



City of Boulder, Colorado

Popular Annual Financial Report



Fiscal Year

Ending December 31

2020



Pearl Street 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 2020. This is a summary of information reported in the city's 2020 Comprehensive Annual Financial Report (Annual Report).

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.

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

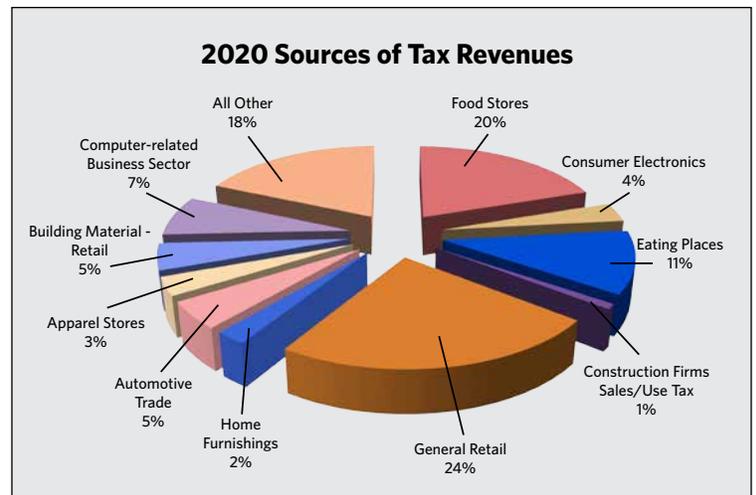
Population	105,673
Unemployment rate	5.4%
Sales and use tax rate	3.86%
City employees	1,442
City operating budget	\$284 million
City capital budget	\$86 million

Top 5 City of Boulder Employers

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

Other Major Employers

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



Significant 2020 Events

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

- Co-facilitated partnership efforts to monitor and respond to pandemic impacts on local businesses and workers through impact surveys, safe operations campaigns, outdoor dining, grants, and other initiatives.
- Moved city services online during the pandemic, including implementing a fully online and electronic application process, new virtual building and utility inspection system, and video conferencing for Municipal Court hearings.
- Partnered with the City of Longmont and Boulder County to operate the COVID-19 Recovery Center to house and care for people experiencing homelessness with symptoms of the virus.
- Completed construction on Scott Carpenter Pool and the new Visitor Service Center at the Boulder Reservoir.
- Began construction on the Broadband project, completing nearly 60,000 linear feet of boring —17% of the overall total. Began network design with Boulder Housing Partners to bring internet connectivity to those facilities.
- Distributed 250 wireless hotspots with unlimited data service to low-income families in need of an internet connection for virtual schooling and other internet connectivity needs.
- Added 277 new permanently affordable homes for low, moderate, and middle incomes. Now, 8.4% of homes in the city are now permanently affordable, making progress toward the goal of 15% of homes by 2035.
- Helped reduce community greenhouse gas emissions by 21% and reached more than 60 MW of local renewable energy. Created solar gardens to provide clean energy and lower utility bills for community members with low incomes.
- Charted a new path for the city's energy future through an innovative partnership with Xcel Energy that seeks to achieve the city's energy, equity and resilience goals.
- Launched the Vision Zero Innovation Program to install innovative, quick-build safety improvements on city streets.
- Provided mutual aid in responding to the CalWood Fire and other wildfires in Colorado.
- Completed a project at the Water Resources and Recovery Facility that converts wastewater-derived biogas into a renewable natural gas for vehicle fuel.
- Completed the Foothills and Colorado Bicycle and Pedestrian Underpass project.

