



## POPULAR ANNUAL FINANCIAL REPORTING

fiscal year ending December 31, 2011

This **Popular Annual Financial Report (PAFR)** is a summary of the financial activities of the City's funds as reported in the 2011 Comprehensive Annual Financial Report (CAFR).

The CAFR is an audited document and is prepared in conformance with generally accepted accounting principles (GAAP). To conform with GAAP, the CAFR must include the City's component units and the presentation of individual funds in much more detail, as well as full disclosure of all material events, financial and non-financial.

Unlike the CAFR, the PAFR is not an audited document and it does not include details by fund nor does it include the other disclosures required by GAAP. Therefore, the PAFR is not intended to present a complete financial picture of the City in accordance with GAAP. This report is a reflection of our effort to keep you informed about how your tax dollars are being spent in a

simple, non-technical format. For more in-depth information, the **CAFR** is available online at [www.bouldercolorado.gov](http://www.bouldercolorado.gov) under the Finance department Financial Reporting tab.

The **PAFR** is available online at [www.bouldercolorado.gov](http://www.bouldercolorado.gov)

The City **website** also includes information about:

- ◆ Each Department activities
- ◆ Budget
- ◆ Job Opportunities
- ◆ Community
- ◆ Council Members, Agenda and Meetings



### Quick Facts about Boulder

**Population:** . . . . . 98,000  
**Median Household Income:** . . . . \$53k  
**Median Age:** . . . . . 29  
**Education:** . . . . 35% Advanced degree  
 32% BA/BS; 19% some college

**Sales and Use Tax Rate:** . . . . . 3.41%  
**Unemployment Rate:** . . . . . 5.9%  
**Use of Alternative Transportation:** . . 36%  
**Open Space/ Mountain Parks:** . . . . . 45k acre  
**City of Boulder Employees:** . . . . . 1,230  
**2011 Operating Budget:** . . . . . \$ 206,317,000

**2011 Major Industries of Employment:** 61% Management/Professional, 19% Sales/Office, 16% Service.

**Key Industry Clusters:** Aerospace; Biothech; Clean Tech/Renewable energy and energy research; IT-data storage, digital media and software development.

**2011 Top 5 City of Boulder Employers:** Over 1,000 employees: University of Colorado, IBM Corp, Boulder Community Hospital, Covidien and City of Boulder.

**Other Major Employers:** Ball Aerospace, Lockheed Martin, Boulder County, UCAR/NCAR, Micro Motion/Emerson, Amgen, Cisco, GE, Google, Hain Celestial Group, Naropa Institute, NOAA, NIST, Whole Foods, Microsoft, Wall Street on Demand, and McGuckin Hardware.

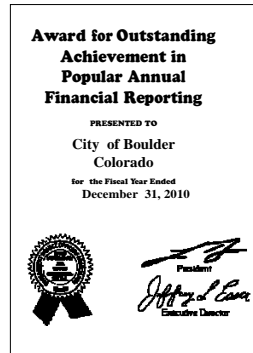
## 2011 SIGNIFICANT EVENTS

- ◆ November 2011, the community approved \$49 million in new bonds to repair, replace and maintain Boulder's existing infrastructure.
- ◆ Invested \$449,000 toward infrastructure relocation and improvements at Boulder Junction – transit (local & regional) and community hub.
- ◆ A community energy survey was conducted by polling 400 residents. Survey results showed 71% support a renewable source of energy and reducing carbon emissions. See [Boulder's Energy Future](#) for more details.
- ◆ In November 2011 election, voters approved an increase in the utility occupation tax which allowed the city to establish the new Energy Strategy and Electricity Utility Development Department under the General Fund to guide the city in the implementation of new methods of energy management. The initial budget for this new department is \$1.9 million.
- ◆ The 40 acre Valmont Bike Park Phase I was completed at a cost of approximately \$3.5 million.
- ◆ City Council allocated \$3.5 million to Boulder Valley School District to renovate the vacant Mapleton School and funding of the Wilderness Place Project of Acorn School.
- ◆ The City completed a \$9.6 million lease agreement with Suntrust Equipment Finance & Leasing Corporation on January 25, 2012 for early payoff of \$6.4 million of Phase II Energy Efficiency Project Lease and to fund Phase III of this project for \$3.2 million. The lease proceeds will be used to make various energy efficiency improvements to several different city buildings.



