

City of Boulder, Colorado

# Popular Annual Financial Report



*Caption to come.*

**Fiscal Year**  
Ending December 31

# 2019





## 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 2019. This is a summary of information reported in the city's 2019 Comprehensive Annual Financial Report (CAFR).

While the CAFR is prepared in accordance with generally accepted accounting principles, the PAFR is not. The CAFR 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

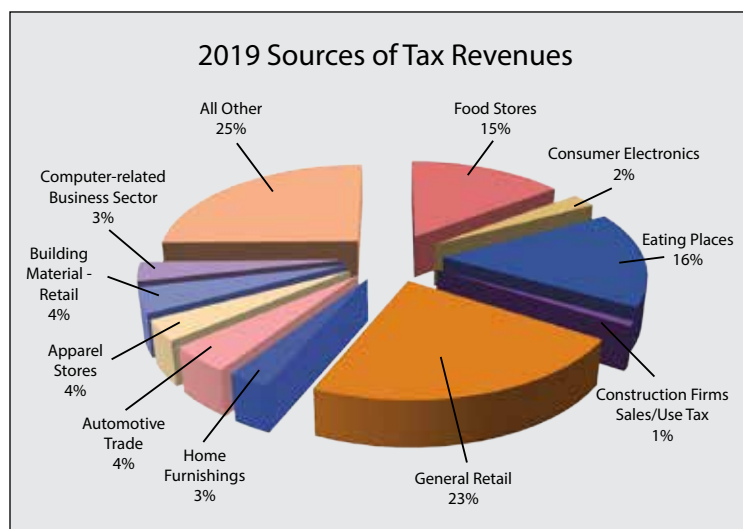
|                                  |               |
|----------------------------------|---------------|
| Population . . . . .             | 108,000       |
| Unemployment rate . . . . .      | 2.0%          |
| Sales and use tax rate . . . . . | 3.86%         |
| City employees . . . . .         | 1,432         |
| City operating budget . . . . .  | \$283 million |
| City capital budget . . . . .    | \$71 million  |

## Top 5 City of Boulder Employers

Over 1,600 employees: University of Colorado, St. Vrain Valley School District, Boulder Valley School District, Boulder County and Ball Corporation.

## Other Major Employers

Seagate Technology LLC, IBM Corporation, National Center for Atmospheric Research, Google Boulder and City of Boulder.



Significant 2019 Events

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

- Installed several large solar installations at numerous city facilities and expanded the city's reuse and recycling center to create a construction and demolition waste recycling program.
- The fiber optic backbone design, the first step required to deliver community broadband for the city, was completed and construction is scheduled to begin in early 2020.
- Created and launched the Boulder Police Department mobile application giving community members direct access to important public safety news, resources and alerts.
- Boulder Fire-Rescue substantially completed its master plan update. This will set the course for the next 5 to 10 years of department activities including facility and infrastructure needs, the service level of emergency medical services, and metric-driven management of fire department programs.
- Began a new software implementation project to upgrade the city’s sales tax operating system. The new system scheduled to launch in 2020, will provide significant benefits to taxpayers in the form of enhanced online filing ability, account control and payment options.
- Completed the planned acquisition of a 25-acre conservation easement on Longs Gardens in north Boulder, one of the last working agricultural properties in the city.
- Completed the development of the city’s first-ever Open Space and Mountain Parks Master Plan, which will guide the management of city open space over the next decade and beyond.
- As part of the city’s commitment to advancing racial equity city staff and council have participated in intensive training to develop an understanding of the role institutional racism has played in perpetuating current racial inequities and develop a vision to advance racial equity.
- Simultaneously, staff are aligning resources, applying tools, and employing best practices when implementing programs, policies, or making budgetary decisions to ensure a person’s race or ethnicity does not negatively impact any community member’s experience through the utilization of a racial equity instrument and work plan items outlined in the city’s first draft racial equity plan.
- The city continued to explore options to provide the community with clean, reliable, low-cost and local energy, including the creation of a municipal utility.

