



City of Boulder, Colorado

# Popular Annual Financial Report



**Fiscal Year**

Ending December 31

# 2021



*Biking in Downtown Boulder*

## About the Popular Annual Financial Report

As a part of an ongoing commitment to transparency and helping ensure community access to information about its local government the City of Boulder provides this Popular Annual Financial Report (PAFR), which describes the city's financial activities and position in 2021. This is a summary of information reported in the city's 2021 Annual Comprehensive Financial Report (ACFR).

While the Annual Report is prepared in accordance with generally accepted accounting principles, the PAFR is not. The Annual Report is a more detailed, audited document of record, and it presents information in a format consistent with this standard to ensure it includes detailed information including the city's component units, presents individual funds in detail, and fully discloses all material events, both financial and non-financial. By contrast, the purpose of the PAFR is to increase public awareness about the city's financial condition by presenting information in a more user-friendly format and is unaudited and not presented in accordance with general accepted accounting principles.

**Both documents are available on the City of Boulder Finance Department's webpage at [www.bouldercolorado.gov/Finance](http://www.bouldercolorado.gov/Finance).**

The city's website also includes a wealth of information about the: activities of city departments; job opportunities; budgets; council members, agendas and meetings; community events; and much more.

## Quick Facts about Boulder

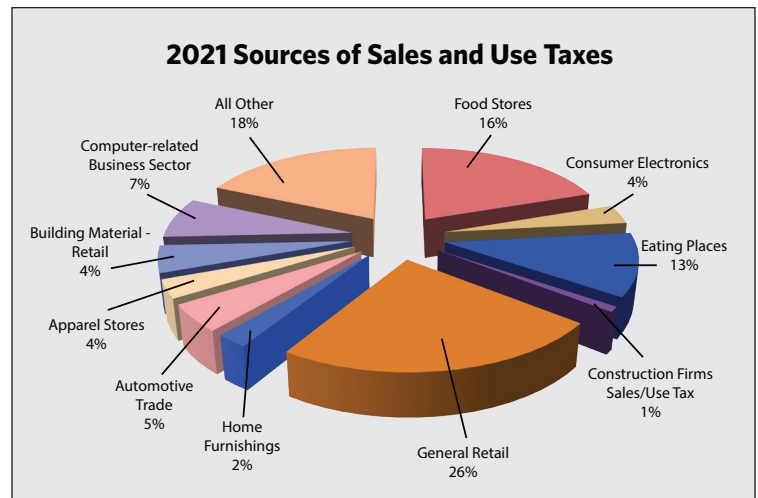
Population . . . . .	104,175
Unemployment rate . . . . .	3.5%
Sales and use tax rate . . . . .	3.86%
City employees . . . . .	1,347
City operating budget . . . . .	\$272 million
City capital budget . . . . .	\$69 million

## Top 6 City of Boulder Employers

Over 2,000 employees: University of Colorado, Ball Corporation, Boulder Valley School District, St. Vrain Valley School District, Boulder Community Hospital, and Boulder County.

## Other Major Employers

IBM Corporation, National Center for Atmospheric Research, National Oceanic & Atmospheric Administration, Google Boulder and City of Boulder.



## Significant 2021 City Events

The following is a summary of significant events during the year that affected the City of Boulder's financial position.

