



CITY OF  
**ARVADA**

**ARVADA, COLORADO**



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June 22, 2018

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

*FOR THE YEAR ENDED DECEMBER 31, 2017*



ARVADA, COLORADO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For The Year Ended December 31, 2017

CERTIFIED

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CITY CLERK  
CITY OF ARVADA

DATE: June 18, 2018

COPY

REPORT ISSUED BY:

DEPARTMENT OF FINANCE  
BRYAN ARCHER, DIRECTOR





CITY OF  
**ARVADA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2017

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Introductory Section

Letter of Transmittal

Government Finance Officers Association  
Certificate of Achievement

City Officials

Organizational Chart



FINANCE DEPARTMENT  
FACSIMILE: 720-898-7846 ▲ TDD: 720-898-7869  
PHONE: 720-898-7120

June 18, 2018

Citizens of the City of Arvada,  
Honorable Mayor, Members of City Council and City Manager

We are pleased to submit the Comprehensive Annual Financial Report for Arvada, Colorado for the fiscal year ended December 31, 2017. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of various funds and component units of the City in accordance with Generally Accepted Accounting Principles (GAAP). All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In addition to an annual audit of the City's financial records performed by a third-party private auditor, the City is required to have an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedules of federal financial assistance, findings and recommendations, and independent auditor's reports on the internal control structure and compliance with applicable laws and regulations, are available in the Single Audit Report.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) Statement 39, *Determining Whether Certain Organizations Are Component Units*, - an amendment of GASB Statement No. 14 and Statement 61, *The Financial Reporting Entity: Omnibus* - an amendment of GASB Statements No. 14 and No. 34, this report includes all funds of the primary government and the City's component units. For this report the City of Arvada and all its departments and funds comprise the Reporting Entity. Our component units are the Arvada Urban Renewal Authority and the Arvada Economic Development Association.

The City is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

#### **PROFILE OF THE CITY OF ARVADA**

The City of Arvada is located approximately 20 miles to the northwest of the City of Denver, Colorado along Interstate 70. The City provides a full range of services, including police protection, physical parks, planning and zoning, transportation planning, street improvements and maintenance, a housing authority, two golf courses, municipal court services, water, wastewater and stormwater services and facilities, along with various administrative functions. The area has separate governmental units that provide fire protection and recreational services. The population of the City is 117,453 and growing.

#### **THE ECONOMIC FACTORS OF 2017**

The current economic expansion is now the second longest on record. Consumer confidence is at the highest level it has been since 2000 with the short-term outlook being the most optimistic. The Federal Reserve raised interest rates in December 2017 and again in March 2018. Gross Domestic Product (GDP) growth has been steady, with 2017 registering a modest increase of 2.6%. The 2018 Tax Reform Bill was signed into law in December, lowering corporate and individual income taxes. All signs point to the larger economy continuing the slow but steady growth pattern.

Nationally, the unemployment rate stood at a 17-year low of 4.1 percent with small growth in average hourly wage. This marked the 87<sup>th</sup> consecutive month of job gains. Colorado continues to have one of the strongest local economies in the United States. Unemployment ended the year at 3.0% statewide and 2.7% for Arvada, with a slight uptick in the fourth quarter.

Home values continued to rise, with an average increase of 6.2% year over year. U.S. auto sales declined for the first time in eight years, down 1.8% compared to 2016. Over 17.25 million cars and trucks were sold, slightly lower than the 17.5 million sold in the prior year.

The Federal Reserve raised short-term interest rates three times in 2017, moving the key interest rate from .75 to 1.50 percent citing a stronger economic outlook. An additional increase took place in February, leaving current rates sitting at 1.75 percent. Two more rate hikes are projected for 2018 but the possibility of a third has been discussed.

The City of Arvada continues to be in a growth pattern. General Fund revenues finished the year up 9.6%, the sixth consecutive year-over-year increase. Every major revenue source participated, led by building revenues, auto use tax and sales tax.

Sales tax receipts have now increased for eight consecutive years, growing 5.6% in 2017. The 16 sales tax categories that the City currently tracks were all up with the largest growth experienced in Fast-Casual Restaurants, up 11.5%, and Retail Hardware, up 9.3%. By geographical area, sales tax was more of a mixed bag with 8 of the 13 areas up and 5 down. The area with the largest percentage growth from 2016 to 2017 was Olde Town, up 25.6%.

Population growth, continued repairs from the May 8 hail storm and escalated new car values generated a 19.2% increase in auto use tax over 2016. New car sales were down both nationally and at the state level compared to 2016; however, this was not the case in Arvada. Our residents like their cars.

If there was a crack in the armor in 2017 it was single-family building permits. Issuances of new single-family permits fell to the lowest annual level since 2013, coming in at 496 for 2017. This was a reduction of 244 permits compared to 2016. Even with the reduced number of permits, overall building revenues were up 3.7%. Commercial permits and a substantial increase in roofing permits, due to the May 8 hail storm, accounted for the increase.

In conjunction with the City's FOCUS (integrated performance-management system) effort, new Vision, Mission and Values were developed and introduced in 2016. "We Dream Big and Deliver" is the Vision supported by the Mission of "We are dedicated to delivering superior services to enhance the lives of everyone in our community". Each employee is now evaluated on how they embody the Values of Innovation, Passion and Opportunity through Trakstar, the employee performance software.

The City Council adopted 39 goals in four priority areas to be accomplished by 2019. Nine of these goals were accomplished in 2017, adding to the nine completed in prior years. Additionally, five measures were modified, and three were removed, leaving 21 goals in various stages of completion. City Council meets each spring to receive progress updates on their goals and recommend updates to the plan. They are considering adding a fifth priority – Safe Community – that will be further discussed this summer.

In 2014, Council approved, by resolution, mandatory reserves for all of the major funds, demonstrating a long-term conservative view of City finances. In 2017, each of the major funds met or exceeded their reserve goal. By maintaining ten-year operating and capital improvement plans for these funds, the City is able to identify future challenges and work towards meeting them. The long-range financial planning process also makes sure that any decisions to add expenditures today can be paid for in the future.

The Regional Transportation District's G Line has now been delayed for over a year and a half. Conditional approval has been granted for final testing to begin immediately with a new, hopeful, opening date of late summer or early fall. Businesses and residents along the seven-stop line are anxiously awaiting fare service to begin.

## **FUTURE ECONOMIC FACTORS**

Volatility has returned to both the stock market and the broader retail market in early 2018. Cuts to corporate and personal income taxes caused by the 2018 tax reform changes fueled the stock market on speculation of increased consumer and business spending. Concerns with interest rates, a flattening yield curve and available work force have slowed the excitement. The result has been a very turbulent ride to the start of the year.

The City of Arvada's current sales tax base is primarily supported by grocery store-anchored shopping areas, with King Soopers and Safeway leading the way. A new Sprouts store opened in the western part of the City, increasing the grocery options. In addition, there are major retailers including Kohl's, Costco, Sam's Club, Target and Floor and Decor, along with two large home-improvement stores, Home Depot and Lowes. Michael's and Ulta Beauty opened their doors in early 2017, adding to the list of large retailers. Industries related to building activity should continue to do well in 2018, with other businesses maintaining a slower growth model. Expected sales tax growth ranges from 3.0% to 4.5%. Online retail continues to grow in total market share with some entities choosing to capture and remit sales tax and others not yet doing this. This will be an ongoing discussion for years to come.

Building activity is expected to slow in 2018. Single-family detached building permits, multi-family apartments and new businesses are still coming to the market, just at a slower pace. Two large multi-family projects, Arvada Station (302 units) and Timberline Farms (317 units) are currently under construction with a third, Olde Town Residents (252 units) in design. Three interest rates hikes in 2017, one so far in 2018, and two more expected have put a damper on the break-neck building activity.

Three major development areas continue to be keys to the growth of the City. These are the "Ralston Fields" urban renewal area, Transit-Oriented Development (TOD) in and around the G Line stations and the Candelas/Jefferson Center Metropolitan District (JCMD) project area, including completion of the 470 beltway. Each one of these areas has its own challenges; however, if properly developed, all will be favorable economic drivers in the years to come.

The "Ralston Fields" area was established in 2003 by City Council as an economic development area. The first phase of redevelopment included the addition of a Target, Big 5 and many smaller retail restaurants and shops. The area has seen increased usage with the addition of two multi-family projects, a 380-unit and a 298-unit project. The next phase of development has begun in the "triangle" area, recently named "Ralston Creek". Walmart opened in August and redevelopment of the north side of Ralston Road started in January. Four new restaurants and one liquor store have opened their doors with four more retail pads available. Phase two will include multi-family along with mixed-use options.

The three rail stops along the G Line (Gold Strike, Olde Town and Arvada Ridge) are completed and are ready to open pending the final testing of the G Line. Again, this is expected to happen later this summer or early fall. TOD development around the Olde Town station continues with the opening of a 136-room Hilton Garden Inn with a conference center, a completed remodel of a movie theater, expanded retail options in Olde Town and the formerly mentioned six-story, 252-unit multi-family complex underway.

The completion of the 470 beltway will have long-term implications. The final ten miles run through Broomfield County, Jefferson County and the City of Arvada. These three entities have created a joint Jefferson Parkway Public Highway Authority (JPPHA) to determine if a public-private partnership (P3) can be created to complete this integral piece of the regional transportation system. Ongoing discussions with the Federal Aviation Administration resulted in the need to conduct an environmental study, called a "1601 study". The environmental study was completed in 2017 with positive results. Next steps include a market study, a request for qualifications and

negotiations with the selected vendor. The completion of the beltway would be the last piece of a large transportation project that would finally connect I-25 to I-70 on the western part of the Denver Metro region.

Overall, the local economy continues to do well with heightened building activity, population growth and very low unemployment. While the City expects these trends to continue in the short term, the longer term outlook is more conservative. Continuing to invest in the community and staying focused on the three major development areas will help to maintain a strong foundation and will benefit the City in a continued pattern of growth and prosperity.

## **FINANCIAL INFORMATION**

Retirement Funds: The City has three defined-contribution programs for different types of employees. These are the City of Arvada Retirement Program (CARP) for its regular employees; the Arvada Police Pension Plan (APPP) for its uniformed police officers; and the Executive Management Program for the appointed management team. The City deposits between 10% – 15% into an individual's account and the employee must contribute between 8% – 10%. The employee directs their own investments within a limitation of funds as identified by each Board. In addition, the City offers voluntary 457 programs where employees can place additional dollars for retirement on a pre-tax or post-tax basis. All four retirement programs have independently elected Boards. The APPP uses Fidelity Investments as their record keeper. The others all use Empower Retirement Services. The Council adopts the investment plans of all the Boards. The City also has one defined-benefit plan that covers one fully vested participant who did not elect to participate in the Arvada Police Pension Plan that became effective in 1986.

Internal Control Structure: The City of Arvada establishes and maintains an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls: The City of Arvada maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City of Arvada's City Council, its governing body. All activities of the City are included in the annual appropriated budget except the City's self-insured health plan and retirement funds. The City maintains an accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at December 31, encumbrances outstanding are carried over and become a liability on the next year's budget. Appropriations for fiscal year 2018 will provide the authority to complete those transactions.

Single Audit: As a recipient of federal and state financial assistance, the City is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As part of the City's single audit, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied, in all material respects, with applicable laws and regulations. The results of the City's single audit for fiscal year 2017, including any reported instances of material weaknesses or significant deficiencies in the internal control structure or any violations of applicable laws and regulations, are available in the Single Audit Report.

Independent Audit: Section 10.9 of the City of Arvada's charter requires an annual audit of accounts and other evidences of financial transactions of the City and its departments by independent certified public accountants. The audit is performed by a firm chosen by a five-member audit board consisting of the City Manager, the two Deputy City Managers, and two members of the City Council, known as the Finance Committee. This year BKD, LLP, a firm of independent accountants, audited the financial statements for the year ended December 31, 2017.


#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Arvada for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. The City of Arvada has received this award for 34 consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the certificate of achievement program requirements and we are submitting it to the committee to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each department. Special mention needs to be directed to the dedicated employees of the Finance Department charged with ensuring that all accounting principles are adhered to each and every day, thus ensuring the efficient and effective preparation of this audit and document. Special thanks go to Lisa Yagi, Assistant Finance Director; Debra Nielson, Controller; and their teams. The production of the document was in the capable hands of Arlene Martinez, the Finance Department's Executive Assistant, as well as Steve Milke and Bun Heng, the City's Creative Services Design and Print Services staff.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Bryan Archer".

Bryan Archer CPA  
Director of Finance

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Arvada  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO



CITY OF  
**ARVADA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2017

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**City Officials**

Marc Williams  
Mayor  
*(Term expires 2019)*

Bob Fifer  
Councilmember – At-Large  
*(Term expires 2019)*

Dot Miller  
Councilmember – At-Large  
*(Term expires 2021)*

Nancy Ford  
Councilmember – District 1  
*(Term expires 2021)*

Mark McGoff  
Councilmember – District 2  
*(Term expires 2019)*

John Marriott  
Mayor Pro Tem - Councilmember – District 3  
*(Term expires 2021)*

David Jones  
Councilmember – District 4  
*(Term expires 2019)*

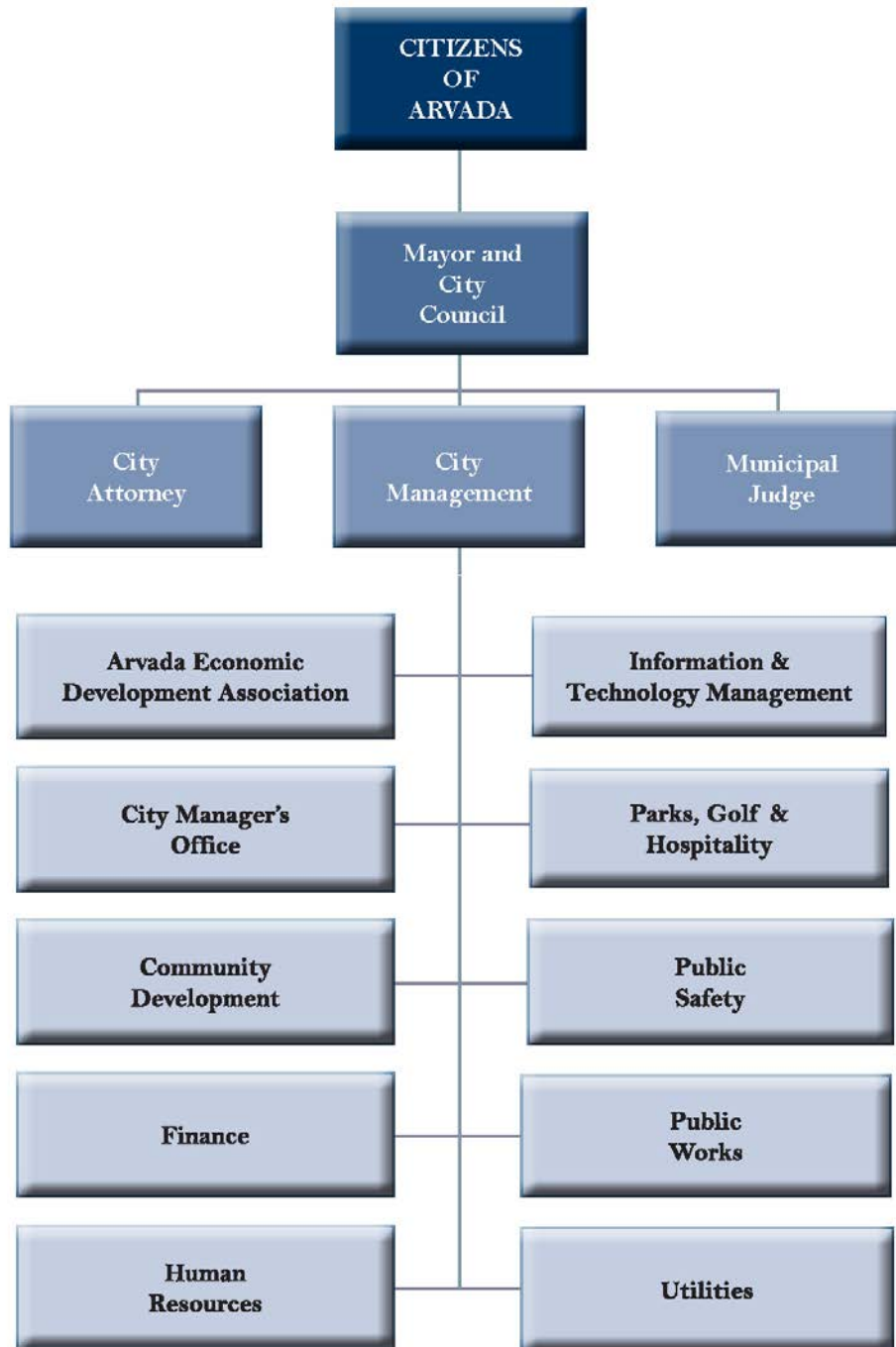
**City Manager and Key Staff**

|                     |  |
|---------------------|--|
| Mark G. Deven       | City Manager   |
| Lorie Gillis        | Deputy City Manager                                  |
| William Ray         | Deputy City Manager                                  |
| David Cooke         | Municipal Judge                                      |
| Christopher K. Daly | City Attorney  |
| Bryan Archer        | Director of Finance                                  |
| Ron Czarnecki       | Director of Information Technology                   |
| Linda Haley         | Director of Human Resources                          |
| Robert Manwaring    | Director of Public Works                             |
| Maureen Phair       | Executive Director of Arvada Urban Renewal Authority |
| Gordon Reusink      | Director of Parks, Golf and Hospitality Services     |
| Kristen Rush        | City Clerk   |
| Rob Smetana         | Acting Director of Community Development             |
| Ryan Stachelski     | Director of Arvada Economic Development Association  |
| James Sullivan      | Director of Utilities                                |
| Edward Brady        | Interim Chief of Police                              |



CITY OF  
**ARVADA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2017

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## **Financial Section**

Reports of Independent Certified Public  
Accountants

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

**Report of Independent Certified Public Accountants**

## Independent Auditor's Report

Honorable Mayor and Members of City Council  
City of Arvada  
Arvada, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Arvada (the City), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Mayor and Members of City Council  
City of Arvada

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of December 31, 2017 and the respective changes in financial position and, where applicable, budgetary comparison and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary and other information and introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and other supplementary information, including the local highway finance report and the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance of them.

Honorable Mayor and Members of City Council  
City of Arvada

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we also have issued our report dated June 13, 2018 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*BKD, LLP*

June 13, 2018  
Denver, Colorado

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## **Management's Discussion and Analysis**



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2017

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This section of the City of Arvada's Comprehensive Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2017. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City's basic financial statements and notes to the financial statements, to enhance their understanding of the activities and financial health of the City of Arvada.

### Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of the following three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Other supplementary information is also included at the end of the report.

**Government-Wide Financial Statements.** The government-Wide statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may provide an indication of whether the City's financial position is improving or deteriorating.

The statement of activities presents information reflecting how the City's net position has changed during the fiscal year that just ended. All changes in net position are reported as soon as the underlying activity occurs. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government 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 of the City include general government, public safety, public works, parks, and human service. The business-type activities of the City include water, wastewater, stormwater, golf and food service.

The government-wide financial statements also include both the Arvada Urban Renewal Authority and Arvada Economic Development Association as discretely presented component units of the City.

**Fund Financial Statements.** Traditional users of the City's financial statements will find the fund financial statement presentation more familiar.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. A major fund should generally meet both of the following criteria: 1) total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses are at least 10% of the corresponding total (assets and deferred outflows of resources, liabilities and deferred inflows of resources or expenditures/expenses) for that fund type (i.e. governmental or enterprise funds) and 2) total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual



## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2017

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governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to report those same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and similar long-term items which are recorded when due. Therefore, the focus of the governmental fund financial statements is on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year.

Since the focus of the governmental funds is on near-term resources, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. To facilitate this comparison, reconciliations are provided for both the governmental fund balance sheet and the governmental statements of revenues, expenditures and changes in fund balances.

The City adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-33 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds, enterprise and internal service funds. The proprietary fund financial statements are prepared on the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, stormwater, food service and golf operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for medical and dental benefits provided by the City, its risk management program, its replacement of vehicles and information technology equipment, maintenance of vehicles and buildings and its print shop operations. The activity in these funds is allocated between the governmental and business-type activities based upon actual usage.

Proprietary funds provide the same type of information as the business type activities in the government-wide financial statements, only in more detail. The Water, Wastewater, Stormwater and Golf enterprise funds are considered to be major funds and are therefore presented separately within the proprietary fund financial statements. All internal service funds are considered to be non-major funds and they are combined into a single, aggregated column in the proprietary fund statements. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements located within the supplementary information following the notes to the financial statements.

The basic proprietary fund financial statements can be found on pages 37-39 of this report.

**Fiduciary Funds.** The City maintains two different types of fiduciary funds, trust and agency funds. The fiduciary fund financial statements are prepared on the accrual basis of accounting. The fiduciary funds are used to account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the government. The agency fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2017

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The trust fiduciary fund is not shown in the government-wide financial statements because the resources of this fund are not available to support the City's own program.

The City does not adopt an annual appropriated budget for its fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

**Notes to the Financial Statements.** The notes to the basic financial statements are considered an integral part of the financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-77 of this report.

**Combining Statements.** The combining statements referred to earlier in connection with the non-major governmental funds, internal service funds and fiduciary funds are presented following the required notes to the financial statements.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government financial position. At the close of December 31, 2017, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$867,149,000. The following summaries of net position and changes in net position are presented for the current year and the previous year in comparison format.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2017**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

**City of Arvada**  
**Statement of Net Position**  
**December 31, 2017**  
(in thousands)

|                                  | <b>Governmental Activities</b> |                   | <b>Business-type Activities</b> |                   | <b>Total Primary Government</b> |                   |
|----------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                                  | 2017                           | 2016              | 2017                            | 2016              | 2017                            | 2016              |
| Current and other assets         | \$ 141,203                     | \$ 135,964        | \$ 130,316                      | \$ 124,520        | \$ 271,519                      | \$ 260,484        |
| Capital assets                   | 369,128                        | 364,054           | 288,434                         | 273,625           | 657,562                         | 637,679           |
| Other non-current assets         | 6,303                          | 6,337             | 5,000                           | 5,000             | 11,303                          | 11,337            |
| <b>Total assets</b>              | <u>516,634</u>                 | <u>506,355</u>    | <u>423,750</u>                  | <u>403,145</u>    | <u>940,384</u>                  | <u>909,500</u>    |
| Deferred outflows of resources   | 367                            | 415               | -                               | -                 | 367                             | 415               |
| Other liabilities                | 29,402                         | 23,575            | 8,073                           | 7,204             | 37,475                          | 30,779            |
| Long-term liabilities            | 24,758                         | 30,309            | 4,774                           | 6,900             | 29,532                          | 37,209            |
| <b>Total liabilities</b>         | <u>54,160</u>                  | <u>53,884</u>     | <u>12,847</u>                   | <u>14,104</u>     | <u>67,007</u>                   | <u>67,988</u>     |
| Deferred inflows of resources    | 6,595                          | 5,673             | -                               | -                 | 6,595                           | 5,673             |
| Net position:                    |                                |                   |                                 |                   |                                 |                   |
| Net investment in capital assets | 344,826                        | 346,609           | 278,095                         | 265,019           | 622,921                         | 611,628           |
| Restricted                       | 22,053                         | 10,448            | 2,114                           | 1,915             | 24,167                          | 12,363            |
| Unrestricted                     | 89,367                         | 90,156            | 130,694                         | 122,107           | 220,061                         | 212,263           |
| <b>Total Net position</b>        | <u>\$ 456,246</u>              | <u>\$ 447,213</u> | <u>\$ 410,903</u>               | <u>\$ 389,041</u> | <u>\$ 867,149</u>               | <u>\$ 836,254</u> |

For more detailed information, see the Statement of Net Position on page 27 of this report.

By far the largest portion of the City's Governmental net position, \$344,826,000 (76%), reflects its investment in capital assets (e.g. land, buildings, improvements, infrastructure and equipment), less any debt used to acquire those assets still outstanding. The City of Arvada uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's Governmental net position, \$22,053,000 (5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$89,367,000 (19%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net position increased by \$30,895,000 during the current fiscal year. This is due to an increase in the governmental activities of \$9,033,000 and an increase in the business-type activities of \$21,862,000. The increase is primarily due to increases in sales and use taxes that will be used for current and future capital projects in the governmental funds. The increase in the business-type activities is primarily due to developer contributions and construction of the Westwoods Golf Course Clubhouse and irrigation system.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2017**

**Changes in Net Position**

The following table reflects a condensed summary of activities and changes in net position:

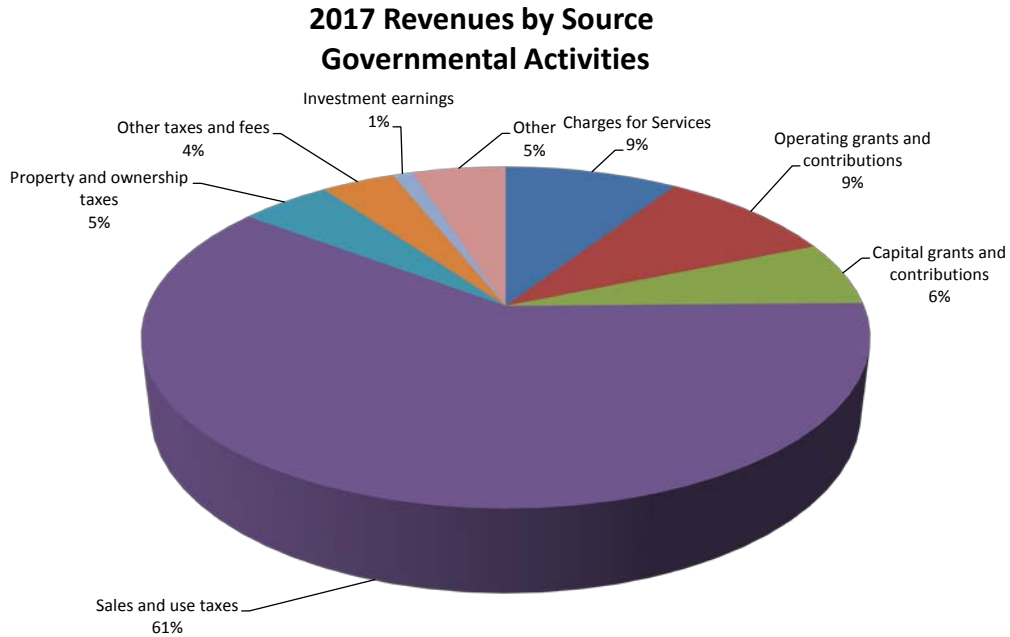
| <b>City of Arvada</b>                              |                                    |                   |                                     |                   |                                     |                   |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
| <b>Statement of Activities</b>                     |                                    |                   |                                     |                   |                                     |                   |
| <b>Year Ended December 31, 2017</b>                |                                    |                   |                                     |                   |                                     |                   |
| <b>(in thousands)</b>                              |                                    |                   |                                     |                   |                                     |                   |
|  | <b>Governmental<br/>Activities</b> |                   | <b>Business-type<br/>Activities</b> |                   | <b>Total Primary<br/>Government</b> |                   |
|  | <u>2017</u>                        | <u>2016</u>       | <u>2017</u>                         | <u>2016</u>       | <u>2017</u>                         | <u>2016</u>       |
| <b>Revenues</b>                                    |                                    |                   |                                     |                   |                                     |                   |
| Program revenues:                                  |                                    |                   |                                     |                   |                                     |                   |
| Charges for services                               | 11,924                             | 14,408            | \$ 43,186                           | \$ 43,931         | \$ 55,110                           | \$ 58,339         |
| Operating grants and contributions                 | 12,317                             | 12,066            | -                                   | -                 | 12,317                              | 12,066            |
| Capital grants and contributions                   | 7,850                              | 8,936             | 14,922                              | 20,912            | 22,772                              | 29,848            |
| General revenues:                                  |                                    |                   |                                     |                   |                                     |                   |
| Sales and use taxes                                | 78,564                             | 74,083            | -                                   | -                 | 78,564                              | 74,083            |
| Property & ownership taxes                         | 6,235                              | 6,056             | -                                   | -                 | 6,235                               | 6,056             |
| Other taxes and fees                               | 5,061                              | 4,923             | -                                   | -                 | 5,061                               | 4,923             |
| Investment earnings                                | 1,397                              | 1,003             | 1,099                               | 550               | 2,496                               | 1,553             |
| Other  | 6,425                              | 6,435             | 104                                 | 104               | 6,529                               | 6,539             |
| Total revenues                                     | <u>129,773</u>                     | <u>127,910</u>    | <u>59,311</u>                       | <u>65,497</u>     | <u>189,084</u>                      | <u>193,407</u>    |
| <b>Expenses</b>                                    |                                    |                   |                                     |                   |                                     |                   |
| General government                                 | \$ 27,429                          | \$ 25,627         | \$ -                                | \$ -              | \$ 27,429                           | \$ 25,627         |
| Public safety                                      | 31,893                             | 29,263            | -                                   | -                 | 31,893                              | 29,263            |
| Public works                                       | 38,974                             | 32,126            | -                                   | -                 | 38,974                              | 32,126            |
| Parks and recreation                               | 9,130                              | 8,543             | -                                   | -                 | 9,130                               | 8,543             |
| Culture  | 169                                | 5,545             | -                                   | -                 | 169                                 | 5,545             |
| Human service                                      | 5,177                              | 4,781             | -                                   | -                 | 5,177                               | 4,781             |
| Interest   | 954                                | 821               | -                                   | -                 | 954                                 | 821               |
| Water  | -                                  | -                 | 22,662                              | 22,688            | 22,662                              | 22,688            |
| Wastewater   | -                                  | -                 | 13,049                              | 12,127            | 13,049                              | 12,127            |
| Stormwater   | -                                  | -                 | 2,959                               | 2,964             | 2,959                               | 2,964             |
| Golf   | -                                  | -                 | 4,222                               | 4,875             | 4,222                               | 4,875             |
| Food   | -                                  | -                 | 1,571                               | 1,573             | 1,571                               | 1,573             |
| Total expenses                                     | <u>113,726</u>                     | <u>106,706</u>    | <u>44,463</u>                       | <u>44,227</u>     | <u>158,189</u>                      | <u>150,933</u>    |
| <b>Change in net position<br/>before transfers</b> | 16,047                             | 21,204            | 14,848                              | 21,270            | 30,895                              | 42,474            |
| <b>Transfers</b>                                   | <u>(7,014)</u>                     | <u>957</u>        | <u>7,014</u>                        | <u>(957)</u>      | <u>-</u>                            | <u>-</u>          |
| <b>Increase in net position</b>                    | 9,033                              | 22,161            | 21,862                              | 20,313            | 30,895                              | 42,474            |
| <b>Net position, beginning</b>                     | <u>447,213</u>                     | <u>425,052</u>    | <u>389,041</u>                      | <u>368,728</u>    | <u>836,254</u>                      | <u>793,780</u>    |
| <b>Net position, ending</b>                        | <u>\$ 456,246</u>                  | <u>\$ 447,213</u> | <u>\$ 410,903</u>                   | <u>\$ 389,041</u> | <u>\$ 867,149</u>                   | <u>\$ 836,254</u> |

For more detailed information, see the Statement of Activities on pages 28-29 of this report.

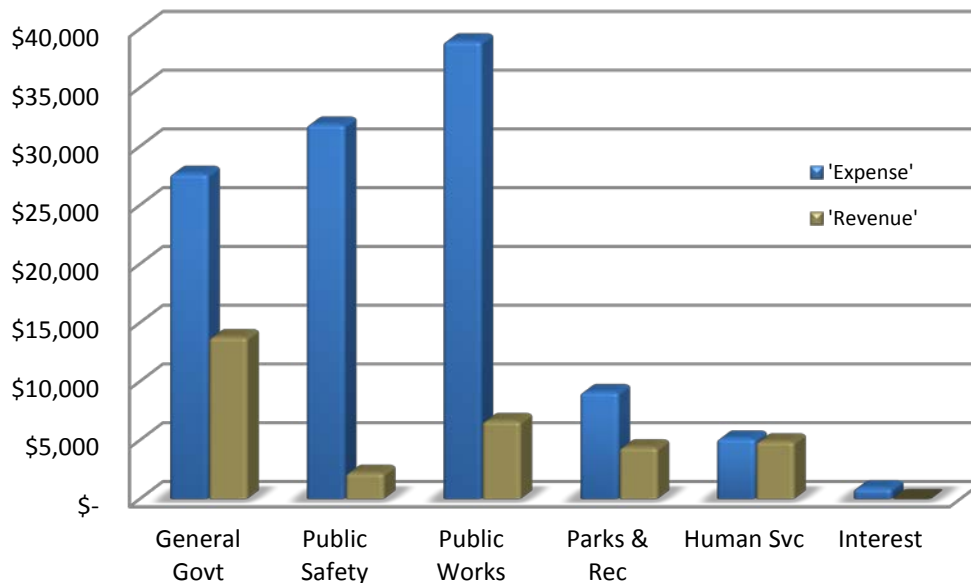
The above condensed summary of the City of Arvada's governmental and business-type activities for the year ended December 31, 2017 reflects net position increasing \$30,895,000. Revenues and expenses graphs are presented below to enhance the reader's understanding of the current year activities.

**Governmental Activities**

Governmental Activities increased Arvada's Net Position by \$9,033,000.



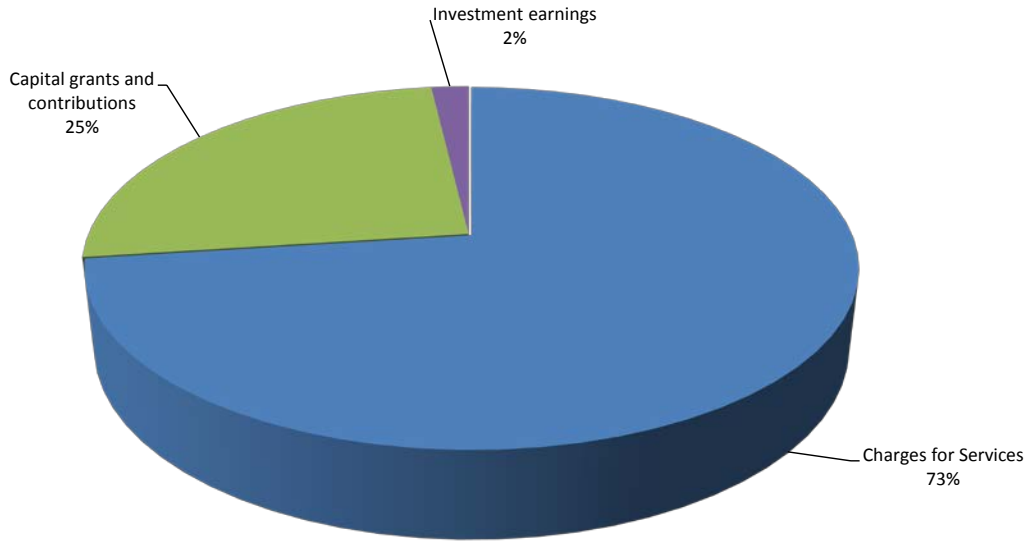
**2017 Expenses and Program Revenues  
Governmental Activities**



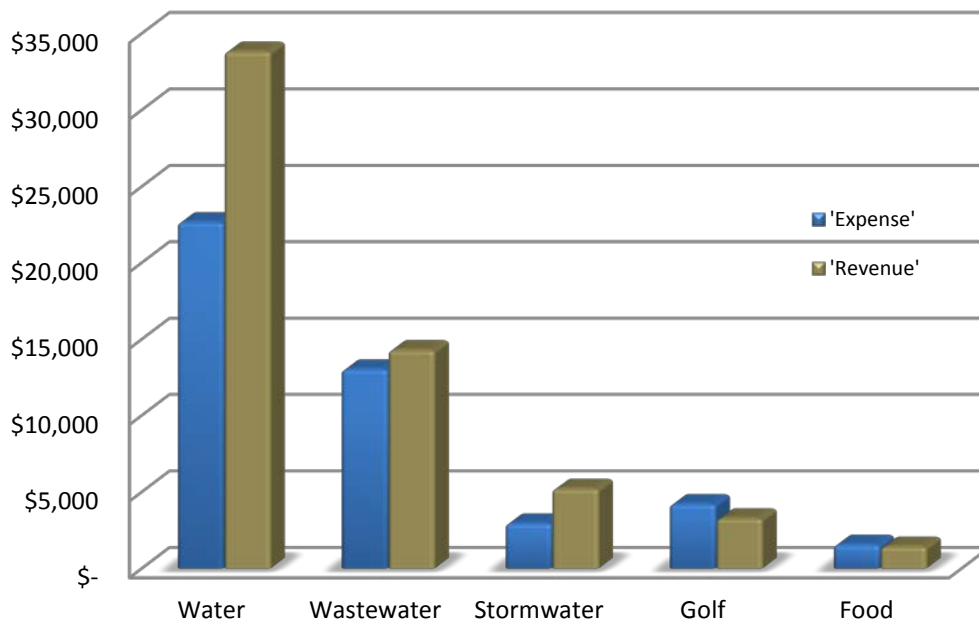
**Business-type Activities**

Business-type Activities increased Arvada's Net Position by \$21,862,000

**2017 Revenues by Source  
Business Activities**



**2017 Expenses and Program Revenues  
Business-Type Activities**





MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2017

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**Governmental activities.** Governmental activities increased the City's net position by \$9,033,000. Key elements of this change are due to the following:

- Capital contributions from developers amounted to \$7,565,000
- Sales and use tax collections were up \$4,481,000

**Business-type activities.** Business-type activities increased the City's net position by \$21,862,000. Key elements of this increase are due to the following:

- Developer contributions amounted to \$3,390,000.
- Construction of the Westwoods Golf Course clubhouse and irrigation system in 2017 accounted for \$8,671,000 of this increase

### **Financial Analysis of the City's Funds**

As noted previously, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of year.

December 31, 2017, fund balances of governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. The City had \$613,000 in non-spendable resources.

**Restricted** – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or law and regulations of other governments; or through constitutional provisional or enabling legislations. The City had \$22,045,000 in restricted resources.

**Committed** – amounts that are subject to a purpose constraint imposed by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified or rescinded only through resolutions and ordinances approved by the City Council. The City had \$11,393,000 in committed resources.