Operating Indicators and Statistics

| Public Works                                      | 2019      | 2018      |
|---|-----------|-----------|
| Daily vehicle miles in Boulder Valley. . . . .    | 2.5 mil   | 2.5mil    |
| Utilities   |           |           |
| Water accounts . . . . .                          | 29,621    | 29,092    |
| Gallons of water consumed daily. . . . .          | 14.6mil   | 16.2 mil  |
| Public Safety                                     |           |           |
| Police officers. . . . .                          | 183       | 181       |
| Traffic accidents. . . . .                        | 3,522     | 3,624     |
| Police calls for service . . . . .                | 104,085   | 117,666   |
| Firefighters . . . . .                            | 100       | 99        |
| Fire responses . . . . .                          | 12,262    | 11,776    |
| Fire responses within 6 minutes. . . . .          | 57%       | 59%       |
| Parks and Recreation                              |           |           |
| Acres of Open Space & Mountain Parks . . . . .    | 46,800    | 46,599    |
| Acres of urban parks . . . . .                    | 1,861     | 1,800     |
| Recreation center attendance. . . . .             | 1,009,356 | 1,239,784 |
| Reservoir attendance . . . . .                    | 184,610   | 165,874   |
| Library   |           |           |
| Circulation of books, videos, and tapes . . . . . | 1.86mil   | 1.56mil   |
| Planning and Development Services                 |           |           |
| Building permit applications . . . . .            | 10,715    | 7,582     |
| Zoning enforcement actions . . . . .              | 1,465     | 1,065     |
| Municipal Court                                   |           |           |
| Traffic violations . . . . .                      | 6,264     | 6,949     |



Weekend at Valmont



## 2019 Best of Boulder

- **Most Fitness-Friendly Places.** – Smart Asset, December 2019
- **Best Small City in the World (No. 2)** – Monocle, November 2019
- **Best Arts Communities for Mid-Size Cities** – August 2019
- **America's Best Bike Cities** – People for Bikes, May 2019



## Financial Statements

Within the CAFR, 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 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.

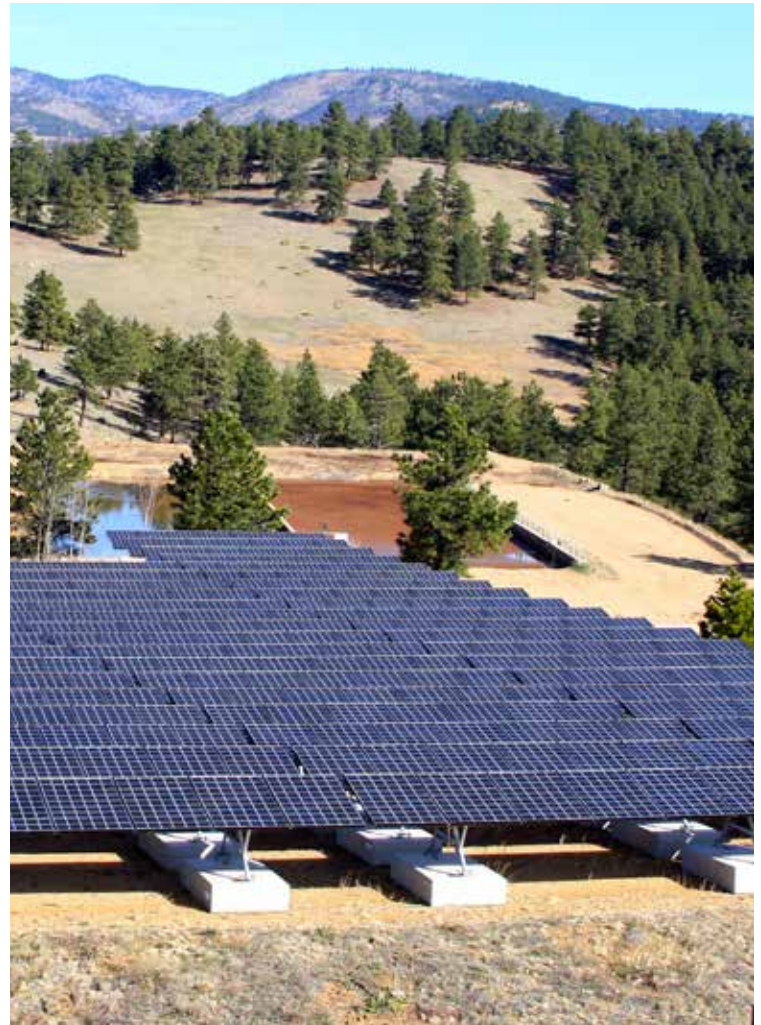
#### 3. Boulder Junction Access General Improvement District —

