



City of Boulder, Colorado

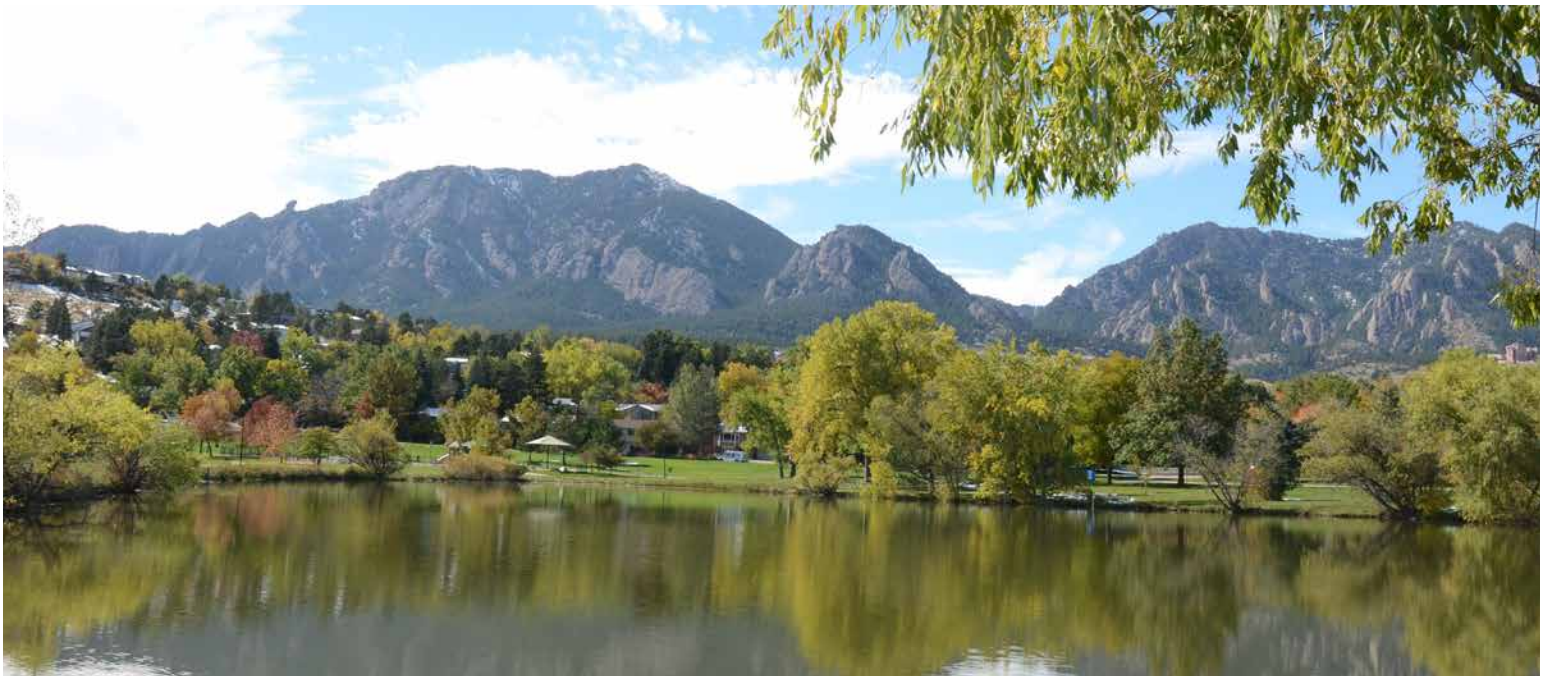
Popular Annual Financial Report



Fiscal Year

Ending December 31

2022



Wonderland Lake

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 2022. This is a summary of information reported in the city's 2022 Annual Comprehensive Financial Report (ACFR).