- Voter approval of a 15-year extension of the Community, Culture, Resilience and Safety Tax to fund capital projects.
- Completed approximately 150 new affordable homes, which included the completion of 30 Pearl, the last piece of a more than fifteen-year development of Boulder Junction.
- Began project to upgrade the Betasso Water Treatment, the city's primary drinking water treatment facility, to address aging infrastructure and enhance disinfection and corrosion control systems.
- Extended Boulder Business Recovery Program, helping over 100 Boulder businesses reopen and operate during the pandemic by expanding outside to operate more safely.
- Completed sale of Pleasant Street surface parking lot and implemented retailer relocation assistance efforts, deploying \$200,000 in developer-provided assistance for businesses impacted by construction of Hill Hotel project.
- Helped the community achieve a 22% reduction in emissions since 2018 and adopted new, aggressive emissions reduction targets, including becoming net-zero by 2035.
- Expanded online filing and payment of tax returns to 85% of all tax payments, reducing the use of fossil fuels and paper correspondence.
- Completed construction of a new skate park and bike park at Valmont City Park, a mini skate area at Howard Heuston Park, and an expansion of the skate park at Scott Carpenter's Skate Park, which helped increase the number of self-directed, outdoor drop-in recreation opportunities for youth and adults during the pandemic.
- Realigned organization to meet new police reform efforts. Launched the Police Oversight Panel to increase community involvement in police oversight and to ensure that historically excluded communities have a voice in police oversight.
- Installed protected bike lanes on Folsom Street from Pine Street to Valmont Road.
- Began project to build approximately 60 miles of broadband infrastructure, along with 10 miles of fiber laterals to key locations in the city including 20 low and middle-income housing areas with low services, traffic signals and radio towers.
- Developed the city's first Racial Equity Plan, in partnership with community members of color, which was unanimously adopted by council.
- Invested \$2.02 million in downtown Boulder capital infrastructure projects at CAGID properties, replacing staircases, repairing elevators, and improving drainage and surfacing.

## Operating Indicators and Statistics

	2021	2020
<b>Public Works</b>		
Daily vehicle miles in Boulder Valley . . . . .	3.1 mil	1.86 mil
<b>Utilities</b>		
Water accounts . . . . .	29,207	29,375
Gallons of water consumed daily . . . . .	15.2 mil	15.7 mil
<b>Public Safety</b>		
Police officer positions . . . . .	190	184
Traffic accidents . . . . .	2,336	2,085
Police calls for service . . . . .	75,280	80,486
Firefighter positions . . . . .	108	100
Fire responses . . . . .	12,975	11,309
Fire responses within 6 minutes . . . . .	65%	72%
<b>Parks and Recreation</b>		
Acres of Open Space & Mountain Parks . . . . .	46,648	46,800
Acres of urban parks . . . . .	1,861	1,861
Recreation center attendance . . . . .	198,204	214,107
Reservoir attendance . . . . .	121,761	113,390
<b>Library</b>		
Circulation of books, videos, and tapes . . . . .	1.32 mil	1.04 mil
<b>Planning and Development Services</b>		
Building permit applications . . . . .	10,077	9,878
Zoning enforcement actions . . . . .	642	1,132
<b>Municipal Court</b>		
Traffic violations . . . . .	3,482	4,800



*Open Space Mountain Parks projects*

## Best of Boulder Awards

- **#1 Best Place to Live in the U.S.** – *U.S. News & World Report*, 2021
- **America's Best Bike Cities** – People for Bikes, May 2020
- **Outstanding Achievement in Local Government Innovation** – Alliance for Innovation, July 2020
- **America's 10 Best Small Cities for 2020** – Travel Pulse, June 2020
- **Gold-level Walk Friendly Community** – Walk Friendly Communities, May 2020
- **What Works Cities Silver Certification 2020** – What Works Cities, June 2020



## Financial Statements

Within the Annual Report, the city presents two different types of financial statements.

1. **The government-wide financial statements** are designed to provide readers with a **long-term overview** of the city's finances. These statements include the Statement of Net Position 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 encompass general government, administrative, public safety, public works including streets and transportation, planning and development, culture and recreation, open space and mountain parks, housing and human services and property and facility acquisition services. The business-type activities of the city include the water and wastewater utilities, stormwater and flood management and parking facilities.
2. **The fund financial statements** provide a **short-term perspective** of individual funds.



*Pearl Street Mall in Downtown Boulder*

## Component Units

From a financial perspective the City of Boulder must report on the activities of two component units or areas of financial health: 1) primary government, which consists of all the funds and departments legally included within the city organization and 2) component units, which are legally separate organizations from the city, but for which the city is still financially accountable. The financial information of the city's component units is blended with the primary government and reported in the same manner as any other city operation.

City of Boulder Component Units:

### 1. Downtown Commercial District and University Hill

**Commercial District** — These districts provide parking facilities and services and are administered by the City Council.