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 2019, 2018 and 2017. The city's assets exceeded its liabilities by \$1.27 billion at Dec. 31, 2019. The largest portion of the city's net position, \$1.06 billion (83 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, \$96.6 million (8 percent), denotes resources that are subject to usage restrictions. The remaining unrestricted balance of net position, \$112.8 million (9 percent), may be used to meet the city's ongoing obligations.

| Net Position at December 31<br>over the last three years (in thousands) |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| Assets  | 2019               | 2018               | 2017               |
| Current and Other Assets  | \$488,453          | \$433,098          | \$430,008          |
| Capital Assets  | 1,278,798          | 1,253,413          | 1,167,524          |
| <b>Total Assets</b>   | <b>1,767,251</b>   | <b>1,688,511</b>   | <b>1,597,532</b>   |
| Deferred Outflows of Resources  | 40,831             | 28,976             | 46,705             |
| Liabilities   |                    |                    |                    |
| Noncurrent Liabilities  | 449,424            | 435,261            | 279,549            |
| Other Liabilities   | 36,844             | 32,224             | 168,299            |
| <b>Total Liabilities</b>  | <b>486,268</b>     | <b>467,485</b>     | <b>447,848</b>     |
| Deferred Inflows of Resources   | 56,639             | 73,322             | 46,107             |
| Net Position  |                    |                    |                    |
| Invested in Capital Assets  | 1,055,749          | 1,018,331          | 965,721            |
| Restricted  | 96,582             | 91,066             | 94,934             |
| Unrestricted  | 112,844            | 65,283             | 89,627             |
| <b>Total Net Position</b>   | <b>\$1,265,175</b> | <b>\$1,174,680</b> | <b>\$1,150,282</b> |



Solar Array at the Betasso Water Treatment Facility

## 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 \$1.7 million increase in 2019 compared to 2018 was mainly due to a rise in consumer, business and construction spending.

**Property Taxes** are collected by Boulder County and remitted to the city, less county fees. The \$508 thousand decrease in 2019 compared to 2018 was mainly due to a slight decrease in assessed value in 2018 for taxes collected in 2019.

**Other Taxes** include accommodation, occupation, specific ownership, tobacco and excise taxes. Other taxes decreased \$122 thousand during 2019, primarily due to a reporting change for franchise taxes all other taxes increased in 2019.

**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 2019, charges for services increased \$5.2 million mainly due to an increase in building permits issued and development fees.

**Operating Grants** are resources received from external entities and are generally restricted to finance one or more specific projects. In 2019, operating grants decreased by \$1.5 million primarily due to a decrease in active grants across all funds.

**Capital Grants and Contributions** received by the city are used to purchase, construct or renovate specific capital assets. Capital grants increased \$8.0 million when compared to 2018 due to an increase in plant investment fees in 2019.

**Interest Revenues** are earned on the city's fixed income investments. In 2019, interest revenues increased \$6.5 million from 2018. This was due to a rise in interest rates for much of 2019.

**Other Revenues** are derived from a variety of sources including insurance proceeds, legal settlements and gains on sales of capital assets. Other revenues increased \$5.3 million due to the sale of property in 2019.