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

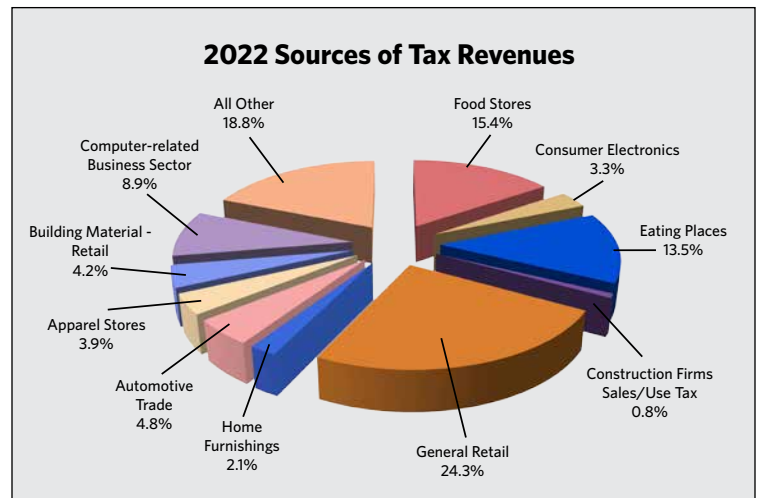
Population	107,000
Unemployment rate	2.6%
Sales and use tax rate	3.86%
City employees	1,463
City operating budget	\$300 million
City capital budget	\$162 million

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 2022 City Events

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

- Family Services provided more than \$381,000 in financial assistance and support services for essential needs including childcare subsidies and food to 113 families living with lower incomes.
- Launched Underserved Business Support Program to bolster participation in workforce employment opportunities for minority, women, veterans, LGBTQ, service-disabled veterans, and others. Invested \$10.5 million in businesses in these categories.
- Secured 183 affordable housing units for city residents, including for community members who have experienced homelessness.
- Awarded 118 cultural grants, distributing \$925,000 in the Cultural Grants Program to artists, nonprofits, teachers, and businesses. Funding will sustain 37 arts organizations.
- Completed interior deconstruction and began exterior deconstruction of the Boulder Community Health Hospital, which is necessary for redevelopment of the Alpine-Balsam site.
- Completed the Foothills and Baseline Sanitary Sewer Improvement project, replacing 7,300 linear feet of sanitary sewer piping to increase capacity in wastewater collection system and address aging infrastructure.
- Completed the design and began construction of several large capital projects including Fire Station #3 and the North Boulder Library.
- Continued to champion and represent the city in its climate goals in the context of the Public Utilities Commission regulatory system, providing compelling testimony in key decisions and cases and participating in settlement negotiations, when appropriate.
- Supported Development of Affordable Housing. Projects this year included Ponderosa Mobile Home Park, Mt. Calvary, 4775 Spine Road, Diagonal Plaza, and acquisition of 2961 30th St.
- Completed extensive trail and maintenance projects, including completion of the new Anemone Hill Trail west of Boulder and significant improvements along the Royal Arch Trail.
- Provided roughly \$7 million in annual grants through the Health Equity Fund, Human Services Fund and Substance Education and Awareness Fund to community-based projects serving low-income community members. Grants helped to provide healthy food, economic support, health services, childcare, academic support, substance use prevention, and other needs.

Operating Indicators and Statistics

	2022	2021
Transportation & Mobility		
Daily vehicle miles in Boulder Valley	2.65 mil	3.10 mil
Utilities		
Water accounts	29,275	29,207
Gallons of water consumed daily	15.6 mil	15.2 mil
Public Safety		
Police officers	190	190
Traffic accidents	1,783	2,336
Police calls for service	90,845	75,280
Firefighters	103	108
Fire responses	12,695	12,975
Fire responses within 6 minutes	35%	65%
Parks and Recreation		
Acres of Open Space & Mountain Parks	46,674	46,648
Acres of urban parks	1,861	1,861
Recreation center attendance	406,093	198,204
Reservoir attendance	123,803	121,761
Library		
Circulation of books, videos, and tapes	1.47 mil	1.32 mil
Planning and Development Services		
Building permit applications	8,847	10,077
Zoning enforcement actions	854	642
Municipal Court		
Traffic violations	2,972	3,482



Trail Work on Boulder Open Space

Best of Boulder Awards

- **Best Historical and Cultural Place** – Chautauqua Park – Engaging Local Government Leaders Knope Award, 2022
- **Top Ten Most Vibrant Arts Communities** – SMU Data Arts, December 2022
- **25 Best College Towns & Cities** – *Travel & Leisure*, May 2023
- **#4 Best Place to Live in the U.S.** – *U.S. News & World Report*, 2023



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.



