



POPULAR ANNUAL FINANCIAL REPORTING

Fiscal Year *ending* December 31, 2010



Pearl Street Mall, Downtown Boulder

This Popular Annual Financial Report (PAFR) is a summary of the financial activities of the City's funds reported in the 2010 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 of 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 under the Finance department Financial Reporting tab.

The City website also includes information about:

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

Quick Facts about Boulder

Foundation Date: February 10th, 1859

Incorporation Date: November 4th, 1871

Population: 97,385

Median Age: 26

Median Household Income: \$48k

Sales and Use Tax Rate: 3.41%

Unemployment Rate: 6.5%

Use of Alternative Transportation: 38%

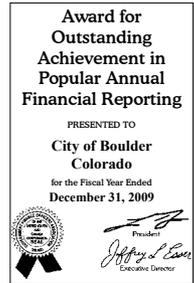
Open Space/ Mountain Parks: 45k acres

City of Boulder Employees: 1,248

2010 Operating Budget: \$ 201,678,000

2010 SIGNIFICANT EVENTS

- ◆ 100th Anniversary of the Boulder Canyon Hydroelectric Plant operations—first high pressure hydro plant in the country and Boulder’s first electricity source.
- ◆ Council approved SmartRegs which updated City of Boulder rental housing regulations to require a minimal level of energy efficiency, one of the first in the country.
- ◆ Voters approved a \$4.1 million electric utility occupation tax, sunseting in five years, as a replacement for the electric franchise fee to allow time to explore energy supply options for the future. See [Boulder’s Energy Future](#) for more details.
- ◆ City continued its investments in alternative transportation projects, including pedestrian bridges, pathways and street crossings.
- ◆ In furtherance of the city’s environmental sustainability goals, all of the vehicles purchased in 2010 were alternatively fueled, with the city’s fleet now at 53% alternatively fueled vehicles.
- ◆ \$3.8 million invested in the Boulder Reservoir Water Treatment Plant to increase capacity for future growth.
- ◆ The Wastewater Treatment Plant solar photovoltaic facility project went online in July and is estimated to supply up to 20% of the plant’s annual energy needs.
- ◆ The N. Broadway St. reconstruction project from Pine to Iris was completed in 2010 at a total cost of \$9.8 million.
- ◆ Parks and Recreation’s EXPAND program for athletes of different abilities, was awarded a Certificate of Appreciation for Patriotic Civilian Service from the United States Army.
- ◆ Human Services support of community non-profits such as the Shelter for the Homeless, Mental Health Center, Clinica Campesina, Safehouse, etc., continued with funding of over \$2.5 million.
- ◆ Received awards from Colorado American Public Works Association (APWA) for: 1) SmartRegs; 2) The Broadway Reconstruction Project; 3) Sustainable Energy Performance Projects; 4) The Regional Fire Training Center; and 5) Betasso Area Pipeline Replacement Project
- ◆ Award for Outstanding Achievement for the 2009 Popular Annual Financial Reporting



2010 BEST OF BOULDER

- ◆ **Top 10 Winter Towns** - National Geographic, Dec. 21, 2010
- ◆ **Traveler’s Choice 2010 Best Destinations** “Top 25 Destinations in the United States” (Ranking #19) (www.tripadvisor.com)
- ◆ **America’s “Brainiest” City** - Portfolio.com, Dec. 1, 2010
- ◆ **America’s Top 25 Arts Destinations**, American Style magazine. Boulder ranked ninth among smaller cities.
- ◆ **Savvy Award** from 3CMA for best interview/talk show, Inside Boulder News.
- ◆ **Sustainability Award** from Rocky Mountain Water Environment Association for the city’s 75th Street Wastewater Treatment Facility
- ◆ **Grand Award for Engineering Excellence** from the Colorado Association of Stormwater and Floodplain Managers for the Elmer’s Two-mile Creek Greenways project
- ◆ **Best Quality of Life for Mid-Sized US Cities** - Portfolio.com, June 2010
- ◆ **“Ten best cities for the next decade”** (Ranking #4) - Kiplinger’s Personal Finance magazine, May 2010
- ◆ **Top 100 Places to Live:** including Top 10 Cities (Ranking #9); Top 10 Recovery Cities (Ranking #10); Top 10 Earth Friendly Cities (Ranking #4); Top 10 Recreation Cities (Ranking #1) - www.RelocateAmerica.com
- ◆ **“Gallup-Healthways Well-Being Index”** (Ranking #1) - USA Today, February 2010
- ◆ **“Healthiest Town in U.S.”** (Ranking #2) - Men’s Health, January 2010