## 2011 BEST OF BOULDER

- ◆ Award for Outstanding Achievement for the 2010 Popular Annual Financial Reporting (PAFR).
- ◆ The Flexible Rebate Incentive Program, Boulder's assistance program, was selected to participate in the 2011 "City Showcase Exposition" by the National League of Cities.
- ◆ The White House selected Boulder as one of the few cities to participate in "Start-Up America". This program Helped retain five companies, including Tendril and LogRhythm.
- ◆ America's Best Town for Startups – Bloomberg Businessweek, April 22, 2011.
- ◆ America's Most Economically Vibrant College Town – The Atlantic Cities, Sept. 21, 2011.



- ◆ Top 10 Winter Towns (#9)-National Geographic Traveler- Jan-Feb 2011
- ◆ Tree City USA – National Arbor Day Foundation (27th consecutive year).
- ◆ America's Best Adventure Towns – National Geographic, Nov. 2011.

### Operating Indicators & Statistics

#### Parks and Recreation:

Acres of Mountain Parks & Open Space- 45,405

Acres of Urban Parks—1,800

Recreation Center attendance—628,639

#### Library:

Circulation of books, videos, tapes-1.4 million

#### Planning & Development Services:

Building Permit Applications— 5,888

Zoning Enforcement Actions— 2,145

#### Municipal Court:

Traffic violations— 17,181

#### Public Works:

##### Transportation:

Daily travel— 2.34million

##### Utilities:

Water Accounts— 28,619

Avg. Daily Water Consumption — 17 million

##### Public Safety:

##### Police:

Police Officers— 173

Total Calls for Service— 76,383

##### Fire:

Firefighters— 96

Total Annual Responses— 10,111



Eben G. Fine Park



Kids' Fishing Pond



North Boulder



Chautauqua



East Boulder

# FINANCIAL STATEMENTS

Within the CAFR, the City presents two different types of statements.

1. The **government-wide statements** are designed to provide readers with a **long term overview** of the city's finances. These statements include the Statement of Net Assets and the Statement of Activities. The government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the city include general government, administrative services, public safety, public works including streets and transportation, planning and development services, culture and recreation, open space and mountain parks, and housing and human services. The business-type activities of the city include the utilities, Downtown Commercial District, University Hill Commercial District and Boulder Junction GID parking services (component units) and the Boulder Municipal Property Authority's acquisition of open space and parks property (component unit).
2. The **fund statements** which provide a short-term perspective of individual funds.

In 2011, the City implemented the new GASB 54 fund equity reclassification. For more details on GASB 54 requirements go to [www.gasb.org/summary/gstsm54.html](http://www.gasb.org/summary/gstsm54.html)

## COMPONENT UNITS

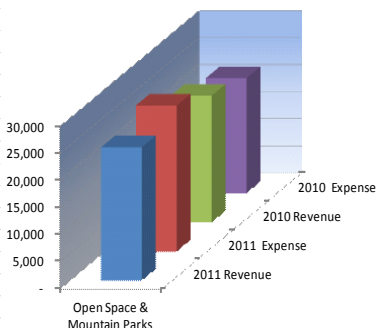
The City of Boulder's financial reporting entity is comprised of the primary government and its component units. The primary government consists of all funds and departments that are not legally separate from the City. Component units are legally separate organizations for which the City is considered to be financially accountable. Blended component units data are combined with the primary government data and reported like a regular city operation.

### City of Boulder Blended Component Units:

1. **Downtown Commercial District and University Hill Commercial District** - These Districts provide parking services and facilities, administered by the City Council.
2. **Boulder Municipal Property Authority** - The Authority is a nonprofit corporation responsible for the acquisition and construction of certain city properties and facilities, administered by the City Council.
3. **Boulder Junction Access GIDs** - In November 2011, two new General Improvement Districts (GID) were established in order to implement the transit-oriented development goals for shared, unbundled parking and for travel demand management programs.