**Assigned** – amounts that are for an intended use established by the City, but that are not considered restricted or committed. The purpose of the assignment must be narrower than the purpose of the General Fund. The City had \$21,264,000 in assigned resources.

**Unassigned** – represents the remaining balance for the City's General Fund. The City had \$43,264,000 in unassigned resources.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2017

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The General Fund is the main operating fund of the City. At December 31, 2017, the non-spendable fund balance was \$570,000, the restricted fund balance was \$2,856,000, and the unassigned fund balance was \$43,264,000. The total fund balance increased \$5,293,000 in 2017 to \$46,690,000. On a budgetary basis, the General Fund finished over \$14,023,000 to the good. The increase is due to sales and use tax revenues increase of \$3,771,000 over 2016 and the repayment of a loan to the General Fund by AURA for \$2,000,000.

The Community Development Fund is a major fund of the City. At December 31, 2017, the restricted fund balance was \$1,420,000 and the assigned fund balance was \$4,333,000. Total fund balance decreased \$65,000 in 2017 to \$5,753,000. Essential Home Repair expenses increased in 2017 due to the increase of the number of approved and completed projects, this accounted for the decrease in fund balance during 2017.

The Parks Fund is a major fund of the City. At December 31, 2017, the non-spendable fund balance was \$29,000 the restricted fund balance was \$167,000 and the assigned fund balance was \$5,095,000. The total fund balance increased \$6,000 in 2017 to \$5,291,000.

The General Capital Projects Fund is another major fund of the City. At December 31, 2017, the restricted fund balance was \$3,372,000, the committed fund balance was \$11,393,000 and the assigned fund balance was \$4,100,000. The total fund balance increased \$5,159,000 in 2017 to \$18,865,000. The increase is due fewer expenditures in 2017 as the majority of the construction of the Olde Town Transit Hub took place in 2016.

The Construction Fund is another major fund of the City. At December 31, 2017 the restricted fund balance was \$4,000 and the assigned fund balance was \$7,736,000. Total fund balance decreased \$5,208,000 in 2017 to \$7,740,000. This decrease is due to the construction of the Westwoods Golf Course clubhouse in 2017.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position balances of the City's proprietary funds (including the major enterprise funds) are reflected in the following table:



**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**  
December 31, 2017

**Table of Unrestricted Net Position  
Net Position - Proprietary Funds  
(in thousands)**

|                           | <b>Unrestricted<br/>Net Position for<br/>Year ended 12/31/17</b> | <b>Unrestricted<br/>Net Position for<br/>Year ended 12/31/16</b> |
|---------------------------|--|--|
| Major Enterprise Funds    |  |  |
| Water                     | 102,136  | 95,346   |
| Wastewater                | 14,386   | 14,387   |
| Stormwater                | 7,543  | 7,030  |
| Golf                      | 1,589  | 122  |
| Food Service              | 629  | 676  |
| Total of enterprise funds | 126,283  | 117,561  |
| Internal service funds    | 18,454   | 19,289   |
| Total proprietary funds   | \$ 144,737   | \$ 136,850   |

**Component units.** The Arvada Economic Development Association (AEDA) was established to encourage all forms of economic development. Funding for AEDA consists of compensation from the City for services it renders the City and its citizens. The statement of net position reflects an unrestricted net position of \$872,000. The total change in net position for AEDA was a decrease of \$277,000.

The Arvada Urban Renewal Authority (AURA) was created by Ordinance No. 1717 under the Colorado Urban Renewal Law and approved by voters on March 3, 1981. AURA’s purpose is to develop, redevelop or rehabilitate blighted areas of the City. The governing body of AURA is a commission of seven members, appointed by the Mayor and approved by City Council. AURA’s annual budget is approved by the City Council and the City provides administrative support to AURA. The statement of net position reflects \$44,000 of restricted net position balance and (\$932,000) of unrestricted deficit net position balance. The total change in net position for AURA was an increase of \$117,000. As of December 31, 2017, AURA was in a deficit net position for governmental activities. This deficit is primarily due to AURA’s purchase of property held for resale, using loan funds from the City of Arvada and subsequent sale or disposition of the related properties at a loss.

**Budgetary Highlights**

**General Fund.**

Final budgeted expenditures and transfers out increased \$16,298,000 from the original budget to a total of \$87,811,000. \$12,275,000 of this increase is due to projects not completed in 2016 and carried to 2017 and also one-time funding for projects. Major projects included obligations related to JPPHA, street maintenance projects, security upgrades at City buildings, construction of a community police station in the northwest portion of the City, and the Olde Town Transit Hub. The remaining increase included additional operational support to the Arvada Center non-profit and various operational expenses in the General Fund.

Sales and Use tax revenue exceeded budget by \$5,797,000 due to increases in auto use tax and building use taxes. Commercial roofing permits saw a substantial increase due to the May, 2017 hail storm. Public Safety expenditures had a savings of \$1,715,000 due primarily to vacant positions in 2017. Public Works expenditures had a savings of \$3,564,000 due primarily to projects delayed to 2018.



**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2017**

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**Capital Asset and Debt Administration**

**Capital Assets.** The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounted to \$657,562,000 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings and improvements, equipment and infrastructure.

**City of Arvada**  
**Capital Assets (net of depreciation)**  
**as of December 31, 2017**  
**(in thousands)**

|                                   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total Primary<br/>Government</u> |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Land and water rights             | 55,738                             | \$ 39,771                           | \$ 95,509                           |
| Infrastructure                    | 143,259                            | 6,100                               | 149,359                             |
| Construction in progress          | 55,166                             | 18,482                              | 73,648                              |
| Buildings                         | 24,955                             | 6,062                               | 31,017                              |
| Improvements other than buildings | 80,480                             | 217,534                             | 298,014                             |
| Equipment & vehicles              | 9,530                              | 485                                 | 10,015                              |
| Total capital assets              | <u>\$ 369,128</u>                  | <u>\$ 288,434</u>                   | <u>\$ 657,562</u>                   |

Major capital improvements during this fiscal year include the following:

Governmental Activities

- Fitzmorris recreation center
- Conduit and fiber throughout the City
- Irrigation system at Stenger Sports complex
- Police radio tower
- Ralston Road reconstruction

Proprietary Activities

- On-going maintenance and replacement of water, sewer and stormwater lines
- Construction of Westwoods Golf Course clubhouse
- Irrigation system at Westwoods Golf Course

Additional information of the City’s capital assets can be found in Note 3.B on page 60 of this report.

**Long-term debt.** At the end of December 31, 2017, the City had total debt outstanding of \$29,370,000. Of this amount, \$10,160,000 represents bonds secured by specified revenue sources (i.e. sales tax revenue bonds and water revenue bonds). The remaining \$19,210,000 are Certificates of Participation.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
December 31, 2017

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**Outstanding Debt  
as of December 31, 2017  
(in thousands)**

|                               | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total Primary<br/>Government</b> |
|-------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Revenue bonds                 | \$ 3,885                           | \$ 6,275                            | \$ 10,160                           |
| Certificates of Participation | \$ 19,210                          | -                                   | 19,210                              |
| Total outstanding debt        | <u>\$ 23,095</u>                   | <u>\$ 6,275</u>                     | <u>\$ 29,370</u>                    |

Additional information on the City's long-term obligations can be found in Note 3.E on pages 64-67 of this report.

**Financial Contact**

The City's financial statements are designed to provide users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information presented in this report or requests for additional information should be sent to the City's Finance Director at the following address:

City of Arvada  
Director of Finance  
8101 Ralston Road  
Arvada, CO 80002

# **Basic Financial Statements**



**STATEMENT OF NET POSITION**  
**December 31, 2017**  
**(in thousands)**

|   | Primary Government         |                             |            | Component Units |        |
|---|----------------------------|-----------------------------|------------|-----------------|--------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total      | AURA            | AEDA   |
| <b>ASSETS</b>   |                            |                             |            |                 |        |
| Cash and investments  | \$ 123,771                 | \$ 85,572                   | \$ 209,343 | \$ 5,886        | \$ 605 |
| Restricted cash   | 1,388                      | 34,397                      | 35,785     | -               | -      |
| Taxes receivable  | 15,059                     | -                           | 15,059     | 13,064          | -      |
| Accounts receivable, net of<br>allowance for uncollectibles | 3,828                      | 5,132                       | 8,960      | 262             | 341    |
| Accrued interest  | 387                        | 276                         | 663        | -               | -      |
| Internal balances   | (4,411)                    | 4,411                       | -          | -               | -      |
| Inventories   | 593                        | 392                         | 985        | -               | -      |
| Prepaid costs   | 580                        | 136                         | 716        | -               | -      |
| Net pension asset   | 8                          | -                           | 8          | -               | -      |
| Notes receivable - non-current                              | 6,303                      | 5,000                       | 11,303     | -               | -      |
| Property available for sale                                 | -                          | -                           | -          | 300             | -      |
| Capital assets  |                            |                             |            |                 |        |
| Land, water rights and construction<br>in progress          | 110,904                    | 58,253                      | 169,157    | -               | -      |
| Other capital assets, net                                   | 258,224                    | 230,181                     | 488,405    | -               | -      |
| Total capital assets  | 369,128                    | 288,434                     | 657,562    | -               | -      |
| Total assets  | 516,634                    | 423,750                     | 940,384    | 19,512          | 946    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                            |                             |            |                 |        |
| Items related to pension plan                               | 23                         | -                           | 23         | -               | -      |
| Deferred loss on refunding                                  | 344                        | -                           | 344        | -               | -      |
|   | 367                        | -                           | 367        | -               | -      |
| <b>LIABILITIES</b>  |                            |                             |            |                 |        |
| Accounts payable  | 18,686                     | 4,161                       | 22,847     | 345             | 74     |
| Contracts payable   | -                          | 1,364                       | 1,364      | -               | -      |
| Accrued interest payable                                    | 70                         | 42                          | 112        | -               | -      |
| Unearned revenue  | 252                        | 93                          | 345        | -               | -      |
| Long-term liabilities                                       |                            |                             |            |                 |        |
| Due within one year:  |                            |                             |            |                 |        |
| Bonds, Certificates of Participation, Notes Payable         | 5,585                      | 2,114                       | 7,699      | 160             | -      |
| Claims payable  | 2,813                      | -                           | 2,813      | -               | -      |
| Compensated absences  | 1,996                      | 299                         | 2,295      | -               | -      |
| Due more than one year:                                     |                            |                             |            |                 |        |
| Bonds, Certificates of Participation, Notes Payable         | 19,383                     | 4,473                       | 23,856     | 6,831           | -      |
| OPEB  | 3,379                      | -                           | 3,379      | -               | -      |
| Compensated absences  | 1,996                      | 301                         | 2,297      | -               | -      |
| Total liabilities   | 54,160                     | 12,847                      | 67,007     | 7,336           | 74     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                            |                             |            |                 |        |
| Property taxes  | 6,595                      | -                           | 6,595      | 13,064          | -      |
| <b>NET POSITION</b>   |                            |                             |            |                 |        |
| Net Investment in capital assets                            | 344,826                    | 278,095                     | 622,921    | -               | -      |
| Restricted for:   |                            |                             |            |                 |        |
| Pensions  | 8                          | -                           | 8          | -               | -      |
| Conservation Trust  | 238                        | -                           | 238        | -               | -      |
| Law Enforcement/Seizure                                     | 13,039                     | -                           | 13,039     | -               | -      |
| Emergencies   | 3,544                      | -                           | 3,544      | -               | -      |
| CDGB  | 1,388                      | -                           | 1,388      | -               | -      |
| Debt Service  | 539                        | 2,114                       | 2,653      | -               | -      |
| Lands Dedicated   | 1,936                      | -                           | 1,936      | -               | -      |
| Adams County Open Space                                     | 88                         | -                           | 88         | -               | -      |
| Adams County Transportation                                 | 289                        | -                           | 289        | -               | -      |
| Park Development  | 699                        | -                           | 699        | -               | -      |
| Housing   | 58                         | -                           | 58         | -               | -      |
| Other   | 227                        | -                           | 227        | 44              | -      |
| Unrestricted (deficit)                                      | 89,367                     | 130,694                     | 220,061    | (932)           | 872    |
| Total Net Position  | \$ 456,246                 | \$ 410,903                  | \$ 867,149 | \$ (888)        | \$ 872 |

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2017**  
(in thousands)

| FUNCTIONS/PROGRAM ACTIVITIES:         | Program Revenues  |                      |                                    |                                  | Total            |
|---------------------------------------|-------------------|----------------------|------------------------------------|----------------------------------|------------------|
|                                       | Expenses          | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                  |
| <b>Primary Government:</b>            |                   |                      |                                    |                                  |                  |
| <b>Governmental activities:</b>       |                   |                      |                                    |                                  |                  |
| General government                    | \$ 27,429         | \$ 5,495             | \$ 742                             | \$ 7,565                         | \$ 13,802        |
| Public safety                         | 31,893            | -                    | 2,259                              | -                                | 2,259            |
| Public works                          | 38,974            | 6,383                | -                                  | 285                              | 6,668            |
| Parks and recreation                  | 9,130             | 46                   | 4,380                              | -                                | 4,426            |
| Culture                               | 169               | -                    | -                                  | -                                | -                |
| Human services                        | 5,177             | -                    | 4,936                              | -                                | 4,936            |
| Interest expense                      | 954               | -                    | -                                  | -                                | -                |
| <b>Total governmental activities</b>  | <u>113,726</u>    | <u>11,924</u>        | <u>12,317</u>                      | <u>7,850</u>                     | <u>32,091</u>    |
| <b>Business-type activities:</b>      |                   |                      |                                    |                                  |                  |
| Water                                 | 22,662            | 22,573               | -                                  | 11,262                           | 33,835           |
| Wastewater                            | 13,049            | 12,361               | -                                  | 1,946                            | 14,307           |
| Stormwater                            | 2,959             | 3,514                | -                                  | 1,714                            | 5,228            |
| Golf                                  | 4,222             | 3,293                | -                                  | -                                | 3,293            |
| Food                                  | 1,571             | 1,445                | -                                  | -                                | 1,445            |
| <b>Total business-type activities</b> | <u>44,463</u>     | <u>43,186</u>        | <u>-</u>                           | <u>14,922</u>                    | <u>58,108</u>    |
| <b>Total primary government</b>       | <u>\$ 158,189</u> | <u>\$ 55,110</u>     | <u>\$ 12,317</u>                   | <u>\$ 22,772</u>                 | <u>\$ 90,199</u> |
| <b>Component Units:</b>               |                   |                      |                                    |                                  |                  |
| AURA                                  | \$ 11,265         | \$ 200               | \$ -                               | \$ -                             | \$ 200           |
| AEDA                                  | 1,039             | -                    | 754                                | -                                | 754              |
| <b>Total component units</b>          | <u>\$ 12,304</u>  | <u>\$ 200</u>        | <u>\$ 754</u>                      | <u>\$ -</u>                      | <u>\$ 954</u>    |

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2017**  
**(in thousands)**

| Net (Expense) Revenue and Changes in Net Position |                             |                   |                           |                           |               |
|---|-----------------------------|-------------------|---------------------------|---------------------------|---------------|
| Primary Government - City of Arvada               |                             |                   | Component<br>Unit<br>AURA | Component<br>Unit<br>AEDA |               |
| Governmental<br>Activities                        | Business-type<br>Activities | Total             |                           |                           |               |
| \$ (13,627)                                       | \$ -                        | \$ (13,627)       | \$ -                      | \$ -                      |               |
| (29,634)  | -                           | (29,634)          | -                         | -                         |               |
| (32,306)  | -                           | (32,306)          | -                         | -                         |               |
| (4,704)   | -                           | (4,704)           | -                         | -                         |               |
| (169)   | -                           | (169)             | -                         | -                         |               |
| (241)   | -                           | (241)             | -                         | -                         |               |
| (954)   | -                           | (954)             | -                         | -                         |               |
| <u>(81,635)</u>                                   | <u>-</u>                    | <u>(81,635)</u>   | <u>-</u>                  | <u>-</u>                  |               |
| -   | 11,173                      | 11,173            | -                         | -                         |               |
| -   | 1,258                       | 1,258             | -                         | -                         |               |
| -   | 2,269                       | 2,269             | -                         | -                         |               |
| -   | (929)                       | (929)             | -                         | -                         |               |
| -   | (126)                       | (126)             | -                         | -                         |               |
| <u>-</u>  | <u>13,645</u>               | <u>13,645</u>     | <u>-</u>                  | <u>-</u>                  |               |
| <u>(81,635)</u>                                   | <u>13,645</u>               | <u>(67,990)</u>   | <u>-</u>                  | <u>-</u>                  |               |
| \$ -  | \$ -                        | \$ -              | \$ (11,065)               | \$ -                      |               |
| -   | -                           | -                 | -                         | (285)                     |               |
| <u>-</u>  | <u>-</u>                    | <u>-</u>          | <u>(11,065)</u>           | <u>(285)</u>              |               |
| <b>General Revenues</b>                           |                             |                   |                           |                           |               |
| Taxes:  |                             |                   |                           |                           |               |
| Property  | 6,235                       | -                 | 6,235                     | 9,368                     | -             |
| Sales and use                                     | 78,564                      | -                 | 78,564                    | 1,781                     | -             |
| Transportation tax                                | 5,061                       | -                 | 5,061                     | -                         | -             |
| Investment earnings                               | 1,397                       | 1,099             | 2,496                     | 33                        | 8             |
| Miscellaneous                                     | 6,425                       | 104               | 6,529                     | -                         | -             |
| Transfers in (out)                                | (7,014)                     | 7,014             | -                         | -                         | -             |
| Total general revenues                            | <u>90,668</u>               | <u>8,217</u>      | <u>98,885</u>             | <u>11,182</u>             | <u>8</u>      |
| Change in net position                            | 9,033                       | 21,862            | 30,895                    | 117                       | (277)         |
| Net position, January 1                           | 447,213                     | 389,041           | 836,254                   | (1,005)                   | 1,149         |
| Net position (deficit), December 31               | <u>\$ 456,246</u>           | <u>\$ 410,903</u> | <u>\$ 867,149</u>         | <u>\$ (888)</u>           | <u>\$ 872</u> |

The accompanying notes are an integral part of these financial statements.



**GOVERNMENTAL FUNDS  
BALANCE SHEET  
December 31, 2017  
(in thousands)**

|   | Primary Government |                                    |                 |  |                      |                                     | Total<br>Govern-<br>mental<br>Funds |
|---|--------------------|------------------------------------|-----------------|--|----------------------|-------------------------------------|-------------------------------------|
|   | General<br>Fund    | Community<br>Develop-<br>ment Fund | Parks           | General<br>Capital<br>Projects<br>Fund | Construction<br>Fund | Other<br>Govern-<br>mental<br>Funds |                                     |
| <b>ASSETS</b>   |                    |                                    |                 |  |                      |                                     |                                     |
| Cash and investments  | \$ 45,749          | \$ 4,372                           | \$ 4,170        | \$ 26,139                              | \$ 7,724             | \$ 13,791                           | \$ 101,945                          |
| Restricted cash   | -                  | 1,388                              | -               | -                                      | -                    | -                                   | 1,388                               |
| Taxes receivable  | 14,249             | -                                  | 794             | 16                                     | -                    | -                                   | 15,059                              |
| Accounts receivable, net of allowance<br>for uncollectibles                 | 1,522              | 84                                 | 873             | 63                                     | -                    | 1,261                               | 3,803                               |
| Accrued interest  | 177                | 1                                  | 14              | 67                                     | 16                   | 42                                  | 317                                 |
| Inventories   | 319                | -                                  | 7               | -                                      | -                    | -                                   | 326                                 |
| Prepaid costs   | 251                | -                                  | 22              | -                                      | -                    | 14                                  | 287                                 |
| Non-current notes receivable, net of<br>allowance for uncollectibles        | 2,285              | 1,726                              | -               | 2,292                                  | -                    | -                                   | 6,303                               |
| Total assets  | <u>\$ 64,552</u>   | <u>\$ 7,571</u>                    | <u>\$ 5,880</u> | <u>\$ 28,577</u>                       | <u>\$ 7,740</u>      | <u>\$ 15,108</u>                    | <u>\$ 129,428</u>                   |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND<br/>BALANCES</b> |                    |                                    |                 |  |                      |                                     |                                     |
| <b>LIABILITIES</b>  |                    |                                    |                 |  |                      |                                     |                                     |
| Accounts payable  | \$ 8,794           | \$ 92                              | \$ 561          | \$ 7,356                               | \$ -                 | \$ 773                              | \$ 17,576                           |
| Unearned revenue  | 200                | -                                  | 28              | -                                      | -                    | 24                                  | 252                                 |
| Total liabilities   | <u>8,994</u>       | <u>92</u>                          | <u>589</u>      | <u>7,356</u>                           | <u>-</u>             | <u>797</u>                          | <u>17,828</u>                       |
| <b>DEFERRED INFLOW OF<br/>RESOURCES</b>                                     |                    |                                    |                 |  |                      |                                     |                                     |
| Property taxes  | 6,595              | -                                  | -               | -                                      | -                    | -                                   | 6,595                               |
| Grants  | 91                 | -                                  | -               | 46                                     | -                    | 71                                  | 208                                 |
| Notes receivable  | 2,182              | 1,726                              | -               | 2,310                                  | -                    | -                                   | 6,218                               |
| Total deferred inflows of<br>resources                                      | <u>8,868</u>       | <u>1,726</u>                       | <u>-</u>        | <u>2,356</u>                           | <u>-</u>             | <u>71</u>                           | <u>13,021</u>                       |
| <b>FUND BALANCES</b>  |                    |                                    |                 |  |                      |                                     |                                     |
| Reserved for:   |                    |                                    |                 |  |                      |                                     |                                     |
| Nonspendable  | 570                | -                                  | 29              | -                                      | -                    | 14                                  | 613                                 |
| Restricted  | 2,856              | 1,420                              | 167             | 3,372                                  | 4                    | 14,226                              | 22,045                              |
| Committed   | -                  | -                                  | -               | 11,393                                 | -                    | -                                   | 11,393                              |
| Assigned  | -                  | 4,333                              | 5,095           | 4,100                                  | 7,736                | -                                   | 21,264                              |
| Unassigned  | 43,264             | -                                  | -               | -                                      | -                    | -                                   | 43,264                              |
| Total fund balances   | <u>46,690</u>      | <u>5,753</u>                       | <u>5,291</u>    | <u>18,865</u>                          | <u>7,740</u>         | <u>14,240</u>                       | <u>98,579</u>                       |
| Total liabilities, deferred inflows<br>of resources, and fund balances      | <u>\$ 64,552</u>   | <u>\$ 7,571</u>                    | <u>\$ 5,880</u> | <u>\$ 28,577</u>                       | <u>\$ 7,740</u>      | <u>\$ 15,108</u>                    | <u>\$ 129,428</u>                   |

The accompanying notes are an integral part of these financial statements.



**RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
December 31, 2017  
(in thousands)**

Amounts reported for governmental activities in the statement of net position are different because:

|  |                          |
|--|--------------------------|
| Total fund balances - governmental funds   | \$ 98,579                |
| Capital assets net of accumulated depreciation used in governmental activities are not current financial resources. Therefore, they are not reported in the funds financial statements.  | 359,453                  |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of internal service funds are included in the governmental activities in the statement of net position. | 23,718                   |
| Deferred outflow of resources are not financial resources, and therefore are not reported in the funds.  | 367                      |
| Certain assets are not available to provide current year financial resources and therefore are deferred in the fund statements   |                          |
| Notes Receivable - non-current   | 1,790                    |
| Grants Receivable - non-current  | 2,454                    |
| AURA and Arvada Center Notes Receivable  | 2,182                    |
| Subtotal   | <u>6,426</u>             |
| Long-term liabilities and assets are not due and payable or available in the current period and accordingly are not reported in the fund financial statements  |                          |
| Balances at December 31, 2017 are:   |                          |
| Bonds payable  | (3,976)                  |
| Obligation under certificates of participation   | (20,992)                 |
| Interest accrual   | (70)                     |
| Net pension asset  | 8                        |
| OPEB   | (3,379)                  |
| Compensated absences   | (3,888)                  |
| Subtotal   | (32,297)                 |
| Net position of governmental activities  | <u><u>\$ 456,246</u></u> |

The accompanying notes are an integral part of these financial statements.



**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | Primary Government |                                    |                 |  |                      |                                     | Total<br>Governmental<br>Funds |
|--|--------------------|------------------------------------|-----------------|--|----------------------|-------------------------------------|--------------------------------|
|  | General<br>Fund    | Community<br>Develop-<br>ment Fund | Parks           | General<br>Capital<br>Projects<br>Fund | Construction<br>Fund | Other<br>Govern-<br>mental<br>Funds |                                |
| <b>REVENUES</b>  |                    |                                    |                 |  |                      |                                     |                                |
| Property and ownership taxes                             | \$ 6,235           | \$ -                               | \$ -            | \$ -                                   | \$ -                 | \$ -                                | \$ 6,235                       |
| Sales and use taxes                                      | 64,041             | -                                  | -               | -                                      | -                    | 14,523                              | 78,564                         |
| Franchise fees   | 4,400              | -                                  | -               | -                                      | -                    | -                                   | 4,400                          |
| Licenses & permits                                       | 6,462              | -                                  | 46              | -                                      | -                    | -                                   | 6,508                          |
| Intergovernmental  | 5,245              | 732                                | 4,380           | 2,348                                  | -                    | 5,109                               | 17,814                         |
| Charges for services                                     | 1,063              | -                                  | -               | -                                      | -                    | -                                   | 1,063                          |
| Recovered costs  | 2,942              | -                                  | 925             | 328                                    | -                    | -                                   | 4,195                          |
| Fines & forfeitures                                      | 1,926              | -                                  | -               | -                                      | -                    | -                                   | 1,926                          |
| Investment earnings                                      | 531                | 47                                 | 44              | 263                                    | 142                  | 160                                 | 1,187                          |
| Memberships, donations & dedications                     | -                  | -                                  | -               | 1,332                                  | -                    | -                                   | 1,332                          |
| Miscellaneous  | 2,295              | 290                                | 170             | 152                                    | -                    | 175                                 | 3,082                          |
| Total Revenues   | <u>95,140</u>      | <u>1,069</u>                       | <u>5,565</u>    | <u>4,423</u>                           | <u>142</u>           | <u>19,967</u>                       | <u>126,306</u>                 |
| <b>EXPENDITURES</b>                                      |                    |                                    |                 |  |                      |                                     |                                |
| Current expenditures:                                    |                    |                                    |                 |  |                      |                                     |                                |
| General government                                       | 21,828             | -                                  | -               | -                                      | -                    | 7                                   | 21,835                         |
| Public safety  | 21,926             | -                                  | -               | -                                      | -                    | 9,213                               | 31,139                         |
| Public works   | 29,958             | -                                  | -               | -                                      | -                    | -                                   | 29,958                         |
| Parks and recreation                                     | -                  | -                                  | 8,728           | -                                      | -                    | -                                   | 8,728                          |
| Culture  | -                  | -                                  | -               | -                                      | -                    | -                                   | -                              |
| Human services   | -                  | 940                                | -               | -                                      | -                    | 4,231                               | 5,171                          |
| Debt service   | -                  | -                                  | -               | -                                      | -                    | -                                   | -                              |
| Principal  | -                  | -                                  | -               | -                                      | -                    | 5,085                               | 5,085                          |
| Interest   | -                  | -                                  | -               | -                                      | -                    | 946                                 | 946                            |
| Capital outlay   | 47                 | -                                  | -               | 12,076                                 | -                    | 39                                  | 12,162                         |
| Total Expenditures                                       | <u>73,759</u>      | <u>940</u>                         | <u>8,728</u>    | <u>12,076</u>                          | <u>-</u>             | <u>19,521</u>                       | <u>115,024</u>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | 21,381             | 129                                | (3,163)         | (7,653)                                | 142                  | 446                                 | 11,282                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                    |                                    |                 |  |                      |                                     |                                |
| Transfers in   | 88                 | 45                                 | 3,286           | 12,874                                 | -                    | 2,184                               | 18,477                         |
| Transfers out  | (16,176)           | (239)                              | (117)           | (62)                                   | (5,350)              | (3,951)                             | (25,895)                       |
| Total other financing sources (uses)                     | <u>(16,088)</u>    | <u>(194)</u>                       | <u>3,169</u>    | <u>12,812</u>                          | <u>(5,350)</u>       | <u>(1,767)</u>                      | <u>(7,418)</u>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                       | 5,293              | (65)                               | 6               | 5,159                                  | (5,208)              | (1,321)                             | 3,864                          |
| <b>FUND BALANCES, BEGINNING</b>                          | 41,397             | 5,818                              | 5,285           | 13,706                                 | 12,948               | 15,561                              | 94,715                         |
| <b>FUND BALANCES ENDING</b>                              | <u>\$ 46,690</u>   | <u>\$ 5,753</u>                    | <u>\$ 5,291</u> | <u>\$ 18,865</u>                       | <u>\$ 7,740</u>      | <u>\$ 14,240</u>                    | <u>\$ 98,579</u>               |

The accompanying notes are an integral part of these financial statements.



**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017  
(in thousands)

|   |          |                 |
|---|----------|-----------------|
| Net change in fund balances - total government funds  |          | \$ 3,864        |
| <p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>  |          |                 |
| Capital outlay  | 12,162   |                 |
| Disposal of Capital Assets  | (739)    |                 |
| Depreciation expense  | (14,480) |                 |
| Excess of depreciation expense over capital outlay  |          | (3,057)         |
| <p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Issuing debt increases long-term liabilities and does not affect the statement of activities.</p> |          |                 |
| Repayment of principal  |          | 5,085           |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>  |          |                 |
| Developer Contributions   | 7,565    |                 |
| Grants/notes receivable - current net of allowance  | (4,649)  |                 |
| Subtotal  |          | 2,916           |
| <p>Internal service funds are used by management to charge the costs of certain activities, such as risk management, vehicle replacement and maintenance, information technology replacement and the print shop services. A portion of the revenue (expense) of certain internal service funds is reported with governmental activities.</p>  |          |                 |
|   |          | (135)           |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>  |          |                 |
| Amortization of bond premium and deferred loss on refunding   | 290      |                 |
| Pension   | (9)      |                 |
| OPEB  | (106)    |                 |
| Interest expense  | 42       |                 |
| Compensated absences  | 143      |                 |
| Subtotal  |          | 360             |
| Change in net position of governmental activities   |          | <u>\$ 9,033</u> |

The accompanying notes are an integral part of these financial statements.



**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <u>Budgeted Amounts</u> |                        | <u>Actual</u><br><u>Amounts</u> | <b>Variance</b><br><b>With Final</b><br><b>Budget</b><br><b>Positive</b><br><b>(Negative)</b> |
|--|-------------------------|------------------------|---------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>           |                                 | <u>Amounts</u>  |
| <b>REVENUES</b>                                    |                         |                        |                                 |   |
| Property and ownership taxes                       | \$ 5,979                | \$ 6,012               | \$ 6,235                        | \$ 223  |
| Sales and use taxes                                | 54,762                  | 58,244                 | 64,041                          | 5,797   |
| Franchise fees                                     | 4,323                   | 4,323                  | 4,400                           | 77  |
| Licenses and permits                               | 3,036                   | 3,082                  | 6,462                           | 3,380   |
| Intergovernmental                                  | 5,082                   | 5,082                  | 5,245                           | 163   |
| Charges for services                               | 555                     | 640                    | 1,063                           | 423   |
| Recovered costs                                    | 619                     | 3,125                  | 2,942                           | (183)   |
| Fines and forfeitures                              | 2,014                   | 2,014                  | 1,926                           | (88)  |
| Investment earnings                                | 625                     | 625                    | 531                             | (94)  |
| Administrative services                            | 3,707                   | 3,707                  | 3,689                           | (18)  |
| Miscellaneous                                      | 179                     | 2,179                  | 2,295                           | 116   |
| Total revenues                                     | <u>80,881</u>           | <u>89,033</u>          | <u>98,829</u>                   | <u>9,796</u>  |
| <b>EXPENDITURES</b>                                |                         |                        |                                 |   |
| Current expenditures:                              |                         |                        |                                 |   |
| Judicial   | 1,482                   | 1,491                  | 1,397                           | 94  |
| Management   | 4,258                   | 4,951                  | 4,468                           | 483   |
| Legal  | 2,105                   | 2,205                  | 2,481                           | (276)   |
| Finance  | 6,647                   | 8,937                  | 9,614                           | (677)   |
| Human resources                                    | 1,880                   | 1,865                  | 1,533                           | 332   |
| Public safety                                      | 23,259                  | 23,641                 | 21,926                          | 1,715   |
| Public works                                       | 26,132                  | 33,522                 | 29,958                          | 3,564   |
| Planning   | 2,838                   | 2,898                  | 2,655                           | 243   |
| Information technology                             | 3,539                   | 3,651                  | 3,369                           | 282   |
| Total current expenditures                         | <u>72,140</u>           | <u>83,161</u>          | <u>77,401</u>                   | <u>5,760</u>  |
| Capital outlay                                     | 97                      | 170                    | 47                              | 123   |
| Total expenditures                                 | <u>72,237</u>           | <u>83,331</u>          | <u>77,448</u>                   | <u>5,883</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b>             |                         |                        |                                 |   |
| <b>OVER EXPENDITURES</b>                           |                         |                        |                                 |   |
|  | <u>8,644</u>            | <u>5,702</u>           | <u>21,381</u>                   | <u>15,679</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>              |                         |                        |                                 |   |
| Transfer in  | -                       | 48                     | 88                              | 40  |
| Transfers out                                      | (9,276)                 | (14,480)               | (16,176)                        | (1,696)   |
| Total other financing (uses)                       | <u>(9,276)</u>          | <u>(14,432)</u>        | <u>(16,088)</u>                 | <u>(1,656)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                  |                         |                        |                                 |   |
|  | <u>(632)</u>            | <u>(8,730)</u>         | <u>5,293</u>                    | <u>14,023</u>   |
| <b>FUND BALANCE, BEGINNING</b>                     |                         |                        |                                 |   |
|  | <u>41,397</u>           | <u>41,397</u>          | <u>41,397</u>                   | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>                        |                         |                        |                                 |   |
|  | <u><u>\$40,765</u></u>  | <u><u>\$32,667</u></u> | <u><u>\$ 46,690</u></u>         | <u><u>\$ 14,023</u></u>   |
| Total expenditures as presented on budgetary basis |                         |                        | 77,448                          |   |
| less allocation of internal transfers              |                         |                        | (3,689)                         |   |
| Total expenditures as presented on GAAP basis      |                         |                        | <u>73,759</u>                   |   |

The accompanying notes are an integral part of these financial statements.



**COMMUNITY DEVELOPMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
Year Ended December 31, 2017  
(in thousands)**

|  | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amount</u> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-----------------|--------------------------|---|
|  | <u>Original</u>         | <u>Final</u>    |                          | <u>(Negative)</u>   |
| <b>REVENUES</b>  |                         |                 |                          |   |
| Intergovernmental  | \$ 668                  | \$ 668          | \$ 732                   | \$ 64   |
| Investment earnings  | 14                      | 34              | 47                       | 13  |
| Miscellaneous  | 115                     | 115             | 290                      | 175   |
| Total revenues   | <u>797</u>              | <u>817</u>      | <u>1,069</u>             | <u>252</u>  |
| <b>EXPENDITURES</b>  |                         |                 |                          |   |
| Current expenditures:  |                         |                 |                          |   |
| Program costs  | <u>759</u>              | <u>759</u>      | <u>940</u>               | <u>(181)</u>  |
| Total expenditures   | <u>759</u>              | <u>759</u>      | <u>940</u>               | <u>(181)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 38                      | 58              | 129                      | 71  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                 |                          |   |
| Transfers in   | 45                      | 45              | 45                       | -   |
| Transfers out  | <u>(274)</u>            | <u>(564)</u>    | <u>(239)</u>             | <u>325</u>  |
| Total other financing sources                                | <u>(229)</u>            | <u>(519)</u>    | <u>(194)</u>             | <u>325</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (191)                   | (461)           | (65)                     | 396   |
| <b>FUND BALANCE, BEGINNING</b>                               | <u>5,818</u>            | <u>5,818</u>    | <u>5,818</u>             | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 5,627</u>         | <u>\$ 5,357</u> | <u>\$ 5,753</u>          | <u>\$ 396</u>   |

The accompanying notes are an integral part of these financial statements.



**PARKS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <b>Budgeted Amounts</b> |                 | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-----------------|---------------------------|---|
|  | <b>Original</b>         | <b>Final</b>    |                           |   |
| <b>REVENUES</b>                                      |                         |                 |                           |   |
| Licenses and permits                                 | \$ 56                   | \$ 56           | \$ 46                     | \$ (10)   |
| Intergovernmental revenues                           |                         |                 |                           |   |
| Jefferson County-Open Space                          | 4,323                   | 4,330           | 4,380                     | 50  |
| Recovered costs                                      | 1,068                   | 1,068           | 925                       | (143)   |
| Investment earnings                                  | 48                      | 48              | 44                        | (4)   |
| Miscellaneous  | 90                      | 90              | 170                       | 80  |
|  | <u>5,585</u>            | <u>5,592</u>    | <u>5,565</u>              | <u>(27)</u>   |
| <b>EXPENDITURES</b>                                  |                         |                 |                           |   |
| Current expenditures:                                |                         |                 |                           |   |
| Park maintenance                                     | 8,731                   | 8,825           | 8,450                     | 375   |
| Park design  | 287                     | 287             | 278                       | 9   |
|  | <u>9,018</u>            | <u>9,112</u>    | <u>8,728</u>              | <u>384</u>  |
| Total current expenditures                           |                         |                 |                           |   |
| Capital outlay                                       | 105                     | -               | -                         | -   |
|  | <u>9,123</u>            | <u>9,112</u>    | <u>8,728</u>              | <u>384</u>  |
| Total Expenditures                                   |                         |                 |                           |   |
| <b>DEFICIENCY OF REVENUES<br/>UNDER EXPENDITURES</b> | (3,538)                 | (3,520)         | (3,163)                   | 357   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |                 |                           |   |
| Transfers in   | 3,268                   | 3,258           | 3,286                     | 28  |
| Transfers out  | -                       | (105)           | (117)                     | (12)  |
|  | <u>3,268</u>            | <u>3,153</u>    | <u>3,169</u>              | <u>16</u>   |
| Total other financing sources                        |                         |                 |                           |   |
| <b>NET CHANGE IN FUND BALANCE</b>                    | (270)                   | (367)           | 6                         | 373   |
| <b>FUND BALANCE, BEGINNING</b>                       | 5,285                   | 5,285           | 5,285                     | -   |
| <b>FUND BALANCE, ENDING</b>                          | <u>\$ 5,015</u>         | <u>\$ 4,918</u> | <u>\$ 5,291</u>           | <u>\$ 373</u>   |

The accompanying notes are an integral part of these financial statements.