Operating Indicators & Statistics

- Parks and Recreation:**
 - Acres of Mountain Parks & Open Space - 45,130
 - Acres of Urban Parks - 1,880
 - Recreation Center Attendance - 422,200
- Library:**
 - Circulation of books, videos, tapes - 1.4 million
- Planning & Development Services:**
 - Building Permit Applications - 6,309
 - Zoning Enforcement Actions - 1,995
- Municipal Court:**
 - Traffic violations— 17,433
- Public Works:**
 - Transportation:**
 - Daily travel - 2.49 million
 - Utilities:**
 - Water Accounts - 28,519
 - Avg Daily Water Production - 17 million
- Public Safety:**
 - Police:**
 - Police Officers - 171
 - Total Calls for Service - 76,383
 - Fire:**
 - Firefighters - 96
 - Total Annual Responses - 9,535
 - Responses within 6 minutes - 77%

FINANCIAL STATEMENTS

The City prepares two types of financial statements that report its operations differently.

1. The government-wide statements are designed to provide readers with a long term overview of the city's finances which includes the Statement of Net Assets and the Statement of Activities.
2. The fund statements which provide a short-term perspective of individual funds.

The government-wide summary below is intended to serve as an indicator of the city's overall position.

For more in-depth information, including the fund statements, the CAFR is available online at www.bouldercolorado.gov and select the Financial Reporting tab under Finance Department.

FISCAL YEAR 2010 FINANCE STATEMENT HIGHLIGHTS

- Governmental fund operations had a net loss of \$0.4 million for the year. The following revenue increases were offset by the use of accumulated funds from prior years to pay for large construction projects completed during 2010.
- Sales and use tax revenues increased by 2.64% over 2009 revenues, largely due to use taxes paid on significant construction projects by the various governmental entities within the city.
- Property tax revenues increased in 2010 as the city continued to reduce the TABOR temporary rate reduction, as approved by the voters in November 2008. The remaining temporary reduction applied to the 2010 property tax revenues was approximately 7.1%.
- In October 2010, the city issued \$9.0 million in voter-approved Pension Obligation Bonds to stabilize the city contributions for the old hire police and old hire firemen pension plans.
- Utility fund operations remain healthy with a net income of \$2.6 million. These moneys will be accumulated to help pay for future capital projects instead of borrowing the full amount.
- In June 2010, the city issued \$3.1 million in Stormwater and Flood Management Refunding Revenue bonds to refinance outstanding debt at a lower interest rate, saving over \$369,000 in interest expense (net present value savings).
- In October 2010, the city issued \$10.0 million in Water and Sewer Revenue Bonds to help fund improvements at the wastewater treatment plant.

STATEMENT OF NET ASSETS — GOVERNMENT WIDE

The Government wide Balance Sheet is known as the *Statement of Net Assets* which 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, 2008, 2009 and 2010. The city's assets exceeded its liabilities by \$892.6 million at the close of 2010.

By far the largest portion of the city's net assets reflects its investment in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), net of related debt.

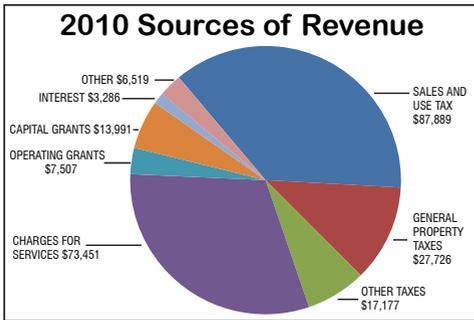
The city uses these capital assets to provide services to the public; consequently, these assets are not available to fund current operations.