**2. Boulder Municipal Property Authority** — The authority is a nonprofit organization responsible for the acquisition and construction of certain city properties and facilities and is administered by the City Council.

### 3. Boulder Junction Access General Improvement District —

This district is tasked with implementation of the transit-oriented development goals of shared, unbundled parking and travel demand management programs.

## Statement of Net Position — Government-wide

**The Government-wide Balance Sheet**, known as the Statement of Net Position, presents information about the city's assets and deferred outflows of resources as well as its liabilities and deferred inflows of resources, with the difference reported as net position. Deferred outflows and inflows of resources represent expenses and revenues that will be recognized in a future period. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The accompanying table of net position presents a summary of the city's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of 2021, 2020 and 2019. The city's assets exceeded its liabilities by \$1.44 billion at Dec. 31, 2021. The largest portion of the city's net position, \$1.1 billion (79 percent) reflects its investment in capital assets (i.e., land, buildings, infrastructure, machinery and equipment, utility plants, 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. An additional portion of the city's net position, \$99.6 million (7 percent), denotes resources that are subject to usage restrictions. The remaining unrestricted balance of net position, \$196.5 million (14 percent), may be used to meet the city's ongoing obligations.

Net Position at December 31 over the last three years (in thousands)			
Assets	2021	2020	2019
Current and Other Assets	\$551,667	\$486,355	\$488,453
Capital Assets	1,336,980	1,313,112	1,278,798
<b>Total Assets</b>	<b>1,888,647</b>	<b>1,799,467</b>	<b>1,767,251</b>
Deferred Outflows of Resources	31,928	19,670	42,242
Liabilities			
Noncurrent Liabilities	304,915	359,399	449,426
Other Liabilities	45,332	31,941	36,842
<b>Total Liabilities</b>	<b>350,247</b>	<b>391,340</b>	<b>486,268</b>
Deferred Inflows of Resources	130,091	95,495	58,050
Net Position			
Invested in Capital Assets	1,144,165	1,105,488	1,055,749
Restricted	99,610	87,263	96,581
Unrestricted	196,462	139,551	112,844
<b>Total Net Position</b>	<b>\$1,440,237</b>	<b>\$1,332,302</b>	<b>\$1,265,175</b>



North Trail Study Area Plan

## Statement of Activities — Government-wide

The **Government-wide Income Statement**, known as the Statement of Activities, details the money received and spent by the city during the fiscal year.

### Revenues — Where the money comes from . . .

The City of Boulder receives revenue from a variety of sources, described below.

**Sales, Use and Other Taxes** are the city's largest source of revenues and are collected on retail sales and other business activity. The \$17.4 million increase in 2021 compared to 2020 was due to the easing of COVID restrictions in 2021.

**Property Taxes** are collected by Boulder County and remitted to the city, less county fees. The \$334 thousand increase in 2021 compared to 2020 was mainly due to a slight increase in assessed value in 2020 for taxes collected in 2021.

**Other Taxes** include accommodation, occupation, specific ownership, tobacco and excise taxes. Other taxes increased \$4.3 million 2021, primarily due to the easing of COVID restrictions in 2021.

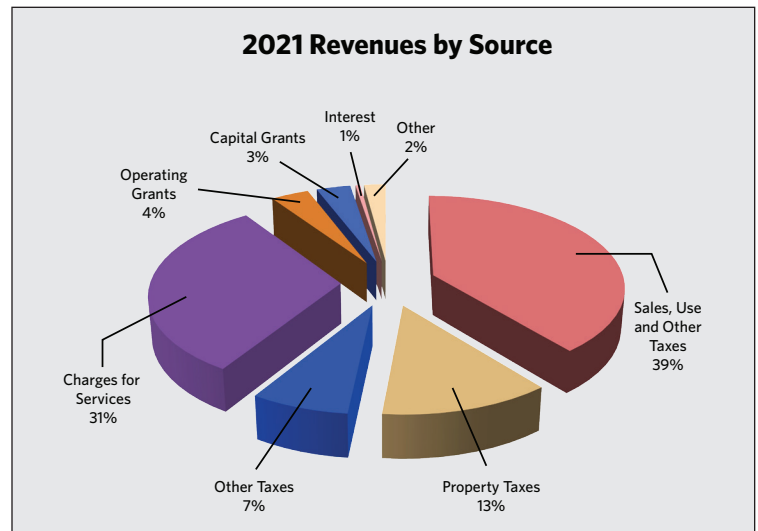
**Charges for Services** are payments received directly by the city for services performed. These revenues include parking charges, utility service charges and licensing fees. In 2021, charges for services increased \$16.1 million due to an increase in the number of parking charges and recreation activity charges due to the re-opening of many facilities in 2021.