Splash Pad at Pearl Street Mall

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 —

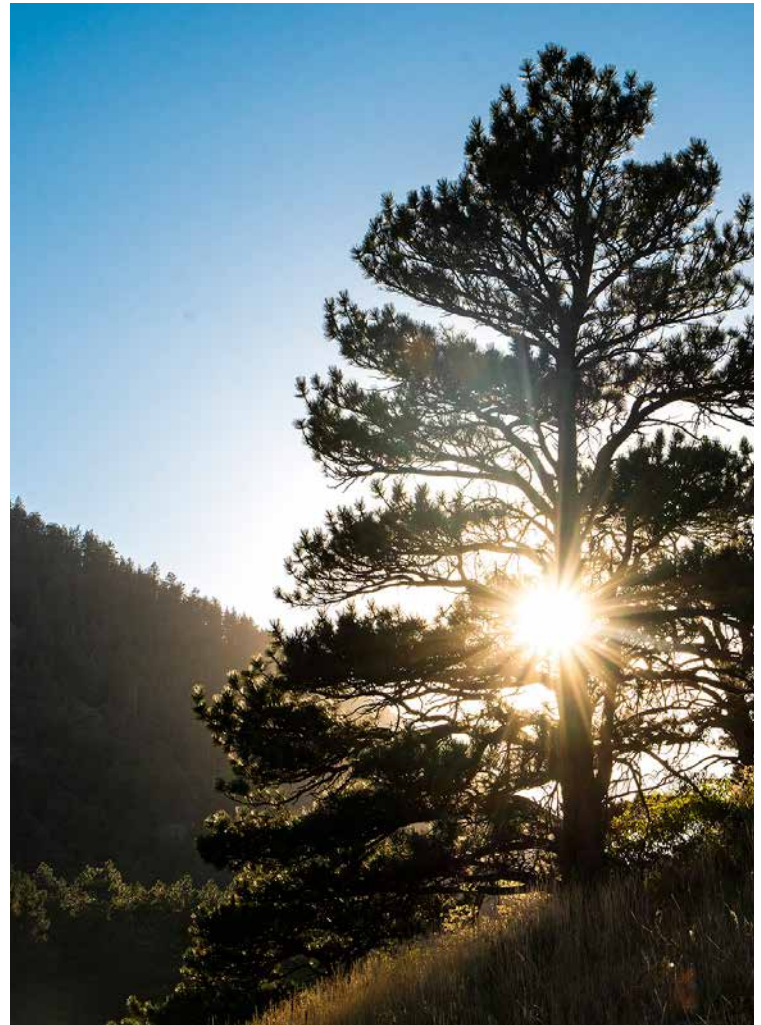
This district is tasked with implementation of the transit-oriented development goals of shared, unbundled parking and travel demand management programs.

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 2022, 2021 and 2020. The city's assets exceeded its liabilities by \$1.57 billion at Dec. 31, 2022. The largest portion of the city's net position, \$1.2 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, \$119.9 million (7 percent), denotes resources that are subject to usage restrictions. The remaining unrestricted balance of net position, \$262.4 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	2022	2021	2020
Current and Other Assets	\$668,615	\$551,667	\$486,355
Capital Assets	1,373,044	1,336,980	1,313,112
Total Assets	2,041,659	1,888,647	1,799,467
Deferred Outflows of Resources	21,334	31,928	19,670
Liabilities			
Noncurrent Liabilities	278,876	304,915	359,399
Other Liabilities	64,540	45,332	31,941
Total Liabilities	343,416	350,247	391,340
Deferred Inflows of Resources	146,339	130,091	95,495
Net Position			
Invested in Capital Assets	1,190,868	1,144,165	1,105,488
Restricted	119,938	99,610	87,263
Unrestricted	262,432	196,462	139,551
Total Net Position	\$1,573,238	\$1,440,237	\$1,332,302



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 \$16.6 million increase in 2022 compared to 2021 was due to the continued easing of COVID restrictions in 2022.

Property Taxes are collected by Boulder County and remitted to the city, less county fees. The \$3.6 million increase in 2022 compared to 2021 was mainly due to an increase in assessed value in 2021 for taxes collected in 2022.

Other Taxes include accommodation, occupation, specific ownership, tobacco and excise taxes. Other taxes increased \$4.8 million in 2022, primarily due to the continued easing of COVID restrictions in 2022.