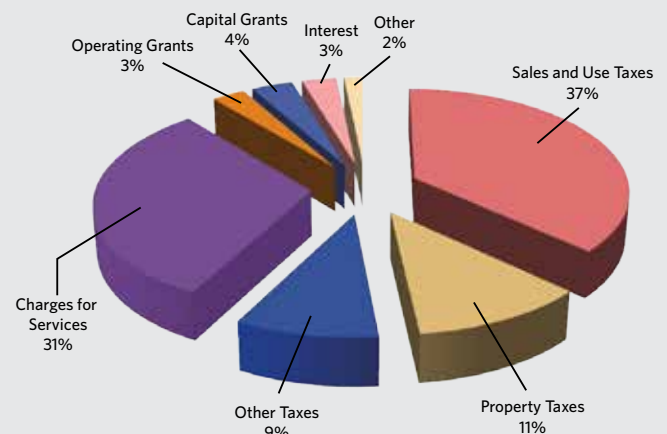


*Meet and Bleat event*

#### Revenues by Source for the Year Ended December 31 over the last three years (in thousands)

|                            | 2019             | 2018             | 2017             |
|----------------------------|------------------|------------------|------------------|
| Sales, Use and Other Taxes | \$144,025        | \$142,344        | \$135,913        |
| Property Taxes             | 44,746           | 45,254           | 38,654           |
| Other Taxes                | 36,550           | 36,672           | 29,950           |
| Charges for Services       | 121,939          | 116,723          | 109,615          |
| Operating Grants           | 11,146           | 12,645           | 20,564           |
| Capital Grants             | 13,924           | 5,921            | 10,217           |
| Interest                   | 11,816           | 5,310            | 2,376            |
| Other                      | 6,331            | 1,027            | 6,195            |
| <b>Total Revenues</b>      | <b>\$390,477</b> | <b>\$365,896</b> | <b>\$353,484</b> |

#### 2019 Revenues by Source





## 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 increased by \$2.5 million from 2018 to 2019 mainly due to an increase in capital expenditures.

**Public Safety** includes both the police and fire departments.

In 2019, Public Safety expenses decreased \$10.8 million.

This decrease was primarily due to a larger amount of capital expenditures transferred out of expenses in 2019 compared to 2018 related to the purchase of land for Fire Station #3.

**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 increased \$5.0 million in 2019 primarily due to an increase in maintenance expenses and a larger amount of capital expenditures transferred out of expenses in 2018 compared to 2019.

**Culture and Recreation** includes the operating costs of parks, libraries and senior services. Costs associated with these services decreased \$16.5 million in 2019 due to a larger amount of capital expenditures transferred out of expenses in 2019 compared to 2018.

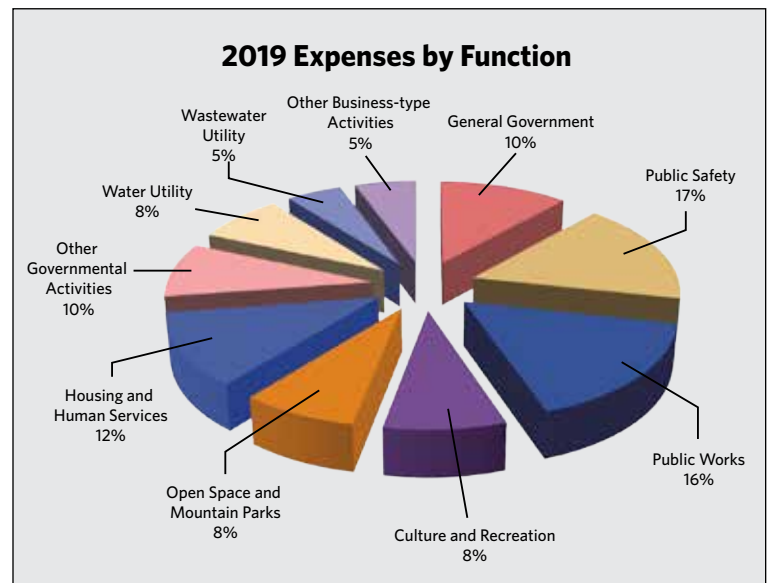
**Open Space and Mountain Parks** represents the cost of land acquisition, land restoration and trails management. Costs associated with these services decreased \$2.8 million in 2019, largely due to a decrease in capital expenditures in 2019 compared to 2018.

**Housing and Human Services** provides affordable housing and community services. Expenses increased \$5.4 million due to an increase in community grant funding.

**Other Governmental Activities** includes planning and development services, administrative services and interest on long-term debt. In 2019, expenses decreased \$6.4 million due to a larger amount of capital expenditures transferred out of expenses in 2019 compared to 2018 related to the broadband fiber backbone project.

**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.

|                                | 2019             | 2018             | 2017             |
|--------------------------------|------------------|------------------|------------------|
| General Government             | \$34,882         | \$32,376         | \$32,773         |
| Public Safety                  | 50,216           | 60,970           | 58,350           |
| Public Works                   | 49,277           | 44,305           | 39,571           |
| Culture and Recreation         | 24,657           | 41,175           | 37,359           |
| Open Space and Mountain Parks  | 23,440           | 26,200           | 30,110           |
| Housing and Human Services     | 35,506           | 30,078           | 29,214           |
| Other Governmental Activities  | 26,654           | 33,067           | 31,080           |
| Water Utility                  | 23,575           | 24,118           | 23,431           |
| Wastewater Utility             | 15,030           | 16,270           | 15,125           |
| Other Business-type Activities | 16,745           | 18,425           | 15,978           |
| <b>Total Expenses</b>          | <b>\$299,982</b> | <b>\$326,984</b> | <b>\$312,991</b> |