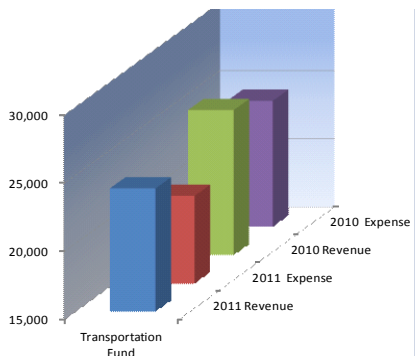
## FISCAL YEAR 2011 FINANCE STATEMENT

- ◆ **The General Fund** is the primary operating fund of the city. At the end of 2011, the unassigned fund balance of the General Fund was \$20.2 million. Core General Fund activity for the year resulted in a decrease of \$0.2 million for 2011.



- ◆ **Open Space and Mountain Parks Fund** had a fund balance decrease of \$4.4 million. Revenues increased slightly by \$1.3 million due to increase in sales and use tax revenues from recovering economic activity. Expenditures increased by \$5.7 million largely due to \$6.0 million in real estate acquisitions in 2011.

- ◆ **Transportation Fund** expenditures had an increase in fund balance of \$1.1 million. Revenues decreased by \$1.6 million from decreases in capital grant funds received and expenditures decreased by \$2.7 million due to reductions in capital projects in 2011.



# STATEMENT OF ACTIVITIES - GOVERNMENT WIDE

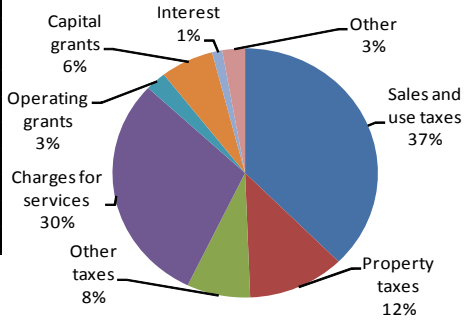
*The Government-Wide summary is intended to serve as an indicator of the city's overall financial position.*

The **Government-Wide Income Statement** is known as the **Statement of Activities** which provides a report on the money received and spent by the City during the fiscal year.

## Revenue – Where the money comes from...

Revenues by Source	2011 (in 000's)	2010 (in 000's)
Sales and use taxes	\$ 92,721	\$ 87,889
Property taxes	29,244	27,726
Other taxes	19,221	17,177
Charges for services	73,347	73,451
Operating grants	6,305	7,507
Capital grants	16,090	13,991
Interest	3,051	3,286
Other	6,938	6,519
<b>Total Revenue</b>	<b>\$ 246,917</b>	<b>\$ 237,546</b>

## 2011 Sources of Revenue

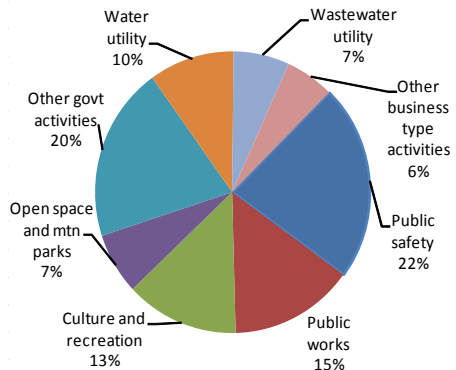


- ◆ Sales and Use Taxes are the largest single source of revenue collected on retail sales and business activity within the city's limits. In 2011 we saw an increase of \$4.8 million from 2010 primarily due to an increase in general retail sales activity as part of the economic recovery.
- ◆ Property Taxes are collected by the County and allocated to the City net of County fees. Property Tax revenue increased from 2010 partially due to the removal of property tax revenue limitations. In November 2008, voters removed the TABOR limitation on property tax revenues collected and retained in 2009 and beyond.
- ◆ Other Taxes include liquor license, medical marijuana license, trash/recycling, telephone/cable, tobacco taxes and excise taxes. Other Taxes increased by \$2.0 million largely due to an increase in the accommodations tax rate from 5.5% to 7.5% effective January 1, 2011.
- ◆ Charges for Services are payments received directly by the City for services performed. This would include fees such as utility payments, building permits and code enforcement fines.
- ◆ Operating Grants are funds received from outside entities and are generally restricted to pay for one or more specific projects.
- ◆ Capital Grants received by the city are used to purchase, construct, or renovate specific capital assets.
- ◆ Interest Revenue includes income earned on investments, trusts and unspent bond proceeds.
- ◆ Other Revenues include a variety of sources and revenue types, including special property assessments.