**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
December 31, 2017  
(in thousands)**

|   | Business-Type Activities |                      |                         |                  |                  |   | Govern-<br>mental<br>Activities |
|---|--------------------------|----------------------|-------------------------|------------------|------------------|---|---------------------------------|
|   | Major Funds              |                      |                         |                  | Nonmajor<br>Fund | Total<br>Business<br>Type<br>Activities | Internal<br>Service<br>Funds    |
|   | Water<br>Fund            | Waste-<br>water fund | Storm-<br>water<br>Fund | Golf<br>Course   | Food<br>Service  |   |                                 |
| <b>ASSETS</b>   |                          |                      |                         |                  |                  |   |                                 |
| <b>CURRENT ASSETS</b>   |                          |                      |                         |                  |                  |   |                                 |
| Cash and investments  | \$ 68,398                | \$ 6,613             | \$ 7,169                | \$ 2,680         | \$ 712           | \$ 85,572                               | \$ 21,826                       |
| Cash with fiscal agent  | 34,397                   | -                    | -                       | -                | -                | 34,397                                  | -                               |
| Accounts receivable, net of<br>allowance for uncollectibles   | 2,328                    | 2,291                | 410                     | 1                | 102              | 5,132                                   | 25                              |
| Accrued interest  | 218                      | 33                   | 23                      | -                | 2                | 276                                     | 70                              |
| Inventories   | 261                      | -                    | -                       | 89               | 42               | 392                                     | 267                             |
| Prepaid costs   | 109                      | 6                    | -                       | 18               | 3                | 136                                     | 293                             |
| Interfund receivable  | -                        | 113                  | -                       | -                | -                | 113                                     | -                               |
| Non-current notes receivable, net of<br>allowance for uncollectibles                                    | -                        | 5,000                | -                       | -                | -                | 5,000                                   | -                               |
| Total current assets  | <u>105,711</u>           | <u>14,056</u>        | <u>7,602</u>            | <u>2,788</u>     | <u>861</u>       | <u>131,018</u>                          | <u>22,481</u>                   |
| <b>NONCURRENT ASSETS</b>  |                          |                      |                         |                  |                  |   |                                 |
| Advance to Golf Fund  | -                        | 1,887                | -                       | -                | -                | 1,887                                   | -                               |
| Land, water rights & construction<br>in progress  | 44,577                   | 424                  | -                       | 13,252           | -                | 58,253                                  | -                               |
| Property & equipment, net of<br>accumulated depreciation  | 129,026                  | 47,494               | 49,709                  | 3,247            | 705              | 230,181                                 | 9,675                           |
| Total non-current assets  | <u>173,603</u>           | <u>49,805</u>        | <u>49,709</u>           | <u>16,499</u>    | <u>705</u>       | <u>290,321</u>                          | <u>9,675</u>                    |
| Total assets  | <u>279,314</u>           | <u>63,861</u>        | <u>57,311</u>           | <u>19,287</u>    | <u>1,566</u>     | <u>421,339</u>                          | <u>32,156</u>                   |
| <b>LIABILITIES</b>  |                          |                      |                         |                  |                  |   |                                 |
| <b>CURRENT LIABILITIES</b>  |                          |                      |                         |                  |                  |   |                                 |
| Accounts payable  | \$ 1,381                 | \$ 609               | \$ 143                  | \$ 1,886         | \$ 142           | \$ 4,161                                | \$ 1,110                        |
| Accrued interest  | 42                       | -                    | -                       | -                | -                | 42                                      | -                               |
| Contracts payable   | 176                      | 944                  | -                       | 244              | -                | 1,364                                   | -                               |
| Accrued compensated absences  | 159                      | 50                   | -                       | 60               | 30               | 299                                     | 51                              |
| Serial bonds payable  | 2,114                    | -                    | -                       | -                | -                | 2,114                                   | -                               |
| Claims payable  | -                        | -                    | -                       | -                | -                | -                                       | 2,813                           |
| Interfund payable   | -                        | -                    | -                       | 113              | -                | 113                                     | -                               |
| Unearned revenue  | -                        | -                    | -                       | 63               | 30               | 93                                      | -                               |
| Total current liabilities   | <u>3,872</u>             | <u>1,603</u>         | <u>143</u>              | <u>2,366</u>     | <u>202</u>       | <u>8,186</u>                            | <u>3,974</u>                    |
| <b>NONCURRENT LIABILITIES</b>   |                          |                      |                         |                  |                  |   |                                 |
| Serial bonds payable  | 4,473                    | -                    | -                       | -                | -                | 4,473                                   | -                               |
| Accrued compensated absences  | 159                      | 51                   | -                       | 61               | 30               | 301                                     | 53                              |
| Advance from Wastewater Fund  | -                        | -                    | -                       | 1,887            | -                | 1,887                                   | -                               |
| Total non-current liabilities   | <u>4,632</u>             | <u>51</u>            | <u>-</u>                | <u>1,948</u>     | <u>30</u>        | <u>6,661</u>                            | <u>53</u>                       |
| Total liabilities   | <u>8,504</u>             | <u>1,654</u>         | <u>143</u>              | <u>4,314</u>     | <u>232</u>       | <u>14,847</u>                           | <u>4,027</u>                    |
| <b>NET POSITION</b>   |                          |                      |                         |                  |                  |   |                                 |
| Net investment in capital assets  | 166,560                  | 47,821               | 49,625                  | 13,497           | 705              | 278,208                                 | 9,675                           |
| Restricted - debt service   | 2,114                    | -                    | -                       | -                | -                | 2,114                                   | -                               |
| Unrestricted  | 102,136                  | 14,386               | 7,543                   | 1,476            | 629              | 126,170                                 | 18,454                          |
| Total net position  | <u>\$ 270,810</u>        | <u>\$ 62,207</u>     | <u>\$ 57,168</u>        | <u>\$ 14,973</u> | <u>\$ 1,334</u>  | <u>\$ 406,492</u>                       | <u>\$ 28,129</u>                |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                      |                         |                  |                  | 4,411                                   |                                 |
| Net position of business-type activities (page 25)  |                          |                      |                         |                  |                  | <u>\$ 410,903</u>                       |                                 |

The accompanying notes are an integral part of these financial statements.



**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION  
Year Ended December 31, 2017  
(in thousands)**

|   | Business-Type Activities |                     |                         |                  |                  |   | Governmental<br>Activities   |
|---|--------------------------|---------------------|-------------------------|------------------|------------------|---|------------------------------|
|   | Major Funds              |                     |                         |                  | Nonmajor<br>Fund | Total<br>Business<br>Type<br>Activities | Internal<br>Service<br>Funds |
|   | Water<br>Fund            | Waste-water<br>fund | Storm-<br>water<br>Fund | Golf<br>Course   | Food<br>Service  |   |                              |
| <b>OPERATING REVENUES</b>   |                          |                     |                         |                  |                  |   |                              |
| Sales   | \$ 21,937                | \$ -                | \$ -                    | \$ 975           | \$ 1,434         | \$ 24,346                               | \$ -                         |
| Service charges & fees  | 585                      | 12,361              | 3,453                   | 2,275            | -                | 18,674                                  | 8,922                        |
| Recovered costs   | -                        | -                   | -                       | -                | -                | -                                       | 257                          |
| Contributions   |                          |                     |                         |                  |                  |   |                              |
| Employer  | -                        | -                   | -                       | -                | -                | -                                       | 8,078                        |
| Employee  | -                        | -                   | -                       | -                | -                | -                                       | 2,399                        |
| Retirees and continued benefit individuals  | -                        | -                   | -                       | -                | -                | -                                       | 234                          |
| Miscellaneous   | 51                       | -                   | 61                      | 43               | 11               | 166                                     | 204                          |
| Total revenues  | <u>22,573</u>            | <u>12,361</u>       | <u>3,514</u>            | <u>3,293</u>     | <u>1,445</u>     | <u>43,186</u>                           | <u>20,094</u>                |
| <b>EXPENSES</b>   |                          |                     |                         |                  |                  |   |                              |
| Operating & maintenance   | 17,206                   | 10,765              | 1,848                   | -                | 1,517            | 31,336                                  | -                            |
| Administration  | 791                      | 785                 | -                       | 4,043            | -                | 5,619                                   | 5,598                        |
| Insurance premiums  | -                        | -                   | -                       | -                | -                | -                                       | 2,037                        |
| Uninsured damages & claims  | -                        | -                   | -                       | -                | -                | -                                       | 9,318                        |
| Repair & maintenance  | -                        | -                   | -                       | -                | -                | -                                       | 2,212                        |
| Depreciation  | 4,021                    | 1,334               | 1,104                   | 161              | 47               | 6,667                                   | 1,856                        |
| Total expenses  | <u>22,018</u>            | <u>12,884</u>       | <u>2,952</u>            | <u>4,204</u>     | <u>1,564</u>     | <u>43,622</u>                           | <u>21,021</u>                |
| <b>OPERATING INCOME (LOSS)</b>  | <u>555</u>               | <u>(523)</u>        | <u>562</u>              | <u>(911)</u>     | <u>(119)</u>     | <u>(436)</u>                            | <u>(927)</u>                 |
| <b>NON-OPERATING REVENUES<br/>(EXPENSES)</b>  |                          |                     |                         |                  |                  |   |                              |
| Investment earnings (loss)  | 785                      | 238                 | 64                      | 6                | 6                | 1,099                                   | 210                          |
| Gain (loss) on sale of assets   | (229)                    | (146)               | -                       | -                | -                | (375)                                   | 44                           |
| Interest expense  | (331)                    | -                   | -                       | -                | -                | (331)                                   | -                            |
| Amortization  | 104                      | -                   | -                       | -                | -                | 104                                     | -                            |
| Total non-operating revenues (expenses)   | <u>329</u>               | <u>92</u>           | <u>64</u>               | <u>6</u>         | <u>6</u>         | <u>497</u>                              | <u>254</u>                   |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND<br/>TRANSFERS</b>   | 884                      | (431)               | 626                     | (905)            | (113)            | 61                                      | (673)                        |
| <b>CAPITAL CONTRIBUTIONS</b>  | 11,262                   | 1,946               | 1,714                   | -                | -                | 14,922                                  | -                            |
| TRANSFERS IN  | 488                      | -                   | -                       | 8,190            | 19               | 8,697                                   | 698                          |
| TRANSFERS OUT   | (171)                    | (394)               | (1,118)                 | -                | -                | (1,683)                                 | (294)                        |
| <b>CHANGE IN NET POSITION</b>   | 12,463                   | 1,121               | 1,222                   | 7,285            | (94)             | 21,997                                  | (269)                        |
| <b>NET POSITION, BEGINNING</b>  | 258,347                  | 61,086              | 55,946                  | 7,688            | 1,428            |   | 28,398                       |
| <b>NET POSITION, ENDING</b>   | <u>\$ 270,810</u>        | <u>\$ 62,207</u>    | <u>\$ 57,168</u>        | <u>\$ 14,973</u> | <u>\$ 1,334</u>  |   | <u>\$ 28,129</u>             |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                     |                         |                  |                  | (135)                                   |                              |
| Change in net position of business-type activities (page 27)  |                          |                     |                         |                  |                  | <u>\$ 21,862</u>                        |                              |

The accompanying notes are an integral part of these financial statements.



**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2017  
(in thousands)**

|   | Business-Type Activities |                      |                         |                |                  | Total<br>Business<br>Type<br>Activities | Govern-<br>mental<br>Activities |
|---|--------------------------|----------------------|-------------------------|----------------|------------------|---|---------------------------------|
|   | Major Funds              |                      |                         |                | Nonmajor<br>Fund |   | Internal<br>Service<br>Funds    |
|   | Water<br>Fund            | Waste-<br>water fund | Storm-<br>water<br>Fund | Golf<br>Course | Food<br>Service  |   |                                 |
| <b>Cash flows from operating activities</b>   |                          |                      |                         |                |                  |   |                                 |
| Cash received from external customers   | \$ 22,867                | \$ 12,171            | \$ 3,503                | \$ 3,274       | \$ 1,409         | \$ 43,224                               | \$ 845                          |
| Cash received from internal customers   | -                        | -                    | -                       | -              | 59               | 59                                      | 19,399                          |
| Cash payments to external suppliers   | (11,443)                 | (10,715)             | (1,238)                 | 526            | (533)            | (23,403)                                | (13,960)                        |
| Cash payments to internal suppliers   | (762)                    | (309)                | (50)                    | (276)          | (67)             | (1,464)                                 | (2,430)                         |
| Cash payments to employees for services   | (6,188)                  | (1,311)              | (601)                   | (2,392)        | (901)            | (11,393)                                | (2,099)                         |
| Net cash provided (used) by operating activities  | 4,474                    | (164)                | 1,614                   | 1,132          | (33)             | 7,023                                   | 1,755                           |
| <b>Cash flows from non-capital financing activities</b>   |                          |                      |                         |                |                  |   |                                 |
| Transfers to other funds  | (171)                    | (394)                | (1,118)                 | -              | -                | (1,683)                                 | (294)                           |
| Transfers from other funds  | 488                      | -                    | -                       | 8,190          | 19               | 8,697                                   | 698                             |
| Net cash provided (used) by non-capital financing activities  | 317                      | (394)                | (1,118)                 | 8,190          | 19               | 7,014                                   | 404                             |
| <b>Cash flows from capital &amp; related financing activities</b>                                     |                          |                      |                         |                |                  |   |                                 |
| Capital contributions   | 10,317                   | 1,215                | -                       | -              | -                | 11,532                                  | -                               |
| Purchase of capital assets  | (7,225)                  | (1,967)              | (183)                   | (9,095)        | -                | (18,470)                                | (2,571)                         |
| Proceeds from sale of assets  | -                        | -                    | -                       | -              | -                | -                                       | 190                             |
| Principal paid on capital debt  | (1,915)                  | -                    | -                       | -              | -                | (1,915)                                 | -                               |
| Interest paid on capital debt   | (331)                    | -                    | -                       | -              | -                | (331)                                   | -                               |
| Proceeds from loan  | -                        | -                    | -                       | 2,000          | -                | 2,000                                   | -                               |
| Net cash provided (used) by capital and related financing activities                                  | 846                      | (752)                | (183)                   | (7,095)        | -                | (7,184)                                 | (2,381)                         |
| <b>Cash flows from investing activities</b>   |                          |                      |                         |                |                  |   |                                 |
| Interfund loan  | -                        | (2,000)              | -                       | -              | -                | (2,000)                                 | -                               |
| Investment earnings   | 638                      | 220                  | 51                      | 8              | 5                | 922                                     | 171                             |
| Net cash provided (used) by investing activities  | 638                      | (1,780)              | 51                      | 8              | 5                | (1,078)                                 | 171                             |
| Net increase (decrease) in cash and cash equivalents  | 6,275                    | (3,090)              | 364                     | 2,235          | (9)              | 5,775                                   | (51)                            |
| Cash and cash equivalents January 1, 2017   | 96,520                   | 9,703                | 6,805                   | 445            | 721              | 114,194                                 | 21,877                          |
| Cash and cash equivalents December 31, 2017   | 102,795                  | 6,613                | 7,169                   | 2,680          | 712              | 119,969                                 | 21,826                          |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                          |                      |                         |                |                  |   |                                 |
| Operating income (loss)   | 555                      | (523)                | 562                     | (911)          | (119)            | (436)                                   | (927)                           |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |                          |                      |                         |                |                  |   |                                 |
| Depreciation  | 4,021                    | 1,334                | 1,104                   | 161            | 47               | 6,667                                   | 1,856                           |
| (Increase) decrease in account receivable   | 190                      | (190)                | (11)                    | 7              | 17               | 13                                      | (22)                            |
| (Increase) decrease in inventories  | -                        | -                    | -                       | 29             | (3)              | 26                                      | 6                               |
| (Increase) decrease in prepaid expenditures   | (15)                     | -                    | -                       | (7)            | -                | (22)                                    | 133                             |
| (Decrease) increase in accrued payroll  | 21                       | 7                    | -                       | -              | 7                | 35                                      | -                               |
| (Decrease) increase in accounts payable   | (180)                    | 458                  | (72)                    | 1,890          | 7                | 2,103                                   | (246)                           |
| (Decrease) increase in claims/bonds payable   | -                        | -                    | -                       | -              | -                | -                                       | 959                             |
| (Decrease) increase in contracts payable  | (92)                     | (1,254)              | (8)                     | -              | -                | (1,354)                                 | -                               |
| (Decrease) increase in deferred revenue   | -                        | -                    | -                       | (26)           | 6                | (20)                                    | -                               |
| (Decrease) increase in accrued benefits   | (26)                     | 4                    | 39                      | (11)           | 5                | 11                                      | (4)                             |
| Net cash provided (used) by operating activities  | \$ 4,474                 | \$ (164)             | \$ 1,614                | \$ 1,132       | \$ (33)          | \$ 7,023                                | \$ 1,755                        |
| <b>Non-cash investing, capital and financing activities</b>   |                          |                      |                         |                |                  |   |                                 |
| Developer contributions   | \$ 945                   | \$ 731               | \$ 1,714                | \$ -           | \$ -             | \$ 3,390                                | \$ -                            |
| Amortization  | \$ 104                   | \$ -                 | \$ -                    | \$ -           | \$ -             | \$ 104                                  | \$ -                            |

The accompanying notes are an integral part of these financial statements.



**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2017**  
**(in thousands)**

|   | <u>Defined<br/>Benefit<br/>Police<br/>Pension</u> | <u>Agency<br/>Fund</u> |
|---|---|------------------------|
| <b>Assets</b>                                       |   |                        |
| Pooled cash and investments                         | \$ 462  | \$ 14,077              |
| Local Government Investment Pool                    | 6   | -                      |
| Accrued interest                                    | 1   | 45                     |
| Total assets  | <u>469</u>  | <u>14,122</u>          |
| <b>Liabilities</b>                                  |   |                        |
| Escrow payable                                      | -   | 14,122                 |
| Total liabilities                                   | <u>-</u>  | <u>\$ 14,122</u>       |
| <br><b>NET POSITION RESTRICTED FOR<br/>PENSIONS</b> | <br><u>\$ 469</u>                                 |                        |

The accompanying notes are an integral part of these financial statements.



**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Year Ended December 31, 2017**  
**(in thousands)**

|   | <u>Defined<br/>Benefit<br/>Police<br/>Pension</u> |
|---|---|
| <b>ADDITIONS</b>                            |   |
| Investment income                           | \$ 4  |
| Funding                                     | -   |
| Total additions                             | <u>4</u>  |
| <b>DEDUCTIONS</b>                           |   |
| Benefits paid                               | <u>29</u>   |
| Total deductions                            | <u>29</u>   |
| <b>NET DECREASE</b>                         | (25)  |
| <b>NET POSITION RESTRICTED FOR PENSIONS</b> |   |
| <b>BEGINNING OF YEAR</b>                    | <u>494</u>  |
| <b>END OF YEAR</b>                          | <u><u>\$ 469</u></u>                              |

The accompanying notes are an integral part of these financial statements.

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## **Notes to the Financial Statements**

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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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## 1. Summary of Significant Accounting Policies

This is a summary of significant accounting policies for the City of Arvada, Colorado presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

### A. Financial Reporting Entity

The City of Arvada is a political subdivision of the State of Colorado, located in Jefferson and Adams Counties in the northwest quadrant of the greater Denver, Colorado, metropolitan area. The population of the City is approximately 117,453. The City, incorporated in 1904, provides general government; police services; water; sewer, stormwater; golf; park maintenance; food service; and various trust and agency functions in a fiduciary capacity. The City does not provide fire protection, public education, or solid waste services.

An elected mayor and six-member council govern the City. As required by accounting principles generally accepted in the United States of America (US GAAP) these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide statements to emphasize they are legally separate from the City. Each blended and discretely presented component unit has a December 31 year-end.

#### Blended Component Units

**Arvada Housing Authority (Special Revenue Fund)** – The Authority administers funds received for rent subsidy to low/moderate income households under Section 8 of the U.S. Housing Assistance Payment Program. The City provides all administrative support to the Authority. The Authority, a legally separate entity, is governed by a Board of Directors, which consists of all current members of the Arvada City Council. Separate audited financial statements for the Arvada Housing Authority are not prepared.

#### Discrete Component Units

**Arvada Urban Renewal Authority (AURA)** – AURA is reported in a separate column as a discretely presented component unit to emphasize that it is legally separate from the City.

AURA was created by Ordinance No. 1717 under the Colorado Urban Renewal Law and was approved by the voters on March 3, 1981. Its purpose is to develop, redevelop or rehabilitate blighted areas of the City. AURA currently has five active project areas, Ralston Fields, Jefferson Center Metropolitan District (JCMD), Village Commons, Olde Town Station and Northwest Arvada. The governing body of the AURA is a commission of seven members, appointed by the Mayor and approved by City Council for staggered terms of five years. AURA's annual budget must be approved by the City Council and the City provides administrative support to AURA.

The City has implemented GASB Statement 61, *The Financial Statement Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34*, and we believe that AURA is included as a discrete component unit in the City's financial statements for the following reasons: the City's ability to appoint AURA's governing authority and approve the budget and its revisions. The City does not have any responsibilities to fund AURA operating deficiencies or deficits. Tax revenues are imposed and collected by the City.

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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Separate audited financial statements for AURA may be obtained from the City.

**Arvada Economic Development Association (AEDA)** – AEDA is reported in a separate column as a discretely presented component unit to emphasize that it is legally separate from the City. AEDA financial statements consist of one governmental fund.

AEDA was established to encourage and stimulate all forms of economic development, commercial and industrial. The services provided by AEDA benefit both the City and citizens by providing information and services to existing and prospective businesses and industries. Funding for AEDA consists of compensation from the City for services it renders the City and its citizens. The City also provides administrative support for AEDA. A Board of Directors appointed by City Council governs AEDA.

The City has implemented GASB Statement 61, *The Financial Statement Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34*, and we believe that AEDA is included as a discrete component unit in the City's financial statements for the following reasons: the City funds all of the operations of AEDA, and the City Council appoints six members of the board. There are no separately issued financial statements for AEDA.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

Taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Agency funds use the accrual basis of accounting.

**C. Financial Statement Presentation**

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equity, revenues and expenditures or expenses as appropriate. The various funds are summarized by type within the financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Community Development Fund accounts for all entitlements, revenues and expenditures of the Community Development Block Grants (CDBG) program, the Home Rehabilitation program and Essential Home Repairs program.

The Parks Fund accounts for costs associated with the acquisition, design, development, maintenance and beautification of parks, open space and trails within the City. Revenues are derived from the City's General Fund, Grants Fund, Lands Dedicated Fund and Jefferson County Open Space funds.

The General Capital Projects Fund accounts for all major capital projects of the City. Appropriations are not restricted to a fiscal year. Sources of revenue to this fund are transfers

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December 31, 2017

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from the General and other funds, interest earned, transfers from Jefferson County Open Space funds and contributions by developers and government grants.

The Construction Fund accounts for proceeds from the Series 2016 Certificates of Participation issue to be used for the reconstruction and widening of West 72<sup>nd</sup> Avenue and Indiana Street and to expand the existing West Woods Golf Clubhouse.

The City reports the following major proprietary funds:

The Water Fund accounts for all activity within the scope of water utility operations. Water service is available within the City limits and is extended to some residents of the county and adjacent cities. All activities necessary to provide such service are accounted for in this fund, including administration, operations, capital water projects, maintenance, financing and related debt service, and billing and collection.

The Wastewater Fund accounts for all activities necessary in the collection, transmission, and disposal of sewage and wastewater. It includes administration, operations, capital maintenance, financing and billing and collection.

The Stormwater Fund accounts for all activities necessary to maintain a stormwater management plan. It includes administration, operations, capital maintenance and billing and collection.

The Golf Fund accounts for all the operation and maintenance of the City's two golf courses and restaurants at each location. Revenues are derived from golf sales and restaurant sales.

Government fund and proprietary fund types that do not meet the criteria of major funds have been summarized and presented as other governmental or proprietary funds within the fund financial statements.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the City's fleet and information technology replacement, risk management insurance program, self-funded medical and dental insurance, printing services and building and fleet maintenance services.

The City reports the following fiduciary funds:

The Pension Trust Fund is used to account for the City's defined benefit police pension trust to provide retirement benefits for one retiree that did not elect to join the new plan formed in 1986.

Agency Fund is used to account for a variety of deposits from various sources held in escrow.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are the charges between the City's enterprise operations and various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise and internal service funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position**

**1) Deposits and Investments**

The City's cash and cash equivalents include amounts that are readily convertible to known cash and are not subject to significant risk from changes in interest.

The City pools cash resources of most funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the City's investments.

Cash overdrafts from pooled cash and investments are reported as an interfund receivable/payable.

Colorado statutes require that the City use an eligible public depository as defined by the Public Deposit Protection Act (PDPA). Under the Act, the depository is required to pledge a pool of eligible collateral having a market value at all times equal to at least 102% of the aggregate public deposits held by the depository not insured by Federal Depository Insurance. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. Each institution designated as a public depository can be assessed a portion of the losses of a public entity's deposits in a failed public depository. Thus, all public deposits are fully collateralized. Eligible collateral as defined by the Act primarily includes obligations of, or guaranteed by, the U.S. Government, the State of Colorado or any subdivision thereof and obligations evidenced by notes received by first lien mortgages or deeds of trust on real property.

Investments in local government investment pools are reported at the net asset value per share which is determined based upon how the fund is valued (i.e. fair value or amortized cost). All other investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes. The City considers all investments with original maturities at three months or less to be cash equivalents.

**2) Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". On the Statement of Net Position, residual balances between governmental and business type activities are reflected as internal balances.

Receivables are shown net of an allowance for uncollectibles, where applicable.

Property taxes attach an enforceable lien on the property as of January 1 and are levied on the following January 1. Taxes are payable the following year in one installment made on or before April 30, or in two installments made on or before February 28 and June 15. The

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

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assessments and collections are made by Jefferson County and Adams County and are remitted monthly to the City. City property tax revenues certified in December are recorded as a receivable and an offsetting deferred inflow of resources.

The City records non-current receivables for interfund and other long-term notes on the Statement of Net Position of its Proprietary Fund Types. Within the governmental funds, all non-current receivables are fully offset by deferred inflow of resource if the payment resulting in the receivable was originally recorded as an expenditure. Non-current receivables and other long-term notes are shown on the statement of net position of the government-wide statements, net of allowance.

**3) Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method with the exception of the City's central supply inventory which is valued at average cost. The cost of inventories is recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements.

**4) Restricted Assets**

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Certain assets of the Community Development Block Grant special revenue fund are restricted because their use is completely restricted by grant agreements.

**5) Capital Assets**

Capital assets which include property, plant, equipment, and all infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the Proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets other than land and water rights are depreciated. Depreciation is computed using the straight-line method with estimated useful lives as follows:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings                  | 50           |
| Road system infrastructure | 25           |
| Other improvements         | 20           |
| Other infrastructure       | 8-50         |
| Equipment                  | 5-10         |
| Vehicles                   | 3-5          |

**6) Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since benefits are not paid upon termination. Vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. The compensated absences are only reported in governmental funds if they are due. Compensated absences of the governmental activities are expected to be liquidated primarily with revenues of the General Fund.

**7) Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight line method. Debts payable are reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8) Deferred Inflows and Outflows of Resources**

A deferred inflow of resources is an acquisition of net position that is applicable to future reporting periods. A deferred outflow of resources is a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources include items related to the Police Defined Benefit pension plan and deferred loss on debt refunding and is included in the government wide statements but not in the fund statements.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become measurable and available. Assets recorded in the fund financial statements in which revenues are not available are recorded as a deferred inflow of resources. Property tax receivables are reported as a deferred inflow of resources when levied in the government-wide activity and fund statements.

Deferred inflows of resources include non-current grants and notes receivable that are unavailable in the fund statements but are recognized as revenue in the government-wide statements.

**9) Fund Balance**

The City previously adopted the standards of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. The classifications are designed based on the relative strength of the constraints that control how specific amounts can be spent, or the inability to be spent such as inventories and prepaids. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-basis, taking into account any application requirements or grant agreements, contracts, business circumstances or other constraints. If no other

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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constraints exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance classifications listed below:

1. **Nonspendable** – fund balance associated with inventories, prepaids, long-term loans and notes receivable (unless the proceeds are restricted, committed or assigned).
2. **Restricted** – fund balance that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.
3. **Committed** – fund balance that is subject to a purpose constraint imposed by formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified or rescinded through resolutions and ordinances approved by the City Council, both require the same level of action to add or remove the constraint.
4. **Assigned** – fund balance that is intended for use established by the City, but are not considered restricted or committed. The financial policies and guidelines authorize the assignment of fund balances by informal action of City Council (no ordinance or resolution) or by the City Manager.
5. **Unassigned** – fund balance that is the residual classification that does not meet any of the other classifications and is used for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance. Other governmental funds do not show a positive unassigned fund balance, however if expenditures incurred for specific purposes exceed amounts that are restricted, committed, or assigned to those purposes it may be necessary to show a negative unassigned fund balance in governmental funds other than the General Fund.



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The following table illustrates the current fund balance amounts associated with each major fund and the non-major funds in the aggregate:

| Fund Balances:                      | General          | Community       | Parks           | Capital          | Construction    | Other            | Total            |
|-------------------------------------|------------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
|                                     | Fund             | Development     | Fund            | Projects         | Fund            | Governmental     | Governmental     |
|                                     | Fund             | Fund            | Fund            | Fund             | Fund            | Funds            | Funds            |
| <b>Nonspendable:</b>                |                  |                 |                 |                  |                 |                  |                  |
| Inventories                         | \$ 319           | \$ -            | \$ 7            | \$ -             | \$ -            | \$ -             | \$ 326           |
| Prepaid                             | 251              | -               | 22              | -                | -               | 14               | 287              |
| <b>Total Nonspendable</b>           | <b>570</b>       | <b>-</b>        | <b>29</b>       | <b>-</b>         | <b>-</b>        | <b>14</b>        | <b>613</b>       |
| <b>Restricted:</b>                  |                  |                 |                 |                  |                 |                  |                  |
| Conservation Trust                  | -                | -               | -               | -                | -               | 238              | 238              |
| Voter restricted sales tax - police | -                | -               | -               | -                | -               | 12,550           | 12,550           |
| Seizure Funds                       | -                | -               | -               | -                | -               | 489              | 489              |
| Emergencies - Tabor                 | 2,856            | 32              | 167             | 133              | 4               | 352              | 3,544            |
| Community Development               | -                | 1,388           | -               | -                | -               | -                | 1,388            |
| Housing                             | -                | -               | -               | -                | -               | 58               | 58               |
| Debt service                        | -                | -               | -               | -                | -               | 539              | 539              |
| Lands Dedicated                     | -                | -               | -               | 1,936            | -               | -                | 1,936            |
| Adams County Open Space             | -                | -               | -               | 88               | -               | -                | 88               |
| Adams County Transportation         | -                | -               | -               | 289              | -               | -                | 289              |
| Park Development Fees               | -                | -               | -               | 699              | -               | -                | 699              |
| Capital - Parks                     | -                | -               | -               | 211              | -               | -                | 211              |
| Capital - Traffic                   | -                | -               | -               | 16               | -               | -                | 16               |
| <b>Total Restricted</b>             | <b>2,856</b>     | <b>1,420</b>    | <b>167</b>      | <b>3,372</b>     | <b>4</b>        | <b>14,226</b>    | <b>22,045</b>    |
| <b>Committed</b>                    |                  |                 |                 |                  |                 |                  |                  |
| Capital - General                   | -                | -               | -               | 6,475            | -               | -                | 6,475            |
| Capital - Parks                     | -                | -               | -               | 1,459            | -               | -                | 1,459            |
| Capital - Streets                   | -                | -               | -               | 1,906            | -               | -                | 1,906            |
| Capital - Traffic                   | -                | -               | -               | 1,553            | -               | -                | 1,553            |
| <b>Total Committed</b>              | <b>-</b>         | <b>-</b>        | <b>-</b>        | <b>11,393</b>    | <b>-</b>        | <b>-</b>         | <b>11,393</b>    |
| <b>Assigned</b>                     |                  |                 |                 |                  |                 |                  |                  |
| Capital - General                   | -                | -               | -               | 273              | -               | -                | 273              |
| Capital - Parks                     | -                | -               | -               | 1,846            | -               | -                | 1,846            |
| Capital - Streets                   | -                | -               | -               | 1,170            | -               | -                | 1,170            |
| Capital - Traffic                   | -                | -               | -               | 811              | -               | -                | 811              |
| Construction                        | -                | -               | -               | -                | 7,736           | -                | 7,736            |
| Community Development               | -                | 4,333           | -               | -                | -               | -                | 4,333            |
| Parks                               | -                | -               | 5,095           | -                | -               | -                | 5,095            |
| <b>Total Assigned</b>               | <b>-</b>         | <b>4,333</b>    | <b>5,095</b>    | <b>4,100</b>     | <b>7,736</b>    | <b>-</b>         | <b>21,264</b>    |
| <b>Unassigned</b>                   | <b>43,264</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>         | <b>-</b>        | <b>-</b>         | <b>43,264</b>    |
| <b>Total Fund Balances</b>          | <b>\$ 46,690</b> | <b>\$ 5,753</b> | <b>\$ 5,291</b> | <b>\$ 18,865</b> | <b>\$ 7,740</b> | <b>\$ 14,240</b> | <b>\$ 98,579</b> |

**10) Net Position**

Net position represents the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restriction imposed by creditors, grantors, laws, or regulations of other governments.

In November, 1992, Colorado voters passed Article X, Section 20 to the State Constitution, described in Note 2C. The Amendment requires that a percentage of fiscal year spending, excluding bonded debt service, be legally restricted to be used for declared emergencies only. This amount is reflected on the government-wide statement of net position as net position – restricted for emergencies. The amendment requires a three percent emergency

reserve at December 31, 1995 and thereafter. An emergency is defined in the Amendment as an event, which excludes economic conditions, revenue shortfalls, salary or fringe benefit increases.

#### **11) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **12) Deficit Net Position**

As of December 31, 2017, AURA was in a deficit net position for governmental activities. This deficit is primarily due to AURA's prior purchase of property held for resale, using loan funds from the City of Arvada and subsequent sale or disposition of the related properties at a loss. While AURA anticipates that the sales of these properties will result in incremental property tax revenues in future years, AURA will continue to closely monitor and balance redevelopment activity and debt obligation.

## **2. Stewardship, Compliance and Accountability**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with US GAAP for all governmental funds except the capital projects and construction funds. All other annual appropriations lapse at fiscal year-end. The General Fund expenditures are budgeted on a non-GAAP basis due to the allocation of internal transfers. Proprietary Funds are budgeted on a non-GAAP basis due to the budgeting of capital outlay and not depreciation. Budgetary financial statements do not include the Capital Projects Fund or Construction Fund because the projects accounted for in these funds often span multiple years. Budgets are also not adopted for the Fiduciary funds and the Arvada Medical internal service fund.

Not less than sixty days prior to the first day of the next fiscal year, Council adopts the City budget by resolution and the annual appropriation by ordinance. The City prepares a combination line item and program budget, but the level of control is at the fund level which is the amount approved by ordinance. For budgetary, appropriation and reporting purposes, interfund transfers are considered to be revenues or expenditures.

Both the adopted budget and the level of appropriation (by fund) can be amended during the budget year. This action requires Council approval in the form of a resolution for a budgetary amendment and by ordinance requiring a public hearing for an increase in appropriations. Intrafund budgetary transfers between departments within a fund can be accomplished with the approval of the Manager.

### **B. Expenditures/Expenses in Excess of Appropriation**

For the year ended December 31, 2017, the Insurance Fund exceeded the amount budgeted by \$616,000 which may be a violation of Colorado budget law. This over-expenditure is due an increase in the year-end estimated incurred but not recorded claims expense.

**C. State Constitutional Amendment**

On November 3, 1992, the voters of the State approved Article X, Section 20 to the State Constitution (the Amendment) limiting growth of public entities and their ability to borrow and tax.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of its annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment. The City's management is of the opinion that its Water, Wastewater, Stormwater, Golf and Food Service operations qualify for this exclusion.

The initial revenue base is 1992 fiscal year spending. Future revenue limits are determined based upon the prior year's fiscal year spending adjusted for a growth factor based upon inflation and changes in the actual value of real property within its boundaries. Excluded revenues such as gifts and federal funds are not used to calculate the limit. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 5, 1996, the qualified electors of the City approved Resolution R-96-127, which reads as follows:

Without creating any new tax or increasing any current taxes, shall the City of Arvada be permitted, in 1996 and each year thereafter, to retain and spend City revenues in excess of the spending, revenue raising, or other limits in Article X, Section 20 or the Colorado Constitution, utilizing such revenues for public safety, municipal services, transportation and other public improvements, parks and recreational facilities, and any other lawful public purpose?

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, imposing a mill levy that will produce property tax revenue in excess of the amount collected in the previous year adjusted by the growth factor, extending an expiring tax, or implementing a tax policy change which directly causes a net tax revenue gain.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, the Amendment specifically prohibits the creation of multiple fiscal year debt or other financial obligations without voter approval and without irrevocably pledging present cash reserves for all future payments.

The City believes it is in compliance with the requirements of the Amendment. However, due to the broad general terms of the Amendment, the City has been required to make certain interpretations of the Amendment's language in order to determine its compliance. Ultimately, the courts may be required to determine the appropriate interpretations of the Amendment's terms and provisions.

**3. Detailed Notes on Funds and Account Balances****A. Deposits and Investments**

As of December 31, 2017, the City's cash deposits had a carrying value of \$9,664,248. The bank balances were \$11,930,203 of which \$750,000 was covered by federal deposit insurance and \$11,180,203 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Cash with fiscal agent had a balance of \$34,397,330. These funds are held in escrow for the Gross Reservoir Enlargement project with Denver Water. These funds are invested in instruments which follow the City's investment policies and procedures.