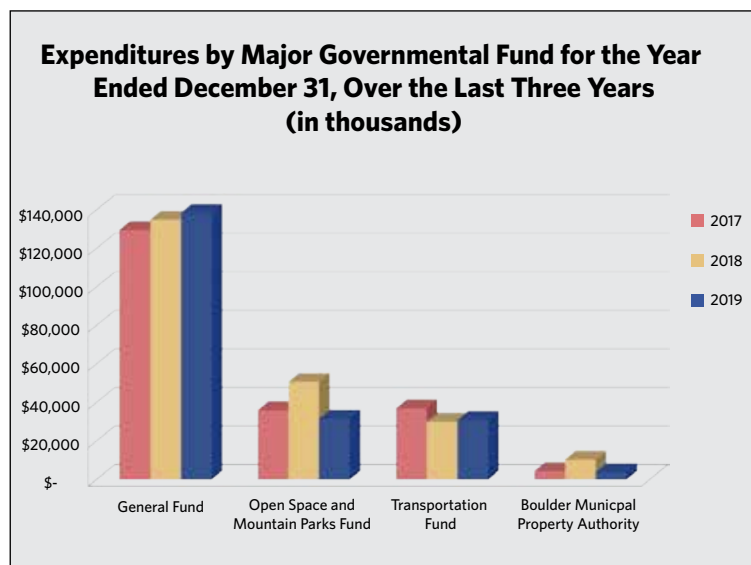
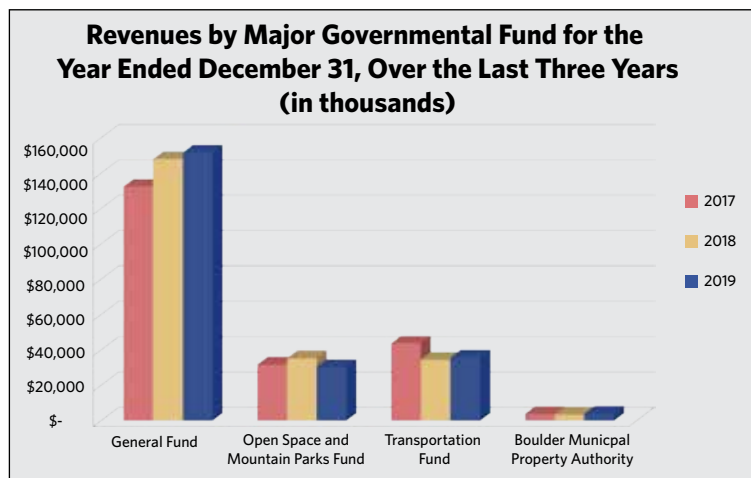
**Other Business-type Activities** consists of flood management, parking facilities, and property and facility acquisition services. These expenses remained relatively constant in 2019.

## WE ARE ZERO WASTE BOULDER



## Governmental Fund Highlights

- The General Fund is the primary operating fund of the city. The fund balance of the General Fund was \$85.4 million at Dec. 31, 2019, a \$24.8 million increase from 2018. The unrestricted fund balance of the General Fund was \$81 million. This includes the fund balance committed by City Council, the fund balance assigned by city management and any remaining unassigned fund balance. In 2019, General Fund revenues increased \$3.7 million. General Fund expenditures increased \$3.6 million due to expansion of services and the broadband fiber backbone project.
- 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 \$24.2 million at Dec. 31, 2019, a decrease of \$0.4 million from 2018. Revenues fell \$5.1 million due to a decrease in tax revenue. Expenditures decreased \$19.1 million due to a decline in expenditures related to property acquisition and building improvements.
- The Transportation Fund is another major special revenue fund with fund balance restricted for special purposes. Its fund balance grew \$4.4 million to 25.7 million at Dec. 31, 2019, while revenues increased \$1.3 million and expenditures increased \$922 thousand. Many transportation construction projects were still in the early construction phase in 2019.
- 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 rose to \$449 thousand due to an increase in interest and investment earnings.