## Expenses—Where the money goes...

- ◆ Public Safety is the largest expense and includes fire, police and municipal court operations. In 2011, expenses increased due to various capital projects.
- ◆ Public Works reflects expenses associated with the repair, construction, acquisition and maintenance of public roads, bike paths, etc. In 2011, this included the Broadway Reconstruction Project & Valmont City Park Phase I.
- ◆ Culture and Recreation reflects the cost of operating Parks & Recreation, Libraries and Senior Services programs. In 2011, increases of expenses were partially due to Library computer replacements and Parks improvements (see Capital Asset Highlights below)
- ◆ Open Space and Mountain Parks reflect the cost of land acquisition, land restoration and trails management including the Grassland Ecosystem Management Project.
- ◆ Other Government activities include planning and development services, housing and human services, general government, and administrative services. The 2011 expenses increased largely due to Education Excise tax projects and the environmental and sustainability projects.
- ◆ Water and Wastewater activities include the general operating cost of these utilities, including annual upgrade and maintenance of water and sewer lines and treatment plants.
- ◆ Other Business-type activities include flood management, parking facilities, and property and facility acquisition.

## Expenses by Service Area



# STATEMENT OF NET ASSETS – GOVERNMENT WIDE

The **Government-wide Balance Sheet** is known as the *Statement of Net Assets* presents information on all of the city’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

This table presents a summary of the city’s assets, liabilities and net assets as of December 31, 2010 and 2011. The city’s assets exceeded its liabilities by \$928.7 million at the close of 2011. By far the largest portion of the city’s net assets reflects its investment in capital assets (i.e., land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), net of related debt. The city uses these capital assets to provide services to the public; consequently, these assets are not available to fund current operations.

Statement of Net Assets for the years ended December 31 <sup>st</sup> , (in thousands of dollars...000's)		
	2011	2010
<b>Assets</b>		
Current & Other Assets	\$268,073	\$266,060
Capital Assets	907,143	891,762
<b>Total Assets</b>	<b>1,175,216</b>	<b>1,157,822</b>
<b>Liabilities</b>		
Noncurrent Liabilities	185,824	207,796
Other Liabilities	60,725	57,426
<b>Total Liabilities</b>	<b>246,549</b>	<b>265,222</b>
<b>Net Assets</b>	<b>\$928,667</b>	<b>\$892,600</b>

## CAPITAL ASSET HIGHLIGHTS

### Governmental Activities:

- ◆ Construction in progress of several transportation infrastructure projects, including the Airport Parking Ramp and, 28th St. from Baseline to Iris.
- ◆ Improvements and new bikeway facilities enhancements—\$5.2 million
- ◆ Completion of several transportation infrastructure projects, including Broadway
- ◆ Concrete Reconstruction—\$11.9 million
- ◆ Construction in progress of Energy Performance projects—\$6.7 million.
- ◆ New vehicle purchases totaling \$1.9 million
- ◆ Various Parks Improvements—\$9.0 million.
- ◆ Land acquisitions—\$6.0 million.
- ◆ Recognition of \$16.7 million in depreciation expense

### Business-type Activities:

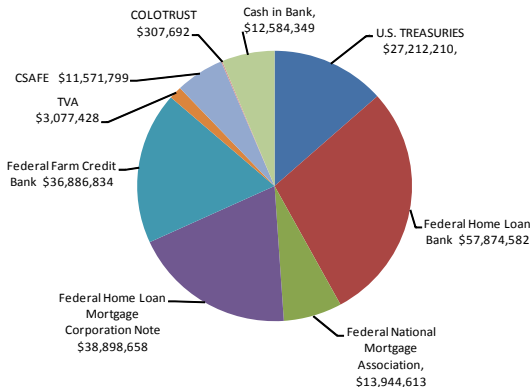
- ◆ Waterline Rehabilitation—\$2.6 million.
- ◆ Boulder Canyon Hydro—\$2.0 million.
- ◆ Wastewater TP Improvements—\$2.0 million.
- ◆ Water & Wastewater System Expansion—\$1.2 million.
- ◆ Automated Meter Reading Project — \$0.5 million.
- ◆ Chautauqua Storage Tank—\$0.5 million.
- ◆ Recognition of \$11.1 million in depreciation expense.