**Operating Grants** are resources received from external entities and are generally restricted to finance one or more specific projects. In 2021, operating grants decreased by \$5.2 million primarily due to one-time funding for Airport Improvement Program (AIP) grant funding received in 2020.

**Capital Grants and Contributions** received by the city are used to purchase, construct or renovate specific capital assets. Capital grants increased \$2.5 million when compared to 2020 due to an increase in Colorado Department of Transportation projects.

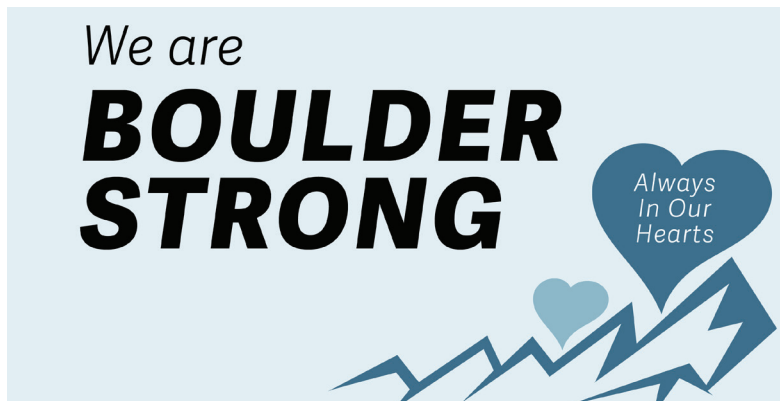
**Interest Revenues** are earned on the city's fixed income investments. In 2021, interest revenues decreased \$13.6 million

Revenues by Source for the Year Ended December 31 over the last three years (in thousands)			
	2021	2020	2019
Sales, Use and Other Taxes	\$154,694	\$137,340	\$144,025
Property Taxes	49,803	49,469	44,746
Other Taxes	28,789	24,504	36,550
Charges for Services	124,689	108,626	121,939
Operating Grants	14,643	19,828	11,146
Capital Grants	13,108	15,571	13,924
Interest	(1,941)	11,609	11,816
Other	8,375	11,403	6,331
<b>Total Revenues</b>	<b>\$392,160</b>	<b>\$378,350</b>	<b>\$390,477</b>



from 2020. This was due to decreased yields on investments as interest rates were falling and a decrease in the unrealized gain on investments.

**Other Revenues** are derived from a variety of sources including insurance proceeds, legal settlements and gains on sales of capital assets. Other revenues decreased \$3.0 million due to the sale of property in 2020.



Open space helicopter work

## Expenses — Where the money goes . . .

The city uses the revenue it receives to provide a variety of services to the community. A description of the city's expenses by function is provided below.

The **General Government** function decreased by \$3.0 million from 2020 to 2021 mainly due to a decrease in capital expenditures from the Community, Culture and Safety Tax fund.

**Public Safety** includes both the police and fire departments. In 2021, Public Safety expenses decreased \$1.9 million. This decrease was primarily due to a change in actuarial assumptions that decreased related pension expenses for the Old Hire Police and Old Hire Fire pension plans in 2021 compared to 2020.

**Public Works** comprises of costs associated with the repair, construction, acquisition and maintenance of public roads, bike paths and other city assets. Public Works expenses decreased \$13.1 million in 2021 primarily due to an increase in capital expenditures transferred out of expenses in 2021 compared to 2020.