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 2022, charges for services increased \$12.6 million due to an increase in revenue collected for recreation activities and within the water, wastewater, and storm-water funds.

Operating Grants are resources received from external entities and are generally restricted to finance one or more specific projects. In 2022, operating grants increased by \$2.5 million primarily due to an increase in spending related to the Coronavirus State and Local Fiscal Recovery Funds grant.

Capital Grants and Contributions received by the city are used to purchase, construct or renovate specific capital assets. Capital grants decreased \$665 thousand when compared to 2021 due to consistent capital grant expenses from year to year.

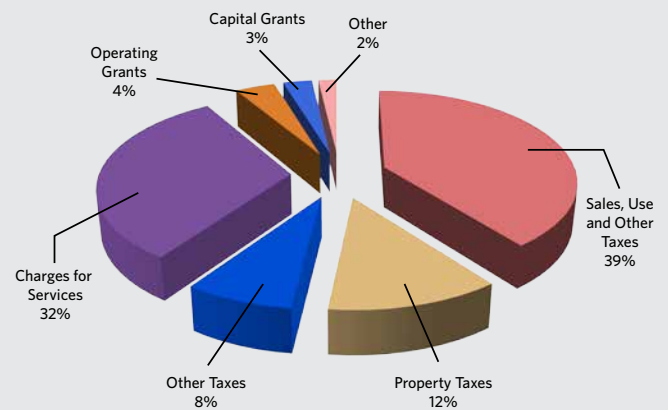
Interest Revenues are earned on the city's fixed income investments. In 2022, interest revenues decreased \$9.2 million from 2021. This was due to decreased yields on investments as interest rates were rising and an increase in the unrealized loss on investments.

Other Revenues are derived from a variety of sources including insurance proceeds, legal settlements and gains on sales of capital assets. Other revenues decreased \$401 thousand in 2022.

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

	2022	2021	2020
Sales, Use and Other Taxes	\$171,335	\$154,694	\$137,340
Property Taxes	53,398	49,803	49,469
Other Taxes	33,591	28,789	24,504
Charges for Services	137,289	124,689	108,626
Operating Grants	17,180	14,643	19,828
Capital Grants	12,443	13,108	15,571
Interest	(11,172)	(1,941)	11,609
Other	7,974	8,375	11,403
Total Revenues	\$422,038	\$392,160	\$378,350

2022 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 \$1.4 million from 2021 to 2022 mainly due to an increase in community grants funded by the American Rescue Plan Act (ARPA).

Public Safety includes both the police and fire departments. In 2022, Public Safety expenses increased \$6.2 million. This increase was primarily due to an increase in salaries and wages and the payment of two settlements.

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 \$2.0 million in 2022 primarily due to an increase in spending in the transportation fund for ongoing projects.

Culture and Recreation includes the operating costs of parks, recreation centers, libraries and senior services. Costs associated with these services increased \$460 thousand in 2022 due to consistent spending in 2021 and 2022.

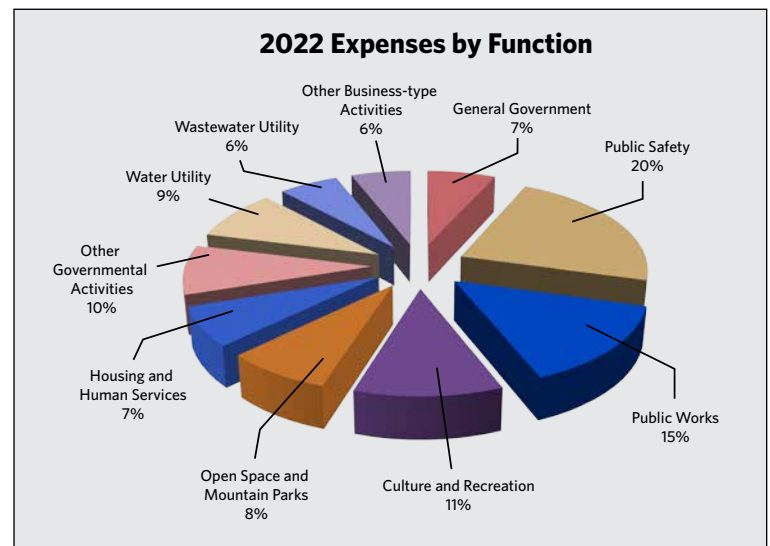
Open Space and Mountain Parks represents the cost of land acquisition, land restoration and trails management. Costs associated with these services decreased \$1.8 million in 2022, largely due to less property acquisition in 2022 compared to 2021.