Operating Indicators and Statistics

	2020	2019
Public Works		
Daily vehicle miles in Boulder Valley	1.86 mil	2.5 mil
Utilities		
Water accounts	29,375	29,621
Gallons of water consumed daily	15.7 mil	14.6 mil
Public Safety		
Police officers	184	183
Traffic accidents	2,085	3,522
Police calls for service	80,486	104,085
Firefighters	100	100
Fire responses	11,309	12,262
Fire responses within 6 minutes	72%	57%
Parks and Recreation		
Acres of Open Space & Mountain Parks	46,800	46,800
Acres of urban parks	1,861	1,861
Recreation center attendance	214,107	1,009,356
Reservoir attendance	113,390	184,610
Library		
Circulation of books, videos, and tapes	1.04 mil	1.86 mil
Planning and Development Services		
Building permit applications	9,878	10,715
Zoning enforcement actions	1,132	1,465
Municipal Court		
Traffic violations	4,800	6,264



Botjays Boulder Public Art

2020 Best of Boulder

- **Most Fitness-Friendly Places** – Smart Asset, December 2020
- **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 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 —

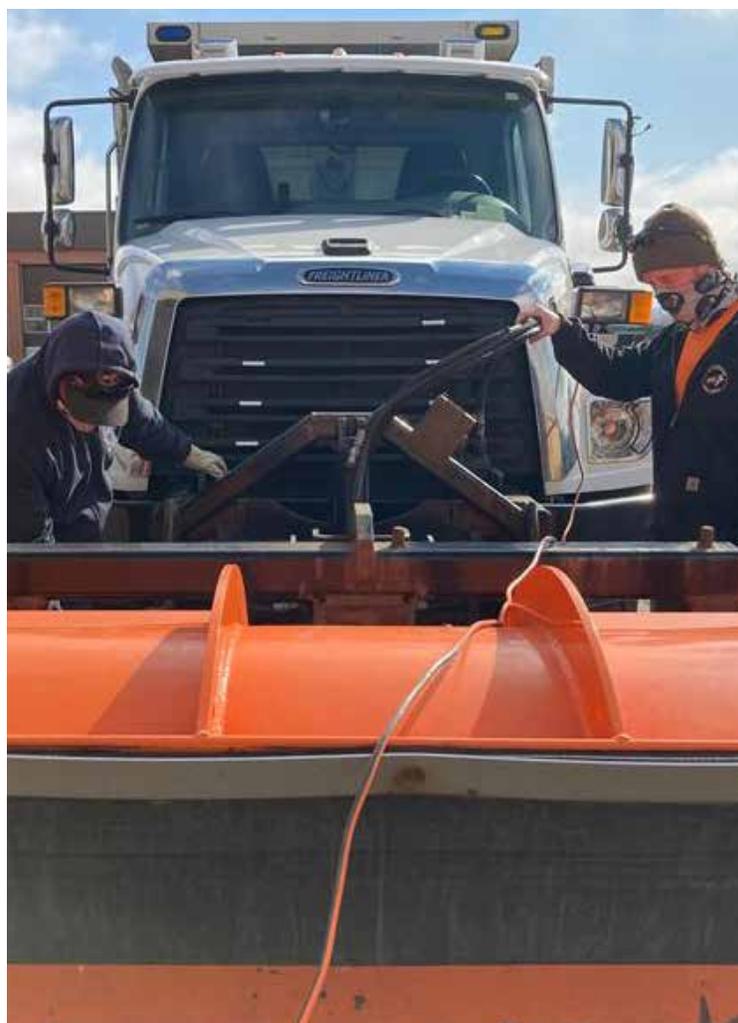
This district is tasked with implementation of the transit-oriented development goals of shared, unbundled parking and travel demand management programs.

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 2020, 2019 and 2018. The city's assets exceeded its liabilities by \$1.33 billion at Dec. 31, 2020. The largest portion of the city's net position, \$1.1 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, \$87.3 million (7 percent), denotes resources that are subject to usage restrictions. The remaining unrestricted balance of net position, \$139.6 million (10 percent), may be used to meet the city's ongoing obligations.