**Culture and Recreation** includes the operating costs of parks, libraries and senior services. Costs associated with these services increased \$2.6 million in 2021 due to a decrease in capital expenditures transferred out of expenses in 2021 compared to 2020. 2020 had significant costs that were capital expenses for Scott Carpenter Pool and Boulder Reservoir Visitor Center.

**Open Space and Mountain Parks** represents the cost of land acquisition, land restoration and trails management. Costs associated with these services decreased \$1.0 million in 2021, largely due to less property acquisition in 2021 compared to 2020.

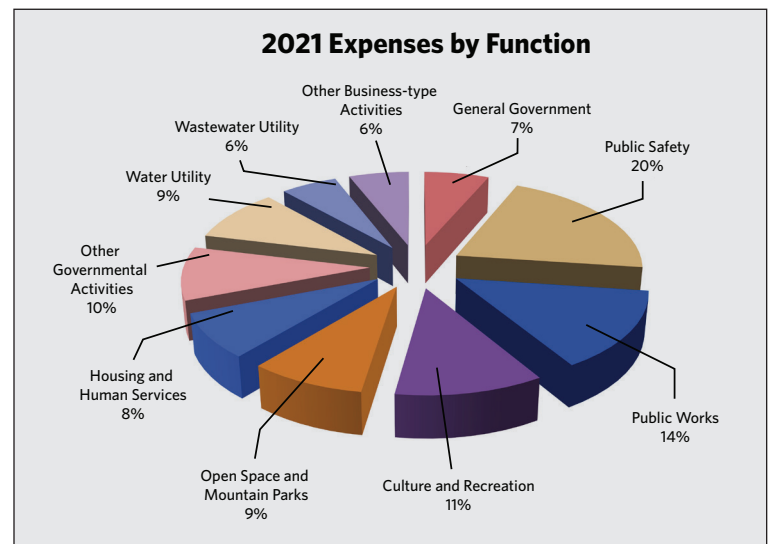
**Housing and Human Services** provides affordable housing and community services. Expenses decreased \$11.4 million due to a decrease in capital related expenditures and community grant funding in 2021.

**Other Governmental Activities** includes planning and development services, administrative services and interest on long-term debt. In 2021, expenses decreased \$2.3 million due to decreased expenditures related to the municipalization of a city electric utility. Voters approved a new franchise agreement with Xcel Energy in November 2020.

**Water and Wastewater Utility** mainly comprises the operating costs of these utilities, including annual upgrades and maintenance of water, wastewater, sewer lines and treatment plants.

**Other Business-type Activities** consists of flood management, parking facilities, and property and facility acquisition services. These expenses remained relatively constant in 2021.

Expenses by Function at December 31 over the last three years (in 000's)			
	2021	2020	2019
General Government	\$18,336	\$21,302	\$34,882
Public Safety	58,827	60,699	50,216
Public Works	40,121	53,167	49,277
Culture and Recreation	31,575	29,004	24,657
Open Space and Mountain Parks	24,699	25,702	23,440
Housing and Human Services	22,971	34,321	35,506
Other Governmental Activities	27,420	29,744	26,654
Water Utility	27,297	24,809	23,575
Wastewater Utility	15,976	15,644	15,030
Other Business-type Activities	17,003	16,831	16,745
<b>Total Expenses</b>	<b>\$284,225</b>	<b>\$311,223</b>	<b>\$299,982</b>