Housing and Human Services provides affordable housing and community services. Expenses decreased \$2.5 million due to an increase in capital expenditures transferred out of expenses in 2022 compared to 2021.

Other Governmental Activities includes planning and development services, administrative services, and interest on long-term debt. In 2022, expenses decreased \$2.5 million due to decreased pension expenses.

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)			
	2022	2021	2020
General Government	\$19,718	\$18,336	\$21,302
Public Safety	65,023	58,827	60,699
Public Works	42,098	40,121	53,167
Culture and Recreation	32,035	31,575	29,004
Open Space and Mountain Parks	22,916	24,699	25,702
Housing and Human Services	20,458	22,971	34,321
Other Governmental Activities	25,808	27,420	29,744
Water Utility	26,358	27,297	24,809
Wastewater Utility	17,299	15,976	15,644
Other Business-type Activities	17,325	17,003	16,831
Total Expenses	\$289,038	\$284,225	\$311,223



Other Business-type Activities consists of flood management, parking facilities, and property and facility acquisition services. These expenses remained relatively constant in 2022.



Water Resource Recovery Facility

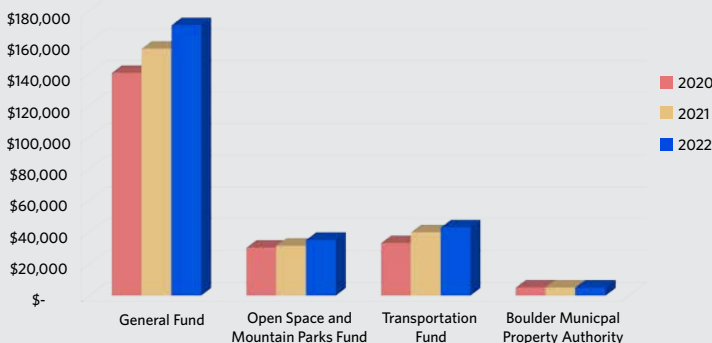
Governmental Fund Highlights

- The General Fund is the primary operating fund of the city. The fund balance of the General Fund was \$105.0 million at Dec. 31, 2022, a \$10.3 million increase from 2021. The unrestricted fund balance of the General Fund was \$103.5 million. This includes the fund balance committed by City Council, the fund balance assigned by city management and any remaining unassigned fund balance. In 2022, General Fund revenues increased \$15.3 million. General Fund expenditures increased \$16.1 million due to an increase in community grants and budgeted increases to operating expenses.
- 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 \$24.1 million at Dec. 31, 2022, an increase of \$4.6 million from 2021. Revenues rose \$3.7 million due to an increase in sales and use tax revenue. Expenditures increased \$115 thousand due to consistent spending from 2021 to 2022.
- The Transportation Fund is another major special revenue fund with fund balance restricted for special purposes. Its fund balance rose \$3.4 million to \$28.7 million at Dec. 31, 2022, while revenues increased \$3.1 million and expenditures increased \$2.6 million. The revenue increase is attributable to the increase in sales tax revenue. Expenditures increased primarily due to the construction of the 30th St. 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 fell to \$436 thousand due to a slight decline in interest and investment earnings.

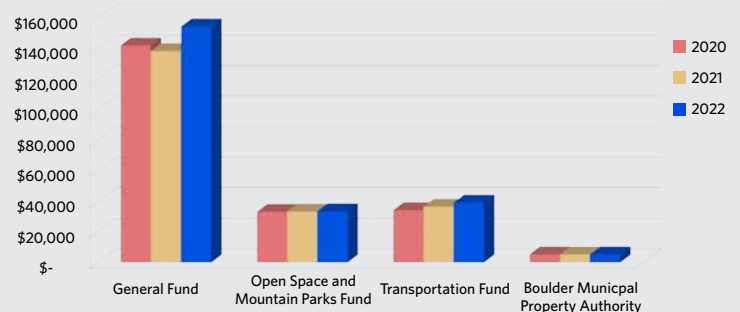


Vision Zero Sign Installation

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)