Net Position at December 31 over the last three years (in thousands)			
Assets	2020	2019	2018
Current and Other Assets	\$486,350	\$488,453	\$433,098
Capital Assets	1,313,112	1,278,798	1,253,413
Total Assets	1,799,462	1,767,251	1,686,511
Deferred Outflows of Resources	19,670	42,242	28,976
Liabilities			
Noncurrent Liabilities	359,399	449,426	435,261
Other Liabilities	31,935	36,842	32,224
Total Liabilities	391,334	486,268	467,485
Deferred Inflows of Resources	95,496	58,050	73,322
Net Position			
Invested in Capital Assets	1,105,488	1,055,749	1,018,331
Restricted	87,263	96,581	91,066
Unrestricted	139,551	112,844	65,283
Total Net Position	\$1,332,302	\$1,265,175	\$1,174,680



Boulder Snow Operations

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 \$6.7 million decrease in 2020 compared to 2019 was due to the many economic impacts of the COVID-19 pandemic.

Property Taxes are collected by Boulder County and remitted to the city, less county fees. The \$4.7 million increase in 2020 compared to 2019 was mainly due to an increase in assessed value in 2019 for taxes collected in 2020.

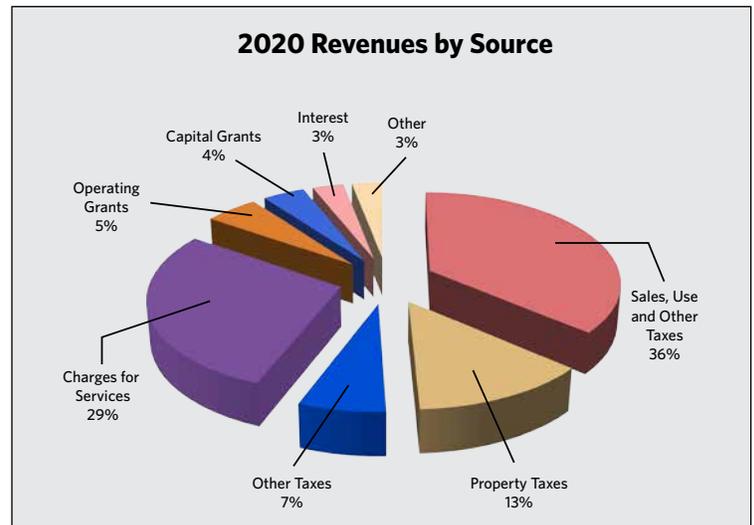
Other Taxes include accommodation, occupation, specific ownership, tobacco and excise taxes. Other taxes decreased \$12.0 million during 2020, primarily due to a large decrease in accommodation taxes in 2020 due to the COVID-19 pandemic.

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 2020, charges for services decreased \$13.3 million due to a decrease in the number of parking charges and recreation activity charges due to the closure of many facilities for portions of 2020 due to the COVID-19 pandemic.

Operating Grants are resources received from external entities and are generally restricted to finance one or more specific projects. In 2020, operating grants increased by \$8.7 million primarily due to Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding and an Airport Improvement grant received from the Federal Aviation Administration.

Capital Grants and Contributions received by the city are used to purchase, construct or renovate specific capital assets. Capital grants increased \$1.6 million when compared to 2019 due an increase in Colorado Department of Transportation projects.

Revenues by Source for the Year Ended December 31 over the last three years (in thousands)			
	2020	2019	2018
Sales, Use and Other Taxes	\$137,340	\$144,025	\$142,344
Property Taxes	49,469	44,746	45,254
Other Taxes	24,504	36,550	36,672
Charges for Services	108,626	121,939	116,723
Operating Grants	19,828	11,146	12,645
Capital Grants	15,571	13,924	5,921
Interest	11,609	11,816	5,310
Other	11,403	6,331	1,027
Total Revenues	\$378,350	\$390,477	\$365,896



Interest Revenues are earned on the city's fixed income investments. In 2020, interest revenues decreased \$207 thousand from 2019. This was due to a slight decline in interest rates in 2020.

Other Revenues are derived from a variety of sources including insurance proceeds, legal settlements and gains on sales of capital assets. Other revenues increased \$5.1 million due to the sale of property in 2020.



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 \$13.6 million from 2019 to 2020 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 2020, Public Safety expenses increased \$10.5 million. This increase was primarily due to a decrease in capital expenditures transferred out of expenses in 2020 compared to 2019.