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Investment policies are governed by the City's investment policies and procedures and State Statutes. Investments of the City and AEDA may include:

- Local government investment pools authorized under the laws of the State of Colorado whose investment policy closely mirrors that of the City.
- Direct obligations of the United States government, including such instruments as Treasury Bills, Treasury Notes, Treasury Bonds, Export Import Bank issues, Farmers Home Administration Insured Notes, certain scaled discount notes, and certain relatively short-term securities issued by the Government National Mortgage Association.
- Obligations of certain U.S. Government agencies, including but not limited to such instruments as Federal Home Loan Bank debt, Federal National Mortgage Association debt, certain scaled discount notes, and/or certain short-term Federal Farm Credit debt.
- Purchases of the direct or agency securities mentioned above, under the terms of a repurchase agreement or in support of a City "Sweep Account" which meet the City's procedures for the delivery, possession and safekeeping of investment securities.
- Repurchase agreements
- Commercial paper and certificates of deposits
- AAA-rated money market funds

Investments of the employee defined contribution plans are determined contractually with the third-party custodian. The plans currently contain a wide range of money market and mutual funds and are not subject to the City's investment policies.

**Interest Rate Risk**

The City's investment policy does not specifically address Interest Rate Risk. The State Statutes require 3 or 5 years depending on the investment. In practice, the City does not purchase any investments with a maturity of longer than 5 years with all "money market instruments" having a maturity of one year or less. The City assumes its investments will be held to maturity and callable investments may or may not be called.

**Credit Risk**

The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The State Statutes specify rating requirements depending on the investment. All corporate bonds have AA or higher ratings.

**Concentration of Credit Risk**

As a means of limiting its exposure, the City's total investment in any specific money market or mutual fund shall not exceed 10% of the total assets of such fund class. At December 31, 2017, the City's investments in the Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), and Federal Agricultural Mortgage Corporation (FAMC) are 8.51%, 16.55%, 8.14% 7.77% and 5.04% of total investments, respectively.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment policy requires commercial banks and savings and loan associations to be eligible public depositories within the meaning of the Colorado Revised Statutes of PDPA and S&L PDPA. The depositories will also have to possess overall financial strength, capitalization and liquidity to ensure the safety and availability of such monies. The assessment of this overall financial strength shall be made applying generally accepted industry

NOTES TO FINANCIAL STATEMENTS  
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standards (i.e. capital requirements, asset quality, earnings and liquidity) using available public agency and private rating services as appropriate.

**Local Government Investment Pools**

The City utilizes three local government investment pools for investment, when a high degree of liquidity is prudent. The three pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST), The Colorado Surplus Asset Fund Trust (CSAFE), and the Colorado Statewide Investment Program Trust (CSIP), collectively, the Trusts. COLOTRUST and CSIP are local government investment pools with a stable net asset value (NAV) and its NAV is measured at fair value per share. CSAFE is considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and its NAV is measured at amortized cost per share. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as custodian of the Trusts' portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

**NOTES TO FINANCIAL STATEMENTS  
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Cash and Investments reported on the financial statements as of December 31, 2017 (in thousands):

|  |                   |
|--|-------------------|
| Cash and Investments                         | \$ 209,343        |
| Cash with Fiscal Agent – restricted cash     | 34,397            |
| Restricted Cash                              | <u>1,388</u>      |
| Total per Statement of Net Position          | 245,128           |
| <br>   |                   |
| Agency Fund                                  | 14,077            |
| Police Pension Defined Benefit               | <u>468</u>        |
| Total Financial Statement Cash & Investments | <u>\$ 259,673</u> |
| <br>   |                   |
| Carrying value of cash                       | \$ 9,664          |
| Cash with Fiscal Agent                       | 34,397            |
| Fair market value of investments             | <u>215,612</u>    |
| Total value cash and investments             | <u>\$ 259,673</u> |

**AURA Investment Policy**

AURA is required to comply with State statutes which specify instruments meeting defined rating, maturity, and concentration risk criteria in which units of local government may invest. In addition, AURA has an investment policy in which seeks to ensure the preservation of capital in the overall portfolio.

Per AURA's investment policy, funds of AURA may be invested in:

- U.S. Treasury Securities
- Obligations of the U.S. Government agencies (including FDIC and FSLIC insured transactions up to \$100,000)
- Certificates of deposit and other evidences of deposit or investment at banks, savings and loan associations and other state or federally regulated financial institutions subject to PDPA (5%) and a minimum net worth of any bank of \$10,000,000 and a minimum net worth of any savings and loan association of \$15,000,000
- Repurchase agreements made in compliance with Revised Colorado State Statute 24-36-113. Repurchase collateral will be perfected and delivered to the Trustee. Repurchase agreements must be collateralized at a minimum of 100% of the purchase price of the repurchase agreement and market-to-market on a weekly basis. All repurchase agreements shall be evidenced by a master repurchase agreement between AURA and securities dealer.
- Money market funds. Investments with any financial institutions which have appeared in any published watch list during a 12-month period preceding the investment date in an amount greater than \$100,000 is specifically prohibited.

AURA's investment policy follows State statutes, but places additional limits on investment maturities and custodial credit risk.

Interest Rate Risk – AURA's investment policy limits the maturity of investment instruments or fixed-income securities to a maximum of three years except for reserve funds which are invested subject to agreements tailored to bond indentures, when applicable.

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a nationally recognized

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organization that regularly rates such obligations. At December 31, 2017, AURA's investment in the Dreyfus Government Cash Management money market fund of \$343,658 was rated AAA by Moody's and have a weighted average maturity of less than one year.

Custodial Credit Risk – AURA's investment policy requires that investments be placed with two or more financial institutions and in such amounts or proportions of total investments or assets as may be reasonable and prudent.

Concentration of Credit Risk – State statutes generally do not limit the amount AURA may invest in one issuer.

**Fair Value of Investments**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1: Quoted (unadjusted) prices in active markets or an identical asset or liability at the measurement date
- Level 2: Inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for an asset or liability

The City has the following fair value measurements as of December 31, 2017:

| Investment by fair value level               | Fair Value            | Fair Value Measurements |             |         |
|--|-----------------------|-------------------------|-------------|---------|
|  |                       | Level 1                 | Level 2     | Level 3 |
| US Treasuries                                | \$ 42,976,856         | \$ 42,976,856           | \$ -        | \$ -    |
| US Agency Securities                         | 99,210,016            | -                       | 99,210,016  | -       |
| Corporate Bonds                              | 34,222,980            | -                       | 34,222,980  | -       |
| Municipal Bonds                              | 499,210               | -                       | 499,210     | -       |
| Negotiable Certificates of Deposit           | 2,442,624             | -                       | 2,442,624   | -       |
| Total Investments by fair value level        | 179,351,686           | 42,976,856              | 136,374,830 | -       |
| Local Government Investment Pool - CSIP      | 4,644,538             |                         |             |         |
| Local Government Investment Pool - Colotrust | 25,089,474            |                         |             |         |
| Local Government Investment Pool - Csafe     | 6,526,037             |                         |             |         |
|  | 36,260,049            |                         |             |         |
|  | <b>\$ 215,611,735</b> |                         |             |         |



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As of December 31, 2017, the City had the following investments and maturities:

| Asset Category                     | Credit Quality | Fair Value            | Investment Maturities |                      |                      |                      |                      | % of total |
|------------------------------------|----------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|------------|
|                                    |                |                       | <= 1 year             | >1 yr and <= 2 yrs.  | >2 yrs and <= 3 yrs. | >3 yrs and <= 4 yrs. | >4 yrs and <= 5 yrs. |            |
| Local Government Investment Pool   |                |                       |                       |                      |                      |                      |                      |            |
| Trust Funds                        | AAA            | \$ 36,260,049         | \$ 36,260,049         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | 16.82%     |
| U.S. Treasuries                    | AAA            | \$ 42,976,856         | 2,115,629             | 5,645,271            | 11,934,090           | 17,877,928           | 5,403,938            | 19.93%     |
| U.S. Agencies                      |                |                       |                       |                      |                      |                      |                      |            |
| FFCB                               | AAA            | \$ 16,744,491         | -                     | 5,935,693            | 5,878,802            | 4,929,996            | -                    | 7.77%      |
| FHLB                               | AAA            | \$ 18,341,352         | 2,993,344             | 3,486,784            | 4,927,019            | 3,961,205            | 2,973,000            | 8.51%      |
| FHLMC                              | AAA            | \$ 35,687,214         | -                     | 3,982,634            | 24,776,963           | -                    | 6,927,617            | 16.55%     |
| FNMA                               | AAA            | \$ 17,559,837         | 1,241,611             | 11,376,194           | 989,620              | -                    | 3,952,412            | 8.14%      |
| FAMC                               | AAA            | \$ 10,877,122         | -                     | 1,984,713            | -                    | 8,892,409            | -                    | 5.04%      |
| Subtotal for U.S. Agencies         |                | 99,210,016            | 4,234,955             | 26,766,018           | 36,572,404           | 17,783,610           | 13,853,029           |            |
| Negotiable Certificates of Deposit | AA             | \$ 2,442,624          | 2,198,334             | 244,290              | -                    | -                    | -                    | 1.13%      |
| Corporate Bonds                    | AA+            | \$ 34,222,980         | 10,013,511            | 15,383,673           | 5,782,064            | -                    | 3,043,732            | 15.87%     |
| Municipal Bonds                    | SP-1           | \$ 499,210            | 499,210               | -                    | -                    | -                    | -                    | 0.23%      |
| Total for all Asset Categories     |                | <u>\$ 215,611,735</u> | <u>\$ 55,321,688</u>  | <u>\$ 48,039,252</u> | <u>\$ 54,288,558</u> | <u>\$ 35,661,538</u> | <u>\$ 22,300,699</u> |            |
|                                    |                |                       | 25.66%                | 22.28%               | 25.18%               | 16.54%               | 10.34%               | 100.00%    |

As of December 31, 2017 AURA's cash deposits had carrying values of \$5,542,424. The bank balances were \$5,916,517 of which \$851,115 was covered by the federal deposit insurance and \$5,065,402 was collateralized with securities held by the pledging financial institution's trust department or agent in AURA's name.

As of December 31, 2017 AEDA's cash deposits had carrying values of \$604,909. The bank balances were \$604,909 of which \$401,047 was covered by the federal deposit insurance.

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**B. Capital Assets**

A summary of changes in capital asset activity for the year ended December 31, 2017 follows (in thousands):

|  | <b>Balance<br/>January 1,<br/>2017</b> | <b>Additions</b> | <b>Retirements</b> | <b>Transfers<br/>To (From)<br/>CIP</b> | <b>Balance<br/>December 31,<br/>2017</b> |
|--|--|------------------|--------------------|--|--|
| <b>Primary Government:</b>                   |  |                  |                    |  |  |
| <b>Governmental activities</b>               |  |                  |                    |  |  |
| Capital assets not being depreciated:        |  |                  |                    |  |  |
| Land   | \$ 55,843                              | \$ -             | \$ (112)           | \$ 7                                   | \$ 55,738                                |
| Construction in progress                     | 52,313                                 | 12,135           | (682)              | (8,600)                                | 55,166                                   |
| Total capital assets, not being depreciated  | <u>108,156</u>                         | <u>12,135</u>    | <u>(794)</u>       | <u>(8,593)</u>                         | <u>110,904</u>                           |
| Capital assets, being depreciated:           |  |                  |                    |  |  |
| Buildings                                    | 45,413                                 | 15               | -                  | -                                      | 45,428                                   |
| Improvements other than buildings            | 110,926                                | -                | -                  | 8,593                                  | 119,519                                  |
| Equipment & vehicles                         | 28,629                                 | 2,635            | (1,296)            | -                                      | 29,968                                   |
| Infrastructure                               | 429,002                                | 7,565            | -                  | -                                      | 436,567                                  |
| Total capital assets being depreciated       | <u>613,970</u>                         | <u>10,215</u>    | <u>(1,296)</u>     | <u>8,593</u>                           | <u>631,482</u>                           |
| Less accumulated depreciation for:           |  |                  |                    |  |  |
| Buildings                                    | (19,568)                               | (905)            | -                  | -                                      | (20,473)                                 |
| Improvements other than buildings            | (34,317)                               | (4,722)          | -                  | -                                      | (39,039)                                 |
| Equipment & vehicles                         | (19,617)                               | (1,971)          | 1,150              | -                                      | (20,438)                                 |
| Infrastructure                               | (284,570)                              | (8,738)          | -                  | -                                      | (293,308)                                |
| Total accumulated depreciation               | <u>(358,072)</u>                       | <u>(16,336)</u>  | <u>1,150</u>       | <u>-</u>                               | <u>(373,258)</u>                         |
| Total capital assets, being depreciated, net | <u>255,898</u>                         | <u>(6,121)</u>   | <u>(146)</u>       | <u>8,593</u>                           | <u>258,224</u>                           |
| Governmental activities capital assets, net  | <u>\$ 364,054</u>                      | <u>\$ 6,014</u>  | <u>\$ (940)</u>    | <u>\$ -</u>                            | <u>\$ 369,128</u>                        |
| <br>   |  |                  |                    |  |  |
|  | <b>Balance<br/>January 1,<br/>2017</b> | <b>Additions</b> | <b>Retirements</b> | <b>Transfers<br/>To (From)<br/>CIP</b> | <b>Balance<br/>December 31,<br/>2017</b> |
| <b>Business-type activities</b>              |  |                  |                    |  |  |
| Capital assets not being depreciated:        |  |                  |                    |  |  |
| Water rights                                 | \$ 31,342                              | \$ 261           | \$ -               | \$ -                                   | \$ 31,603                                |
| Land   | 8,168                                  | -                | -                  | -                                      | 8,168                                    |
| Construction in progress                     | 5,013                                  | 14,011           | -                  | (542)                                  | 18,482                                   |
| Total capital assets, not being depreciated  | <u>44,523</u>                          | <u>14,272</u>    | <u>-</u>           | <u>(542)</u>                           | <u>58,253</u>                            |
| Capital assets, being depreciated:           |  |                  |                    |  |  |
| Buildings                                    | 15,066                                 | -                | -                  | -                                      | 15,066                                   |
| Improvements other than buildings            | 310,794                                | 7,562            | (568)              | 542                                    | 318,330                                  |
| Equipment & vehicles                         | 3,395                                  | 16               | -                  | -                                      | 3,411                                    |
| Infrastructure                               | 7,155                                  | -                | -                  | -                                      | 7,155                                    |
| Total capital assets being depreciated       | <u>336,410</u>                         | <u>7,578</u>     | <u>(568)</u>       | <u>542</u>                             | <u>343,962</u>                           |
| Less accumulated depreciation for:           |  |                  |                    |  |  |
| Buildings                                    | (8,727)                                | (277)            | -                  | -                                      | (9,004)                                  |
| Improvements other than buildings            | (94,842)                               | (6,148)          | 194                | -                                      | (100,796)                                |
| Equipment & vehicles                         | (2,827)                                | (99)             | -                  | -                                      | (2,926)                                  |
| Infrastructure                               | (912)                                  | (143)            | -                  | -                                      | (1,055)                                  |
| Total accumulated depreciation               | <u>(107,308)</u>                       | <u>(6,667)</u>   | <u>194</u>         | <u>-</u>                               | <u>(113,781)</u>                         |
| Total capital assets, being depreciated, net | <u>229,102</u>                         | <u>911</u>       | <u>(374)</u>       | <u>542</u>                             | <u>230,181</u>                           |
| Business-type activities capital assets, net | <u>\$ 273,625</u>                      | <u>\$ 15,183</u> | <u>\$ (374)</u>    | <u>\$ -</u>                            | <u>\$ 288,434</u>                        |

**NOTES TO FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows (in thousands):

|                                   | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|-----------------------------------|--------------------------------|---------------------------------|
| General government                | \$ 4,733                       | \$ -                            |
| Public safety – police & judicial | 326                            | -                               |
| Public works                      | 8,900                          | -                               |
| Parks                             | 353                            | -                               |
| Culture                           | 168                            | -                               |
| Internal Service                  | 1,856                          | -                               |
| Water                             | -                              | 4,021                           |
| Wastewater                        | -                              | 1,334                           |
| Stormwater                        | -                              | 1,104                           |
| Golf                              | -                              | 161                             |
| Food                              | -                              | 47                              |
| Total depreciation expense        | <u>\$ 16,336</u>               | <u>\$ 6,667</u>                 |

**C. Construction Commitments**

The City has active construction projects as of December 31, 2017. The projects include streets, traffic, golf course, general construction and water and wastewater system projects. At year end the City's commitments with contractors are as follows (in thousands):

|                      | <u>Project Spent-to-Date</u> | <u>Remaining Commitment</u> |
|----------------------|------------------------------|-----------------------------|
| Streets construction | \$ 9,870                     | \$ 1,044                    |
| General Construction | 28,182                       | 5,530                       |
| Traffic Construction | 2,406                        | 61                          |
| Wastewater System    | 1,844                        | 960                         |
| Golf Course          | 5,411                        | 836                         |
| Water system         | 1,309                        | 953                         |
| Total                | <u>\$ 49,022</u>             | <u>\$ 9,384</u>             |

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**D. Interfund Transactions**

There was one “interfund receivable” and “interfund payable” balance and one “advance to” and “advance from” as of December 31, 2017. The Wastewater Fund loaned the Golf Fund \$2,000,000 for the construction of an irrigation system at Westwoods Golf Course. The loan is for 15 years at 2.5% interest with semi-annual interest and principal payments beginning in June, 2018. This transaction has been eliminated in the presentation of the Government-Wide financial statements but appears in the proprietary funds financial statements.

Transfers to/from other funds for the year ended December 31, 2017 were as follows (in thousands):

| <b>Fund</b>                  | <b>Transfers In</b> | <b>Transfers Out</b> |
|------------------------------|---------------------|----------------------|
| General Fund                 | \$ 88               | \$ 16,176            |
| Community Development Fund   | 45                  | 239                  |
| Parks Fund                   | 3,286               | 117                  |
| Capital Projects Fund        | 12,874              | 62                   |
| Construction Fund            | -                   | 5,350                |
| Non-major Governmental Funds | 2,184               | 3,951                |
| Water Fund                   | 488                 | 171                  |
| Wastewater Fund              | -                   | 394                  |
| Stormwater Fund              | -                   | 1,118                |
| Golf Course Fund             | 8,190               | -                    |
| Food Service Fund            | 19                  | -                    |
| Internal Service Funds       | 698                 | 294                  |
| <b>Total</b>                 | <b>\$ 27,872</b>    | <b>\$ 27,872</b>     |

The General Fund transfers out include support transfers to Parks, Community Development and Golf Course Funds, capital transfer to the Capital Projects Fund, debt transfers to the Bond and COP Funds, and transfers to the Building internal service fund in support of operations.

The Community Development Fund transfer in is from the General Fund to support operations and the transfers out are to the Housing Fund to offset administrative costs and Capital Projects Fund for the Carr Street sidewalk project.

The Parks Fund transfer in is from the General Fund to support operations. The transfer out is to Internal Service Funds to support operations.

This year the General, Lands Dedicated, Stormwater and Community Development Funds made transfers into the Capital Projects Fund. The transfer out was to the Golf Course Fund.

The Construction Fund transfer out was to the Golf Course Fund for construction of the West Woods Club House renovation.

The Water Fund transfer out was to the Vehicle Fund for the purchase of vehicles. The transfers in are from the Wastewater and Stormwater Funds in support of administrative expenses.

The Wastewater Fund transfers out are to the Water Fund for administrative expenses and Vehicles Fund for the purchase of a vehicle.

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

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The Stormwater Fund transfers out are to the Water Fund for administrative expense, Capital Projects Fund for a non-enterprise asset, and the Bond Funds for debt service payment on the 2015 Certificates of Participation.

The Golf Course Fund transfers in are from the General Fund to support operations, and the Grants Fund, Capital Project Fund, Construction Fund, and Buildings Fund for the West Woods Club House project.

The Food Service Fund transfers in are from the General Fund to support operations.

The Internal Service Funds transfers in are in support of energy payments in the Building Fund, and to the Medical and Vehicle Funds in support of operations. Transfers out are for Capital Projects Fund and to the Vehicles Fund for the purchase of a vehicle.

**E. Long-Term Debt**

**Revenue Bonds  
Governmental Activities**

**Series 2009 Sales and Use Tax Refunding Revenue Bonds**

The City advance refunded \$12,975,000 and \$8,250,000 of 1998 and 1999 Sales and Use Tax Refunding Revenue Bonds, respectively, with an issuance of \$19,885,000 of Sales and Use Tax Refunding Revenue Bonds dated July 1, 2009, with interest rates varying from 2.5% to 4.0% payable semi-annually on June 1 and December 1. No outstanding in-substance defeased debt remains on the 1998 and 1999 Bonds. The advance refunding was completed in order to realize interest savings.

Bonds outstanding and related interest requirements as of December 31, 2017, are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2018                               | 3,885            | 155             | 4,040        |
| Total                              | \$3,885          | \$ 155          | \$4,040      |

The 2009 Sales and Use Tax Refunding Revenue Bonds are payable solely from the City's 3% sales and use tax. The sales and use tax revenues allocated for repayment of these bonds is deposited separately into the Debt Service Fund. During the year ended December 31, 2017, revenues of \$68,346,419 were available to pay annual debt service of \$3,909,050.

**NOTES TO FINANCIAL STATEMENTS**  
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**Business-Type Activities**

Series 2009 Water Enterprise Revenue Refunding Bonds

On April 24, 2009 the City refunded \$22,615,000 of 2001 Variable Rate Demand Water Enterprise Bonds, with the issuance of \$21,745,000 of Water Enterprise Revenue Refunding bonds dated May 1, 2009 with interest ranging from 2.0% to 5.0% payable semi-annually on May 1 and November 1. No outstanding in-substance defeased debt remains on the 2001 Bonds. The bonds mature beginning in 2009 and continue through 2020.

Annual debt service requirements for the outstanding bond at December 31, 2017, are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>   |
|------------------------------------|------------------|-----------------|----------------|
| 2018                               | 2,010            | 251             | 2,261          |
| 2019                               | 2,090            | 171             | 2,261          |
| 2020                               | 2,175            | 87              | 2,262          |
| <b>Total</b>                       | <b>\$6,275</b>   | <b>\$509</b>    | <b>\$6,784</b> |

The 2009 Water Enterprise Revenue Refunding Bonds are payable solely from revenues of the Water Fund. During the year ended December 31, 2017, revenues of \$15,678,000 were available to pay the annual debt service of \$2,245,704.

**Governmental Activities**

Series 2015A and 2015B Certificates of Participation

On January 22, 2015 the City advance refunded \$11,300,000 of 2005 Certificates of Participation with the issuance of \$7,880,000 of Refunding Certificates of Participation Series 2015A and \$3,940,000 taxable Refunding Certificates of Participation Series 2015B. No outstanding in-substance defeased debt remains on the 2005 Certificates. The refunding resulted in a deferred loss on refunding of \$444,000. Series 2015A Certificates have interest rate of 1.78%, payable semi-annually. The lease payments mature starting in 2018 and continue through 2024. Series 2015B Taxable Certificates have interest rate of 1.72%, payable semi-annually. The lease payments mature starting in 2015 and continue through 2018.

Annual lease payments for Series 2015A Certificates and outstanding balance at December 31, 2017 are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>   |
|------------------------------------|------------------|-----------------|----------------|
| 2018                               | 575              | 140             | 715            |
| 2019                               | 1,165            | 130             | 1,295          |
| 2020                               | 1,185            | 109             | 1,294          |
| 2021                               | 1,210            | 88              | 1,298          |
| 2022                               | 1,225            | 67              | 1,292          |
| 2023-2024                          | 2,520            | 67              | 2,587          |
| <b>Total</b>                       | <b>\$ 7,880</b>  | <b>\$ 601</b>   | <b>\$8,481</b> |

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

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Annual lease payments for Series 2015B Taxable Certificates and outstanding balance at December 31, 2017 are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2018                               | \$ 575           | \$ 10           | \$ 585       |
| Total                              | \$ 575           | \$ 10           | \$ 585       |

Series 2016 Certificates of Participation

On August 31, 2016 the City issued \$11,180,000 of Certificates of Participation Series 2016 dated September 15, 2016 for two projects, Westwoods Golf Clubhouse expansion and W 72<sup>nd</sup> Ave and Indiana Ave intersection improvements. The coupon rate ranges from 4.0% to 5.0% with interest payable semi-annually on June 1 and December 1. The lease payments mature beginning in 2016 and continue through 2036.

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2018                               | \$ 365           | \$ 465          | \$ 830       |
| 2019                               | 385              | 447             | 832          |
| 2020                               | 400              | 428             | 828          |
| 2021                               | 420              | 408             | 828          |
| 2022                               | 445              | 387             | 832          |
| 2023-2027                          | 2,570            | 1,582           | 4,152        |
| 2028-2032                          | 3,155            | 991             | 4,146        |
| 2033-2036                          | 3,015            | 307             | 3,322        |
| Total                              | \$ 10,755        | \$ 5,015        | \$ 15,770    |



**NOTES TO FINANCIAL STATEMENTS**  
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**Changes in General Long-Term Liabilities** – During the year ended December 31, 2017 the following changes occurred in liabilities reported in the governmental activities (including internal service funds), and business type activities (in thousands):

| <b>Governmental Activities</b> | <b>Balance<br/>01/01/2017</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>12/31/2017</b> | <b>Due in<br/>1 year</b> |
|--------------------------------|-------------------------------|------------------|-------------------|-------------------------------|--------------------------|
| Revenue Bonds                  | \$ 7,500                      | \$ -             | \$ 3,615          | \$ 3,885                      | \$ 3,885                 |
| Bond Premium                   | 337                           | -                | 246               | 91                            | 91                       |
| Certificates of Participation  | 20,680                        | -                | 1,470             | 19,210                        | 1,515                    |
| Bond Premium                   | 1,876                         | -                | 94                | 1,782                         | 94                       |
| OPEB                           | 3,273                         | 294              | 188               | 3,379                         | -                        |
| Net Pension Liability (Asset)  | (19)                          | 11               | -                 | (8)                           | -                        |
| Compensated Absences           | 4,135                         | 2,418            | 2,561             | 3,992                         | 1,996                    |
| <b>Total Governmental</b>      | <b>\$ 37,782</b>              | <b>\$ 2,723</b>  | <b>\$ 8,174</b>   | <b>\$ 32,331</b>              | <b>\$ 7,581</b>          |

| <b>Business-Type Activities</b> | <b>Balance<br/>01/01/2017</b> | <b>Additions</b> | <b>Reductions</b> | <b>Balance<br/>12/31/2017</b> | <b>Due in<br/>1 year</b> |
|---------------------------------|-------------------------------|------------------|-------------------|-------------------------------|--------------------------|
| Revenue Bond                    | \$ 8,190                      | \$ -             | \$ 1,915          | \$ 6,275                      | \$ 2,010                 |
| Bond Premium                    | 416                           | -                | 104               | 312                           | 104                      |
| Compensated Absences            | 629                           | 407              | 436               | 600                           | 299                      |
| <b>Total Business Type</b>      | <b>\$ 9,235</b>               | <b>\$ 407</b>    | <b>\$ 2,455</b>   | <b>\$ 7,187</b>               | <b>\$ 2,413</b>          |

**4. Other Information**

**A. Risk Management**

The City has established a risk management program for much of its insurance needs. It is self-insured for occurrences of general liability and auto liability claims, which are subject to the Colorado Governmental Immunity Act which caps recoveries at \$350,000 per person and \$990,000 per accident. Property damage is subject to a \$100,000 deductible and liability insurance a \$250,000 self-insured retention (SIR). Effective April 1, 2013 the Workers' Compensation program maintains a self-insured retention limit of \$500,000. There have been no settlements which exceed the Governmental Immunity Caps for general or auto liability in the last three years. Property damage from the May, 2017 hail storm exceeded the \$100,000 deductible during 2017. During 2017 there were two workers compensation claims that exceeded the effective SIR.

Premiums are paid by each department into the Insurance Fund (internal service) to pay claims, claim reserves, loss control and administrative costs of the program including premiums to commercial insurance companies for losses in excess of the self-insured amounts.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is recorded in the internal service funds.

**NOTES TO FINANCIAL STATEMENTS  
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Changes in the balances of claims liabilities during the past two years are as follows (in thousands):

|                                  | <b>Insurance Service</b> |
|----------------------------------|--------------------------|
| Unpaid Claims, January 1, 2016   | \$ 1,165                 |
| Incurring Claims                 | 1,090                    |
| Claim Payments                   | 839                      |
| Unpaid Claims, December 31, 2016 | 1,416                    |
| Incurring Claims                 | 1,140                    |
| Claim Payments                   | 257                      |
| Unpaid Claims, December 31, 2017 | \$ 2,299                 |

Effective January 1, 2014, the City established a self-funded medical insurance program for employees who choose to participate in the program. The City utilizes a third party provider to administer the plan. Excess insurance coverage is maintained for claims greater than \$175,000 to limit the loss of any individual claim. The claim liability of \$514,400 as of December 31, 2017 represents an estimate of incurred but not reported (IBNR) claims.

|                                  | <b>Medical Insurance</b> |
|----------------------------------|--------------------------|
| Unpaid Claims January 1, 2016    | \$ 420                   |
| Incurring Claims                 | 7,975                    |
| Claim Payments                   | 7,957                    |
| Unpaid Claims, December 31, 2016 | 438                      |
| Incurring Claims                 | 8,178                    |
| Claim Payments                   | 8,102                    |
| Unpaid Claims, December 31, 2017 | \$ 514                   |

The City also provides dental insurance for employees. Dental claims are limited to \$1,500/year per person.

**B. Commitments and Contingencies**

**1) Litigation**

The City is involved in pending litigation. The City anticipates no potential claims resulting from these cases which would materially affect the financial statements of the City.

**2) Federal Grants**

Federal grants are subject to audit which could result in disallowed costs, the amount which is undeterminable at December 31, 2017. If any costs are disallowed in the future, the City expects them to be insignificant.

**3) Tax Abatements**

The City enters into sales tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the City. Abatements are granted to businesses located within or promising to relocate to the City upon City Council approval.

For the fiscal year ended December, 31, 2017, the City abated sales taxes totaling \$230,819 under this program, including the following tax abatement agreements:

NOTES TO FINANCIAL STATEMENTS  
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- A 50% sales tax abatement to a restaurant for construction including infrastructure and improvements of a restaurant. The abatement amounted to \$55,061.
- A 50% sales tax abatement to a restaurant to improve and occupy an empty restaurant location. The abatement amounted to \$47,692.
- A 50% sales tax abatement to a retail store for construction including infrastructure and improvements of a retail store. The abatement amounted to \$25,148.
- A 75% sales tax abatement to a retail store to improve and occupy an empty store front. The abatement amounted to \$26,432.
- A \$76,486 annual sales tax abatement to a grocery store for retention and continued use of store front. The abatement amounted to \$76,486.
- A 50% sales tax abatement to a grocery store for construction including infrastructure and improvements of a grocery store. The abatement amounted to \$0.
- A 100% admission tax abatement after the first \$100,000 is retained by the City annually and a 100% use tax abatement on the building permit to reconstruct and modernize a public amenity. The abatement amounted to \$0.

**4) AURA Commitments**Developer Agreements

The Authority, under the Urban Renewal Law of the State of Colorado, has entered into various Disposition and Development Agreements (DDAs) with certain developers, the terms of which are scoped into the requirements of Governmental Accounting Standards Board Statement No. 77, Tax Abatements. These agreements generally stipulate that the Authority will sell property held for resale, typically at a discount, and provide certain types of property and sales tax rebates (in excess of a set “base” amount and up to a set maximum dollar threshold and/or maturity date), lodging tax rebates, public improvement fee (PIF) rebates and/or PIF in lieu of sales taxes in exchange for a commitment from the developer to purchase, develop and otherwise rehabilitate the related property within a specified period of time.

As of December 31, 2017, the Authority has entered into eight DDAs expiring from 2025 to 2035. During the year ended December 31, 2017, the Authority rebated property tax of \$8,563,066, PIF of \$333,368 and lodging tax of \$74,247.

**C. Conduit Debt Obligation**

From time to time, the City has issued Industrial/Mortgage Revenue Bonds, Mortgage Credit Certificates and Private Activity Bonds. Industrial Bonds are issued to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities. Mortgage Bonds are issued to provide financial assistance to low and moderate income persons and families in the purchase of a home. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of such property transfers to the person/family served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2017, there were 2 Industrial Revenue Bonds, 1,024 single and multi-family Mortgage Bonds, 247 Mortgage Credit Certificates and 1 Private Activity Bond and one Charter School Revenue Bond. The unpaid balance on the Industrial Revenue Bonds is \$11.5 million and on the multi-family Mortgage Bonds is \$5.9 million. The unpaid balance on the Mortgage Credit Certificates is \$36.4 million, and on the Private Activity Bond is \$25.5 million. The balance on the Charter School Revenue Bond is \$6.2 million.

**D. Retirement Commitments**

The City has adopted one pension plan and three defined contribution plans (Plans) covering all employees, except those hired on a temporary basis.

Although it has not expressed any intention to do so, the City has the right under the Plans to discontinue its contribution or to terminate the Plans.

Should the Plans terminate at some future time, their net assets will be used to provide participants' benefits. Upon such termination, the assets of the Plans are to be allocated for the benefit of each participant and the beneficiary in a manner approved by the Internal Revenue Service.

**1) Defined Benefit Police Pension Plan**

Governmental Accounting Standards Board Statement No. 67 *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* (GASB 67) establishes the requirements for governmental pension plan financial statement reporting, including pension plan financial statements included as a pension trust fund of a government. Accordingly, GASB 67 applies to the City's reporting of statement of fiduciary net position, statement of changes in fiduciary net position, certain notes to the financial statements and certain required supplementary information (RSI).

Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* sets forth the pension reporting requirements for the City in the statement of net position, statement of activities, certain notes to the financial statements and certain RSI. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, pension expense, and information about the fiduciary net position of the Defined Benefit Police Pension (Plan) have been determined on the same basis as they are reported by the Plan. Benefit payments are recognized when due and payable. As no stand-alone financial report is issued, all required disclosures for both GASB 67 and GASB 68 are contained in this note.

**Plan Description**

The City has a single employer defined benefit pension plan that covers the uniformed police officers who did not elect to participate in the Defined Contribution Police Pension Plan that became effective January 1, 1986. In 1986, single premium group annuities were purchased for the benefit of retired employees, beneficiaries and terminated vested employees. After January 1, 1986, all new uniformed police officers are participants in the Defined Contribution Police Pension Plan.

The pension plan board consists of seven trustees, the Director of Finance (or designee), the Director of Human Resources (or designee), one resident citizen of the City of Arvada not employed by the City or affiliated with the retirement plan, four members of the retirement system elected by the members of the retirement system.

One fully vested participant remains in the Defined Benefit Plan as of December 31, 2017. The participant began receiving retirement benefits in 1997, as defined by City ordinance. The City does not issue a stand-alone financial report for the plan.

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Lifetime retirement benefits are established in Chapter 86 of the City of Arvada City Code. A monthly benefit begins at the age of 55 and is based upon the members final base pay, allowing 2 ½ percent for each year of credited service to a maximum of 65 percent of final base pay. Final base pay is determined on the basis of the highest total salary received during any three consecutive years of service divided by the number of months for which pay was received.

No contributions were made by the participant for the year ended December 31, 2017. The City contributed \$20,000 per year to the plan from 2012 through 2015. During 2016 the City contributed \$170,000 to the plan. The City did not make a contribution to the plan during 2017.

**Investments**

The pension plan's investment policy follows the City's investment policy as summarized on pages 55-57. The December 31, 2017 plan asset allocation is shown below:

| <u>Asset Class</u>               | <u>Allocation</u> |
|----------------------------------|-------------------|
| Local Government Investment Pool | 1.67%             |
| Pooled cash and investments      | <u>98.33%</u>     |
|                                  | 100.00%           |

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 1.04 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of them they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

**Net Pension (Asset) of the City**

The components of the net pension (asset) of the City at December 31, 2017, were as follows:

|   |                |
|---|----------------|
| Total pension liability   | \$461,802      |
| Plan fiduciary net position   | <u>469,830</u> |
| City's net pension (asset)  | \$(8,028)      |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 101.74%        |

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, projected generationally using projection scale MP-2016.

The long-term expected rate of return is selected by the Plan Sponsor after review of expected inflation and long-term real-returns, reflecting volatility and correlation. The assumption currently selected is 3.5% per annum, net of investment expenses.

The discount rate used to measure the total pension liability was 3.5 percent. The projection of cash flows used to determine the discount rate assumed the City will not make additional contributions to the plan. Based on those assumptions, the pension plan's fiduciary net

**NOTES TO FINANCIAL STATEMENTS**  
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position was projected to make all projected future benefit payments. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 3.5 percent, as well as what the City's net pension (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current rate:

|                               | 1% Decrease<br>(2.5%) | Current Discount Rate<br>(3.5%) | 1% Increase<br>(4.5%) |
|-------------------------------|-----------------------|---------------------------------|-----------------------|
| Net pension liability (asset) | \$ 50,673             | \$ (8,028)                      | \$ (56,382)           |

**Net Pension (Asset) of the City**

The net pension (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of January 1, 2016, rolled forward to December 31, 2017 using standard actuarial methods.

Significant methods and assumptions included the following:

- Actuarial Valuation Date – January 1, 2016
- Measurement Date – December 31, 2017
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar
- Rate of Investment Return – 3.5% per annum
- Remaining Closed Amortization Period – 15 years
- Asset Valuation Method – Market Value
- Inflation 2.5%

**Changes in the Net Pension Liability (Asset)**

|  | Total Pension<br>Liability | Increase (Decrease)<br>Plan Fiduciary<br>Net Position | Net Pension<br>Liability (Asset) |
|--|----------------------------|---|----------------------------------|
| Balances as of December 31, 2016               | \$ 474,513                 | \$ 493,671  | \$ (19,158)                      |
| Changes for the year:                          |                            |   |                                  |
| Service Cost                                   | -                          | -   | -                                |
| Interest on total pension liability            | 16,108                     | -   | 16,108                           |
| Effect of plan changes                         | -                          | -   | -                                |
| Effect of economic/demographic gains or losses | -                          | -   | -                                |
| Effect of assumptions changes or inputs        | -                          | -   | -                                |
| Benefit payments                               | (28,819)                   | (28,819)  | -                                |
| Administrative expenses                        | -                          | -   | -                                |
| Member contributions                           | -                          | -   | -                                |
| Employer contributions                         | -                          | -   | -                                |
| Net investment income (loss)                   | -                          | 4,978   | (4,978)                          |
| Balances December 31, 2017                     | \$ 461,802                 | \$ 469,830  | \$ (8,028)                       |

Information regarding pension plan fiduciary net position can be found on pages 40-41 of this report.

