 election, voters approved an extension of a 0.10% sales and use tax for transportation from July 1, 2009 through June 30, 2024. This is budgeted in both the General and the Road and Bridge Funds for transportation and trail projects.

- The Capital Expenditure Fund budget increased in 2012 to a total of $7.7 million. The major projects include completion of the remodeling and infrastructure replacement for the Justice Center and a space needs study for Human Services departments.

Other Items of Interest:

- The salary and benefit package for County employees in the 2012 budget included a market adjustment to salaries in selected job classifications and a merit pool funded at 3%. There was no increase in the PERA retirement benefit rate for 2012.

- Ballot issue 2051A 1A allowed the property tax mill levy rate to grow until it reached the TABOR allowed maximum of 5.745 mills. Beginning in 2011, ballot issue 2010-1A added 0.9 mills to the maximum. The total mill levy for the County for taxes collected in 2012 is 26.645, including a levy of 0.090 mills to recover property taxes abated in 2011.
CONSERVATION/SANITATION
Includes all expenditures for the agencies whose purpose is to conserve and develop natural resources, which includes land, water, soil, and forests. Sanitation includes all activities involved in the removal and disposal of sewage and other types of waste. Services in this category are provided by Soil Conservation, Board of County Commissioners-Sustainability Programs, Resource Conservation and Historic Preservation, Parks & Open Space, the Conservation Trust Fund, the Open Space Funds, Eldorado Springs, the Recycling Capital Improvement Fund, the Clean Energy Options LID Fund, the Recycling Center Fund, the Qualified Energy Conservation Bonds Fund and the Better Buildings Grant Fund.

DEBT SERVICE
Includes all expenditures for interest and principal payments on general long-term debt and fiscal agent fees connected thereto. Payments in this category are provided for in the Road Fund, the Capital Expenditure Fund, the Eldorado Springs, the Clean Energy Options LID Fund, Offender Management Fund, the Qualified Energy Conservation Bonds Fund and the Open Space Funds.

GENERAL GOVERNMENT
Includes all expenditures for the administrative branch of county government. Services in this category are provided by the Administrative Services Department, Countywide Services and Benefits, General Administration, Assessor, County Attorney, Board of County Commissioners, Clerk & Recorder, Land Use, Surveyor, the Treasurer, the Fleet Services Fund and the Risk Management Fund.

2012 EXPENDITURES

| Administrative Services | Resource Conservation | Soil Conservation | Board of County Commissioners | Land Use | Forest Health/Sustainability | Parks and Open Space Administration | All Other Programs | Extension Office | Land Acquisition | Eldorado Springs | Conservation Trust Fund | Open Space Capital Improvement Fund | Open Space Capital Improvement II Fund | Clean Energy Options LID Fund | Qualified Energy Conservation Bonds Fund | Better Buildings Grant Fund | Recycling Center Fund | CONSERVATION/SANITATION TOTAL |
|------------------------|-----------------------|------------------|---------------------------------|--------|-----------------------------|-------------------------------------|---------------------|----------------|----------------|-----------------|------------------------|-----------------------------|-------------------------------|--------------------------|-----------------------------|---------------------------|-----------------------------|
| 1,066,413              | 51,397                | 435,679          | 35,000                          | 50,000 | 35,000                      | 7,912,171                           | 582,411                | 3,759,782     | 85,450         | 1,019,681       | 19,929,492            | 551,565,117                 | 440,889                       | 500,000                  | 1,310,554                   | 7,564,012                  | 6,771,225                   | $51,565,117                |

DEBT SERVICE
CO's Lease Payments: 1,038,655
Colorado Department of Revenue: 122,957
Offender Management Bond 04 Debt Service: 440,889
Open Space 2 C.I.T. Bond Series 2008: 3,133,013
Clean Energy Options LID Fund: 1,347,242
Qualified Energy Conservation Bonds Fund: 599,173
DEBT SERVICE TOTAL: $28,008,928

GENERAL GOVERNMENT
Administrative Services
Admin Division: 189,613
Mailing & Printing: 387,504
Board of Equalization: 92,275
Human Resources: 1,042,383
Financial Services: 1,112,413
Information Technology: 2,781,654
Security: 211,087
Telecommunications: 404,770
Facilities Administration & Maintenance: 3,915,866
Countywide Services and Benefits: 23,644,239
Building Utilities: 2,115,204
Risk Management Fund: 19,378,845
Fleet Services Fund: 3,909,107
General Administration: 4,667,088
Capital Equipment: 5,712,685
Assessor: 3,342,670
County Attorney: 2,168,715
Board of County Commissioners: 1,476,908
Fire Recovery Center: 236,580
Budget: 367,294

2012 EXPENDITURES - continued

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<th>Clerk &amp; Recorder</th>
<th>Administration</th>
<th>Motor Vehicle Division</th>
<th>Elections</th>
<th>Recording</th>
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HEALTH & WELFARE/ECONOMIC OPPORTUNITY

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HIGHWAYS & STREETS/CAPITAL BUILDING PROJECTS
Includes all expenditures for the agencies whose purpose is to provide for the construction and maintenance of public buildings, roadways, walkways, transit & bikeways, bridges & storm drainage. Services in this category are provided by the Transportation Department, Road and Bridge Fund, the County Architects Division, and the Transportation Sales Tax. Includes intergovernmental expenditures for payments to cities for road improvements.

HEALTH & SAFETY/JUDICIAL
Includes all expenditures for the agencies whose purpose is to provide for the protection of persons and property. Services in this category are provided by the Coroner, Community Justice Services, District Attorney, Wildlife Mitigation, Sheriff (includes the Jail and Communications Center), Offender Management (includes the Integrated Treatment Court), and Flood Control.

Copies of the entire 2012 budget are available to the public at the County Budget Office and the County Commissioner’s Office.

Boulder County 2012 Board of Commissioners
District #1 Will Tier, Vice Chair
District #2 Deb Gardner, Commissioner
District #3 Cindy Dorneaux, Chair

PUBLIC SAFETY/JUDICIAL
Includes all expenditures for the agencies whose purpose is to provide for the conservation and improvement of public health, to provide public assistance and institutional care for individuals economically unable to provide essential needs for themselves and to eliminate or ameliorate poverty and its causes. Services in this category are provided by Youth Corps, the Mental Health Center, Public Health Department, Non-Profit agencies, Community Services, Housing Department, Social Services, Developmental Disabilities, various Grant-Funded Programs, Health & Human Services Fund, the Worthy Cause Fund, and the Human Services Temporary Safety Net Fund.

PUBLIC SAFETY/JUDICIAL
Coroner: 836,141
Community Justice Services: 2,887,892
District Attorney: 10,000
Land Use - Wildlife Mitigation: 16,000
Sheriff
Administration/All Other Programs: 5,721,952
Jail: 11,287,669
Operations: 7,775,108
Communications Center: 2,497,465
Transportation - Flood Control: 6,034
Offender Management Fund: 473,109
Integrated Treatment Court: 1,009,905
Jail Expansion: 3,806,075
TOTAL: $37,420,291

GRAND TOTAL: $321,707,822