Public Works is comprised of costs associated with the repair, construction, acquisition and maintenance of public roads, bike paths and other city assets. Public Works expenses increased \$3.9 million in 2020 primarily due to a decrease in capital expenditures transferred out of expenses in 2020 compared to 2019.

Culture and Recreation includes the operating costs of parks, libraries and senior services. Costs associated with these services increased \$4.3 million in 2020 due to a decrease in capital expenditures transferred out of expenses in 2020 compared to 2019.

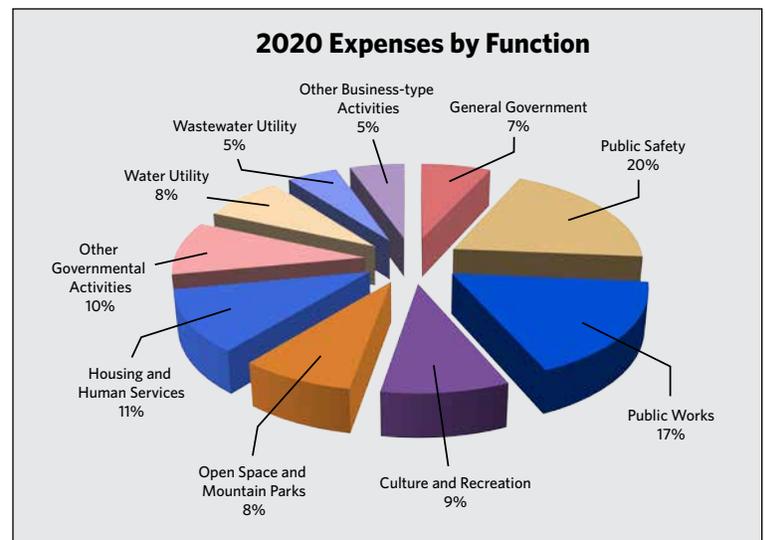
Open Space and Mountain Parks represents the cost of land acquisition, land restoration and trails management. Costs associated with these services increased \$2.3 million in 2020, largely due to the acquisition of Shanahan Ranch.

Housing and Human Services provides affordable housing and community services. Expenses decreased \$1.2 million due to a decrease in community grant funding.

Other Governmental Activities includes planning and development services, administrative services and interest on long-term debt. In 2020, expenses increased \$3.1 million due to increased expenditures 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.

Expenses by Function at December 31 over the last three years (in 000's)			
	2020	2019	2018
General Government	\$21,302	\$34,882	\$32,376
Public Safety	60,699	50,216	60,970
Public Works	53,167	49,277	44,305
Culture and Recreation	29,004	24,657	41,175
Open Space and Mountain Parks	25,702	23,440	26,200
Housing and Human Services	34,321	35,506	30,078
Other Governmental Activities	29,744	26,654	33,067
Water Utility	24,809	23,575	24,118
Wastewater Utility	15,644	15,030	16,270
Other Business-type Activities	16,831	16,745	18,425
Total Expenses	\$311,223	\$299,982	\$326,984



Other Business-type Activities consists of flood management, parking facilities, and property and facility acquisition services. These expenses remained relatively constant in 2020.