2022 Capital Asset Highlights

Governmental Activities

- Acquisition of 2691 30th St. *\$2.7 million*
- Continued construction of Broadway/Violet to US 36. *\$5.3 million*
- Implementation of Workday Human Resources Information System. *\$3.2 million*
- Continued construction of Broadband Fiber Backbone. *\$4.7 million*
- New vehicle purchases. *\$3.4 million*

Business-type Activities

- Continued construction of Albion Dam. *\$3.9 million*
- Continued construction of Barker Gravity Pipeline. *\$5.4 million*
- Continued constructions of Foothills & Baseline Trunk Sewer replacement. *\$5.1 million*
- Continued construction of 63rd Water Treatment Facility Electrical Upgrade. *\$4.4 million*

Capital Assets as of December 31 over the last three years (net of depreciation, in thousands)			
Assets	2022	2021	2020
Land and Easements	\$444,677	\$439,807	\$430,227
Buildings	111,040	110,569	114,663
Improvements Other than Buildings	63,600	66,560	70,894
Infrastructure	147,009	148,276	152,650
Utility Plant in Service and Undergrounds	453,062	423,958	429,494
Machinery, Equipment, and Vehicles	29,047	29,666	28,817
Construction in Progress	110,665	110,186	77,483
Intangibles	1,450	1,550	1,650
Software and Licensing	9,951	6,408	7,234
Total Capital Assets	\$1,370,501	\$1,336,980	\$1,313,112



Walk and Bike to Work Month

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 2022 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).

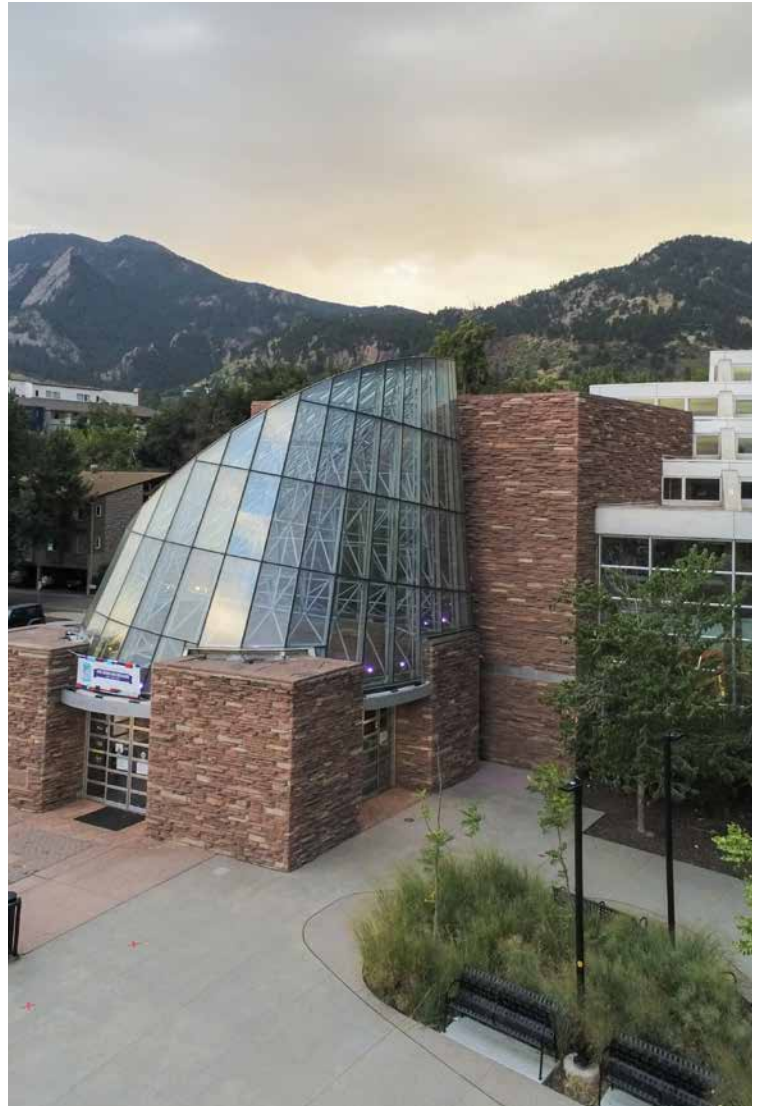
At Dec. 31, 2022, the fair market value of the city's cash and investments was \$551.6 million with an average market yield to maturity of 1.42 percent. Cash and investments include bond proceeds that are invested separately because of the short-term nature of the bond project funds.