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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**Pension Expense and Deferred Outflows of Resources Related to Pensions**

For the year ended December 31, 2017 the City recognized pension expense of \$8,610. At December 31, 2017 the City reported deferred outflows of resources related to pensions from the following source:

|  | <u>Deferred Outflows of<br/>Resources</u> |
|--|---|
| Net difference between projected and actual earnings | <u>23,180</u>                             |
| Totals   | <u><u>\$ 23,180</u></u>                   |

Amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

| Year ended December 31: |                         |
|-------------------------|-------------------------|
| 2018                    | \$ 9,281                |
| 2019                    | 6,858                   |
| 2020                    | 4,681                   |
| 2021                    | 2,360                   |
| 2022                    | -                       |
| Thereafter              | -                       |
| Total                   | <u><u>\$ 23,180</u></u> |

**2) City of Arvada Retirement Plan – Defined Contribution Plan**

Effective January 1, 1993, all eligible City employees participate in the City of Arvada Retirement Plan (CARP), a defined contribution plan.

All City full-time and part-time employees, except uniformed police officers, the City Manager, the City Attorney, the Municipal Judge and Department Heads are eligible to participate in CARP. 487 employees were participants in the plan as of December 31, 2017. Employer contributions vest with the employee according to the following:

| <u>Years of Service</u> | <u>Vesting Percentage</u> |
|-------------------------|---------------------------|
| Less than 1 year        | 0%                        |
| 1 year                  | 20%                       |
| 2 years                 | 40%                       |
| 3 years                 | 60%                       |
| 4 years                 | 80%                       |
| 5 or more years         | 100%                      |

The plan requires covered employees to contribute 8% of their salary to the plan and the City to contribute 10% of the compensation of all participants hired after April 2, 2004. Employees hired on or before April 2, 2004 had a choice of receiving a flat rate 10% contribution or receiving an age weighted, graduated retirement contribution up to a maximum of 15%. The maximum permissible contribution is the lesser of \$51,000 or 100% of the participant's earnings for the plan year.

If a participant is less than one hundred percent vested at the time of termination of employment, the non-vested portion of the amount in his/her Employer Contribution account shall be credited to a suspense account. If the participant does not incur a break in service after termination, prior to re-employment the credit in the suspense account shall be transferred back to the reconstituted Employer Contribution Account. If a break in service occurs after termination the amount credited to the suspense account will be used first to offset expenses of the plan. If the value in the suspense account exceeds \$50,000 as of the last day of the plan year, the amounts in excess of \$50,000 shall be allocated to participants pro rata based upon each participant's months of continuous service with the City during which the participant participated in the City benefit plans.

Benefit payments are based upon the participant account balance as of the valuation date immediately preceding the date of distribution. The participant may elect to receive distribution in a lump sum; substantially equal annual, semi-annual, quarterly or monthly installments; through the purchase of an immediate or deferred single payment, non-transferable annuity contract; or a combination of the above. Plan provisions and contribution requirements are established and may be amended by City Council.

The required City contribution of \$3,903,035 and the required employee contributions of \$2,679,493 were paid during 2017. Additional employee contributions, in the form of rollovers, of \$246,426 were also made in 2017. The required contributions represent 11.66% and 8% of total covered payroll, respectively. The plan investments are maintained and administered by Empower Retirement Services.

### **3) Defined Contribution Police Pension Plan**

The City provides retirement benefits for all of its uniformed officers not covered in the Defined Benefit Police Pension Plan through a defined contribution plan named the Police Money Purchase Plan (PMPP). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Participants are eligible to participate from the date of employment.

The Plan requires that the City and the participant each contribute 10% of the participant's compensation. Participants are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Plan's expenses. Plan provisions and contribution requirements are established and may be amended by City Council.

176 employees were participants as of December 31, 2017. The required contributions for the City and PMPP employees amounted to \$1,385,502 each (10% of covered payroll). The plan allows voluntary and roll over contributions by employees. The plan investments are maintained and administered by Fidelity Investments.

### **4) Executive Retirement Plan**

The City provides retirement benefits for the City Manager, the City Attorney, the Municipal Judge and Department Heads through a separate defined contribution plan. The plans are administered by Empower Retirement Services. Qualified employees are eligible to participate from the date of employment. Under the plan, the City contributes an amount equal to 10.02% of the participant's base salary. The employees covered by this plan were required to make an 8% contribution in 2017.

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Employees covered under this Plan are vested upon date of hire. Employees who leave employment with the City are entitled to all contributions and interest earnings. Plan provisions and contribution requirements are established and may be amended by City Council. For the year ended December 31, 2017 the City contributed \$253,334 for the benefit of the 14 participants in the Plan and the employees contributed \$220,671, as required.

**E. Postemployment Benefits Other than Pensions**

The City adopted the standards of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 45), for the year ended December 31, 2008, on a prospective basis.

**Plan Description** – The City has established a single employer-defined benefit post-employment healthcare plan. Employees with at least 20 years of service with the City, or 5 years of service with the City plus 59 years of age, are eligible to receive health insurance benefits after retirement. The retiree pays 100% of the health care premium. These benefits expire when the retiree reaches the age of 65. The authority to establish and amend benefit provisions rests with the City Council. The City does not issue a stand-alone financial report for the plan.

**Funding Policy** – The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2017, the City made \$188,135 in contributions to the plan and all governmental funds with employees, General Fund, Parks Fund, Community Development Fund, Arvada Housing Fund and Police Tax Increment Funds, contributed to this number. Plan members are required to contribute their share of the premiums.

**Annual OPEB Cost and Net OPEB Obligation** – The City’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the plan.

|  |                     |
|--|---------------------|
| Annual required contribution               | \$ 284,148          |
| Interest on net OPEB obligation            | 122,730             |
| Adjustment to annual required contribution | <u>(112,953)</u>    |
| Annual OPEB cost                           | 293,925             |
| Contributions made                         | <u>188,135</u>      |
| Increase in net OPEB obligation            | 105,790             |
| Net OPEB Obligation, Beginning             | <u>3,272,803</u>    |
| Net OPEB Obligation, Ending                | <u>\$ 3,378,593</u> |

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2017, follows.

| <u>Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|-------------------|-------------------------|---|----------------------------|
| 12/31/15          | \$ 556,389              | 14.1%   | \$ 3,193,344               |
| 12/31/16          | \$ 293,688              | 72.9%   | \$ 3,272,803               |
| 12/31/17          | \$ 293,925              | 64.0%   | \$ 3,378,593               |

NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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Funded Status and Funding Progress – At January 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$2,695,103 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$49,172,132, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 5.5%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These assumptions include among others, annual rates of payroll increases, healthcare cost trends, and mortality rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the City and plan members, and are based on the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions included the following:

- Actuarial Valuation Date – January 1, 2016
- Actuarial Cost Method – Projected Unit Credit
- Amortization Method – Level Percentage of Pay, Open
- Inflation Rate – 2.5% per annum
- Remaining Amortization Period – 30 years
- Assumed Salary Growth Rate – 3.5% per annum
- Asset Valuation Method – Fair Value
- Discount Rate – 3.75% per annum
- Healthcare Cost Trend Rate and Premium Increase – 5.9% for 2016, 5.7% for 2017 and grading to 4.4% over the life cycle.

#### **F. Related Party Notes**

In February 2010, the City and AURA entered into a promissory note in which the City loaned AURA \$2,745,000 at a simple interest rate of 3.5% for 2 years. Interest payments are due monthly. The loan was due and payable in full on April 1, 2016. The loan was collateralized with a building and two parcels of land. During 2015, the property was sold and the note amended. Under the amended note, AURA made a lump sum payment to the City in the amount of \$500,000 at the time of sale and the remaining balance of \$2,245,000 will be paid in monthly installments beginning January 2016 and continuing through November 2023 at a simple interest rate of 1.5%. The balance as of December 31, 2017 is \$1,971,945. Though the note is not unsecured, the City shall be authorized to withhold payment to AURA derived from the incremental sales tax in the event of default.

In June, 2016, the City entered into a loan agreement with AURA in which the City's Wastewater Fund loaned AURA \$5,000,000 at a simple interest rate of 3% through June 2028. Interest payments are due monthly beginning in June 2017 through 2018. Principal and interest will be payable monthly thereafter until maturity. The balance as of December 31, 2017 is \$5,000,000. The loan is unsecured, though the City shall be authorized to withhold payment to AURA derived from incremental sales tax or public improvement fees in the event of default.

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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In June 2016, the City entered into a loan agreement with the newly formed stand alone not for profit, Arvada Center for the Arts and Humanities for \$200,000. The loan was made interest-free as long as the not for profit is in compliance with all terms of the agreement. The agreement may be extended for four one-year terms. In March, 2017 this agreement was extended for one year.

**F. Net Investment in Capital Assets**

Net investment in capital assets is a component of net position, and consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction or improvement of those assets. The calculation of net investment in capital assets is shown below:

|                                  | Governmental<br>Activities | Business-type<br>Activities |
|----------------------------------|----------------------------|-----------------------------|
| Capital assets, net              | \$ 369,128                 | \$ 288,434                  |
| Related debt                     | (24,968)                   | (6,587)                     |
| Unspent debt proceeds            | 5,850                      | -                           |
| Deferred loss on refunding       | 344                        | -                           |
| Outstanding accounts payable     | (5,528)                    | (3,752)                     |
| Net investment in capital assets | \$ 344,826                 | \$ 278,095                  |

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**Required Supplementary Information**

**Schedule of Funding Progress**

### Schedule of Funding Progress

#### Retiree Health Program

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL)- Projected Unit Credit Cost Method | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|--|---------------------|--------------|-----------------|---|
| 01/01/2012               | \$ -                      | \$ 4,989,521   | \$ 4,989,521        | 0%           | \$ 41,922,619   | 11.90%                                  |
| 01/01/2014               | \$ -                      | \$ 5,332,419   | \$ 5,332,419        | 0%           | \$ 45,053,303   | 11.84%                                  |
| 01/01/2016               | \$ -                      | \$ 2,695,103   | \$ 2,695,103        | 0%           | \$ 49,172,132   | 5.50%                                   |

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**Police Defined Benefit Pension Plan**



**Police Defined Benefit Pension Plan  
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios**

|  | Fiscal Year Ending December 31 |          |          |          |       |       |       |       |       |       |
|--|--------------------------------|----------|----------|----------|-------|-------|-------|-------|-------|-------|
|  | 2017                           | 2016     | 2015     | 2014     | 2013* | 2012* | 2011* | 2010* | 2009* | 2008* |
| <b>Total pension liability</b>                           |                                |          |          |          |       |       |       |       |       |       |
| Service Cost   | \$ -                           | \$ -     | \$ -     | \$ -     | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Interest on total pension liability                      | 16,108                         | 16,538   | 17,200   | 17,597   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Effect of plan changes                                   | -                              | -        | -        | -        | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Effect of assumption changes or inputs                   | -                              | 5,548    | -        | -        | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Effect of economic/demographic gains (losses)            | -                              | (12,961) | -        | -        | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Benefit payments   | (28,819)                       | (28,819) | (28,819) | (28,819) | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Net change in total pension liability                    | (12,711)                       | (19,694) | (11,619) | (11,222) | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Total pension liability, beginning                       | 474,513                        | 494,207  | 505,826  | 517,048  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Total pension liability, ending                          | 461,802                        | 474,513  | 494,207  | 505,826  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| <b>Fiduciary Net Position</b>                            |                                |          |          |          |       |       |       |       |       |       |
| Employer contributions                                   | -                              | 170,000  | 20,000   | 20,000   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Member contributions                                     | -                              | -        | -        | -        | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Investment income net of investment expenses             | 4,978                          | 3,066    | 1,458    | 514      | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Benefit payments   | (28,819)                       | (28,819) | (28,819) | (28,819) | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Administrative payments                                  | -                              | -        | -        | -        | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Net change in plan fiduciary net position                | (23,841)                       | 144,247  | (7,361)  | (8,305)  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Fiduciary net position, beginning                        | 493,671                        | 349,424  | 356,785  | 365,090  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Fiduciary net position, ending                           | 469,830                        | 493,671  | 349,424  | 356,785  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Net pension liability (asset) ending                     | (8,028)                        | (19,158) | 144,783  | 149,041  | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Fiduciary net position as a % of total pension liability | 101.74%                        | 104.04%  | 70.70%   | 70.54%   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Covered payroll **                                       | N/A                            | N/A      | N/A      | N/A      | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |
| Net pension liability at a % of covered payroll          | N/A                            | N/A      | N/A      | N/A      | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |

\* Years prior to 2014 are not calculated using GASB Statement 67/68 requirements and therefore are not shown.  
 \*\* Covered payroll is zero as plan covers one retired person; plan is not open to current or future employees.  
 \*\*\* Because this plan does not issue stand-alone financial statements, additional disclosures as required by GASB 67 are presented within this financial report.

**Police Defined Benefit Pension Plan  
Schedule of City Contributions  
Last 10 Fiscal Years**

|  | 2017      | 2016      | 2015      | 2014      | 2013     | 2012     | 2011     | 2010 | 2009 | 2008 |
|--|-----------|-----------|-----------|-----------|----------|----------|----------|------|------|------|
| Actuarially determined contribution                                  | \$ 11,927 | \$ 11,927 | \$ 12,011 | \$ 12,011 | \$ 7,632 | \$ 7,632 | \$ 7,632 | N/A  | N/A  | N/A  |
| Contributions in relation to the Actuarially determined contribution | -         | 170,000   | 20,000    | 20,000    | 20,000   | 20,000   | \$ -     | N/A  | N/A  | N/A  |
| Contribution deficiency (excess)                                     | 11,927    | (158,073) | (7,989)   | (7,989)   | (12,368) | (12,368) | (7,632)  |      |      |      |
| Covered Payroll  | N/A       | N/A       | N/A       | N/A       | N/A      | N/A      | N/A      | N/A  | N/A  | N/A  |
| Contributions as a percentage of covered-employee payroll            | N/A       | N/A       | N/A       | N/A       | N/A      | N/A      | N/A      | N/A  | N/A  | N/A  |

\* Years prior to 2011 are not calculated using GASB 67/68 requirements and therefore are not shown. Additionally, the City did not make contributions to the plan from 2008-2011 and 2017.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date: January 1, 2016  
 Actuarial cost method: Entry age normal  
 Amortization method: Level dollar  
 Closed, open or layered periods: Closed  
 Remaining amortization period: 15 years  
 Asset valuation method: Market value  
 Inflation: 2.50%  
 Rate of investment return: 3.50%  
 Mortality: PR-2014 Healthy Annuitant Mortality Table projected generationally using scale MP-2016

**Police Defined Benefit Pension Plan  
Schedule of Money Weighted Returns  
Last 10 Fiscal Years**

|  | 2017  | 2016  | 2015  | 2014  | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------|-------|-------|-------|------|------|------|------|------|------|
| Annual money-weighted rate of return net of investment expense | 1.04% | 0.71% | 0.43% | 0.15% | N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |

\* Years prior to 2014 are not calculated using GASB 67/68 requirements and therefore are not shown.

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**AEDA FUND  
BALANCE SHEET  
Year Ended December 31, 2017  
(in thousands)**

**ASSETS**

|                           |                      |
|---------------------------|----------------------|
| Cash and investments      | \$ 605               |
| Accounts receivable (net) | <u>341</u>           |
| Total assets              | <u><u>\$ 946</u></u> |

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

|                   |           |
|-------------------|-----------|
| Accounts payable  | <u>74</u> |
| Total liabilities | <u>74</u> |

**FUND BALANCES**

|                    |            |
|--------------------|------------|
| Assigned           | <u>872</u> |
| Total fund balance | <u>872</u> |

|                                     |                      |
|-------------------------------------|----------------------|
| Total liabilities and fund balances | <u><u>\$ 946</u></u> |
|-------------------------------------|----------------------|



**AEDA FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Year Ended December 31, 2017**  
**(in thousands)**

|                                    |                      |
|------------------------------------|----------------------|
| <b>REVENUES</b>                    |                      |
| Interest                           | \$ 8                 |
| Operating grants                   | 754                  |
| Total Revenues                     | <u>762</u>           |
| <b>EXPENDITURES</b>                |                      |
| Personnel services                 | 444                  |
| Services & charges                 | 127                  |
| Program costs                      | 292                  |
| Professional services              | 155                  |
| Supplies                           | 21                   |
| Total expenditures                 | <u>1,039</u>         |
| <b>NET CHANGE IN FUND BALANCES</b> | (277)                |
| <b>FUND BALANCES, BEGINNING</b>    | <u>1,149</u>         |
| <b>FUND BALANCES, ENDING</b>       | <u><u>\$ 872</u></u> |

**Nonmajor Governmental Funds**

Lands Dedicated Fund  
Arvada Housing Authority  
Police Seizure Fund  
Police Tax Increment Funds  
Grants Fund  
Bond Fund  
Debt Service Fund



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

**Lands Dedicated Fund** - To account for annexation requirements to be used primarily for park purposes.

**Arvada Housing Authority Fund** - The Section 8 Housing Assistance Payments Program is administered by the Arvada Housing Authority. The program is designed to provide rent subsidies to low or moderate income households.

**Police Seizure Fund** - Colorado statutes authorize local law enforcement agencies to seize cash and other assets belonging to persons convicted of public nuisance crimes. The statutes also specify that the courts may award the property to the agency that apprehended the criminal and that these resources must be used only for specific law enforcement purposes. This fund was established to account for these resources as they are awarded to and expended by the City's law enforcement agency.

**Police Tax Increment Funds** - The purpose of the tax increment funds is to account for the voter approved sales tax increases to fund expanded police services.

**Grants Fund** - To account for receipt of lottery monies through the Conservation Trust Fund. Also to account for the disbursement of monies through transfers to other funds for specific uses as dictated by the Conservation Trust Fund.

### Debt Service Funds

**Bond Fund** – To account for transfers from the General Fund and Stormwater Fund for payments of principal and interest on the \$18,505,000 Series 2015 and 2016 COP Bonds.

**Debt Service Fund** – To account for the payment of revenue debt incurred through bond issues other than Water Bond Issues, which are accounted for in the Water Fund. Payments for the Limited Sales and Use Tax Revenue Bonds are included in this fund.



**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
December 31, 2017  
(in thousands)**

|  | Special Revenue Funds      |  |                        |                                       |                                       |
|--|----------------------------|--|------------------------|---------------------------------------|---------------------------------------|
|  | Lands<br>Dedicated<br>Fund | Arvada<br>Housing<br>Authority<br>Fund | Police Seizure<br>Fund | Police Tax<br>Increment<br>(.21) Fund | Police Tax<br>Increment<br>(.25) Fund |
| <b>ASSETS</b>  |                            |  |                        |                                       |                                       |
| Cash and investments   | \$ -                       | \$ 85                                  | \$ 488                 | \$ 5,403                              | \$ 7,038                              |
| Accounts receivable (net)  | -                          | 80                                     |                        | 497                                   | 684                                   |
| Accrued interest   |                            | -                                      | 1                      | 17                                    | 23                                    |
| Prepaid costs  | -                          | -                                      | -                      | 14                                    | -                                     |
| Total assets   | <u>\$ -</u>                | <u>\$ 165</u>                          | <u>\$ 489</u>          | <u>\$ 5,931</u>                       | <u>\$ 7,745</u>                       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b> |                            |  |                        |                                       |                                       |
| <b>LIABILITIES</b>   |                            |  |                        |                                       |                                       |
| Accounts payable   | \$ -                       | \$ 20                                  | \$ -                   | \$ 339                                | \$ 414                                |
| Unearned revenue   | -                          | -                                      | -                      | 11                                    | 13                                    |
| Total liabilities  | <u>-</u>                   | <u>20</u>                              | <u>-</u>               | <u>350</u>                            | <u>427</u>                            |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                |                            |  |                        |                                       |                                       |
| Grants   | -                          | 71                                     | -                      | -                                     | -                                     |
| Notes Receivable   | -                          | -                                      | -                      | -                                     | -                                     |
| Total deferred inflows of resources                                | <u>-</u>                   | <u>71</u>                              | <u>-</u>               | <u>-</u>                              | <u>-</u>                              |
| <b>FUND BALANCES</b>   |                            |  |                        |                                       |                                       |
| Nonspendable   | -                          | -                                      | -                      | 14                                    | -                                     |
| Restricted   | -                          | 74                                     | 489                    | 5,567                                 | 7,318                                 |
| Total fund balance   | <u>-</u>                   | <u>74</u>                              | <u>489</u>             | <u>5,581</u>                          | <u>7,318</u>                          |
| Total liabilities and fund balances                                | <u>\$ -</u>                | <u>\$ 165</u>                          | <u>\$ 489</u>          | <u>\$ 5,931</u>                       | <u>\$ 7,745</u>                       |

| <u>Debt Service</u> |                  |                          |                                     |
|---------------------|------------------|--------------------------|-------------------------------------|
| <u>Grants Fund</u>  | <u>Bond Fund</u> | <u>Debt Service Fund</u> | <u>Total Non-major Governmental</u> |
| \$ 237              | \$ 203           | \$ 337                   | \$ 13,791                           |
| -                   | -                | -                        | 1,261                               |
| 1                   | -                | -                        | 42                                  |
| -                   | -                | -                        | 14                                  |
| <u>\$ 238</u>       | <u>\$ 203</u>    | <u>\$ 337</u>            | <u>\$ 15,108</u>                    |
| \$ -                | \$ -             | \$ -                     | \$ 773                              |
| -                   | -                | -                        | 24                                  |
| -                   | -                | -                        | 797                                 |
| -                   | -                | -                        | 71                                  |
| -                   | -                | -                        | -                                   |
| -                   | -                | -                        | 71                                  |
| -                   | -                | -                        | 14                                  |
| <u>238</u>          | <u>203</u>       | <u>337</u>               | <u>14,226</u>                       |
| <u>238</u>          | <u>203</u>       | <u>337</u>               | <u>14,240</u>                       |
| <u>\$ 238</u>       | <u>\$ 203</u>    | <u>\$ 337</u>            | <u>\$ 15,108</u>                    |



**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | Special Revenue Funds      |  |                        |                                       |
|--|----------------------------|--|------------------------|---------------------------------------|
|  | Lands<br>Dedicated<br>Fund | Arvada<br>Housing<br>Authority<br>Fund | Police Seizure<br>Fund | Police Tax<br>Increment<br>(.21) Fund |
| <b>REVENUES</b>  |                            |  |                        |                                       |
| Taxes  | \$ -                       | \$ -                                   | \$ -                   | \$ 4,777                              |
| Intergovernmental  | -                          | 4,204                                  | -                      | 69                                    |
| Dedications  | -                          | -                                      | -                      | -                                     |
| Investment earnings  | 12                         | 1                                      | 4                      | 37                                    |
| Miscellaneous  | -                          | 29                                     | 31                     | 41                                    |
| Total Revenues   | <u>12</u>                  | <u>4,234</u>                           | <u>35</u>              | <u>4,924</u>                          |
| <b>EXPENDITURES</b>  |                            |  |                        |                                       |
| Program costs  | -                          | 4,231                                  | 22                     | 3,871                                 |
| Debt Service   |                            |  |                        |                                       |
| Principal  | -                          | -                                      | -                      | -                                     |
| Interest   | -                          | -                                      | -                      | -                                     |
| Capital outlay   | -                          | -                                      | -                      | 10                                    |
| Total expenditures   | <u>-</u>                   | <u>4,231</u>                           | <u>22</u>              | <u>3,881</u>                          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>12</u>                  | <u>3</u>                               | <u>13</u>              | <u>1,043</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                            |  |                        |                                       |
| Transfers in   | -                          | 40                                     | -                      | -                                     |
| Transfers out  | (1,621)                    | -                                      | -                      | (32)                                  |
| Total other financing sources (uses)                         | <u>(1,621)</u>             | <u>40</u>                              | <u>-</u>               | <u>(32)</u>                           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (1,609)                    | 43                                     | 13                     | 1,011                                 |
| <b>FUND BALANCES, BEGINNING</b>                              | <u>1,609</u>               | <u>31</u>                              | <u>476</u>             | <u>4,570</u>                          |
| <b>FUND BALANCES, ENDING</b>                                 | <u>\$ -</u>                | <u>\$ 74</u>                           | <u>\$ 489</u>          | <u>\$ 5,581</u>                       |

| Police Tax<br>Increment<br>(.25) Fund | Debt Service   |               |                      | Total Non-major<br>Governmental |
|---------------------------------------|----------------|---------------|----------------------|---------------------------------|
|                                       | Grants Fund    | Bond Fund     | Debt Service<br>Fund |                                 |
| \$ 5,843                              | \$ -           | \$ -          | \$ 3,903             | \$ 14,523                       |
| 264                                   | 572            | -             | -                    | 5,109                           |
| -                                     | -              | -             | -                    | -                               |
| 54                                    | 23             | 11            | 18                   | 160                             |
| 74                                    | -              | -             | -                    | 175                             |
| <u>6,235</u>                          | <u>595</u>     | <u>11</u>     | <u>3,921</u>         | <u>19,967</u>                   |
| 5,320                                 | -              | 6             | 1                    | 13,451                          |
| -                                     | -              | 1,470         | 3,615                | 5,085                           |
| -                                     | -              | 652           | 294                  | 946                             |
| 29                                    | -              | -             | -                    | 39                              |
| <u>5,349</u>                          | <u>-</u>       | <u>2,128</u>  | <u>3,910</u>         | <u>19,521</u>                   |
| 886                                   | 595            | (2,117)       | 11                   | 446                             |
| -                                     | -              | 2,144         | -                    | 2,184                           |
| (58)                                  | (2,240)        | -             | -                    | (3,951)                         |
| <u>(58)</u>                           | <u>(2,240)</u> | <u>2,144</u>  | <u>-</u>             | <u>(1,767)</u>                  |
| 828                                   | (1,645)        | 27            | 11                   | (1,321)                         |
| <u>6,490</u>                          | <u>1,883</u>   | <u>176</u>    | <u>326</u>           | <u>15,561</u>                   |
| <u>\$ 7,318</u>                       | <u>\$ 238</u>  | <u>\$ 203</u> | <u>\$ 337</u>        | <u>\$ 14,240</u>                |



**LANDS DEDICATED FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |                | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------|-------------------------|----------------|---------------------------|---|
|                                   | <b>Original</b>         | <b>Final</b>   |                           |   |
| <b>REVENUES</b>                   |                         |                |                           |   |
| Dedications                       | \$ 75                   | \$ 75          | \$ -                      | \$ (75)   |
| Investment earnings               | 33                      | \$ 33          | 12                        | (21)  |
|                                   | <u>108</u>              | <u>108</u>     | <u>12</u>                 | <u>(96)</u>   |
| <b>Total revenues</b>             |                         |                |                           |   |
|                                   | <u>108</u>              | <u>108</u>     | <u>12</u>                 | <u>(96)</u>   |
| <b>OTHER USES</b>                 |                         |                |                           |   |
| Transfers out                     | -                       | (1,621)        | (1,621)                   | -   |
|                                   | <u>-</u>                | <u>(1,621)</u> | <u>(1,621)</u>            | <u>-</u>  |
| <b>Total other financing uses</b> |                         |                |                           |   |
|                                   | <u>-</u>                | <u>(1,621)</u> | <u>(1,621)</u>            | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> |                         |                |                           |   |
|                                   | 108                     | (1,513)        | (1,609)                   | (96)  |
| <b>FUND BALANCE, BEGINNING</b>    |                         |                |                           |   |
|                                   | <u>1,609</u>            | <u>1,609</u>   | <u>1,609</u>              | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>       |                         |                |                           |   |
|                                   | <u>\$ 1,717</u>         | <u>\$ 96</u>   | <u>\$ -</u>               | <u>\$ (96)</u>  |



**ARVADA HOUSING AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <b>Budgeted Amounts</b> |                 | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-----------------|---------------------------|---|
|  | <b>Original</b>         | <b>Final</b>    |                           |   |
| <b>REVENUES</b>  |                         |                 |                           |   |
| Intergovernmental  |                         |                 |                           |   |
| Federal grants   | \$ 3,910                | \$ 3,910        | \$ 4,204                  | \$ 294  |
| Investment earnings  | 1                       | 1               | 1                         | -   |
| Miscellaneous  | 19                      | 19              | 29                        | 10  |
|  | <u>3,930</u>            | <u>3,930</u>    | <u>4,234</u>              | <u>304</u>  |
| Total revenues   |                         |                 |                           |   |
| <b>EXPENDITURES</b>  |                         |                 |                           |   |
| Current expenditures:  |                         |                 |                           |   |
| Personnel services   | 337                     | 337             | 304                       | 33  |
| Services and charges   | 83                      | 83              | 65                        | 18  |
| Supplies   | 31                      | 31              | 16                        | 15  |
| Rents  | 3,585                   | 3,821           | 3,846                     | (25)  |
|  | <u>4,036</u>            | <u>4,272</u>    | <u>4,231</u>              | <u>41</u>   |
| Total expenditures   |                         |                 |                           |   |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | (106)                   | (342)           | 3                         | 345   |
| <b>OTHER FINANCING SOURCES</b>                               |                         |                 |                           |   |
| Transfers in   | 87                      | 87              | 40                        | (47)  |
|  | <u>87</u>               | <u>87</u>       | <u>40</u>                 | <u>(47)</u>   |
| Total other financing sources                                |                         |                 |                           |   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (19)                    | (255)           | 43                        | 298   |
| <b>FUND BALANCE, BEGINNING</b>                               | 31                      | 31              | 31                        | -   |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 12</u>            | <u>\$ (224)</u> | <u>\$ 74</u>              | <u>\$ 298</u>   |



**POLICE SEIZURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |                      | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------|-------------------------|----------------------|---------------------------|---|
|                                   | <b>Original</b>         | <b>Final</b>         |                           |   |
| <b>REVENUES</b>                   |                         |                      |                           |   |
| Seizure & forfeitures             | \$ 25                   | \$ 27                | \$ 31                     | \$ 4  |
| Investment earnings               | 4                       | 4                    | 4                         | -   |
| Total revenues                    | <u>29</u>               | <u>31</u>            | <u>35</u>                 | <u>4</u>  |
| <b>EXPENDITURES</b>               |                         |                      |                           |   |
| Supplies                          | <u>27</u>               | <u>52</u>            | <u>22</u>                 | <u>30</u>   |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>2</u>                | <u>(21)</u>          | <u>13</u>                 | <u>34</u>   |
| <b>FUND BALANCE, BEGINNING</b>    | <u>476</u>              | <u>476</u>           | <u>476</u>                | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>       | <u><u>\$ 478</u></u>    | <u><u>\$ 455</u></u> | <u><u>\$ 489</u></u>      | <u><u>\$ 34</u></u>   |



**POLICE TAX INCREMENT (.21) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <b>Budgeted Amounts</b> |                 | <b>Actual Amounts</b> | <b>Variance With Final Budget Positive (Negative)</b> |
|--|-------------------------|-----------------|-----------------------|---|
|  | <b>Original</b>         | <b>Final</b>    |                       |   |
| <b>REVENUES</b>  |                         |                 |                       |   |
| Sales and use taxes                                      | \$ 4,161                | \$ 4,362        | \$ 4,777              | \$ 415  |
| Intergovernmental  |                         |                 |                       |   |
| Federal grants   | 50                      | 50              | 69                    | \$ 19   |
| Investment earnings                                      | 42                      | 42              | 37                    | \$ (5)  |
| Miscellaneous  | 20                      | 20              | 41                    | \$ 21   |
| <b>Total revenues</b>                                    | <b>4,273</b>            | <b>4,474</b>    | <b>4,924</b>          | <b>450</b>  |
| <b>EXPENDITURES</b>                                      |                         |                 |                       |   |
| Current expenditures:                                    |                         |                 |                       |   |
| Personnel services                                       | 3,403                   | 3,403           | 3,219                 | 184   |
| Services and charges                                     | 335                     | 395             | 319                   | 76  |
| Supplies   | 376                     | 386             | 333                   | 53  |
| <b>Total current expenditures</b>                        | <b>4,114</b>            | <b>4,184</b>    | <b>3,871</b>          | <b>313</b>  |
| Capital outlay   | 1,040                   | 1,047           | 10                    | 1,037   |
| <b>Total Expenditures</b>                                | <b>5,154</b>            | <b>5,232</b>    | <b>3,881</b>          | <b>1,351</b>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>(881)</b>            | <b>(758)</b>    | <b>1,043</b>          | <b>1,801</b>  |
| <b>OTHER FINANCING USES</b>                              |                         |                 |                       |   |
| Transfers Out  | (69)                    | (69)            | (32)                  | 37  |
| <b>Total other financing uses</b>                        | <b>(69)</b>             | <b>(69)</b>     | <b>(32)</b>           | <b>37</b>   |
| <b>NET CHANGE IN FUND BALANCE</b>                        | <b>(950)</b>            | <b>(827)</b>    | <b>1,011</b>          | <b>1,838</b>  |
| <b>FUND BALANCE, BEGINNING</b>                           | <b>4,570</b>            | <b>4,570</b>    | <b>4,570</b>          | <b>-</b>  |
| <b>FUND BALANCE, ENDING</b>                              | <b>\$ 3,620</b>         | <b>\$ 3,743</b> | <b>\$ 5,581</b>       | <b>\$ 1,838</b>                                       |



**POLICE TAX INCREMENT (.25) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-----------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>    |                           |   |
| <b>REVENUES</b>  |                         |                 |                           |   |
| Sales and use taxes  | \$ 5,156                | \$ 5,395        | \$ 5,843                  | \$ 448  |
| Intergovernmental revenues                                   |                         |                 |                           |   |
| Federal Grants   | 292                     | 292             | 264                       | (28)  |
| Investment earnings  | 64                      | 64              | 54                        | (10)  |
| Miscellaneous  | -                       | -               | 74                        | 74  |
|  | <u>5,512</u>            | <u>5,751</u>    | <u>6,235</u>              | <u>484</u>  |
| <b>EXPENDITURES</b>  |                         |                 |                           |   |
| Current expenditures:  |                         |                 |                           |   |
| Personnel services   | 4,552                   | 4,784           | 4,693                     | 91  |
| Services and charges   | 247                     | 320             | 264                       | 56  |
| Supplies   | 417                     | 494             | 363                       | 131   |
|  | <u>5,216</u>            | <u>5,598</u>    | <u>5,320</u>              | <u>278</u>  |
| Capital outlay   | 538                     | 632             | 29                        | 603   |
|  | <u>5,754</u>            | <u>6,230</u>    | <u>5,349</u>              | <u>881</u>  |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <u>(242)</u>            | <u>(479)</u>    | <u>886</u>                | <u>1,365</u>  |
| <b>OTHER FINANCING USES</b>                                  |                         |                 |                           |   |
| Transfers Out  | (92)                    | (117)           | (58)                      | 59  |
|  | <u>(92)</u>             | <u>(117)</u>    | <u>(58)</u>               | <u>59</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (334)                   | (596)           | 828                       | 1,424   |
| <b>FUND BALANCE, BEGINNING</b>                               | <u>6,490</u>            | <u>6,490</u>    | <u>6,490</u>              | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 6,156</u>         | <u>\$ 5,894</u> | <u>\$ 7,318</u>           | <u>\$ 1,424</u>   |



**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |                    | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------|-------------------------|--------------------|---------------------------|---|
|                                   | <b>Original</b>         | <b>Final</b>       |                           |   |
| <b>REVENUES</b>                   |                         |                    |                           |   |
| Intergovernmental revenues        |                         |                    |                           |   |
| State grants                      | \$ 561                  | \$ 561             | \$ 572                    | \$ 11   |
| Investment earnings               | 15                      | 24                 | 23                        | (1)   |
| Total revenues                    | <u>576</u>              | <u>585</u>         | <u>595</u>                | <u>10</u>   |
| <b>OTHER FINANCING USES</b>       |                         |                    |                           |   |
| Transfers out                     | (1,355)                 | (2,464)            | (2,240)                   | 224   |
| Total other financing uses        | <u>(1,355)</u>          | <u>(2,464)</u>     | <u>(2,240)</u>            | <u>224</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | (779)                   | (1,879)            | (1,645)                   | 234   |
| <b>FUND BALANCE, BEGINNING</b>    | <u>1,883</u>            | <u>1,883</u>       | <u>1,883</u>              | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>       | <u><u>\$ 1,104</u></u>  | <u><u>\$ 4</u></u> | <u><u>\$ 238</u></u>      | <u><u>\$ 234</u></u>  |



**BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <b>Budgeted Amounts</b> |                 | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-----------------|---------------------------|---|
|  | <b>Original</b>         | <b>Final</b>    |                           |   |
| <b>REVENUES</b>  |                         |                 |                           |   |
| Investment earnings  | \$ -                    | \$ -            | \$ 11                     | \$ 11   |
| Total revenues   | <u>-</u>                | <u>-</u>        | <u>11</u>                 | <u>11</u>   |
| <b>EXPENDITURES</b>  |                         |                 |                           |   |
| Debt Service   |                         |                 |                           |   |
| Principal  | 1,470                   | 1,783           | 1,470                     | 313   |
| Interest   | 739                     | 739             | 652                       | 87  |
| Professional services  | 10                      | 10              | 6                         | 4   |
| Total expenditures   | <u>2,219</u>            | <u>2,532</u>    | <u>2,128</u>              | <u>404</u>  |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | (2,219)                 | (2,532)         | (2,117)                   | 415   |
| <b>OTHER FINANCING SOURCES</b>                               |                         |                 |                           |   |
| Transfers in   | <u>2,210</u>            | <u>2,123</u>    | <u>2,144</u>              | <u>21</u>   |
| Total other financing sources                                | <u>2,210</u>            | <u>2,123</u>    | <u>2,144</u>              | <u>21</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (9)                     | (409)           | 27                        | 436   |
| <b>FUND BALANCE, BEGINNING</b>                               | <u>176</u>              | <u>176</u>      | <u>176</u>                | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 167</u>           | <u>\$ (233)</u> | <u>\$ 203</u>             | <u>\$ 436</u>   |



**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2017**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |               | <b>Actual<br/>Amounts</b> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|-----------------------------------|-------------------------|---------------|---------------------------|---|
|                                   | <b>Original</b>         | <b>Final</b>  |                           |   |
| <b>REVENUES</b>                   |                         |               |                           |   |
| Sales and use taxes               | \$ 3,909                | \$ 3,909      | \$ 3,903                  | \$ (6)  |
| Investment earnings               | 6                       | 13            | 18                        | 5   |
| Total revenues                    | <u>3,915</u>            | <u>3,922</u>  | <u>3,921</u>              | <u>(1)</u>  |
| <b>EXPENDITURES</b>               |                         |               |                           |   |
| Services and charges              | 5                       | 5             | 1                         | 4   |
| Principal                         | 3,615                   | 3,615         | 3,615                     | -   |
| Interest                          | 294                     | 294           | 294                       | -   |
| Total expenditures                | <u>3,914</u>            | <u>3,914</u>  | <u>3,910</u>              | <u>4</u>  |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>1</u>                | <u>8</u>      | <u>11</u>                 | <u>3</u>  |
| <b>FUND BALANCE, BEGINNING</b>    | <u>326</u>              | <u>326</u>    | <u>326</u>                | <u>-</u>  |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 327</u>           | <u>\$ 334</u> | <u>\$ 337</u>             | <u>\$ 3</u>   |

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**Enterprise Funds**

Water Fund  
Wastewater Fund  
Stormwater Fund  
Food Service Fund  
Golf Fund

## ENTERPRISE FUNDS

**Water Fund** - This fund accounts for all activity within the scope of water utility operations. Water service is available to all areas within the City limits and is extended to some residents of the county and adjacent cities. All activities necessary to provide such service are accounted for in this fund, including administration, operations, capital water projects, maintenance, financing and related debt service, and billing and collection.