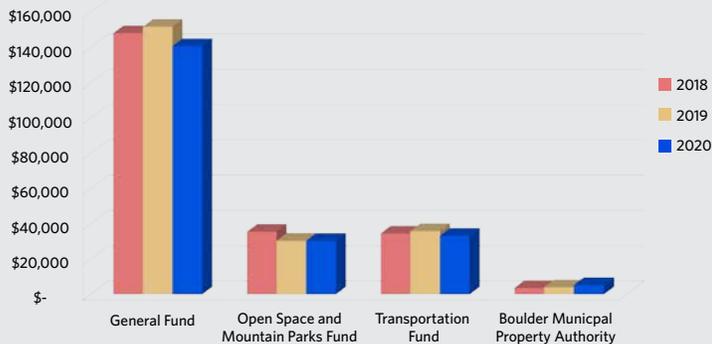
Governmental Fund Highlights

- The General Fund is the primary operating fund of the city. The fund balance of the General Fund was \$77.5 million at Dec. 31, 2020, a \$7.9 million decrease from 2019. The unrestricted fund balance of the General Fund was \$74.9 million. This includes the fund balance committed by City Council, the fund balance assigned by city management and any remaining unassigned fund balance. In 2020, General Fund revenues decreased \$11.0 million. General Fund expenditures increased \$3.6 million due to the western city campus development 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 \$21.3 million at Dec. 31, 2020, a decrease of \$2.9 million from 2019. Revenues fell \$15 thousand due to a decrease in tax revenue, which was offset by the proceeds from a sale of land. Expenditures increased \$1.4 million due to the acquisition of Shanahan Ranch in early 2020.
- The Transportation Fund is another major special revenue fund with fund balance restricted for special purposes. Its fund balance fell \$1.6 million to 24.1 million at Dec. 31, 2020, while revenues decreased \$2.7 million and expenditures increased \$3.3 million. The revenue decrease is attributable to the decrease in sales tax revenue. Expenditures increased primarily due to the construction of the Foothills and Colorado underpass which received funding from CDOT.
- 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 \$450 thousand due to an increase in interest and investment earnings.

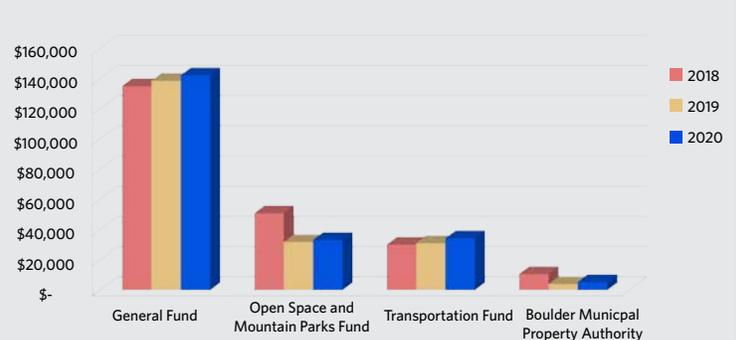


Botjoy Boulder Public Art

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)



2020 Capital Asset Highlights

Governmental Activities

- Acquisition of Shanahan Ranch. *\$7.9 million*
- Scott Carpenter Pool enhancements. *\$7.2 million*
- Boulder Reservoir Visitor Center enhancements. *\$1.7 million*
- Began redevelopment of the Wester City Campus. *\$1.7 million*
- Continued construction of Broadband Fiber Backbone. *\$2.9 million*
- New vehicle purchases. *\$3.4 million*

Business-type Activities

- Construction in progress for Lower Good Creek Trunk Sewer replacement. *\$2.7 million*
- Continued construction in progress for Barker Gravity Pipeline. *\$4.9 million*
- Construction in progress for Sanitary Sewer Rehabilitation. *\$3.8 million*
- Completion of WWRF Biogas. *\$3.1 million*

Capital Assets as of December 31 over the last three years (net of depreciation, in thousands)			
Assets	2020	2019	2018
Land and Easements	\$430,227	\$416,232	\$417,102
Buildings	114,663	100,417	102,813
Improvements Other than Buildings	70,894	62,552	67,439
Infrastructure	152,650	149,482	145,861
Utility Plant in Service and Undergrounds	429,494	355,287	361,142
Machinery, Equipment, and Vehicles	28,817	29,884	30,462
Construction in Progress	77,483	156,557	118,952
Intangibles	1,650	1,750	1,850
Software and Licensing	7,234	6,637	7,792
Total Capital Assets	\$1,313,112	\$1,278,798	\$1,253,413



Foothills Community Park

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 2020 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).