## CASH AND INVESTMENTS

The primary objective of the city’s cash and investment strategy is the safety of investments, including preservation and protection of the investment principal. All investments held in 2011 met City Code requirements. For detailed investment requirements, see <http://www.colocode.com/boulder2/capter2-10.htm>.

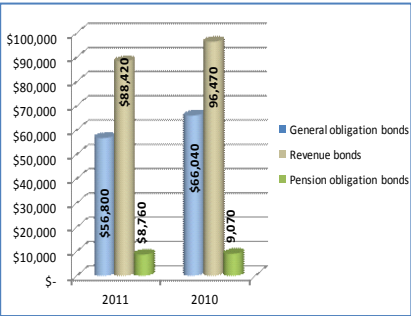
As of December 31, 2011, the City of Boulder’s cash and investments totaled \$202.4 million and the weighted average return was 1.21%.

City of Boulder Pooled Cash & Investments at FMV - 12/31/2011



## BONDED DEBT

The city’s revenue bond credit rating is Aa1 by Moody’s Investors and AAA by Standard & Poor’s. Under the City Charter, the city’s general obligation debt issuances are subject to a legal limitation based on 3% of total assessed value of real and personal property. All of the City’s bonded debt is considered to be self-supporting and the ratio of net bonded debt supported solely by property taxes to assessed valuation is zero.





# MEET YOUR — COUNCIL MEMBERS and CITY MANAGER



Back row: *Suzy Ageton, Ken Wilson, George Karakehian, Macon Cowles, Lisa Morzel.*  
Front row: *Suzanne Jones, Mayor Matt Appelbaum, Tim Plass & KC Becker*

*Jane S. Brautigam*

*Mail to:*       Office of City Council  
                  P.O. Box 791 · Boulder, CO 80306  
*Email:*       [council@bouldercolorado.gov](mailto:council@bouldercolorado.gov)

*Mail to:*       City Manager’s Office  
                  P.O. Box 791 · Boulder, CO 80306  
*Email:*       [brautigamj@bouldercolorado.gov](mailto:brautigamj@bouldercolorado.gov)

***Reflecting the Spirit of the City of Boulder:*** “Our mission is to create, enhance, and preserve a human, natural, physical, and economic environment which fosters our community’s unique quality of life.”

## CONTACT INFORMATION

City Website: [www.bouldercolorado.gov](http://www.bouldercolorado.gov)

### Emergency 911

City Information Desk: .... 303-441-3040	Housing ..... 303-441-3157
Non-Emergency Police ..... 303-441-3333	Human Resources ..... 303-441-3070
Non-Emergency Fire ..... 303-441-3350	Library - Main Branch..... 303-441-4107
Office of Emergency	Municipal Court ..... 303-441-1843
Management ..... 303-441-3390	Open Space & Mountain
Animal Care and Control. 303-442-4030	Parks..... 303-441-3440
Boulder Public Library..... 303-441-3100	Building Inspections and
City Council Office ..... 303-441-3002	Permits ..... 303-441-1880
Sales Tax and License	Public Works ..... 303-441-3200
Division..... 303-441-4192	Sales Tax Dept
City Manager’s Office..... 303-441-3090	(Business License) ..... 303-441-3051
Finance and Budget Office 303-441-3040	Senior Services ..... 303-441-4150
	Special Events Permit ..... 303-441-3315
<i>Social Networking: Twitter, Facebook, Youtube</i>	

**If you have questions about this report, or need additional financial information, please contact the Finance Department of the City of Boulder by email, [dansons@bouldercolorado.gov](mailto:dansons@bouldercolorado.gov), by phone at 303-441-3040, or by mail at Finance Department, City of Boulder, PO Box 791, Boulder, CO 80306.**