Firefighters at the Fire Training Center

## Governmental Fund Highlights

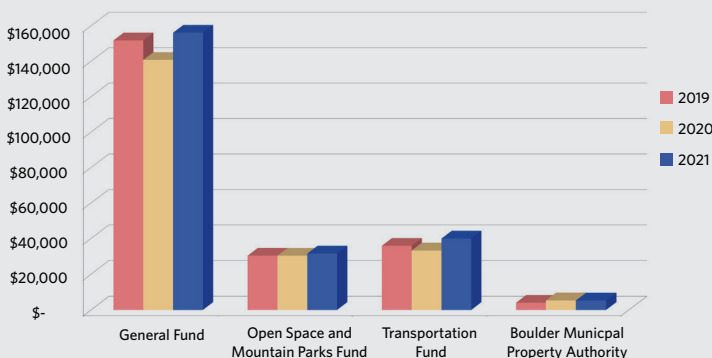
- The General Fund, including Governmental Capital Fund and the Community Housing Assistance Program Fund, is the primary operating fund of the city. The fund balance of the General Fund was \$94.7 million at Dec. 31, 2021, a \$17.2 million increase from 2020. The unrestricted fund balance of the General Fund was \$92.4 million. This includes the fund balance committed by City Council, the fund balance assigned by city management and any remaining unassigned fund balance. In 2021, General Fund revenues increased \$15.3 million. General Fund expenditures decreased \$3.7 million due to a reduction in expenditures related to the municipalization of a city electric utility.
- The Open Space and Mountain Parks Fund is a major special revenue fund with fund balance restricted for special purposes. The fund balance of the Open Space and Mountain Parks Fund was \$19.5 million at Dec. 31, 2021, a decrease of \$1.8 million from 2020 due to the acquisition of the Long's Garden Easement in 2021. Revenues rose \$1.1 million due to an increase in sales and use tax revenue. Expenditures increased \$176 thousand due to consistent spending from 2020 to 2021.
- The Transportation Fund is another major special revenue fund with fund balance restricted for special purposes. Its fund balance rose \$1.2 million to \$25.3 million at Dec. 31, 2021, while revenues increased \$6.7 million and expenditures increased \$2.3 million. The revenue increase is attributable to the increase in sales tax revenue and an increase in CDOT reimbursements. Expenditures increased primarily due to the construction of the 30th St. and Colorado underpass which received funding from CDOT.



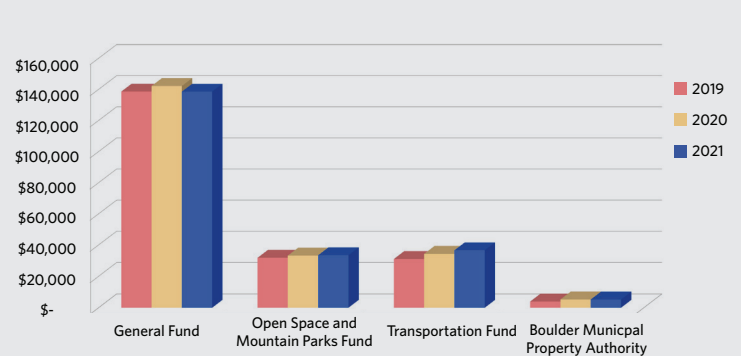
*13th Street Path sign*

- The Boulder Municipal Property Authority Fund is a major special revenue fund. This fund's balance is restricted to certain capital projects by bond covenants. The Boulder Municipal Property Authority's fund balance fell to \$447 thousand due to a slight decline in interest and investment earnings.

**Revenues by Major Governmental Fund for the Year Ended December 31 over the last three years (in thousands)**



**Expenditures by Major Governmental Fund for the Year Ended December 31 over the last three years (in thousands)**





## 2021 Capital Asset Highlights

### Governmental Activities

- Acquisition of 5125 Pearl Parkway. *\$4.8 million*
- Acquisition of Long's Garden. *\$5.3 million*
- Began implementation of Workday Human Resources Information System. *\$1.6 million*
- Continued construction of Broadband Fiber Backbone. *\$4.7 million*
- New vehicle purchases. *\$3.3 million*

### Business-type Activities

- Construction in progress for Lower Good Creek Trunk Sewer replacement. *\$1.6 million*
- Continued construction in progress for Barker Gravity Pipeline. *\$5.4 million*
- Construction in progress for Sanitary Sewer Rehabilitation. *\$3.7 million*
- Construction in progress for 63rd Water Treatment Facility Electrical Upgrade. *\$1.7 million*