**Wastewater Fund** - This fund accounts for all activities necessary in the collection, transmission, and disposal of sewage and wastewater. It includes administration, operations, capital maintenance, financing and billing and collection.

**Stormwater Fund** - This fund accounts for all activities necessary to maintain a stormwater management plan. It includes administration, operations, capital maintenance and billing and collection.

**Food Services Fund** - This fund accounts for all revenues and expenses associated with food service activities including the operation of banquet facilities at the Arvada Center for the Arts and Humanities and offsite catering.

**Golf Course Fund** - This fund accounts for all revenues and expenses of the Lake Arbor and West Woods Golf Courses, including food service operations. It includes administrative, operations, maintenance, financing and related debt service at Lake Arbor and West Woods Golf Courses. Food service activities include restaurant operations at the West Woods and Lake Arbor Golf Courses.



**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                           |                         |                   |                           |   |
| Sales                                     | \$ 20,413               | \$ 20,413         | \$ 21,937                 | \$ 1,524  |
| Service charges and fees                  | 484                     | 484               | 585                       | 101   |
| Investment earnings                       | 476                     | 476               | 785                       | 309   |
| Miscellaneous revenues                    | 59                      | 59                | 51                        | (8)   |
| Water/tap                                 | 10,290                  | 10,290            | 10,317                    | 27  |
| Developer contributions                   | -                       | -                 | 945                       | 945   |
| Transfers in                              | 482                     | 482               | 488                       | 6   |
|   | <u>32,204</u>           | <u>32,204</u>     | <u>35,108</u>             | <u>2,904</u>  |
| Total revenues                            |                         |                   |                           |   |
| <b>EXPENDITURES</b>                       |                         |                   |                           |   |
| Operating and maintenance                 | 15,507                  | 17,621            | 17,206                    | 415   |
| Administration                            | 832                     | 832               | 791                       | 41  |
| Capital outlay                            | 9,137                   | 17,067            | 7,225                     | 9,842   |
| Principal expense                         | 1,915                   | 1,915             | 1,915                     | -   |
| Interest expense                          | 347                     | 347               | 331                       | 16  |
| Transfers out                             | 2,431                   | 357               | 171                       | 186   |
|   | <u>30,169</u>           | <u>38,139</u>     | <u>27,639</u>             | <u>10,500</u>   |
| Total expenditures                        |                         |                   |                           |   |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 2,035</u>         | <u>\$ (5,935)</u> | 7,469                     | <u>\$ 13,404</u>  |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                           |   |
| Principal                                 |                         |                   | 1,915                     |   |
| Capital outlay                            |                         |                   | 7,225                     |   |
| Net book value of assets retired          |                         |                   | (229)                     |   |
| Depreciation and amortization             |                         |                   | <u>(3,917)</u>            |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 12,463</u>          |   |



**WASTEWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                           |                         |                   |                           |   |
| Service charges and fees                  | 12,693                  | 12,693            | 12,361                    | (332)   |
| Investment earnings                       | 309                     | 309               | 238                       | (71)  |
| Sewer/tap                                 | 919                     | 919               | 1,215                     | 296   |
| Developer contributions                   | -                       | -                 | 731                       | 731   |
|   | <u>13,921</u>           | <u>13,921</u>     | <u>14,545</u>             | <u>624</u>  |
| <b>EXPENDITURES</b>                       |                         |                   |                           |   |
| Operating and maintenance                 | 13,095                  | 12,912            | 10,765                    | 2,147   |
| Administration                            | 781                     | 785               | 785                       | -   |
| Capital outlay                            | 335                     | 4,341             | 1,967                     | 2,374   |
| Transfers out                             | 315                     | 315               | 394                       | (79)  |
|   | <u>14,526</u>           | <u>18,353</u>     | <u>13,911</u>             | <u>4,442</u>  |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (605)</u>         | <u>\$ (4,432)</u> | 634                       | <u>\$ 5,066</u>   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                           |   |
| Capital outlay                            |                         |                   | 1,967                     |   |
| Net book value of assets retired          |                         |                   | (146)                     |   |
| Depreciation                              |                         |                   | <u>(1,334)</u>            |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 1,121</u>           |   |



**STORMWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u><br><u>Amounts</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                                 |   |
| <b>REVENUES</b>                           |                         |                   |                                 |   |
| Service charges and fees                  | \$ 3,352                | \$ 3,352          | \$ 3,453                        | \$ 101  |
| Grants                                    | 11                      | 11                | 61                              | 50  |
| Investment earnings                       | 53                      | 53                | 64                              | 11  |
| Developer contributions                   | <u>-</u>                | <u>-</u>          | <u>1,714</u>                    | <u>1,714</u>  |
| Total revenues                            | <u>3,416</u>            | <u>3,416</u>      | <u>5,292</u>                    | <u>1,876</u>  |
| <b>EXPENDITURES</b>                       |                         |                   |                                 |   |
| Operating and maintenance                 | 2,095                   | 2,648             | 1,848                           | 800   |
| Capital outlay                            | 1,300                   | 1,210             | 183                             | 1,027   |
| Transfers out                             | <u>861</u>              | <u>950</u>        | <u>1,118</u>                    | <u>(168)</u>  |
| Total expenditures                        | <u>4,256</u>            | <u>4,808</u>      | <u>3,149</u>                    | <u>1,659</u>  |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (840)</u>         | <u>\$ (1,392)</u> | 2,143                           | <u>\$ 3,535</u>   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                                 |   |
| Capital outlay                            |                         |                   | 183                             |   |
| Depreciation                              |                         |                   | <u>(1,104)</u>                  |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 1,222</u>                 |   |



**FOOD SERVICES FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>  |                           |   |
| <b>REVENUES</b>                           |                         |               |                           |   |
| Sales                                     | \$ 1,470                | \$ 1,470      | \$ 1,434                  | \$ (36)   |
| Investment earnings                       | 9                       | 9             | 6                         | (3)   |
| Other Revenue                             | 36                      | 36            | 11                        | (25)  |
| Transfer In                               | <u>65</u>               | <u>65</u>     | <u>19</u>                 | <u>(46)</u>   |
| Total revenues                            | <u>1,580</u>            | <u>1,580</u>  | <u>1,470</u>              | <u>(110)</u>  |
| <b>EXPENDITURES</b>                       |                         |               |                           |   |
| Operating and maintenance                 | 1,530                   | 1,545         | 1,517                     | 28  |
| Capital outlay                            | <u>20</u>               | <u>40</u>     | <u>-</u>                  | <u>40</u>   |
| Total expenditures                        | <u>1,550</u>            | <u>1,585</u>  | <u>1,517</u>              | <u>68</u>   |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 30</u>            | <u>\$ (5)</u> | (47)                      | <u>\$ (42)</u>  |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |               |                           |   |
| Depreciation                              |                         |               | <u>(47)</u>               |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |               | <u>\$ (94)</u>            |   |



**GOLF COURSE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u><br><u>Amounts</u> | <u>Variance</u><br><u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                                 |   |
| <b>REVENUES</b>                           |                         |                   |                                 |   |
| Sales                                     | \$ 1,153                | \$ 1,153          | \$ 975                          | \$ (178)  |
| Service charges and fees                  | 2,751                   | 2,751             | 2,275                           | (476)   |
| Investment earnings                       | 4                       | 4                 | 6                               | 2   |
| Other revenue                             | 8                       | 8                 | 43                              | 35  |
| Transfers in                              | 646                     | 10,306            | 8,190                           | (2,116)   |
|   | <u>4,562</u>            | <u>14,222</u>     | <u>11,489</u>                   | <u>(2,733)</u>  |
| Total revenues                            |                         |                   |                                 |   |
| <b>EXPENDITURES</b>                       |                         |                   |                                 |   |
| Operating and maintenance                 | 4,350                   | 4,350             | 4,043                           | 307   |
| Principal expense                         | 159                     | 159               | -                               | 159   |
| Interest expense                          | 6                       | 6                 | -                               | 6   |
| Capital outlay                            | 265                     | 10,871            | 9,095                           | 1,776   |
|   | <u>4,780</u>            | <u>15,386</u>     | <u>13,138</u>                   | <u>2,248</u>  |
| Total expenditures                        |                         |                   |                                 |   |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (218)</u>         | <u>\$ (1,164)</u> | (1,649)                         | <u>\$ (485)</u>   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                                 |   |
| Principal                                 |                         |                   | -                               |   |
| Capital outlay                            |                         |                   | 9,095                           |   |
| Depreciation                              |                         |                   | <u>(161)</u>                    |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 7,285</u>                 |   |

**Internal Service Funds**

Insurance Service Fund

Arvada Medical Fund

Computer Fund

Print Shop Fund

Vehicle Fund

Building Fund

## INTERNAL SERVICE FUNDS

**Insurance Service Fund** - This fund accounts for the activities that are associated with the City's worker's compensation, unemployment and property and liability insurance activities. Premiums are paid by each department into this fund to pay claims, claim reserves and administrative costs of the program including premiums to commercial insurance companies for losses in excess of the self-insured amounts.

**Arvada Medical Fund** – This fund accounts for all of the activities associated with the self-insured medical plan for employees who choose to participate in the plan.

**Computer Fund** - This fund accounts for the accumulation of financial resources necessary for the timely and orderly replacement and maintenance of the City's computer equipment and software.

**Print Shop Fund** - This fund accounts for the accumulation of financial resources necessary for the operation of the City's print shop, copier maintenance and replacement.

**Vehicle Fund** – This fund accounts for the accumulation of financial resources necessary for the timely and orderly replacement and maintenance of the City's vehicles and equipment.

**Building Fund** – This fund accounts for the accumulation of financial resources used for non-routine building maintenance.



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**December 31, 2017**  
**(in thousands)**

|  | <u>Insurance<br/>Service<br/>Fund</u> | <u>Arvada<br/>Medical<br/>Fund</u> | <u>Computer<br/>Fund</u> | <u>Print<br/>Shop<br/>Fund</u> | <u>Vehicle<br/>Fund</u> | <u>Building<br/>Fund</u> | <u>Total<br/>Internal<br/>Service<br/>Funds</u> |
|--|---------------------------------------|------------------------------------|--------------------------|--------------------------------|-------------------------|--------------------------|---|
| <b>ASSETS</b>  |                                       |                                    |                          |                                |                         |                          |   |
| <b>CURRENT ASSETS</b>                                      |                                       |                                    |                          |                                |                         |                          |   |
| Cash and investments                                       | \$ 3,500                              | \$ 2,971                           | \$ 7,144                 | \$ 229                         | \$ 4,797                | \$ 3,185                 | \$ 21,826                                       |
| Accounts receivable (net)                                  | 2                                     | -                                  | -                        | -                              | 23                      | -                        | 25  |
| Accrued interest   | 11                                    | 10                                 | 23                       | 1                              | 15                      | 10                       | 70  |
| Inventories  | -                                     | -                                  | -                        | 6                              | 261                     | -                        | 267   |
| Prepaid costs  | 17                                    | -                                  | 264                      | 2                              | 10                      | -                        | 293   |
| Total current assets                                       | <u>3,530</u>                          | <u>2,981</u>                       | <u>7,431</u>             | <u>238</u>                     | <u>5,106</u>            | <u>3,195</u>             | <u>22,481</u>                                   |
| <b>NONCURRENT ASSETS</b>                                   |                                       |                                    |                          |                                |                         |                          |   |
| Property and equipment, net of<br>accumulated depreciation | 114                                   | -                                  | 1,139                    | 59                             | 8,230                   | 133                      | 9,675   |
| Total assets   | <u>3,644</u>                          | <u>2,981</u>                       | <u>8,570</u>             | <u>297</u>                     | <u>13,336</u>           | <u>3,328</u>             | <u>32,156</u>                                   |
| <b>LIABILITIES</b>   |                                       |                                    |                          |                                |                         |                          |   |
| <b>CURRENT LIABILITIES</b>                                 |                                       |                                    |                          |                                |                         |                          |   |
| Accounts payable   | 128                                   | 356                                | 287                      | 14                             | 263                     | 62                       | 1,110   |
| Claims payable   | 2,299                                 | 514                                | -                        | -                              | -                       | -                        | 2,813   |
| Accrued compensated absences                               | 4                                     | -                                  | -                        | -                              | 47                      | -                        | 51  |
| Total current liabilities                                  | <u>2,431</u>                          | <u>870</u>                         | <u>287</u>               | <u>14</u>                      | <u>310</u>              | <u>62</u>                | <u>3,974</u>                                    |
| <b>NONCURRENT LIABILITIES</b>                              |                                       |                                    |                          |                                |                         |                          |   |
| Accrued compensated absences                               | 5                                     | -                                  | -                        | -                              | 48                      | -                        | 53  |
| Total non-current liabilities                              | <u>5</u>                              | <u>-</u>                           | <u>-</u>                 | <u>-</u>                       | <u>48</u>               | <u>-</u>                 | <u>53</u>                                       |
| Total liabilities  | <u>2,436</u>                          | <u>870</u>                         | <u>287</u>               | <u>14</u>                      | <u>358</u>              | <u>62</u>                | <u>4,027</u>                                    |
| <b>NET POSITION</b>  |                                       |                                    |                          |                                |                         |                          |   |
| Net investment in capital assets                           | 114                                   | -                                  | 1,139                    | 59                             | 8,230                   | 133                      | 9,675   |
| Unrestricted   | 1,094                                 | 2,111                              | 7,144                    | 224                            | 4,748                   | 3,133                    | 18,454  |
| Total net position   | <u>\$ 1,208</u>                       | <u>\$ 2,111</u>                    | <u>\$ 8,283</u>          | <u>\$ 283</u>                  | <u>\$ 12,978</u>        | <u>\$ 3,266</u>          | <u>\$ 28,129</u>                                |



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**Year Ended December 31, 2017**  
**(in thousands)**

|  | <u>Insurance<br/>Service<br/>Fund</u> | <u>Arvada<br/>Medical<br/>Fund</u> | <u>Computer<br/>Fund</u> | <u>Print<br/>Shop<br/>Fund</u> | <u>Vehicle<br/>Fund</u> | <u>Building<br/>Fund</u> | <u>Total<br/>Internal<br/>Service<br/>Funds</u> |
|--|---------------------------------------|------------------------------------|--------------------------|--------------------------------|-------------------------|--------------------------|---|
| <b>REVENUES</b>                            |                                       |                                    |                          |                                |                         |                          |   |
| Service charges                            | \$ 2,108                              | \$ -                               | \$ 2,194                 | \$ 355                         | \$ 3,850                | \$ 415                   | \$ 8,922  |
| Recovered costs                            | 87                                    | 1                                  | 12                       | 1                              | 156                     | -                        | 257   |
| Contributions                              |                                       |                                    |                          |                                |                         |                          |   |
| Employer                                   | -                                     | 8,078                              | -                        | -                              | -                       | -                        | 8,078   |
| Employee                                   | -                                     | 2,399                              | -                        | -                              | -                       | -                        | 2,399   |
| Retirees and continued benefit individuals | -                                     | 234                                | -                        | -                              | -                       | -                        | 234   |
| Miscellaneous                              | -                                     | 172                                | 32                       | -                              | -                       | -                        | 204   |
| Total revenues                             | <u>2,195</u>                          | <u>10,884</u>                      | <u>2,238</u>             | <u>356</u>                     | <u>4,006</u>            | <u>415</u>               | <u>20,094</u>                                   |
| <b>EXPENSES</b>                            |                                       |                                    |                          |                                |                         |                          |   |
| Administration                             | 1,568                                 | 1,675                              | 121                      | 305                            | 1,926                   | 3                        | 5,598   |
| Insurance premiums/prescriptions           | 1,015                                 | 1,022                              | -                        | -                              | -                       | -                        | 2,037   |
| Uninsured damages and claims               | 1,140                                 | 8,178                              | -                        | -                              | -                       | -                        | 9,318   |
| Repair and maintenance                     | -                                     | -                                  | 1,170                    | 14                             | 684                     | 344                      | 2,212   |
| Depreciation                               | 15                                    | -                                  | 73                       | 7                              | 1,742                   | 19                       | 1,856   |
| Total expenses                             | <u>3,738</u>                          | <u>10,875</u>                      | <u>1,364</u>             | <u>326</u>                     | <u>4,352</u>            | <u>366</u>               | <u>21,021</u>                                   |
| Operating income                           | (1,543)                               | 9                                  | 874                      | 30                             | (346)                   | 49                       | (927)   |
| <b>NON-OPERATING REVENUES</b>              |                                       |                                    |                          |                                |                         |                          |   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>   |                                       |                                    |                          |                                |                         |                          |   |
| Gain on sale of assets                     | -                                     | -                                  | -                        | -                              | 44                      | -                        | 44  |
| Investment earnings                        | 39                                    | 28                                 | 70                       | 2                              | 39                      | 32                       | 210   |
| Total non-operating revenues               | <u>39</u>                             | <u>28</u>                          | <u>70</u>                | <u>2</u>                       | <u>83</u>               | <u>32</u>                | <u>254</u>                                      |
| <b>INCOME BEFORE TRANSFERS</b>             | (1,504)                               | 37                                 | 944                      | 32                             | (263)                   | 81                       | (673)   |
| <b>TRANSFERS IN</b>                        | -                                     | 13                                 | -                        | -                              | 685                     | -                        | 698   |
| <b>TRANSFERS OUT</b>                       | (123)                                 | -                                  | -                        | -                              | (4)                     | (167)                    | (294)   |
| <b>CHANGE IN NET POSITION</b>              | (1,627)                               | 50                                 | 944                      | 32                             | 418                     | (86)                     | (269)   |
| <b>NET POSITION, BEGINNING</b>             | <u>2,835</u>                          | <u>2,061</u>                       | <u>7,339</u>             | <u>251</u>                     | <u>12,560</u>           | <u>3,352</u>             | <u>28,398</u>                                   |
| <b>NET POSITION, ENDING</b>                | <u>\$ 1,208</u>                       | <u>\$ 2,111</u>                    | <u>\$ 8,283</u>          | <u>\$ 283</u>                  | <u>\$ 12,978</u>        | <u>\$ 3,266</u>          | <u>\$ 28,129</u>                                |



**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended December 31, 2017  
(in thousands)**

|   | Insurance<br>Service<br>Fund | Arvada<br>Medical<br>Fund | Computer<br>Fund    | Print Shop<br>Fund | Vehicle<br>Fund     | Building<br>Fund    | Total Internal<br>Service |
|---|------------------------------|---------------------------|---------------------|--------------------|---------------------|---------------------|---------------------------|
| <b>Cash Flows From Operating Activities</b>   |                              |                           |                     |                    |                     |                     |                           |
| Cash received from external customers   | \$ 212                       | 408                       | \$ 44               | \$ 1               | \$ 135              | \$ 45               | \$ 845                    |
| Cash received from internal customers   | 2,108                        | 10,477                    | 2,194               | 355                | 3,850               | 415                 | 19,399                    |
| Cash payments to external suppliers   | (250)                        | (10,750)                  | (1,041)             | (128)              | (1,444)             | (347)               | (13,960)                  |
| Cash payments to internal suppliers   | (2,163)                      | -                         | (1)                 | (4)                | (262)               | -                   | (2,430)                   |
| Cash payments to employees for services   | (352)                        | -                         | (111)               | (194)              | (1,442)             | -                   | (2,099)                   |
| Net cash provided (used) by operating activities  | <u>(445)</u>                 | <u>135</u>                | <u>1,085</u>        | <u>30</u>          | <u>837</u>          | <u>113</u>          | <u>1,755</u>              |
| <b>Cash Flows From Noncapital Financing Activities</b>  |                              |                           |                     |                    |                     |                     |                           |
| Transfers to other funds  | (123)                        | -                         | -                   | -                  | (4)                 | (167)               | (294)                     |
| Transfer from other funds   | -                            | 13                        | -                   | -                  | 685                 | -                   | 698                       |
| Net cash provided (used) by noncapital financing activities                                     | <u>(123)</u>                 | <u>13</u>                 | <u>-</u>            | <u>-</u>           | <u>681</u>          | <u>(167)</u>        | <u>404</u>                |
| <b>Cash Flows From Capital and Related Financing Activities</b>                                 |                              |                           |                     |                    |                     |                     |                           |
| Purchases of capital assets   | -                            | -                         | (1,115)             | (23)               | (1,433)             | -                   | (2,571)                   |
| Payment of capital lease  | -                            | -                         | -                   | -                  | -                   | -                   | -                         |
| Interest expense  | -                            | -                         | -                   | -                  | -                   | -                   | -                         |
| Proceeds from sale of assets  | -                            | -                         | -                   | -                  | 190                 | -                   | 190                       |
| Net cash provided (used) by capital and related financing activities                            | <u>-</u>                     | <u>-</u>                  | <u>(1,115)</u>      | <u>(23)</u>        | <u>(1,243)</u>      | <u>-</u>            | <u>(2,381)</u>            |
| <b>Cash Flows From Investing Activities</b>   |                              |                           |                     |                    |                     |                     |                           |
| Investment earnings   | 34                           | 22                        | 57                  | 2                  | 30                  | 26                  | 171                       |
| Net cash provided (used) by investing activities  | <u>34</u>                    | <u>22</u>                 | <u>57</u>           | <u>2</u>           | <u>30</u>           | <u>26</u>           | <u>171</u>                |
| Net increase (decrease) in cash and cash equivalents  | (534)                        | 170                       | 27                  | 9                  | 305                 | (28)                | (51)                      |
| Cash and cash equivalents January 1, 2017   | <u>4,034</u>                 | <u>2,801</u>              | <u>7,117</u>        | <u>220</u>         | <u>4,492</u>        | <u>3,213</u>        | <u>21,877</u>             |
| Cash and cash equivalents December 31, 2017   | <u><u>3,500</u></u>          | <u><u>2,971</u></u>       | <u><u>7,144</u></u> | <u><u>229</u></u>  | <u><u>4,797</u></u> | <u><u>3,185</u></u> | <u><u>21,826</u></u>      |
| <b>Reconciliation of operating income to net cash provided (used) by operating activities :</b> |                              |                           |                     |                    |                     |                     |                           |
| Operating income  | (1,543)                      | 9                         | 874                 | 30                 | (346)               | 49                  | (927)                     |
| Adjustments to reconcile operating income to net cash provided by operating activities :        |                              |                           |                     |                    |                     |                     |                           |
| Depreciation expense  | 15                           | -                         | 73                  | 7                  | 1,742               | 19                  | 1,856                     |
| (Increase) decrease in account receivable   | (2)                          | 1                         | -                   | -                  | (21)                | -                   | (22)                      |
| (Increase) decrease in inventories  | -                            | -                         | -                   | (2)                | 8                   | -                   | 6                         |
| (Increase) decrease in prepaid expenditures   | 128                          | 1                         | (19)                | 23                 | -                   | -                   | 133                       |
| (Decrease) increase in accounts payable   | 76                           | 48                        | 157                 | (28)               | (544)               | 45                  | (246)                     |
| (Decrease) increase in claims payable   | 883                          | 76                        | -                   | -                  | -                   | -                   | 959                       |
| (Decrease) increase in accrued benefits   | (2)                          | -                         | -                   | -                  | (2)                 | -                   | (4)                       |
| Net cash provided (used) by operating activities  | <u>(445)</u>                 | <u>135</u>                | <u>1,085</u>        | <u>30</u>          | <u>837</u>          | <u>113</u>          | <u>1,755</u>              |



**INSURANCE SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)  
Year Ended December 31, 2017  
(in thousands)**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                               |                         |                     |                           |   |
| Service charges                               | \$ 2,085                | \$ 2,085            | \$ 2,108                  | \$ 23   |
| Recovered costs                               | -                       | 571                 | 87                        | (484)   |
| Investment earnings                           | 60                      | 60                  | 39                        | (21)  |
| <br>Total revenues                            | <br><u>2,145</u>        | <br><u>2,716</u>    | <br><u>2,234</u>          | <br><u>(482)</u>  |
| <b>EXPENDITURES</b>                           |                         |                     |                           |   |
| Administration                                | 820                     | 940                 | 1,568                     | (628)   |
| Insurance premiums                            | 934                     | 1,184               | 1,015                     | 169   |
| Uninsured damages and claims                  | 556                     | 1,106               | 1,140                     | (34)  |
| Transfer out                                  | -                       | -                   | 123                       | (123)   |
| <br>Total expenditures                        | <br><u>2,310</u>        | <br><u>3,230</u>    | <br><u>3,846</u>          | <br><u>(616)</u>  |
| <br><b>CHANGE IN NET POSITION</b>             | <br><u>\$ (165)</u>     | <br><u>\$ (514)</u> | <br>(1,612)               | <br><u>\$ (1,098)</u>   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>              |                         |                     |                           |   |
| Depreciation                                  |                         |                     | <u>(15)</u>               |   |
| <br><b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                     | <br><u>\$ (1,627)</u>     |   |



**COMPUTER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|--|
|   | <u>Original</u>         | <u>Final</u>      |                           |  |
| <b>REVENUES</b>                           |                         |                   |                           |  |
| Service charges                           | \$ 2,276                | \$ 2,276          | \$ 2,194                  | \$ (82)  |
| Recovered costs                           | -                       | -                 | 12                        | 12   |
| Miscellaneous Costs                       | -                       | -                 | 32                        | 32   |
| Investment earnings                       | -                       | -                 | 70                        | 70   |
|   | <u>2,276</u>            | <u>2,276</u>      | <u>2,308</u>              | <u>32</u>  |
| <b>Total revenues</b>                     |                         |                   |                           |  |
| <b>EXPENDITURES</b>                       |                         |                   |                           |  |
| Administration                            | 121                     | 121               | 121                       | -  |
| Repair and maintenance                    | 2,559                   | 3,533             | 1,170                     | 2,363  |
| Capital Outlay                            | -                       | -                 | 1,115                     | (1,115)  |
|   | <u>2,680</u>            | <u>3,654</u>      | <u>2,406</u>              | <u>1,248</u>   |
| <b>Total expenditures</b>                 |                         |                   |                           |  |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (404)</u>         | <u>\$ (1,378)</u> | (98)                      | <u>\$ 1,280</u>  |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                           |  |
| Capital Outlay                            |                         |                   | 1,115                     |  |
| Depreciation                              |                         |                   | <u>(73)</u>               |  |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 944</u>             |  |



**PRINT SHOP FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                           |                         |              |                           |   |
| Service charges                           | \$ 483                  | \$ 483       | \$ 355                    | \$ (128)  |
| Recovered costs                           | -                       | -            | 1                         | 1   |
| Investment earnings                       | -                       | -            | 2                         | 2   |
| Total revenues                            | <u>483</u>              | <u>483</u>   | <u>358</u>                | <u>(125)</u>  |
| <b>EXPENDITURES</b>                       |                         |              |                           |   |
| Administration                            | 434                     | 411          | 305                       | 106   |
| Repair and maintenance                    | 15                      | 15           | 14                        | 1   |
| Capital outlay                            | -                       | 23           | 23                        | -   |
| Total expenditures                        | <u>449</u>              | <u>449</u>   | <u>342</u>                | <u>107</u>  |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 34</u>            | <u>\$ 33</u> | <u>\$ 16</u>              | <u>\$ (17)</u>  |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |              |                           |   |
| Capital outlay                            |                         |              | 23                        |   |
| Depreciation                              |                         |              | <u>(7)</u>                |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |              | <u>\$ 32</u>              |   |



**VEHICLE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts</u> | <b>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-----------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>    |                           |   |
| <b>REVENUES</b>                           |                         |                 |                           |   |
| Service charges                           | \$ 3,854                | \$ 3,854        | \$ 3,850                  | \$ (4)  |
| Recovered costs                           | -                       | -               | 156                       | 156   |
| Investment earnings                       | 60                      | 60              | 39                        | (21)  |
| Transfer in                               | 65                      | 65              | 685                       | 620   |
| Gain on sale of assets                    | 75                      | 75              | 44                        | (31)  |
|   | <u>4,054</u>            | <u>4,054</u>    | <u>4,774</u>              | <u>720</u>  |
| <b>EXPENDITURES</b>                       |                         |                 |                           |   |
|   | -                       | -               | -                         | -   |
| Administration                            | 1,901                   | 1,898           | 1,926                     | (28)  |
| Repair and maintenance                    | 600                     | 700             | 684                       | 16  |
| Capital outlay                            | 1,612                   | 1,612           | 1,433                     | 179   |
| Transfer Out                              | 76                      | 79              | 4                         | 75  |
|   | <u>4,189</u>            | <u>4,289</u>    | <u>4,047</u>              | <u>242</u>  |
|   | <u>\$ (135)</u>         | <u>\$ (235)</u> | 727                       | <u>\$ 962</u>   |
| <b>CHANGE IN NET POSITION</b>             |                         |                 |                           |   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                           |   |
| Capital outlay                            |                         |                 | 1,433                     |   |
| Depreciation                              |                         |                 | <u>(1,742)</u>            |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 |                           |   |
|   |                         |                 | <u>\$ 418</u>             |   |



**BUILDING FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
 Year Ended December 31, 2017  
 (in thousands)

|   | <u>Budgeted Amounts</u> |                 | <u>Actual<br/>Amounts</u> | <u>Variance<br/>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-----------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>    |                           |   |
| <b>REVENUES</b>                           |                         |                 |                           |   |
| Service charges                           | \$ 547                  | \$ 547          | \$ 415                    | \$ (132)  |
| Investment earnings                       | -                       | -               | 32                        | 32  |
|   | -                       | -               |                           |   |
| Total revenues                            | <u>547</u>              | <u>547</u>      | <u>447</u>                | <u>(100)</u>  |
| <b>EXPENDITURES</b>                       |                         |                 |                           |   |
| Repair and maintenance                    | 856                     | 1,348           | 344                       | 1,004   |
| Administration                            | -                       | -               | 3                         | (3)   |
| Transfer Out                              | -                       | 167             | 167                       | -   |
| Total expenditures                        | <u>856</u>              | <u>1,515</u>    | <u>514</u>                | <u>1,001</u>  |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (309)</u>         | <u>\$ (968)</u> | (67)                      | <u>\$ 901</u>   |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                           |   |
| Depreciation                              |                         |                 | <u>(19)</u>               |   |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 | <u>\$ (86)</u>            |   |

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**Fiduciary Fund**



**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
 Year Ended December 31, 2017  
 (in thousands)

|                           | <u>Balance<br/>January 1,<br/>2017</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>December 31,<br/>2017</u> |
|---------------------------|--|------------------|-------------------|--|
| <b><u>ESCROW FUND</u></b> |  |                  |                   |  |
| <b>ASSETS</b>             |  |                  |                   |  |
| Cash and investments      | \$ 12,875                              | \$ 5,720         | \$ 4,518          | \$ 14,077                                |
| Accrued Interest          | \$ 17                                  | 45               | 17                | 45                                       |
| Total assets              | <u>\$ 12,892</u>                       | <u>\$ 5,765</u>  | <u>\$ 4,535</u>   | <u>\$ 14,122</u>                         |
| <b>LIABILITIES</b>        |  |                  |                   |  |
| Escrow funds              | \$ 12,892                              | \$ 8,295         | \$ 7,065          | \$ 14,122                                |
| Total liabilities         | <u>\$ 12,892</u>                       | <u>\$ 8,295</u>  | <u>\$ 7,065</u>   | <u>\$ 14,122</u>                         |

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**Financial Data Schedules**

Arvada Housing Authority (CO050)  
Arvada, CO  
**Program Balance Sheet Summary**

Fiscal Year End: 12/31/2017

|  | 14.871 Housing<br>Choice Vouchers | Total     |
|--|-----------------------------------|-----------|
| 111 Cash - Unrestricted  |                                   |           |
| 112 Cash - Restricted - Modernization and Development          |                                   |           |
| 113 Cash - Other Restricted                                    | \$0                               | \$0       |
| 114 Cash - Tenant Security Deposits                            |                                   |           |
| 115 Cash - Restricted for Payment of Current Liabilities       | \$0                               | \$0       |
| 100 Total Cash   | \$0                               | \$0       |
| 121 Accounts Receivable - PHA Projects                         |                                   |           |
| 122 Accounts Receivable - HUD Other Projects                   | \$0                               | \$0       |
| 124 Accounts Receivable - Other Government                     |                                   |           |
| 125 Accounts Receivable - Miscellaneous                        | \$838                             | \$838     |
| 126 Accounts Receivable - Tenants                              |                                   |           |
| 126.1 Allowance for Doubtful Accounts -Tenants                 |                                   |           |
| 126.2 Allowance for Doubtful Accounts - Other                  | \$0                               | \$0       |
| 127 Notes, Loans, & Mortgages Receivable - Current             |                                   |           |
| 128 Fraud Recovery   | \$82,895                          | \$82,895  |
| 128.1 Allowance for Doubtful Accounts - Fraud                  | -\$3,524                          | -\$3,524  |
| 129 Accrued Interest Receivable                                |                                   |           |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$80,209                          | \$80,209  |
| 131 Investments - Unrestricted                                 |                                   |           |
| 132 Investments - Restricted                                   | \$84,695                          | \$84,695  |
| 135 Investments - Restricted for Payment of Current Liability  | \$0                               | \$0       |
| 142 Prepaid Expenses and Other Assets                          |                                   |           |
| 143 Inventories  |                                   |           |
| 143.1 Allowance for Obsolete Inventories                       |                                   |           |
| 144 Inter Program Due From                                     |                                   |           |
| 145 Assets Held for Sale                                       |                                   |           |
| 150 Total Current Assets                                       | \$164,904                         | \$164,904 |
| 161 Land   |                                   |           |
| 162 Buildings  |                                   |           |
| 163 Furniture, Equipment & Machinery - Dwellings               |                                   |           |
| 164 Furniture, Equipment & Machinery - Administration          |                                   |           |

|  |           |           |
|--|-----------|-----------|
| 165 Leasehold Improvements                                     |           |           |
| 166 Accumulated Depreciation                                   |           |           |
| 167 Construction in Progress                                   |           |           |
| 168 Infrastructure   |           |           |
| 160 Total Capital Assets, Net of Accumulated Depreciation      | \$0       | \$0       |
| 171 Notes, Loans and Mortgages Receivable - Non-Current        | \$0       | \$0       |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past  | \$0       | \$0       |
| 173 Grants Receivable - Non Current                            |           |           |
| 174 Other Assets   | \$0       | \$0       |
| 176 Investments in Joint Ventures                              | \$0       | \$0       |
| 180 Total Non-Current Assets                                   | \$0       | \$0       |
| 200 Deferred Outflow of Resources                              |           |           |
| 290 Total Assets and Deferred Outflow of Resources             | \$164,904 | \$164,904 |
| 311 Bank Overdraft   |           |           |
| 312 Accounts Payable <= 90 Days                                | \$1,041   | \$1,041   |
| 313 Accounts Payable >90 Days Past Due                         |           |           |
| 321 Accrued Wage/Payroll Taxes Payable                         | \$17,132  | \$17,132  |
| 322 Accrued Compensated Absences - Current Portion             |           |           |
| 324 Accrued Contingency Liability                              |           |           |
| 325 Accrued Interest Payable                                   |           |           |
| 331 Accounts Payable - HUD PHA Programs                        | \$1,483   | \$1,483   |
| 332 Account Payable - PHA Projects                             |           |           |
| 333 Accounts Payable - Other Government                        |           |           |
| 341 Tenant Security Deposits                                   |           |           |
| 342 Unearned Revenue   | \$0       | \$0       |
| 343 Current Portion of Long-term Debt - Capital                |           |           |
| 344 Current Portion of Long-term Debt - Operating Borrowings   |           |           |
| 345 Other Current Liabilities                                  |           |           |
| 346 Accrued Liabilities - Other                                |           |           |
| 347 Inter Program - Due To                                     |           |           |
| 348 Loan Liability - Current                                   | \$0       | \$0       |
| 310 Total Current Liabilities                                  | \$19,656  | \$19,656  |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage |           |           |
| 352 Long-term Debt, Net of Current - Operating Borrowings      |           |           |
| 353 Non-current Liabilities - Other                            | \$0       | \$0       |
| 354 Accrued Compensated Absences - Non Current                 |           |           |
| 355 Loan Liability - Non Current                               |           |           |
| 356 FASB 5 Liabilities   |           |           |

|   |           |           |
|---|-----------|-----------|
| 357 Accrued Pension and OPEB Liabilities                          |           |           |
| 350 Total Non-Current Liabilities                                 | \$0       | \$0       |
| 300 Total Liabilities   | \$19,656  | \$19,656  |
| 400 Deferred Inflow of Resources                                  | \$71,067  | \$71,067  |
| 508.3 Nonspendable Fund Balance                                   |           |           |
| 509.3 Restricted Fund Balance                                     | \$74,181  | \$74,181  |
| 510.3 Committed Fund Balance                                      |           |           |
| 511.3 Assigned Fund Balance                                       |           |           |
| 512.3 Unassigned Fund Balance                                     | \$0       | \$0       |
| 513 Total Equity - Net Assets / Position                          | \$74,181  | \$74,181  |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | \$164,904 | \$164,904 |