Statement of Net Assets for the years ended December 31 st , (in thousand of dollars...000's)			
	2010	2009	2008
Assets			
Current Assets & Other	\$266,060	\$245,994	\$247,266
Capital Assets	891,762	869,718	850,905
Total Assets	1,157,822	1,115,712	1,098,171
Liabilities			
Noncurrent Liabilities	207,796	201,047	212,082
Other Liabilities	57,426	51,999	49,543
Total Liabilities	265,222	253,046	261,625
Net Assets	\$892,600	\$862,666	\$836,546

STATEMENT OF ACTIVITIES — GOVERNMENT WIDE

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.

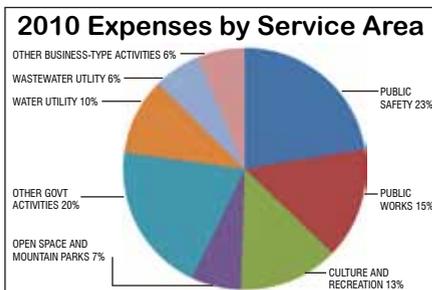
Revenues—Where the money comes from....



Revenues by Source	2010 (in 000's)	2009 (in 000's)
Sales and use taxes	\$ 87,889	\$ 85,540
General Property taxes	27,726	25,153
Other taxes	17,177	16,263
Charges for services	73,451	66,987
Operating grants	7,507	6,743
Capital grants	13,991	20,358
Interest	3,286	3,345
Other	6,519	5,574
Total Revenue	\$ 237,546	\$ 229,963

- Sales and Use Taxes are the largest single source of revenue collected on retail sales and business activity within the city's limits.
- General Property Taxes are collected by the County and allocated to the City net of County fees.
- Other Taxes include liquor license, trash/recycling, telephone/cable, franchise and tobacco taxes.
- Charges for Services are payments received directly by the City for services performed. This would include fees such as utility payments, business license and code enforcement fines.
- Operating Grants are funds received from parties outside the City and are generally restricted to pay for one or more specific programs.
- Capital Grants are received for capital purposes to purchase, construct, or renovate capital assets associated with a specific program.
- Interest Revenue includes interest on pooled investments and on trust and bond proceed investments.
- Other Revenues include, but not limited to, special property assessments and pension contributions.

Expenses—Where the money goes...



Expenses by Service Area	2010 (in 000's)	2009 (in 000's)
Public safety	\$ 45,819	\$ 45,506
Public works	30,542	32,634
Culture and recreation	27,200	27,478
Open space and mtn parks	13,548	13,043
Other govt activities	41,222	38,268
Water utility	20,921	21,051
Wastewater utility	12,885	13,458
Other business-type activities	12,916	12,405
Total Expenses	\$ 205,053	\$ 203,843

- Public Safety is the largest expense function and includes fire, police and municipal court operations.
- Public Works reflects expenses associated with the repair, construction, acquisition and maintenance of public roads and parking facilities. In 2010, this included the Broadway Reconstruction Project & Valmont City Park Phase I.
- Culture and Recreation is the cost of operating the Parks & Recreation, Libraries and Senior Services programs. In 2010, this included the completion of the Family Gathering Space at the Pearl Street Mall.
- Open Space and Mountain Parks reflects 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.
- Water and Wastewater activities reflect 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.