Long Term Liabilities - Debt

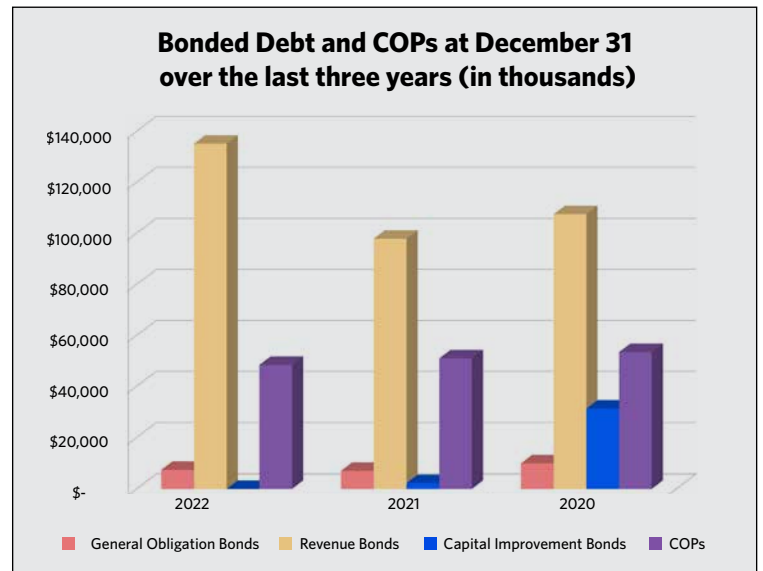
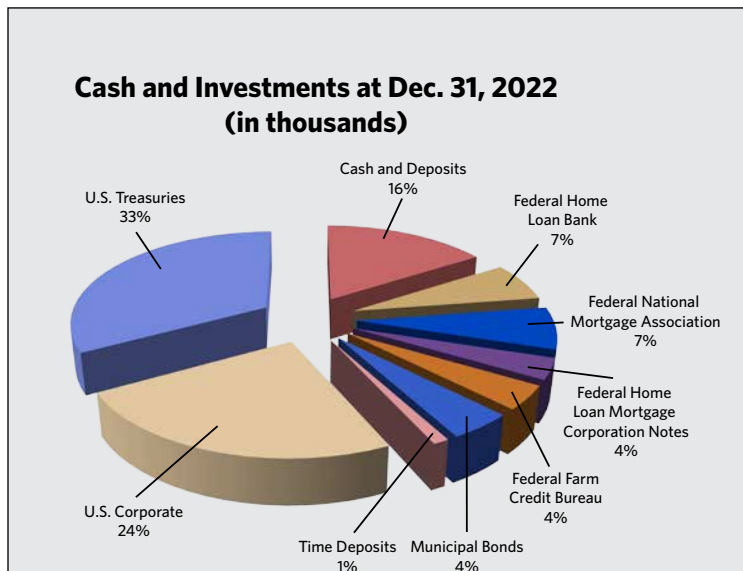
The city's general obligation bond credit rating was AAA by Standard & Poor's and Aaa by Moody's Investors Service at Dec. 31, 2022. These highly favorable investment ratings allow the city to pay less interest on its bond issuances.

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, 2022, 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, 2022, the city had total bonded debt of \$190.8 million. Of this amount, \$7.4 million consisted of general obligation debt backed by the full faith and credit of the city. Another \$135.1 million represented bonds secured by specified revenue sources (revenue bonds). Certificates of Participation (COPs) totaled \$48.3 million at Dec. 31, 2022. Additional details can be found in Note P of the ACFR's basic financial statements.



Boulder Public Library



Meet Your Council Members



*City Council top row: Mark Wallach (Mayor Pro Tem), Matt Benjamin, Aaron Brockett (Mayor), Rachel Friend, 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, 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



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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 Business Services	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	