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Arvada Housing Authority (CO050)  
Arvada, CO  
**Program Revenue and Expense Summary**

Fiscal Year End: 12/31/2017

|   | 14.871 Housing<br>Choice Vouchers | Total       |
|---|-----------------------------------|-------------|
| 70300 Net Tenant Rental Revenue                         |                                   |             |
| 70400 Tenant Revenue - Other                            |                                   |             |
| 70500 Total Tenant Revenue                              | \$0                               | \$0         |
| 70600 HUD PHA Operating Grants                          | \$4,203,825                       | \$4,203,825 |
| 70610 Capital Grants                                    |                                   |             |
| 70710 Management Fee                                    |                                   |             |
| 70720 Asset Management Fee                              |                                   |             |
| 70730 Book Keeping Fee                                  |                                   |             |
| 70740 Front Line Service Fee                            |                                   |             |
| 70750 Other Fees  |                                   |             |
| 70700 Total Fee Revenue                                 |                                   |             |
| 70800 Other Government Grants                           |                                   |             |
| 71100 Investment Income - Unrestricted                  | \$1,406                           | \$1,406     |
| 71200 Mortgage Interest Income                          |                                   |             |
| 71300 Proceeds from Disposition of Assets Held for Sale |                                   |             |
| 71310 Cost of Sale of Assets                            |                                   |             |
| 71400 Fraud Recovery                                    | \$15,394                          | \$15,394    |
| 71500 Other Revenue                                     |                                   |             |
| 71600 Gain or Loss on Sale of Capital Assets            |                                   |             |
| 72000 Investment Income - Restricted                    | \$0                               | \$0         |
| 70000 Total Revenue                                     | \$4,220,625                       | \$4,220,625 |
| 91100 Administrative Salaries                           | \$205,993                         | \$205,993   |
| 91200 Auditing Fees                                     | \$15,080                          | \$15,080    |
| 91300 Management Fee                                    | \$0                               | \$0         |
| 91310 Book-keeping Fee                                  | \$0                               | \$0         |
| 91400 Advertising and Marketing                         | \$0                               | \$0         |
| 91500 Employee Benefit contributions - Administrative   | \$65,541                          | \$65,541    |
| 91600 Office Expenses                                   | \$16,548                          | \$16,548    |
| 91700 Legal Expense                                     | \$0                               | \$0         |
| 91800 Travel  | \$7,277                           | \$7,277     |
| 91810 Allocated Overhead                                | \$38,996                          | \$38,996    |

|   |           |           |
|---|-----------|-----------|
| 91900 Other   | \$0       | \$0       |
| 91000 Total Operating - Administrative                      | \$349,435 | \$349,435 |
| 92000 Asset Management Fee                                  |           |           |
| 92100 Tenant Services - Salaries                            |           |           |
| 92200 Relocation Costs                                      |           |           |
| 92300 Employee Benefit Contributions - Tenant Services      |           |           |
| 92400 Tenant Services - Other                               |           |           |
| 92500 Total Tenant Services                                 | \$0       | \$0       |
| 93100 Water   |           |           |
| 93200 Electricity   |           |           |
| 93300 Gas   |           |           |
| 93400 Fuel  |           |           |
| 93500 Labor   |           |           |
| 93600 Sewer   |           |           |
| 93700 Employee Benefit Contributions - Utilities            |           |           |
| 93800 Other Utilities Expense                               |           |           |
| 93000 Total Utilities                                       | \$0       | \$0       |
| 94100 Ordinary Maintenance and Operations - Labor           |           |           |
| 94200 Ordinary Maintenance and Operations - Materials and   | \$1,758   | \$1,758   |
| 94300 Ordinary Maintenance and Operations Contracts         |           |           |
| 94500 Employee Benefit Contributions - Ordinary Maintenance |           |           |
| 94000 Total Maintenance                                     | \$1,758   | \$1,758   |
| 95100 Protective Services - Labor                           |           |           |
| 95200 Protective Services - Other Contract Costs            |           |           |
| 95300 Protective Services - Other                           |           |           |
| 95500 Employee Benefit Contributions - Protective Services  |           |           |
| 95000 Total Protective Services                             | \$0       | \$0       |
| 96110 Property Insurance                                    | \$1,038   | \$1,038   |
| 96120 Liability Insurance                                   | \$492     | \$492     |
| 96130 Workmen's Compensation                                | \$1,883   | \$1,883   |
| 96140 All Other Insurance                                   | \$0       | \$0       |
| 96100 Total insurance Premiums                              | \$3,413   | \$3,413   |
| 96200 Other General Expenses                                | \$30,493  | \$30,493  |
| 96210 Compensated Absences                                  |           |           |
| 96300 Payments in Lieu of Taxes                             |           |           |
| 96400 Bad debt - Tenant Rents                               |           |           |
| 96500 Bad debt - Mortgages                                  |           |           |

|       |   |             |             |
|-------|---|-------------|-------------|
| 96600 | Bad debt - Other  |             |             |
| 96800 | Severance Expense   |             |             |
| 96000 | Total Other General Expenses                              | \$30,493    | \$30,493    |
| 96710 | Interest of Mortgage (or Bonds) Payable                   |             |             |
| 96720 | Interest on Notes Payable (Short and Long Term)           |             |             |
| 96730 | Amortization of Bond Issue Costs                          |             |             |
| 96700 | Total Interest Expense and Amortization Cost              | \$0         | \$0         |
| 96900 | Total Operating Expenses                                  | \$385,099   | \$385,099   |
| 97000 | Excess of Operating Revenue over Operating Expenses       | \$3,835,526 | \$3,835,526 |
| 97100 | Extraordinary Maintenance                                 |             |             |
| 97200 | Casualty Losses - Non-capitalized                         |             |             |
| 97300 | Housing Assistance Payments                               | \$3,845,593 | \$3,845,593 |
| 97350 | HAP Portability-In  | \$282,308   | \$282,308   |
| 97400 | Depreciation Expense                                      | \$0         | \$0         |
| 97500 | Fraud Losses  |             |             |
| 97600 | Capital Outlays - Governmental Funds                      | \$0         | \$0         |
| 97700 | Debt Principal Payment - Governmental Funds               | \$0         | \$0         |
| 97800 | Dwelling Units Rent Expense                               |             |             |
| 90000 | Total Expenses  | \$4,513,000 | \$4,513,000 |
| 10010 | Operating Transfer In                                     |             |             |
| 10020 | Operating transfer Out                                    |             |             |
| 10030 | Operating Transfers from/to Primary Government            | \$335,845   | \$335,845   |
| 10040 | Operating Transfers from/to Component Unit                |             |             |
| 10050 | Proceeds from Notes, Loans and Bonds                      |             |             |
| 10060 | Proceeds from Property Sales                              |             |             |
| 10070 | Extraordinary Items, Net Gain/Loss                        |             |             |
| 10080 | Special Items (Net Gain/Loss)                             |             |             |
| 10091 | Inter Project Excess Cash Transfer In                     |             |             |
| 10092 | Inter Project Excess Cash Transfer Out                    |             |             |
| 10093 | Transfers between Program and Project - In                |             |             |
| 10094 | Transfers between Project and Program - Out               |             |             |
| 10100 | Total Other financing Sources (Uses)                      | \$335,845   | \$335,845   |
| 10000 | Excess (Deficiency) of Total Revenue Over (Under) Total   | \$43,470    | \$43,470    |
| 11020 | Required Annual Debt Principal Payments                   | \$0         | \$0         |
| 11030 | Beginning Equity  | \$30,711    | \$30,711    |
| 11040 | Prior Period Adjustments, Equity Transfers and Correction | \$0         | \$0         |

|       |   |          |          |
|-------|---|----------|----------|
| 11050 | Changes in Compensated Absence Balance                | \$0      | \$0      |
| 11060 | Changes in Contingent Liability Balance               | \$0      | \$0      |
| 11070 | Changes in Unrecognized Pension Transition Liability  | \$0      | \$0      |
| 11080 | Changes in Special Term/Severance Benefits Liability  | \$0      | \$0      |
| 11090 | Changes in Allowance for Doubtful Accounts - Dwelling | \$0      | \$0      |
| 11100 | Changes in Allowance for Doubtful Accounts - Other    | \$0      | \$0      |
| 11170 | Administrative Fee Equity                             | \$11,900 | \$11,900 |
| 11180 | Housing Assistance Payments Equity                    | \$62,281 | \$62,281 |
| 11190 | Unit Months Available                                 | 6096     | 6096     |
| 11210 | Number of Unit Months Leased                          | 5479     | 5479     |
| 11270 | Excess Cash   |          |          |
| 11610 | Land Purchases  |          |          |
| 11620 | Building Purchases                                    |          |          |
| 11630 | Furniture & Equipment - Dwelling Purchases            |          |          |
| 11640 | Furniture & Equipment - Administrative Purchases      |          |          |
| 11650 | Leasehold Improvements Purchases                      |          |          |
| 11660 | Infrastructure Purchases                              |          |          |
| 13510 | CFFP Debt Service Payments                            |          |          |
| 13901 | Replacement Housing Factor Funds                      |          |          |

**Local Highway Finance Report**

|  |                           |   |  |   |                   |
|--|---------------------------|---|--|---|-------------------|
|  |                           |   |  | Financial Planning 02/01                        |                   |
| The public report burden for this information collection is estimated to average 380 hours annually. |                           |   |  | Form # 350-050-36                               |                   |
| <b>LOCAL HIGHWAY FINANCE REPORT</b>  |                           |   |  | City or County:                                 |                   |
|  |                           |   |  | City of Arvada                                  |                   |
|  |                           |   |  | YEAR ENDING :                                   |                   |
|  |                           |   |  | Dec-17  |                   |
| This Information From The Records Of (example - City of _ or County of _):                           |                           |   | Prepared By: Christine Summitt                         |   |                   |
| City of Arvada   |                           |   | Phone: 720-898-7138                                    |   |                   |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>            |                           |   |  |   |                   |
|  |                           |   |  |   |                   |
| ITEM   | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes                      | C. Receipts from State Highway-User Taxes              | D. Receipts from Federal Highway Administration |                   |
| 1. Total receipts available  |                           |   |  |   |                   |
| 2. Minus amount used for collection expenses   |                           |   |  |   |                   |
| 3. Minus amount used for nonhighway purposes   |                           |   |  |   |                   |
| 4. Minus amount used for mass transit  |                           |   |  |   |                   |
| 5. Remainder used for highway purposes   |                           |   |  |   |                   |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>   |                           |   | <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b> |   |                   |
|  |                           |   |  |   |                   |
| ITEM   | AMOUNT                    | ITEM  | AMOUNT   |   |                   |
| <b>A. Receipts from local sources:</b>   |                           | <b>A. Local highway disbursements:</b>            |  |   |                   |
| 1. Local highway-user taxes  |                           | 1. Capital outlay (from page 2)                   | 26,432,008   |   |                   |
| a. Motor Fuel (from Item I.A.5.)   |                           | 2. Maintenance:                                   | 4,531,450  |   |                   |
| b. Motor Vehicle (from Item I.B.5.)  |                           | 3. Road and street services:                      |  |   |                   |
| c. Total (a.+b.)   |                           | a. Traffic control operations                     | 4,561,288  |   |                   |
| 2. General fund appropriations   | 41,010,066                | b. Snow and ice removal                           | 1,069,362  |   |                   |
| 3. Other local imposts (from page 2)   | 1,451,337                 | c. Other  |  |   |                   |
| 4. Miscellaneous local receipts (from page 2)  | 0                         | d. Total (a. through c.)                          | 5,630,650  |   |                   |
| 5. Transfers from toll facilities  |                           | 4. General administration & miscellaneous         | 1,000,670  |   |                   |
| 6. Proceeds of sale of bonds and notes:  |                           | 5. Highway law enforcement and safety             | 9,520,664  |   |                   |
| a. Bonds - Original Issues   |                           | 6. Total (1 through 5)                            | 47,115,443   |   |                   |
| b. Bonds - Refunding Issues  |                           | <b>B. Debt service on local obligations:</b>      |  |   |                   |
| c. Notes   |                           | 1. Bonds:   |  |   |                   |
| d. Total (a. + b. + c.)  | 0                         | a. Interest                                       |  |   |                   |
| 7. Total (1 through 6)   | 42,461,403                | b. Redemption                                     |  |   |                   |
| <b>B. Private Contributions</b>  |                           | c. Total (a. + b.)                                | 0  |   |                   |
| <b>C. Receipts from State government</b>   |                           | 2. Notes:   |  |   |                   |
| (from page 2)  | 4,643,613                 | a. Interest                                       |  |   |                   |
| <b>D. Receipts from Federal Government</b>   |                           | b. Redemption                                     |  |   |                   |
| (from page 2)  | 10,428                    | c. Total (a. + b.)                                | 0  |   |                   |
| <b>E. Total receipts (A.7 + B + C + D)</b>   | 47,115,443                | 3. Total (1.c + 2.c)                              | 0  |   |                   |
|  |                           | <b>C. Payments to State for highways</b>          |  |   |                   |
|  |                           | <b>D. Payments to toll facilities</b>             |  |   |                   |
|  |                           | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> |  |   |                   |
|  |                           |   | 47,115,443   |   |                   |
| <b>IV. LOCAL HIGHWAY DEBT STATUS</b>   |                           |   |  |   |                   |
| (Show all entries at par)  |                           |   |  |   |                   |
|  | Opening Debt              | Amount Issued                                     | Redemptions  | Closing Debt                                    |                   |
| <b>A. Bonds (Total)</b>  |                           |   |  | 0   |                   |
| 1. Bonds (Refunding Portion)   |                           |   |  |   |                   |
| <b>B. Notes (Total)</b>  |                           |   |  | 0   |                   |
| <b>V. LOCAL ROAD AND STREET FUND BALANCE</b>   |                           |   |  |   |                   |
|  | A. Beginning Balance      | B. Total Receipts                                 | C. Total Disbursement                                  | D. Ending Balance                               | E. Reconciliation |
|  |                           | 47,115,443  | 47,115,443   |   | 0                 |
| <b>Notes and Comments:</b>   |                           |   |  |   |                   |

|                                     |              |
|-------------------------------------|--------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | STATE:       |
|                                     | Colorado     |
|                                     | YEAR ENDING: |
|                                     | Dec-17       |

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|---|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments |                           | a. Interest on investments                |                           |
| b. Other local imposts:           |                           | b. Traffic Fines & Penalties              |                           |
| 1. Sales Taxes                    | 870,641                   | c. Parking Garage Fees                    |                           |
| 2. Infrastructure & Impact Fees   |                           | d. Parking Meter Fees                     |                           |
| 3. Liens                          |                           | e. Sale of Surplus Property               |                           |
| 4. Licenses                       |                           | f. Charges for Services                   |                           |
| 5. Specific Ownership &/or Other  | 580,696                   | g. Other Misc. Receipts                   |                           |
| 6. Total (1. through 5.)          | 1,451,337                 | h. Other                                  |                           |
| c. Total (a. + b.)                | 1,451,337                 | i. Total (a. through h.)                  | 0                         |
|                                   | (Carry forward to page 1) |   | (Carry forward to page 1) |

| ITEM                                     | AMOUNT    | ITEM                                       | AMOUNT                    |
|--|-----------|--|---------------------------|
| <b>C. Receipts from State Government</b> |           | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 4,190,692 | 1. FHWA (from Item I.D.5.)                 |                           |
| 2. State general funds                   |           | 2. Other Federal agencies:                 |                           |
| 3. Other State funds:                    |           | a. Forest Service                          |                           |
| a. State bond proceeds                   |           | b. FEMA                                    | 10,428                    |
| b. Project Match                         |           | c. HUD                                     |                           |
| c. Motor Vehicle Registrations           | 452,921   | d. Federal Transit Admin                   | 0                         |
| d. Other (Specify) - DOLA Grant          |           | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)                       |           | f. Other Federal                           |                           |
| f. Total (a. through e.)                 | 452,921   | g. Total (a. through f.)                   | 10,428                    |
| 4. Total (1. + 2. + 3.f)                 | 4,643,613 | 3. Total (1. + 2.g)                        |                           |
|  |           |  | (Carry forward to page 1) |

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|---|---|--|---------------------------|
| <b>A.1. Capital outlay:</b>                         |   |  |                           |
| a. Right-Of-Way Costs                               | 2,297,529                               | 8,217,949                                | 10,515,477                |
| b. Engineering Costs                                |   |  | 0                         |
| c. Construction:                                    |   |  |                           |
| (1). New Facilities                                 |   |  | 0                         |
| (2). Capacity Improvements                          | 938,112                                 | 3,506,973                                | 4,445,085                 |
| (3). System Preservation                            |   | 10,693,532                               | 10,693,532                |
| (4). System Enhancement & Operation                 |   | 777,914                                  | 777,914                   |
| (5). Total Construction (1) + (2) + (3) + (4)       | 938,112                                 | 14,978,419                               | 15,916,531                |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 3,235,641                               | 23,196,368                               | 26,432,008                |
|   |   |  | (Carry forward to page 1) |

Notes and Comments:

## **Statistical Section**

## Statistical Section

This part of the City of Arvada's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health.

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| <b>Financial Trends</b>   |             |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   |             |
| Net Position by Component   | 128         |
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| These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.  |             |
| Direct and Overlapping Sales Tax Rates  | 133         |
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| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                               |             |
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| <b>Demographic and Economic Information</b>   |             |
| These schedules offer demographic and economic indicators to help the reader understand the environment wherein the City's financial activities take place and to help make comparisons over time and with other governments. |             |
| Demographic and Economic Statistics   | 147         |
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| <b>Operating Information</b>  |             |
| These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the service the City provides and the activities it performs.     |             |
| Full-time Equivalent City Government Employees by Function/Program  | 150         |
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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



**City of Arvada  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands)**

|  | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              |
| <b>Governmental Activities</b>                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 233,223        | \$ 218,883        | \$ 222,197        | \$ 234,874        | \$ 252,120        | \$ 262,131        | \$ 292,888        | \$ 314,529        | \$ 346,609        | \$ 344,826        |
| Restricted   | 17,425            | 18,174            | 20,306            | 25,837            | 22,517            | 19,018            | 27,511            | 19,900            | 10,448            | 22,053            |
| Unrestricted                                       | 80,607            | 98,412            | 100,289           | 95,365            | 90,637            | 92,089            | 82,945            | 90,610            | 90,156            | 89,367            |
| <b>Total governmental activities net position</b>  | <b>\$ 331,255</b> | <b>\$ 335,469</b> | <b>\$ 342,792</b> | <b>\$ 356,076</b> | <b>\$ 365,274</b> | <b>\$ 373,238</b> | <b>\$ 403,344</b> | <b>\$ 425,039</b> | <b>\$ 447,213</b> | <b>\$ 456,246</b> |
| <b>Business-type Activities</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 186,979        | \$ 194,128        | \$ 198,953        | \$ 206,768        | \$ 219,419        | \$ 238,881        | \$ 252,606        | \$ 263,285        | \$ 265,019        | \$ 278,095        |
| Restricted   | 100               | 186               | 1,865             | 1,866             | 1,706             | 1,536             | 1,805             | 1,964             | 1,915             | 2,114             |
| Unrestricted                                       | 92,657            | 89,902            | 85,899            | 85,717            | 91,198            | 89,643            | 95,699            | 103,479           | 122,107           | 130,694           |
| <b>Total business-type activities net position</b> | <b>\$ 279,736</b> | <b>\$ 284,030</b> | <b>\$ 286,717</b> | <b>\$ 294,351</b> | <b>\$ 312,323</b> | <b>\$ 330,060</b> | <b>\$ 350,110</b> | <b>\$ 368,728</b> | <b>\$ 389,041</b> | <b>\$ 410,903</b> |
| <b>Primary Government</b>                          |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 420,202        | \$ 413,011        | \$ 421,150        | \$ 441,642        | \$ 471,539        | \$ 501,012        | \$ 545,494        | \$ 577,814        | \$ 611,628        | \$ 622,921        |
| Restricted   | 17,801            | 18,174            | 22,171            | 27,703            | 24,223            | 20,554            | 29,316            | 21,864            | 12,363            | 24,167            |
| Unrestricted                                       | 172,988           | 188,554           | 186,188           | 181,082           | 181,835           | 181,732           | 178,644           | 194,089           | 212,263           | 220,061           |
| <b>Total primary government net position</b>       | <b>\$ 610,991</b> | <b>\$ 619,739</b> | <b>\$ 629,509</b> | <b>\$ 650,427</b> | <b>\$ 677,597</b> | <b>\$ 703,298</b> | <b>\$ 753,454</b> | <b>\$ 793,767</b> | <b>\$ 836,254</b> | <b>\$ 867,149</b> |

**Source:** City of Arvada, Finance Department

**Note:**  
Government-wide financial statements have been prepared in accordance with the requirements of GASB 34.

**City of Arvada  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands)**

| Functions/Program Activities                           | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              |
| <b>Expenses</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                                     | \$ 27,821         | \$ 14,267         | \$ 15,586         | \$ 14,280         | \$ 16,245         | \$ 22,193         | \$ 17,485         | \$ 20,939         | \$ 25,627         | \$ 27,429         |
| Public safety  | 22,922            | 23,544            | 22,999            | 23,989            | 25,987            | 26,578            | 27,154            | 28,030            | 29,263            | 31,893            |
| Public works   | 16,352            | 16,967            | 17,102            | 25,631            | 26,644            | 28,117            | 30,460            | 31,124            | 32,126            | 38,974            |
| Parks and recreation                                   | 6,861             | 14,273            | 14,382            | 7,121             | 7,329             | 7,428             | 8,173             | 8,279             | 8,543             | 9,130             |
| Culture  | 10,041            | 10,649            | 10,000            | 10,613            | 10,809            | 10,797            | 10,507            | 10,068            | 5,545             | 169               |
| Human services   | 4,355             | 4,251             | 4,734             | 4,420             | 4,580             | 4,558             | 4,876             | 4,665             | 4,781             | 5,177             |
| Interest   | 2,245             | 2,329             | 1,579             | 1,501             | 1,443             | 1,119             | 1,107             | 659               | 821               | 954               |
| <b>Total governmental activities expenses</b>          | <b>90,597</b>     | <b>86,280</b>     | <b>86,382</b>     | <b>87,555</b>     | <b>93,037</b>     | <b>100,790</b>    | <b>99,762</b>     | <b>103,764</b>    | <b>106,706</b>    | <b>113,726</b>    |
| <b>Business-type activities:</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Water  | 18,807            | 19,386            | 19,169            | 19,544            | 19,634            | 20,609            | 21,071            | 21,632            | 22,688            | 22,662            |
| Wastewater   | 9,359             | 8,770             | 9,341             | 9,883             | 10,553            | 11,536            | 11,677            | 12,620            | 12,127            | 13,049            |
| Other  | 7,079             | 7,035             | 6,764             | 7,016             | 7,302             | 7,575             | 7,939             | 8,648             | 9,412             | 8,752             |
| <b>Total business-type activities expenses</b>         | <b>35,245</b>     | <b>35,191</b>     | <b>35,274</b>     | <b>36,443</b>     | <b>37,489</b>     | <b>39,720</b>     | <b>40,687</b>     | <b>42,900</b>     | <b>44,227</b>     | <b>44,463</b>     |
| <b>Total primary government expenses</b>               | <b>\$ 125,842</b> | <b>\$ 121,471</b> | <b>\$ 121,656</b> | <b>\$ 123,998</b> | <b>\$ 130,526</b> | <b>\$ 140,510</b> | <b>\$ 140,449</b> | <b>\$ 146,664</b> | <b>\$ 150,933</b> | <b>\$ 158,189</b> |
| <b>Program Revenues</b>                                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                        |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Charges for services:                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                                     | 11,212            | 5,267             | 5,130             | 5,333             | 5,159             | 5,726             | 6,212             | 5,397             | 5,694             | 5,495             |
| Public works   | 1,892             | 3,008             | 1,578             | 2,038             | 2,623             | 2,870             | 4,761             | 5,170             | 6,094             | 6,383             |
| Parks & recreation                                     | 885               | 1,020             | 2,603             | 1,799             | 961               | 902               | 967               | 958               | 965               | 46                |
| Other activities                                       | 6,979             | 6,959             | 5,819             | 6,720             | 6,737             | 4,831             | 4,690             | 4,660             | 1,655             | 0                 |
| Operating grants and contributions                     | 9,008             | 9,501             | 11,789            | 9,218             | 9,171             | 11,681            | 11,330            | 12,529            | 12,066            | 12,317            |
| Capital grants and contributions                       | 12,432            | 2,789             | 3,020             | 6,470             | 12,431            | 6,706             | 22,287            | 10,206            | 8,936             | 7,850             |
| <b>Total governmental activities program revenues</b>  | <b>42,408</b>     | <b>28,544</b>     | <b>29,939</b>     | <b>31,578</b>     | <b>37,082</b>     | <b>32,716</b>     | <b>50,247</b>     | <b>38,920</b>     | <b>35,410</b>     | <b>32,091</b>     |
| <b>Business-type activities:</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Charges for services:                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Water  | 19,285            | 14,972            | 17,170            | 18,221            | 21,026            | 22,635            | 19,215            | 20,565            | 23,120            | 22,573            |
| Wastewater   | 8,484             | 9,753             | 9,904             | 10,336            | 10,704            | 11,179            | 11,334            | 11,721            | 11,516            | 12,361            |
| Other  | 8,857             | 8,661             | 8,519             | 8,497             | 9,544             | 8,527             | 9,239             | 9,324             | 9,295             | 8,252             |
| Operating grants and contributions                     | -                 | -                 | 64                | 200               | -                 | -                 | -                 | -                 | -                 | -                 |
| Capital grants and contributions                       | 10,706            | 1,581             | 2,584             | 6,519             | 12,240            | 17,633            | 21,326            | 20,578            | 20,912            | 14,922            |
| <b>Total business-type activities program revenues</b> | <b>47,332</b>     | <b>34,967</b>     | <b>38,241</b>     | <b>43,773</b>     | <b>53,514</b>     | <b>59,974</b>     | <b>61,114</b>     | <b>62,188</b>     | <b>64,843</b>     | <b>58,108</b>     |
| <b>Total primary government program revenues</b>       | <b>\$ 89,740</b>  | <b>\$ 63,511</b>  | <b>\$ 68,180</b>  | <b>\$ 75,351</b>  | <b>\$ 90,596</b>  | <b>\$ 92,690</b>  | <b>\$ 111,361</b> | <b>\$ 101,108</b> | <b>\$ 100,253</b> | <b>\$ 90,199</b>  |



**City of Arvada  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(in thousands)**

| Functions/Program Activities                              | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2008              | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              |
| <b>Net (Expense)/Revenue</b>                              |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities                                   | (48,189)          | (57,736)          | (56,443)          | (55,977)          | (55,955)          | (68,074)          | (49,515)          | (64,844)          | (71,296)          | (81,635)          |
| Business-type activities                                  | 12,087            | (224)             | 2,967             | 7,330             | 16,025            | 20,254            | 20,427            | 19,288            | 20,616            | 13,645            |
| Total primary government net expense                      | <u>(\$36,102)</u> | <u>(\$57,960)</u> | <u>(\$53,476)</u> | <u>(\$48,647)</u> | <u>(\$39,930)</u> | <u>(\$47,820)</u> | <u>(\$29,088)</u> | <u>(\$45,556)</u> | <u>(\$50,680)</u> | <u>(\$67,990)</u> |
| <b>General Revenues and Other Changes In Net Position</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities:                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Taxes   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Property taxes  | \$ 5,099          | \$ 5,121          | \$ 4,961          | \$ 4,953          | \$ 4,829          | \$ 4,907          | \$ 4,977          | \$ 5,074          | \$ 6,056          | \$ 6,235          |
| Franchise taxes   | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Sales and use taxes                                       | 50,322            | 49,530            | 50,259            | 50,996            | 54,298            | 58,519            | 64,429            | 69,744            | 74,083            | 78,564            |
| Transportation taxes                                      | 4,533             | 4,665             | 4,761             | 4,648             | 4,787             | 4,646             | 4,757             | 5,400             | 4,923             | 5,061             |
| Investment earnings                                       | 4,707             | 1,875             | 1,206             | 1,602             | 571               | 107               | 944               | 823               | 1,003             | 1,397             |
| Miscellaneous   | 1,122             | 462               | 1,198             | 471               | 1,947             | 5,974             | 3,353             | 4,219             | 6,435             | 6,425             |
| Transfers   | (111)             | 882               | 1,381             | 931               | (1,279)           | 2,418             | 1,161             | 1,412             | 957               | (7,014)           |
| Total governmental activities                             | <u>65,672</u>     | <u>62,535</u>     | <u>63,766</u>     | <u>63,601</u>     | <u>65,153</u>     | <u>76,571</u>     | <u>79,621</u>     | <u>86,672</u>     | <u>93,457</u>     | <u>90,668</u>     |
| Business-type activities                                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Investment earnings                                       | 3,832             | 1,361             | 894               | 1,148             | 582               | (56)              | 680               | 507               | 550               | 1,099             |
| Miscellaneous   | 158               | 1,319             | 207               | 87                | 86                | 104               | 104               | 104               | 104               | 104               |
| Transfers   | 111               | (882)             | (1,381)           | (931)             | 1,279             | (2,418)           | (1,161)           | (1,412)           | (957)             | 7,014             |
| Total business-type activities                            | <u>4,101</u>      | <u>1,798</u>      | <u>(280)</u>      | <u>304</u>        | <u>1,947</u>      | <u>(2,370)</u>    | <u>(377)</u>      | <u>(801)</u>      | <u>(303)</u>      | <u>8,217</u>      |
| Total primary government                                  | <u>\$ 69,773</u>  | <u>\$ 64,333</u>  | <u>\$ 63,486</u>  | <u>\$ 63,905</u>  | <u>\$ 67,100</u>  | <u>\$ 74,201</u>  | <u>\$ 79,244</u>  | <u>\$ 85,871</u>  | <u>\$ 93,154</u>  | <u>\$ 98,885</u>  |
| <b>Change in Net Position</b>                             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental activities                                   | 17,483            | 4,799             | 7,323             | 7,624             | 9,198             | 8,497             | 30,106            | 21,828            | 22,161            | 9,033             |
| Business-type activities                                  | 16,188            | 1,574             | 2,687             | 7,634             | 17,972            | 17,884            | 20,050            | 18,487            | 20,313            | 21,862            |
| Total primary government                                  | <u>\$ 33,671</u>  | <u>\$ 6,373</u>   | <u>\$ 10,010</u>  | <u>\$ 15,258</u>  | <u>\$ 27,170</u>  | <u>\$ 26,381</u>  | <u>\$ 50,156</u>  | <u>\$ 40,315</u>  | <u>\$ 42,474</u>  | <u>\$ 30,895</u>  |

Source: City of Arvada, Finance Department

Note: General Government represents support and administrative divisions such as Legal, Finance, City Manager's Office, KATV, Human Resources, Planning, Code Enforcement, Information Services, Courts, and City Council.



**City of Arvada**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands)**

|  | Fiscal Year      |                  |                   |                   |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2008             | 2009             | 2010              | 2011              | 2012             | 2013             | 2014             | 2015             | 2016             | 2017             |
| <b>General Fund</b>                          |                  |                  |                   |                   |                  |                  |                  |                  |                  |                  |
| Reserve                                      | \$ 2,484         | \$ 2,521         | \$ 2,406          | \$ -              | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| Unreserved                                   | 27,325           | 30,218           | 18,652            | -                 | -                | -                | -                | -                | -                | -                |
| Nonspendable                                 | -                | -                | -                 | 607               | 603              | 640              | 705              | 664              | 589              | 570              |
| Restricted                                   | -                | -                | -                 | 1,780             | 1,891            | 2,028            | 2,248            | 2,447            | 2,589            | 2,856            |
| Committed                                    | -                | -                | -                 | -                 | -                | -                | -                | -                | -                | -                |
| Assigned                                     | -                | -                | -                 | 2,731             | 985              | -                | 2,598            | 1,468            | 15,143           | -                |
| Unassigned                                   | -                | -                | -                 | 17,947            | 19,486           | 23,007           | 25,296           | 32,951           | 23,076           | 43,264           |
| <b>Total general fund</b>                    | <b>29,809</b>    | <b>32,739</b>    | <b>21,058</b>     | <b>23,065</b>     | <b>22,965</b>    | <b>25,675</b>    | <b>30,847</b>    | <b>37,530</b>    | <b>41,397</b>    | <b>46,690</b>    |
| <b>All Other Governmental Funds</b>          |                  |                  |                   |                   |                  |                  |                  |                  |                  |                  |
| Reserve                                      | 15,048           | 16,530           | 17,855            | -                 | -                | -                | -                | -                | -                | -                |
| Unreserved                                   | -                | -                | -                 | -                 | -                | -                | -                | -                | -                | -                |
| Special revenue funds                        | 16,254           | 14,862           | 14,831            | -                 | -                | -                | -                | -                | -                | -                |
| Debt Service                                 | 745              | 343              | 377               | -                 | -                | -                | -                | -                | -                | -                |
| Capital project funds                        | 18,077           | 34,275           | 48,810            | -                 | -                | -                | -                | -                | -                | -                |
| Nonspendable                                 | -                | -                | -                 | 301               | 255              | 231              | 193              | 110              | 46               | 43               |
| Restricted                                   | -                | -                | -                 | 24,098            | 20,654           | 16,120           | 16,937           | 17,453           | 19,796           | 19,189           |
| Committed                                    | -                | -                | -                 | 24,279            | 17,768           | 14,953           | 22,764           | 17,330           | 7,693            | 11,393           |
| Assigned                                     | -                | -                | -                 | 30,354            | 33,378           | 38,314           | 23,474           | 20,172           | 25,783           | 21,264           |
| Unassigned                                   | -                | -                | -                 | -                 | -                | -                | -                | -                | -                | -                |
| <b>Subtotal All Other Governmental Funds</b> | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>79,032</b>     | <b>72,055</b>    | <b>69,618</b>    | <b>63,368</b>    | <b>55,065</b>    | <b>53,318</b>    | <b>51,889</b>    |
| <b>Governmental Funds</b>                    | <b>50,124</b>    | <b>66,010</b>    | <b>81,873</b>     | <b>102,097</b>    | <b>95,020</b>    | <b>95,293</b>    | <b>94,215</b>    | <b>92,595</b>    | <b>94,715</b>    | <b>98,579</b>    |
| <b>Total Governmental Funds</b>              |                  |                  |                   |                   |                  |                  |                  |                  |                  |                  |
| Reserve                                      | 17,690           | 18,842           | 21,033            | -                 | -                | -                | -                | -                | -                | -                |
| Unreserved                                   | 62,243           | 79,907           | 82,670            | -                 | -                | -                | -                | -                | -                | -                |
| Nonspendable                                 | -                | -                | -                 | 908               | 858              | 871              | 898              | 774              | 635              | 613              |
| Restricted                                   | -                | -                | -                 | 25,878            | 22,545           | 18,148           | 19,185           | 19,900           | 22,385           | 22,045           |
| Committed                                    | -                | -                | -                 | 24,279            | 17,768           | 14,953           | 22,764           | 17,330           | 7,693            | 11,393           |
| Assigned                                     | -                | -                | -                 | 33,085            | 34,363           | 38,314           | 26,072           | 21,640           | 40,926           | 21,264           |
| Unassigned                                   | -                | -                | -                 | 17,947            | 19,486           | 23,007           | 25,296           | 32,951           | 23,076           | 43,264           |
| <b>Total all other governmental funds</b>    | <b>\$ 79,933</b> | <b>\$ 98,749</b> | <b>\$ 103,703</b> | <b>\$ 102,097</b> | <b>\$ 95,020</b> | <b>\$ 95,293</b> | <b>\$ 94,215</b> | <b>\$ 92,595</b> | <b>\$ 94,715</b> | <b>\$ 98,579</b> |

Source: City of Arvada Finance Department

Note: In Fiscal Year ending December 31, 2011, the City of Arvada implemented Government Accounting Standard Board Statement Financial Statement Number 54. The presentation of the different Fund Balance types are listed above with figures recorded in the applicable categories. A brief definition of these categories is defined on page 52 of the Notes to the Financial Statements section of the CAFR.