### Capital Assets as of December 31 over the last three years (net of depreciation, in thousands)

Assets	2021	2020	2019
Land and Easements	\$439,807	\$430,227	\$416,232
Buildings	110,569	114,663	100,417
Improvements Other than Buildings	66,560	70,894	62,552
Infrastructure	148,276	152,650	149,482
Utility Plant in Service and Undergrounds	423,958	429,494	355,287
Machinery, Equipment, and Vehicles	29,666	28,817	29,884
Construction in Progress	110,186	77,483	156,557
Intangibles	1,550	1,650	1,750
Software and Licensing	6,408	7,234	6,637
<b>Total Capital Assets</b>	<b>\$1,336,980</b>	<b>\$1,313,112</b>	<b>\$1,278,798</b>



*Underpass south of Arapahoe*

## Cash and Investments

The primary objective of the city's cash and investment strategy is the preservation and protection of investment principal. All investments held in 2021 met city code standards. For detailed investment requirements, see Boulder Revised Code Title 2, Chapter 10 ([https://www.municode.com/library/co/boulder/codes/municipal\\_code](https://www.municode.com/library/co/boulder/codes/municipal_code)).

At Dec. 31, 2021, the fair market value of the city's cash and investments was \$456.3 million with an average market yield to maturity of 1.12 percent. Cash and investments include bond proceeds that are invested separately because of the short-term nature of the bond project funds.

## Long Term Liabilities - Debt

The city's general obligation bond credit rating was AAA by Standard & Poor's and Aaa by Moody's Investors Service at Dec. 31, 2021. These highly favorable investment ratings allow the city to pay less interest on its bond issuances.

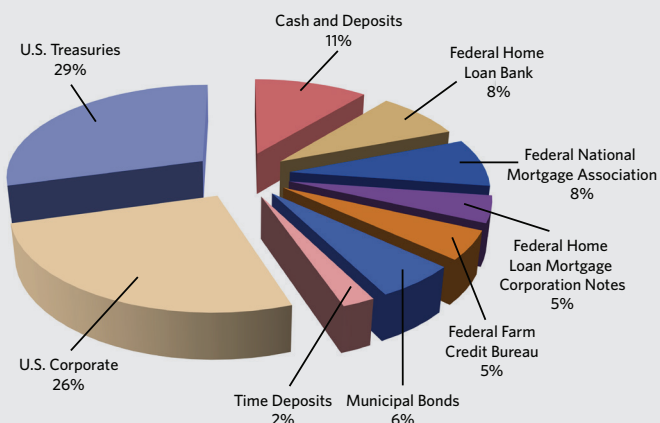
According to the City Charter, the city's general obligation debt is subject to a legal limitation of three percent of total assessed real and personal property value. At Dec. 31, 2021, all of the city's bonded debt was self-supporting, meaning that the ratio of general obligation debt to assessed property value was zero.

At Dec. 31, 2021, the city had total bonded debt of \$158.0 million. Of this amount, \$7.0 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$97.8 million represented bonds secured by specified revenue sources (revenue bonds). An additional \$2.3 million consisted of capital improvement bonds. Certificates of Participation (COPs) totaled \$50.9 million at Dec. 31, 2021. Additional details can be found in Note O of the ACFR's basic financial statements.

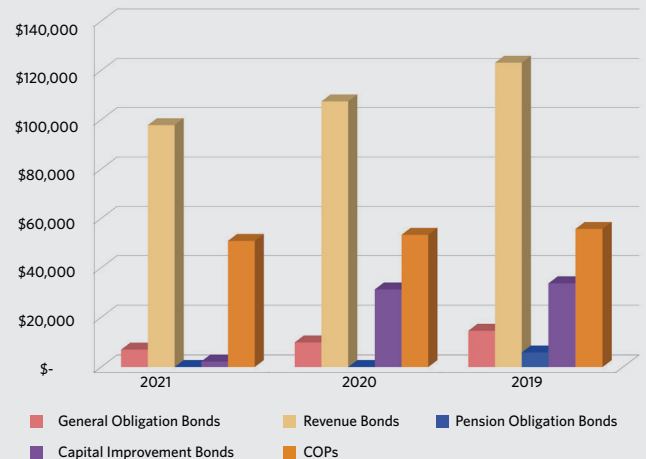


Boulder Public Library

### Cash and Investments at Dec. 31, 2021



### Bonded Debt and COPs at December 31 over the last three years (in thousands)



## Meet Your Council Members



*City Council top row: Mark Wallach, Matt Benjamin, Aaron Brockett (Mayor), Rachel Friend (Mayor Pro Tem), and Bob Yates.  
Bottom row: Lauren Folkerts, Tara Winer, Junie Joseph and Nicole Speer*