At Dec. 31, 2020, the fair market value of the city's cash and investments was \$395.1 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

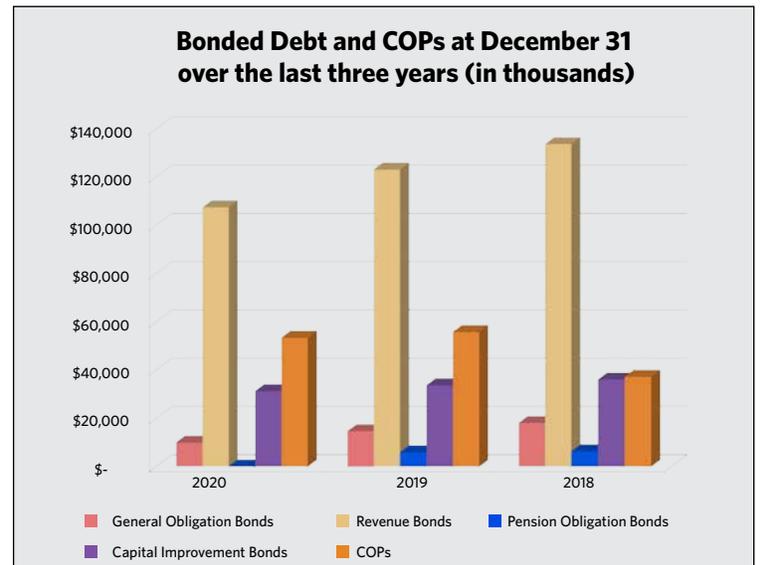
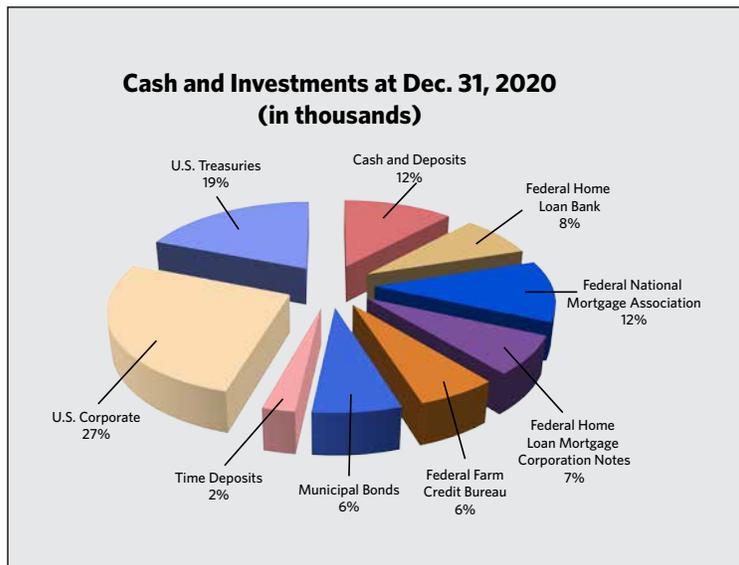
The city's general obligation bond credit rating was AAA by Standard & Poor's and Aaa by Moody's Investors Service at Dec. 31, 2020. These highly favorable investment ratings allow the city to pay less interest on its bond issuances.

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, 2020, 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, 2020, the city had total bonded debt of \$202.0 million. Of this amount, \$9.9 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$107.5 million represented bonds secured by specified revenue sources (revenue bonds). An additional \$31.2 million consisted of capital improvement bonds. Certificates of Participation (COPs) totaled \$53.4 million at Dec. 31, 2020. Additional details can be found in Note O of the Comprehensive Annual Financial Report's basic financial statements.



East Boulder Community Center



Meet Your Council Members



City Council top row: Aaron Brockett, Junie Joseph (*Mayor Pro Tem*), Sam Weaver (*Mayor*), Bob Yates, and Miribai Kuk Nagle.
Bottom row: Mark Wallach, Rachel Friend, Mary Young and Adam Sweetlik

and City Manager



Chris Meschuk
 (*Interim City Manager*)

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 (Chris Meschuk), 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, 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

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

Email:
meschukk@bouldercolorado.gov



New Visitor Services Center at the Boulder Reservoir



Contact Information

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	Connect with the City:	
Municipal Court	303-441-1843	https://bouldercolorado.gov/communications/social-media	