CAPITAL ASSET HIGHLIGHTS

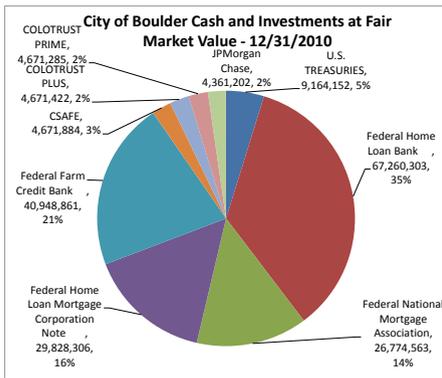
Governmental Activities:

- Several construction projects are in progress including Broadway—Pine to Iris, \$4.9 million.
- Completion of infrastructure projects, including Folsom/Spruce Intersection, \$ 3 million & Broadway bike lanes—\$0.8 million
- Valmont, Dakota Ridge, and East Boulder Community Park Improvements, \$4.7 million.
- New vehicle purchases totaling \$2.3 million
- Recognition of \$15.7 million in depreciation expense

Business-type activities:

- Boulder Reservoir improvements, \$2.2 million.
- Corroded Pipeline Replacement/Rehab, \$3.1 million.
- Elmer's Two Mile Creek improvements, \$1 million.
- Automated Meter Reading Project, \$0.5 million.
- Iris Pump Station, \$0.9 million.
- Recognition of \$10.8 million in depreciation expense.

INVESTMENTS

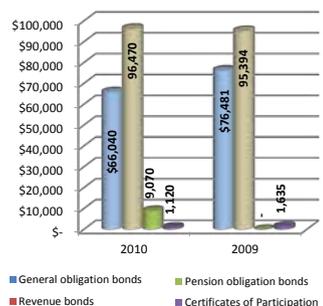


The primary objective of the city's investment strategy is the safety of investments, including preservation and protection of the investment principal. See <http://www.colocode.com/boulder2/chapter2-10.htm> for detailed investment requirements. All investments held in 2010 met those requirements.

As of December 31, 2010, the City of Boulder portfolio investments totaled \$192.3 million and the weighted average return was 2.14%, which exceeds investment benchmark of the six month trailing average of the 2-year Treasury note by 1.6%.

BONDED DEBT

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. The city's general obligation debt is issued as sales tax revenue bonds enhanced by a general obligation pledge of the full faith and credit of the city. The city does not currently levy an ad valorem property tax for this debt service even though authorized to do so. As a result, all 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.



COMPONENT UNITS

The City of Boulder financial reporting 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.

City of Boulder Blended Component Units:

1. **Downtown Commercial District and University Hill Commercial District** - These Districts provide services and parking 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.

MEET YOUR —

COUNCIL MEMBERS *and*

CITY MANAGER



Jane S. Brautigam

Council Members:

*(back row) Suzy Ageton, KC Becker, George Karakehian, Lisa Morzel & Deputy Mayor Ken Wilson
(front row) Mayor Susan Osborne, Macon Cowles, Matt Appelbaum & Crystal Gray*

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P.O. Box 791 · Boulder, CO 80306
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CONTACT INFORMATION

City Website: 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 Management 303-441-3390	Municipal Court 303-441-1843
Animal Care and Control. 303-442-4030	Open Space & Mountain Parks..... 303-441-3440
Boulder Public Library..... 303-441-3100	Building Inspections and Permits 303-441-1880
Central Records 303-441-3043	Public Works 303-441-3200
Channel 8 303-441-4959	Pothole Hotline 303-413-7177
City Council Office 303-441-3002	Office of Environmental Affairs..... 303-999-3823
Sales Tax and License Division..... 303-441-4192	Sales Tax Dept (Business License) 303-441-3051
City Manager's Office..... 303-441-3090	Senior Services..... 303-441-4150
Parking Services..... 303-413-7300	Special Events Permit 303-441-3315
Trash, Weeds, Pesticides... 303-441-3239	Transportation Planning.. 303-441-3266
Finance and Budget Office 303-441-3040	

Social Networking: Twitter, Facebook, Youtube

If you have questions about this report, or need additional financial information, please contact the Finance Department of the City of Boulder by email: HUDSOND@BOULDERCOLORADO.GOV, by phone at 303-441-3040, or by mail at Finance Department, City of Boulder, PO Box 791, Boulder, CO 80306.