## City Government

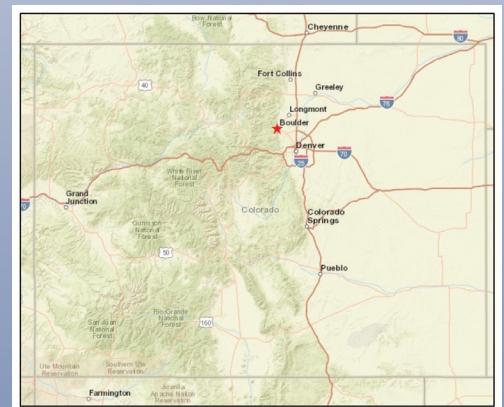
The City of Boulder is governed by nine City Council members who are elected at-large. The council appoints a full-time city manager to oversee operations (Nuria Rivera-Vandermyde), a city attorney (Teresa Tate) and a municipal judge (Linda Cooke).

If you have questions about this report or need additional financial information, please contact the Finance Department of the City of Boulder by email at [accounting@bouldercolorado.gov](mailto:accounting@bouldercolorado.gov), by phone at 303-441-1812, or by mail at Finance Department, City of Boulder, P.O. Box 791, Boulder, CO 80306.

## and City Manager



*Nuria Rivera-Vandermyde*



### **Mail to:**

Office of City Council  
P.O. Box 791  
Boulder, CO 80306

### **Email:**

[council@bouldercolorado.gov](mailto:council@bouldercolorado.gov)

### **Mail to:**

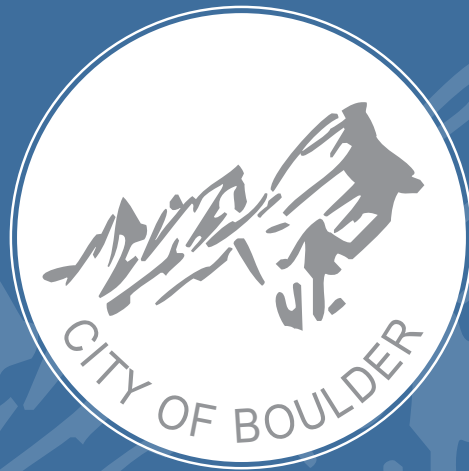
City Manager's Office  
P.O. Box 791  
Boulder, CO 80306

### **Email:**

[riversa-vandermyden@bouldercolorado.gov](mailto:riversa-vandermyden@bouldercolorado.gov)



*Greenbelt Plateau*



**Contact Information**  
[www.BoulderColorado.gov](http://www.BoulderColorado.gov)

Animal Care & Control . . . . .	303-442-4030	Non-Emergency Fire . . . . .	303-441-3350
Boulder Public Library . . . . .	303-441-3100	Non-Emergency Police . . . . .	303-441-3333
Building Inspections & Permits. . . . .	303-441-1880	Office of Emergency Mgmt. . . . .	303-441-3390
City Council Office. . . . .	303-441-3002	Open Space & Mtn. Parks . . . . .	303-441-3440
City Information Desk . . . . .	303-441-3040	Public Works . . . . .	303-441-3200
City Manager’s Office. . . . .	303-441-3090	Sales Tax & License Division . . . . .	303-441-4192
Finance & Budget Office . . . . .	303-441-3040	Senior Services . . . . .	303-441-4150
Housing . . . . .	303-441-3157	Special Events Permit . . . . .	303-441-3315
Human Resources . . . . .	303-441-3070	Taxes & Licensing . . . . .	303-441-3051
Library - Main Branch . . . . .	303-441-4107	<b>Connect with the City:</b>	
Municipal Court . . . . .	303-441-1843	<a href="https://bouldercolorado.gov/communications/social-media">https://bouldercolorado.gov/communications/social-media</a>	