Mural by Anna Charney



## 2019 Capital Asset Highlights

### Governmental Activities

- Acquisition of land for future Fire Station #3. *\$9.0 million*
- Scott Carpenter Pool enhancements. *\$9.7 million*
- Boulder Reservoir Visitor Center enhancements. *\$3.7 million*
- Completion of Arapahoe Ave & 13th St Underpass. *\$5.9 million*
- Began installation of Broadband Fiber Backbone. *\$1.2 million*
- New vehicle purchases. *\$3.8 million*

### Business-type Activities

- Completion of Trinity Commons Parking Garage. *\$4.2 million*
- Continued construction in progress for Barker Gravity Pipeline. *\$4.6 million*
- Construction in progress for Sanitary Sewer Rehabilitation. *\$4.1 million*
- Completion of Betasso Water Treatment Plant enhancements. *\$3.0 million*

| Capital Assets as of December 31 over the last three years<br>(net of depreciation, in thousands) |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| Assets  | 2019               | 2018               | 2017               |
| Land and Easements  | \$416,232          | \$417,102          | \$388,779          |
| Buildings   | 100,417            | 102,813            | 89,598             |
| Improvements Other than Buildings   | 62,552             | 67,439             | 55,915             |
| Infrastructure  | 149,482            | 145,861            | 145,027            |
| Utility Plant in Service and Undergrounds   | 355,287            | 361,142            | 327,149            |
| Machinery, Equipment, and Vehicles  | 29,884             | 30,462             | 29,601             |
| Construction in Progress  | 156,557            | 118,952            | 122,934            |
| Intangibles   | 1,750              | 1,850              | 1,950              |
| Software and Licensing  | 6,637              | 7,792              | 6,571              |
| <b>Total Capital Assets</b>   | <b>\$1,278,798</b> | <b>\$1,253,413</b> | <b>\$1,167,524</b> |



Firefighters at the Fire Training Center

## 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 2019 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)).

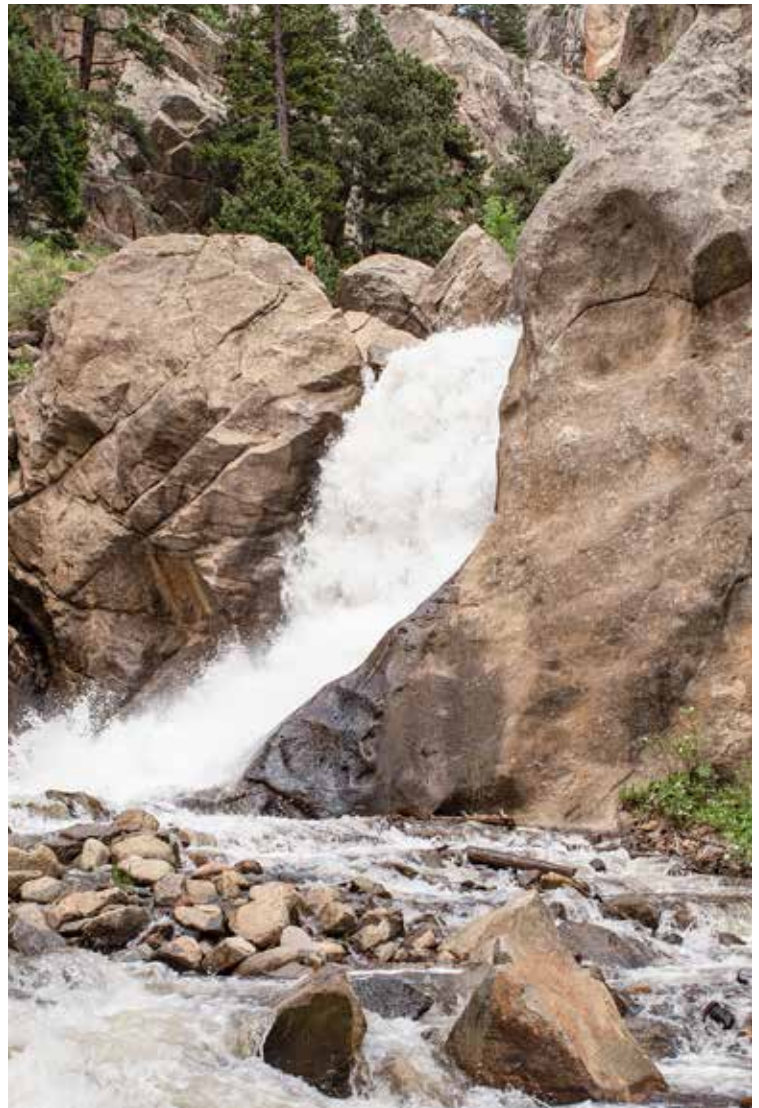
At Dec. 31, 2019, the fair market value of the city's cash and investments was \$402.0 million with an average market yield of 1.66 percent. Cash and investments include bond proceeds that are invested separately because of the short-term nature of the bond project funds.

## 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, 2019. These highly favorable investment ratings allow the city to pay less interest on its bond issuances.

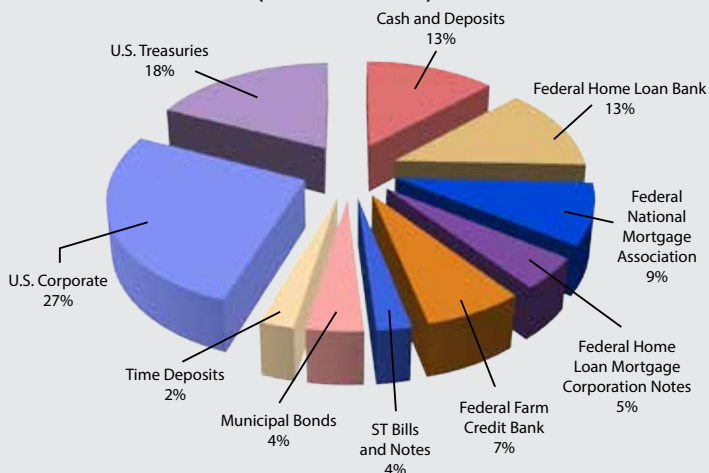
According to the City Charter, the city's general obligation debt is subject to a legal limitation of three percent of total assessed real and personal property value. At Dec. 31, 2019, all of the city's bonded debt was self-supporting, meaning that the ratio of general obligation debt to assessed property value was zero.

At Dec. 31, 2019, the city had total bonded debt of \$233.0 million. Of this amount, \$14.6 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$123.1 million represented bonds secured by specified revenue sources (revenue bonds). An additional \$33.7 million consisted of capital improvement bonds. The remaining \$5.9 million pertained to pension obligation bonds, which are not backed by either specified revenue sources or taxes. Certificates of Participation (COPs) totaled \$55.7 million at Dec. 31, 2019. Additional details can be found in Note O of the CAFR's basic financial statements.

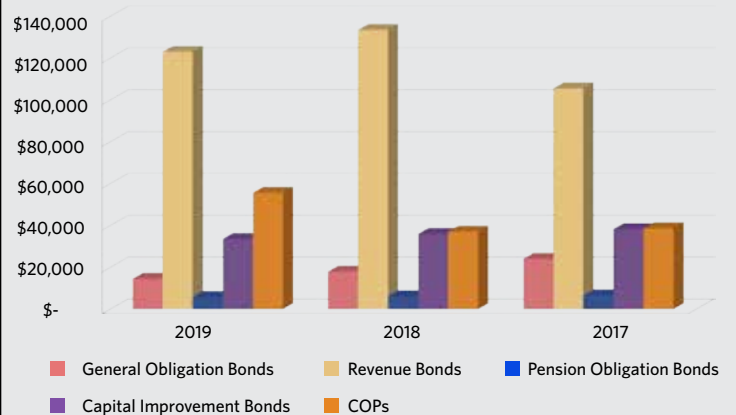


*Boulder Falls*

**Cash and Investments at Dec. 31, 2019**  
(in thousands)



**Bonded Debt and COPs at December 31**  
**Over the Last Three Years**  
(in thousands)





## Meet Your Council Members



**City Council top row:** Aaron Brockett, Junie Joseph, Sam Weaver (Mayor), Bob Yates (Mayor Pro Tem), and Miribai Kuk Nagle.

**Bottom row:** Mark Wallach, Rachel Friend, Mary Young and Adam Swetlik

## 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 (Jane Brautigam), a city attorney (Tom Carr) 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.

### **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)

## and City Manager



*Jane S. Brautigam*





## Contact Information

[www.BoulderColorado.gov](http://www.BoulderColorado.gov)

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