**City of Arvada**  
**Changes in Fund Balances-Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands)**

|  | Fiscal Year      |                  |                  |                   |                   |                   |                   |                   |                   |                   |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 2008             | 2009             | 2010             | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              |
| <b>Revenues:</b>   |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |
| Taxes  | \$ 59,773        | \$ 58,710        | \$ 59,547        | \$ 60,232         | \$ 63,274         | \$ 67,846         | \$ 73,917         | \$ 79,169         | \$ 84,443         | \$ 89,199         |
| Licenses and Permits   | 2,219            | 3,450            | 3,014            | 2,396             | 2,873             | 3,275             | 4,881             | 5,197             | 6,041             | 6,508             |
| Intergovernmental  | 13,577           | 15,291           | 16,440           | 15,166            | 15,441            | 15,668            | 15,261            | 17,849            | 18,172            | 15,751            |
| Charges for Services   | 13,867           | 8,324            | 9,563            | 8,116             | 5,628             | 5,537             | 5,546             | 5,684             | 2,878             | 1,063             |
| Fines and Forfeits   | 1,378            | 1,633            | 1,558            | 1,261             | 1,681             | 1,710             | 1,609             | 1,846             | 1,732             | 4,317             |
| Interest   | 3,674            | 1,431            | 986              | 1,231             | 425               | 167               | 684               | 635               | 801               | 1,187             |
| Memberships and Donations  | 299              | 332              | 290              | 1,577             | 427               | 725               | 1,414             | 942               | 758               | 1,332             |
| Miscellaneous  | 894              | 664              | 924              | 839               | 2,418             | 5,507             | 3,019             | 3,881             | 2,893             | 6,949             |
| <b>Total revenues</b>  | <b>\$ 95,681</b> | <b>\$ 89,835</b> | <b>\$ 92,322</b> | <b>\$ 90,818</b>  | <b>\$ 92,167</b>  | <b>\$ 100,435</b> | <b>\$ 106,331</b> | <b>\$ 115,203</b> | <b>\$ 117,718</b> | <b>\$ 126,306</b> |
| <b>Expenditures:</b>   |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |
| General Government   | \$ 18,747        | \$ 12,167        | \$ 13,697        | \$ 11,080         | \$ 12,779         | \$ 13,640         | \$ 13,251         | \$ 15,759         | \$ 18,642         | \$ 21,835         |
| Public Safety  | 23,866           | 24,094           | 23,873           | 23,555            | 25,518            | 26,382            | 27,200            | 28,166            | 28,731            | 31,139            |
| Public Works   | 16,651           | 17,128           | 17,286           | 18,188            | 19,266            | 20,498            | 21,443            | 22,577            | 23,174            | 29,958            |
| Program Costs  | 20,621           | 20,981           | 21,219           | 21,300            | 21,870            | 22,060            | 22,683            | 22,460            | 17,623            | 13,899            |
| Capital Outlay   | 4,411            | 5,946            | 9,917            | 14,551            | 12,986            | 16,468            | 18,428            | 23,305            | 34,949            | 12,162            |
| Debt Service   |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |
| Principal  | 3,460            | 3,011            | 4,079            | 4,073             | 4,045             | 3,895             | 4,185             | 4,510             | 4,670             | 5,085             |
| Interest   | 2,245            | 1,469            | 1,667            | 1,515             | 1,388             | 1,209             | 1,120             | 721               | 718               | 946               |
| <b>Total Expenditures</b>  | <b>\$ 90,001</b> | <b>\$ 84,796</b> | <b>\$ 91,738</b> | <b>\$ 94,262</b>  | <b>\$ 97,852</b>  | <b>\$ 104,152</b> | <b>\$ 108,310</b> | <b>\$ 117,498</b> | <b>\$ 128,507</b> | <b>\$ 115,024</b> |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>5,680</b>     | <b>5,039</b>     | <b>584</b>       | <b>(3,444)</b>    | <b>(5,685)</b>    | <b>(3,717)</b>    | <b>(1,979)</b>    | <b>(2,295)</b>    | <b>(10,789)</b>   | <b>11,282</b>     |
| <b>Other Financing Sources (Uses)</b>                            |                  |                  |                  |                   |                   |                   |                   |                   |                   |                   |
| Bond Issuance costs  | -                | (192)            | -                | -                 | -                 | -                 | -                 | -                 | (162)             | -                 |
| Proceeds from borrowing  | -                | 20,857           | -                | -                 | -                 | 7,527             | -                 | 11,820            | 13,083            | -                 |
| Payments to escrow agent   | -                | (21,952)         | -                | -                 | -                 | (7,721)           | -                 | (11,816)          | -                 | -                 |
| Sale of Assets   | 725              | -                | -                | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers in   | 11,091           | 15,774           | 30,777           | 14,955            | 19,350            | 20,110            | 16,812            | 18,410            | 21,735            | 18,477            |
| Transfers out  | (11,357)         | (12,884)         | (26,407)         | (14,136)          | (20,742)          | (15,926)          | (15,911)          | (17,738)          | (21,747)          | (25,895)          |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>459</b>       | <b>1,603</b>     | <b>4,370</b>     | <b>819</b>        | <b>(1,392)</b>    | <b>3,990</b>      | <b>901</b>        | <b>676</b>        | <b>12,909</b>     | <b>(7,418)</b>    |
| <b>Net Change in Fund Balances</b>                               | <b>\$ 6,139</b>  | <b>\$ 6,642</b>  | <b>\$ 4,954</b>  | <b>\$ (2,625)</b> | <b>\$ (7,077)</b> | <b>\$ 273</b>     | <b>\$ (1,078)</b> | <b>\$ (1,619)</b> | <b>\$ 2,120</b>   | <b>\$ 3,864</b>   |
| <b>Debt service as a % of Noncapital Expenditures</b>            | <b>7%</b>        | <b>6%</b>        | <b>8%</b>        | <b>7%</b>         | <b>6%</b>         | <b>6%</b>         | <b>6%</b>         | <b>6%</b>         | <b>6%</b>         | <b>6%</b>         |

Source: City of Arvada, Finance Department



**City of Arvada  
Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years**

| City<br>Direct<br>Rates |               | Overlapping Rates    |                     |                 |                                     |                                    |   |
|-------------------------|---------------|----------------------|---------------------|-----------------|-------------------------------------|------------------------------------|---|
| Fiscal<br>Year          | Basic<br>Rate | State<br>of Colorado | Jefferson<br>County | Adams<br>County | Rapid<br>Transit<br>District<br>RTD | Cultural<br>Facilities<br>District | Baseball<br>Football<br>Stadium<br>District |
| 2008                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.10%                                       |
| 2009                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.10%                                       |
| 2010                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.10%                                       |
| 2011                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.10%                                       |
| 2012                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2013                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2014                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2015                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2016                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2017                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |

**Source:** City of Arvada, Finance Department

The combined direct and overlapping rates for Jefferson and Adams counties are 7.96% and 8.21%, respectively.



**City of Arvada  
Sales and Use Tax  
Last Ten Fiscal Years**

|                                   | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sales Tax:</b>                 |                      |                      |                      |                      |                      |
| Grocery Chain Stores              | \$ 7,288,486         | \$ 7,334,570         | \$ 7,200,230         | \$ 7,483,405         | \$ 8,273,428         |
| Fast Food Restaurants             | 1,810,008            | 2,021,516            | 2,062,638            | 1,576,778            | 1,659,362            |
| General Dept Stores               | 7,288,906            | 7,306,966            | 7,381,406            | 7,702,012            | 8,104,435            |
| Public Utilities                  | 4,317,928            | 3,637,476            | 3,886,360            | 3,901,682            | 3,786,645            |
| Restaurant & Lounges              | 2,255,327            | 2,164,532            | 2,309,170            | 2,369,833            | 2,578,383            |
| Telephone Equipment & Service     | 1,480,300            | 2,527,228            | 2,506,964            | 2,487,405            | 2,611,925            |
| Misc. - Other                     | 17,015,251           | 13,895,570           | 14,762,442           | 22,440,904           | 16,901,224           |
| <b>Total Sales Tax</b>            | <b>41,456,206</b>    | <b>38,887,858</b>    | <b>40,109,210</b>    | <b>47,962,019</b>    | <b>43,915,402</b>    |
| <b>Use Tax:</b>                   |                      |                      |                      |                      |                      |
| Grocery Chain Stores              | 27,114               | 68,055               | 56,962               | 145,708              | 92,328               |
| Fast Food Restaurants             | 27,749               | 15,459               | 29,626               | 45,810               | 33,141               |
| General Dept Stores               | 69,290               | 48,512               | 50,083               | 28,893               | 21,726               |
| Public Utilities                  | 225,767              | 589,297              | 1,141,121            | 425,956              | 313,319              |
| Restaurant & Lounges              | 50,506               | 29,931               | 23,865               | 45,491               | 32,201               |
| Telephone Equipment & Service     | 3,203                | 4,545                | 4,545                | 1,670                | 3,238                |
| Misc. - Other                     | 1,289,067            | 719,127              | 279,628              | 1,050,125            | 912,227              |
| <b>Total Use Tax</b>              | <b>1,692,696</b>     | <b>1,474,926</b>     | <b>1,585,830</b>     | <b>1,743,653</b>     | <b>1,408,180</b>     |
| <b>Auto Use</b>                   | <b>4,957,715</b>     | <b>4,532,111</b>     | <b>4,593,311</b>     | <b>5,006,383</b>     | <b>5,539,267</b>     |
| <b>Building Use</b>               | <b>1,761,502</b>     | <b>2,355,796</b>     | <b>1,999,800</b>     | <b>2,053,400</b>     | <b>2,751,416</b>     |
| <b>Total</b>                      | <b>\$ 49,868,119</b> | <b>\$ 47,250,690</b> | <b>\$ 48,288,151</b> | <b>\$ 56,765,455</b> | <b>\$ 53,614,265</b> |
| <b>City Direct Sales Tax Rate</b> | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         |

**Source:** City of Arvada, Finance Department.

**Note:** Figures include .46% Sales and Use Tax imposed for police and public safety purposes.

Note: Total sales taxes collected in 2017 showed good growth coming in 6.14% over 2016. The Grocery Stores category, our largest individual category in terms of sales taxes generated, showed a 1.74% increase in 2017. The Miscellaneous category showed a large increase of 8.64% over 2016. General use tax also showed a significant increase, 37.75% compared to 2016. The total amount of use tax collected, which is comprised of General, Building, and Automotive use taxes, showed a 5.11% increase over 2016. The gains in total use tax are primarily due to the large increase in auto use tax which showed a 19.24% increase over 2016.



**City of Arvada  
Sales and Use Tax  
Last Ten Fiscal Years**

|                                   | <u>2013</u>          | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sales Tax:</b>                 |                      |                      |                      |                      |                      |
| Grocery Chain Stores              | \$ 8,967,965         | \$ 9,535,244         | \$ 10,007,863        | \$ 10,250,605        | \$ 10,428,743        |
| Fast Food Restaurants             | 1,710,024            | 1,746,583            | 1,848,439            | 1,904,774            | 1,988,556            |
| General Dept Stores               | 8,215,281            | 8,660,395            | 8,977,911            | 9,712,663            | 10,323,021           |
| Public Utilities                  | 4,094,148            | 4,184,426            | 4,034,612            | 3,888,283            | 4,037,700            |
| Restaurant & Lounges              | 2,642,306            | 2,873,752            | 3,039,338            | 3,175,973            | 3,355,016            |
| Telephone Equipment & Service     | 2,507,633            | 2,568,048            | 2,426,775            | 2,367,071            | 2,487,706            |
| Misc. - Other                     | 18,371,506           | 20,413,304           | 23,507,566           | 25,167,368           | 26,447,292           |
| <b>Total Sales Tax</b>            | <b>46,508,863</b>    | <b>49,981,752</b>    | <b>53,842,504</b>    | <b>56,466,737</b>    | <b>59,068,034</b>    |
| <b>Use Tax:</b>                   |                      |                      |                      |                      |                      |
| Grocery Chain Stores              | 83,558               | 26,036               | 33,986               | 32,944               | 37,529               |
| Fast Food Restaurants             | 52,869               | 33,509               | 87,669               | 20,323               | 28,062               |
| General Dept Stores               | 35,809               | 48,068               | 36,868               | 39,593               | 36,250               |
| Public Utilities                  | 385,520              | 280,535              | 217,714              | 180,360              | 432,564              |
| Restaurant & Lounges              | 37,678               | 36,234               | 32,264               | 30,293               | 33,002               |
| Telephone Equipment & Service     | 1,819                | 8,460                | 5,820                | 4,633                | 26,963               |
| Misc. - Other                     | 1,195,406            | 1,336,142            | 1,429,836            | 1,206,037            | 969,664              |
| <b>Total Use Tax</b>              | <b>1,792,659</b>     | <b>1,768,986</b>     | <b>1,844,157</b>     | <b>1,514,182</b>     | <b>1,564,034</b>     |
| <b>Auto Use</b>                   | <b>6,205,601</b>     | <b>6,899,840</b>     | <b>8,042,434</b>     | <b>8,260,640</b>     | <b>9,849,865</b>     |
| <b>Building Use</b>               | <b>3,327,650</b>     | <b>5,110,547</b>     | <b>6,015,271</b>     | <b>7,841,134</b>     | <b>8,082,067</b>     |
| <b>Total</b>                      | <b>\$ 57,834,773</b> | <b>\$ 63,761,125</b> | <b>\$ 69,744,366</b> | <b>\$ 74,082,693</b> | <b>\$ 78,564,000</b> |
| <b>City Direct Sales Tax Rate</b> | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         | <b>3.46%</b>         |



**City of Arvada, Colorado  
Principal Property Tax Payers  
Last Ten Fiscal Years  
(in thousands)**

| Tax Remitter                    | 2008                   |      |   | 2009                   |      |   | 2010                   |      |   | 2011                   |      |   | 2012                   |      |   |
|---------------------------------|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|
|                                 | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
|                                 |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| ADLP 80th LLC                   |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 3,621                  | 9    | 0.32%   |
| Arvada Market Place East        | 4,090                  | 10   | 0.36%   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Arvada Structures LLC           |                        |      |   | 3,657                  | 10   | 0.32%   |                        |      |   |                        |      |   |                        |      |   |
| Arvada West 04, LLC             | 4,477                  | 7    | 0.39%   | 4,297                  | 7    | 0.38%   | 4,110                  | 7    | 0.37%   | 3,609                  | 8    | 0.32%   | 3,707                  | 8    | 0.33%   |
| Comcast of Colorado             | 4,596                  | 6    | 0.40%   | 3,805                  | 9    | 0.34%   | 3,704                  | 9    | 0.33%   | 3,364                  | 10   | 0.30%   |                        |      |   |
| Costco Wholesale Corp.          |                        |      |   |                        |      |   | 3,486                  | 10   | 0.31%   |                        |      |   |                        |      |   |
| Cub Square Centre LLC           | 4,792                  | 5    | 0.42%   | 4,594                  | 5    | 0.41%   | 4,199                  | 6    | 0.37%   | 4,372                  | 5    | 0.39%   | 4,373                  | 7    | 0.39%   |
| GP Retail I LLC                 |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Inland Western Arvada LLC       | 11,456                 | 4    | 1.01%   | 9,478                  | 3    | 0.84%   | 9,615                  | 4    | 0.86%   | 6,979                  | 4    | 0.62%   | 9,133                  | 4    | 0.81%   |
| Livanova Inc                    |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Neodyne Industries              |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Northridge Center 1703 LLC      |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Panorama AR LLP                 |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Plains End LLC                  | 13,275                 | 2    | 1.17%   | 34,352                 | 1    | 3.05%   | 28,337                 | 1    | 2.53%   | 12,290                 | 3    | 1.10%   | 9,951                  | 3    | 0.89%   |
| Primestar Solar                 |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 8,063                  | 5    | 0.72%   |
| Public Service Co of Colorado   | 15,238                 | 1    | 1.34%   | 9,321                  | 4    | 0.83%   | 14,170                 | 2    | 1.26%   | 18,915                 | 1    | 1.69%   | 16,722                 | 2    | 1.49%   |
| Qwest Corp.                     | 12,447                 | 3    | 1.09%   | 12,036                 | 2    | 1.07%   | 12,310                 | 3    | 1.10%   | 15,902                 | 2    | 1.42%   | 18,772                 | 1    | 1.67%   |
| R&M Western Partnership         |                        |      |   |                        |      |   |                        |      |   | 4,160                  | 6    | 0.37%   | 4,749                  | 6    | 0.42%   |
| Seagate Panorama Assoc LLC      |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Sorin Group (Cobe Laboratories) |                        |      |   |                        |      |   |                        |      |   | 3,420                  | 9    | 0.30%   | 3,420                  | 10   | 0.30%   |
| Sundyne Corp.                   | 4,238                  | 9    | 0.37%   | 4,531                  | 6    | 0.40%   | 4,309                  | 5    | 0.38%   | 3,839                  | 7    | 0.34%   |                        |      |   |
| Target Corp.                    | 4,390                  | 8    | 0.39%   | 4,019                  | 8    | 0.36%   | 3,891                  | 8    | 0.35%   |                        |      |   |                        |      |   |
| Union Pacific Railroad Co       |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| W PT Arvada VII LLC             |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| <b>Total</b>                    | <b>\$ 78,999</b>       |      | <b>6.95%</b>                                    | <b>\$ 90,090</b>       |      | <b>7.99%</b>                                    | <b>\$ 88,131</b>       |      | <b>7.85%</b>                                    | <b>\$ 76,850</b>       |      | <b>6.85%</b>                                    | <b>\$ 82,511</b>       |      | <b>7.35%</b>                                    |

**Source:** Jefferson and Adams County Assessors Offices

**Note:** The top ten taxpayers represent roughly 7% of the total assessed valuation for the City of Arvada. The remaining 93% represents smaller business and residential customers.



**City of Arvada, Colorado  
Principal Property Tax Payers  
Last Ten Fiscal Years  
(in thousands)**

| Tax Remitter                    | 2013                   |      |   | 2014                   |      |   | 2015                   |      |   | 2016                   |      |   | 2017                   |      |   |
|---------------------------------|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|------------------------|------|---|
|                                 | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
|                                 |                        |      | Value   |                        |      | Value   |                        |      | Value   |                        |      | Value   |                        |      | Value   |
| ADLP 80th LLC                   | 3,495                  | 9    | 0.31%   | 3,495                  | 8    | 0.31%   | 3,568                  | 6    | 0.31%   | 3,568                  | 6    | 0.31%   | 3,531                  | 9    | 0.31%   |
| Arvada Market Place East        |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Arvada Structures LLC           |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Arvada West 04, LLC             |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Comcast of Colorado             |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Costco Wholesale Corp.          |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 4,011                  | 7    | 0.35%   |
| Cub Square Centre LLC           | 4,290                  | 7    | 0.38%   | 3,962                  | 6    | 0.35%   |                        |      | 0.00%   |                        |      |   |                        |      |   |
| GP Retail I LLC                 |                        |      |   | 2,948                  | 9    | 0.26%   | 2,983                  | 9    | 0.26%   | 2,983                  | 9    | 0.26%   |                        |      |   |
| Inland Western Arvada LLC       | 8,905                  | 4    | 0.79%   | 9,052                  | 4    | 0.80%   |                        |      | 0.00%   |                        |      |   |                        |      |   |
| Livanova Inc                    |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 5,284                  | 5    | 0.47%   |
| Lowe's HIW Inc                  |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 3,903                  | 8    | 0.34%   |
| Neodyne Industries              |                        |      |   |                        |      |   | 3,306                  | 7    | 0.29%   |                        |      |   |                        |      |   |
| Northridge Center 1703 LLC      |                        |      |   | 3,822                  | 7    | 0.34%   |                        |      | 0.00%   |                        |      |   |                        |      |   |
| Panorama AR LLP                 |                        |      |   |                        |      |   | 3,005                  | 8    | 0.27%   | 3,005                  | 8    | 0.27%   |                        |      |   |
| Plains End LLC                  | 17,140                 | 2    | 1.53%   | 18,885                 | 2    | 1.67%   | 20,467                 | 2    | 1.81%   | 18,554                 | 2    | 1.64%   | 19,204                 | 2    | 1.69%   |
| Primestar Solar                 | 4,810                  | 5    | 0.43%   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Public Service Co of Colorado   | 21,848                 | 1    | 1.95%   | 21,923                 | 1    | 1.93%   | 24,349                 | 1    | 2.15%   | 24,722                 | 1    | 2.18%   | 29,413                 | 1    | 2.60%   |
| Qwest Corp.                     | 9,911                  | 3    | 0.88%   | 10,196                 | 3    | 0.90%   | 10,533                 | 3    | 0.93%   | 11,155                 | 3    | 0.98%   | 11,623                 | 3    | 1.03%   |
| R&M Western Partnership         |                        |      |   |                        |      |   |                        |      |   |                        |      |   |                        |      |   |
| Seagate Panorama Assoc LLC      |                        |      |   |                        |      |   |                        |      |   |                        |      |   | 4,277                  | 6    | 0.38%   |
| Sorin Group (Cobe Laboratories) | 3,420                  | 10   | 0.30%   | 4,431                  | 5    | 0.39%   | 3,909                  | 5    | 0.34%   | 3,909                  | 5    | 0.34%   |                        |      |   |
| Sundyne Corp.                   | 4,364                  | 6    | 0.39%   |                        |      |   |                        |      |   | 3,463                  | 7    | 0.31%   |                        |      |   |
| Target Corp.                    | 3,584                  | 8    | 0.32%   | 2,858                  | 10   | 0.25%   | 2,858                  | 10   | 0.25%   |                        |      |   | 3,472                  | 10   | 0.31%   |
| Union Pacific Railroad Co       |                        |      |   |                        |      |   |                        |      |   | 2,925                  | 10   | 0.26%   |                        |      |   |
| W PT Arvada VII LLC             |                        |      |   |                        |      |   | 7,031                  | 4    | 0.62%   | 9,585                  | 4    | 0.85%   | 10,715                 | 4    | 0.95%   |
| <b>Total</b>                    | <b>\$ 81,767</b>       |      | <b>7.29%</b>                                    | <b>\$ 81,570</b>       |      | <b>7.20%</b>                                    | <b>\$ 82,007</b>       |      | <b>7.24%</b>                                    | <b>\$ 83,869</b>       |      | <b>7.40%</b>                                    | <b>\$ 95,433</b>       |      | <b>8.42%</b>                                    |



**City of Arvada  
Property Tax Levies and Collections  
Last Ten Years  
(modified accrual basis of accounting)**

| Levy/<br>Collection<br>Year | Taxes Levied<br>for the<br>Fiscal Year (1) | Collection within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|-----------------------------|--|--|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                             |  | Amount   | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2007/2008                   | 4,757,970                                  | 4,718,720  | 99.18%                | 2,080                                 | 4,720,800                 | 99.22%                |
| 2008/2009                   | 4,803,790                                  | 4,770,519  | 99.31%                | 1,795                                 | 4,772,315                 | 99.34%                |
| 2009/2010                   | 4,668,390                                  | 4,637,622  | 99.34%                | 1,108                                 | 4,638,730                 | 99.36%                |
| 2010/2011                   | 4,677,597                                  | 4,643,015  | 99.26%                | 1,750                                 | 4,644,765                 | 99.30%                |
| 2011/2012                   | 4,548,234                                  | 4,500,376  | 98.95%                | 3,307                                 | 4,503,683                 | 99.02%                |
| 2012/2013                   | 4,585,586                                  | 4,556,940  | 99.38%                | 8,650                                 | 4,565,590                 | 99.56%                |
| 2013/2014                   | 4,657,862                                  | 4,600,994  | 98.78%                | 5,564                                 | 4,606,558                 | 98.90%                |
| 2014/2015                   | 4,690,479                                  | 4,668,082  | 99.52%                | 3,457                                 | 4,671,539                 | 99.60%                |
| 2015/2016                   | 5,626,198                                  | 5,583,065  | 99.23%                | 107                                   | 5,583,172                 | 99.24%                |
| 2016/2017                   | 5,714,052                                  | 5,654,004  | 98.95%                | 784                                   | 5,654,789                 | 98.96%                |

**Source:** Jefferson and Adams County Assessors Offices

**Note:** Excludes Specific Ownership Tax

(1) Taxes levied is for the tax year preceding the fiscal year.

The mill levy rate for 2017 is 4.31.



**City of Arvada  
Assessed Value and Actual Value  
of Taxable Property  
Last Ten Years  
(in thousands)**

|  | Levy/Collection Year    |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2008                    | 2009                    | 2010                    | 2011                    | 2012                    |
| Vacant property  | \$ 27,772,060           | \$ 22,225,900           | \$ 20,415,720           | \$ 20,501,926           | \$ 20,001,930           |
| Residential property                                     | \$ 759,627,790          | \$ 728,285,380          | \$ 729,786,750          | \$ 717,675,555          | \$ 723,906,993          |
| Commercial property                                      | \$ 230,096,840          | \$ 240,075,860          | \$ 235,714,770          | \$ 219,477,899          | \$ 225,781,990          |
| Industrial property                                      | \$ 68,876,220           | \$ 70,564,000           | \$ 70,224,120           | \$ 67,948,483           | \$ 67,051,461           |
| Agricultural property                                    | \$ 1,492,280            | \$ 1,952,380            | \$ 1,917,540            | \$ 2,076,911            | \$ 2,062,898            |
| Natural Resources  | \$ 420                  | \$ 420                  | \$ 420                  | \$ 415                  | \$ 415                  |
| State assessed property                                  | \$ 46,001,680           | \$ 61,326,920           | \$ 60,603,390           | \$ 53,119,623           | \$ 52,323,639           |
| Personal property  | \$ 3,298,970            | \$ 3,054,470            | \$ 3,416,840            | \$ 3,245,250            | \$ 3,101,790            |
| <b>Total taxable assessed value</b>                      | <b>\$ 1,137,166,260</b> | <b>\$ 1,127,485,330</b> | <b>\$ 1,122,079,550</b> | <b>\$ 1,084,046,062</b> | <b>\$ 1,094,231,116</b> |
| <br>   |                         |                         |                         |                         |                         |
| Total direct tax rate                                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    |
| <br>   |                         |                         |                         |                         |                         |
| <b>Estimated actual taxable value (in thousands)</b>     | <b>\$ 10,844,919</b>    | <b>\$ 10,359,457</b>    | <b>\$ 10,359,672</b>    | <b>\$ 10,157,393</b>    | <b>\$ 10,236,790</b>    |
| <br>   |                         |                         |                         |                         |                         |
| Assessed value as a percentage of estimated actual value | 10.5%                   | 10.9%                   | 10.8%                   | 10.7%                   | 10.7%                   |

|  | Levy/Collection Year    |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 2013                    | 2014                    | 2015                    | 2016                    | 2017                    |
| Vacant property  | \$ 23,271,345           | \$ 24,280,248           | \$ 52,087,362           | \$ 39,879,257           | \$ 52,814,910           |
| Residential property                                     | \$ 744,813,813          | \$ 762,800,495          | \$ 944,952,123          | \$ 971,097,836          | \$ 1,112,005,105        |
| Commercial property                                      | \$ 222,389,232          | \$ 219,417,048          | \$ 233,245,944          | \$ 277,903,562          | \$ 351,310,400          |
| Industrial property                                      | \$ 65,196,131           | \$ 63,700,131           | \$ 69,176,989           | \$ 23,620,892           | \$ 33,189,278           |
| Agricultural property                                    | \$ 1,944,906            | \$ 1,946,455            | \$ 1,651,435            | \$ 1,593,393            | \$ 1,967,531            |
| Natural Resources  | \$ 467                  | \$ 494                  | \$ 496                  | \$ 495                  | \$ 502                  |
| State assessed property                                  | \$ 55,792,241           | \$ 57,966,461           | \$ 62,662,700           | \$ 62,171,458           | \$ 66,236,214           |
| Personal property  | \$ 3,080,440            | \$ 3,066,830            | \$ 3,429,310            | \$ 3,648,980            | \$ 3,995,640            |
| <b>Total taxable assessed value</b>                      | <b>\$ 1,116,488,575</b> | <b>\$ 1,133,178,162</b> | <b>\$ 1,367,206,359</b> | <b>\$ 1,379,915,873</b> | <b>\$ 1,621,519,580</b> |
| <br>   |                         |                         |                         |                         |                         |
| Total direct tax rate                                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    |
| <br>   |                         |                         |                         |                         |                         |
| <b>Estimated actual taxable value (in thousands)</b>     | <b>\$ 10,493,112</b>    | <b>\$ 10,714,249</b>    | <b>\$ 13,187,691</b>    | <b>\$ 14,465,213</b>    | <b>\$ 18,072,919</b>    |
| <br>   |                         |                         |                         |                         |                         |
| Assessed value as a percentage of estimated actual value | 10.6%                   | 10.6%                   | 10.4%                   | 9.5%                    | 9.0%                    |

Assessed values, as reported in this schedule, include certain tax-exempt properties  
 Assessed values included in this schedule include tax increment financing districts located within the City



**City of Arvada  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(in thousands)**

| Fiscal Year | Governmental Activities  |                           |               |                               | Business-Type Activities |                |                          | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|---------------------------|---------------|-------------------------------|--------------------------|----------------|--------------------------|-------------------------------|------------|
|             | General Obligation Bonds | Sales Tax Increment Bonds | Capital Lease | Certificates of Participation | Water Bonds              | Capital Leases | Total Primary Government |                               |            |
| 2008        | -                        | 34,080                    | 768           | 16,320                        | 22,615                   | 2,009          | 75,792                   | 2.34%                         | 0.71       |
| 2009        | -                        | 30,770                    | 1,121         | 15,550                        | 20,205                   | 1,093          | 68,739                   | 2.32%                         | 0.65       |
| 2010        | -                        | 28,580                    | 783           | 14,755                        | 19,696                   | 875            | 64,689                   | 1.84%                         | 0.60       |
| 2011        | -                        | 25,378                    | 534           | 13,935                        | 17,962                   | 647            | 58,456                   | 1.82%                         | 0.54       |
| 2012        | -                        | 22,076                    | 432           | 13,090                        | 16,178                   | 513            | 52,289                   | 1.58%                         | 0.49       |
| 2013        | -                        | 18,755                    | 324           | 12,210                        | 14,343                   | 373            | 46,005                   | 1.39%                         | 0.43       |
| 2014        | -                        | 14,360                    | 211           | 11,300                        | 12,480                   | 228            | 38,579                   | 1.14%                         | 0.35       |
| 2015        | -                        | 11,583                    | 98            | 10,685                        | 10,571                   | 77             | 33,014                   | 0.87%                         | 0.30       |
| 2016        | -                        | 7,837                     | 0             | 22,556                        | 8,606                    | 0              | 38,999                   | 0.97%                         | 0.34       |
| 2017        | -                        | 3,976                     | 0             | 20,992                        | 6,587                    | 0              | 31,555                   | 0.74%                         | 0.27       |

**Source:** City of Arvada Finance Department



**City of Arvada**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

| Fiscal Year | General Bonded Debt Outstanding |                     |       | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------|---------------------------------|---------------------|-------|--|------------|
|             | General Obligation Bonds        | Redevelopment Bonds | Total |  |            |
| 2008        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2009        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2010        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2011        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2012        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2013        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2014        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2015        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2016        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |
| 2017        | \$0                             | \$0                 | \$0   | 0.00%  | \$0.00     |

**Source:** City of Arvada Comprehensive Annual Financial Report (2008-2017), Jefferson and Adams County Assessors Offices, Denver Regional Council of Governments



**City of Arvada  
Direct and Overlapping Governmental Activities Debt  
Last Fiscal Year**

| Jurisdiction   | Debt<br>Outstanding | 2017<br>Percents<br>Applicable To<br>City of Arvada | Estimated<br>Share of<br>Overlapping<br>Debt |
|--|---------------------|---|--|
| <b>Direct</b>  |                     |   |  |
| City of Arvada   | \$ 24,968,000       | 100.00%   | \$ 24,968,000                                |
| <b>Overlapping</b>   |                     |   |  |
| Adams County Fire Protection District                          | \$ 2,290,000        | 5.21%   | \$ 119,385                                   |
| APEX (North Jeffco Park & Recreation)                          | 25,000,000          | 84.38%  | 21,093,891                                   |
| Arvada West Town Center Business Improvement District          | 2,170,000           | 100.00%   | 2,170,000                                    |
| Boyd Ponds Metropolitan District No. 2                         | 3,150,000           | 100.00%   | 3,150,000                                    |
| Cimarron Metropolitan District                                 | 22,530,000          | 100.00%   | 22,530,000                                   |
| Fairmount Fire Protection District                             | 1,855,000           | 0.02%   | 371  |
| Hometown Metropolitan District No. 2                           | 730,000             | 100.00%   | 730,000                                      |
| Hyland Hills Park & Recreation District                        | 6,225,000           | 4.47%   | 278,263                                      |
| Jefferson Center Metropolitan Dist. No. 1                      | 18,855,000          | 37.59%  | 7,087,595                                    |
| Jefferson County School District R-1                           | 395,072,155         | 16.48%  | 65,119,033                                   |
| Mountain Shadows Metropolitan District                         | 20,455,000          | 100.00%   | 20,455,000                                   |
| Ralston Valley Water and Sanitation Dist.                      | 1,338,603           | 20.84%  | 278,965                                      |
| Richards Farm Metropolitan Dist. No. 2                         | 3,310,000           | 100.00%   | 3,310,000                                    |
| Spring Mesa Metropolitan District                              | 7,115,000           | 100.00%   | 7,115,000                                    |
| Vauxmont Metropolitan District                                 | 59,340,000          | 98.92%  | 58,699,128                                   |
| West Point Metropolitan District                               | 5,900,000           | 100.00%   | 5,900,000                                    |
| Westminster Public Schools FKA Adams County School District 50 | 64,515,000          | 7.29%   | 4,699,970                                    |
| Subtotal, overlapping debt                                     |                     |   | <u>\$ 222,736,602</u>                        |
| Total, direct and overlapping debt                             |                     |   | <u><u>\$ 247,704,602</u></u>                 |

**Source:** Jefferson County School District, Adams County Schools District, Jefferson County Parks, and Recreation District, Hylands Hills Park Recreation District, Southwest Adams County Fire Protection District, and City of Arvada

**Note:** Overlapping governments listed above incorporate a portion of the City of Arvada. This percentage of the incorporated areas is used to calculate the estimated share of overlapping debt. This figure is taken into account to determine the City of Arvada's ability to issue and repay long-term debt.



### City of Arvada Legal Debt Margin Information Last Ten Fiscal Years

| <u>Legal Debt Margin Calculation for Fiscal Year 2017</u>       |                    |
|---|--------------------|
| Actual value  | \$17,201,461,813   |
| Debt limit (3% of actual value)                                 | 516,043,854        |
| Debt applicable to limit:                                       |                    |
| General obligation bonds  | 0                  |
| Less: Amount set aside for repayment of general obligation debt | 0                  |
| Total net debt applicable to limit                              | <u>0</u>           |
| Legal debt margin   | <u>516,043,854</u> |

|                                    | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt Limit                         | 325,347,584           | 315,775,961           | 315,627,271           | 308,381,134           | 311,138,661           | 319,157,837           | 325,802,555           | 399,819,207           | 408,283,168           | 516,043,854           |
| Total net debt applicable to limit | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Legal debt margin                  | <u>\$ 325,347,584</u> | <u>\$ 315,775,961</u> | <u>\$ 315,627,271</u> | <u>\$ 308,381,134</u> | <u>\$ 311,138,661</u> | <u>\$ 319,157,837</u> | <u>\$ 325,802,555</u> | <u>\$ 399,819,207</u> | <u>\$ 408,283,168</u> | <u>\$ 516,043,854</u> |

|  |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

**Source:** Jefferson and Adams County Assessors' Offices

**Note:** Chapter XI, Section 4 of the Charter of the City of Arvada: "The aggregate amount of bonds or other evidences of indebtedness shall not exceed three (3) percent of the actual value, as determined by the County Assessors of Jefferson County and Adams County, of the taxable property in the City of Arvada; provided, however, that in determining the amount of indebtedness, there shall not be included within the computation, bonds or other evidences of indebtedness outstanding or authorized to be issued for the acquisition, extension, or improvement of the municipal waterworks system or the municipal storm sewer, sanitary sewer, combined storm and sanitary sewers, or sewage disposal systems, short-term notes, local improvement securities, or securities payable solely from the revenues of an income-producing system, utility or other project."



**City of Arvada  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

| Year | Water Revenue Bonds     |                          |                       |              |           |          | Sales and Use Tax Bonds   |              |           |          |
|------|-------------------------|--------------------------|-----------------------|--------------|-----------|----------|---------------------------|--------------|-----------|----------|
|      | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service |           | Coverage | Sales & Use Tax Increment | Debt Service |           | Coverage |
|      |                         |                          |                       | Principal    | Interest  |          |                           | Principal    | Interest  |          |
| 2008 | 22,468,000              | 14,455,000               | 10,240,000            | 1,415,000    | 1,054,494 | 4.15     | 43,239,537                | 2,710,000    | 1,593,666 | 10.05    |
| 2009 | 16,574,000              | 14,750,000               | 1,824,000             | 1,540,000    | 944,004   | 0.73     | 41,835,694                | 2,241,564    | 840,853   | 13.57    |
| 2010 | 17,926,000              | 15,008,000               | 2,918,000             | 1,550,000    | 697,288   | 1.30     | 41,865,635                | 3,284,428    | 1,061,698 | 9.63     |
| 2011 | 21,461,000              | 14,849,000               | 6,612,000             | 1,630,000    | 626,495   | 2.93     | 43,485,458                | 3,250,434    | 935,309   | 10.39    |
| 2012 | 25,827,000              | 15,305,000               | 10,522,000            | 1,680,000    | 577,346   | 4.66     | 46,365,504                | 3,200,000    | 834,119   | 11.49    |
| 2013 | 30,531,000              | 16,050,000               | 14,481,000            | 1,730,000    | 529,565   | 6.41     | 50,023,809                | 3,015,000    | 612,292   | 13.79    |
| 2014 | 29,846,000              | 16,289,000               | 13,557,000            | 1,760,000    | 493,407   | 6.02     | 55,159,045                | 3,275,000    | 631,075   | 14.12    |
| 2015 | 31,511,000              | 17,096,000               | 14,415,000            | 1,805,000    | 447,725   | 6.40     | 59,690,397                | 3,375,000    | 542,500   | 15.24    |
| 2016 | 38,896,000              | 17,942,000               | 20,954,000            | 1,860,000    | 393,938   | 9.30     | 63,386,029                | 3,485,000    | 427,400   | 16.20    |
| 2017 | 33,675,000              | 17,997,000               | 15,678,000            | 1,915,000    | 330,704   | 6.98     | 68,346,419                | 3,615,000    | 294,050   | 17.48    |

**Source:** City of Arvada, Finance Department

**Note:** Service charges include water sales, licenses and permit fees.

Operating expenses include operations, administration & maintenance, and tap fees.

Coverage represents the ratio of debt payments to net revenue available.

Sales and use tax bonds are backed by the generation of sales and use tax revenues.

Figures do not include .46% Sales and Use Tax imposed for police and public safety.



**Schedule of Debt Service Requirements  
Governmental Activities  
December 31, 2017**

**Sales & Use Tax Revenue Refunding Bonds - Series 2009**

| <u>Year</u>   | <u>Principal</u> | <u>Interest</u> | <u>Total<br/>Payment</u> | <u>Principal<br/>Balance</u> |
|---------------|------------------|-----------------|--------------------------|------------------------------|
| 2017          |                  |                 | -                        | 3,885,000                    |
| 2018          | 3,885,000        | 155,400         | 4,040,400                | -                            |
| <b>TOTALS</b> | <u>3,885,000</u> | <u>155,400</u>  | <u>4,040,400</u>         |                              |



**Schedule of Debt Service Requirements  
Business-Type Activities  
December 31, 2017**

**Water Enterprise Revenue Refunding Bonds - Series 2009**

| <u>Year</u>   | <u>Principal</u>          | <u>Interest</u>         | <u>Total<br/>Payment</u>  | <u>Principal<br/>Balance</u> |
|---------------|---------------------------|-------------------------|---------------------------|------------------------------|
| 2017          |                           |                         |                           | 6,275,000                    |
| 2018          | 2,010,000                 | 251,000                 | 2,261,000                 | 4,265,000                    |
| 2019          | 2,090,000                 | 170,600                 | 2,260,600                 | 2,175,000                    |
| 2020          | 2,175,000                 | 87,000                  | 2,262,000                 | \$ -                         |
| <b>TOTALS</b> | <u><u>\$6,275,000</u></u> | <u><u>\$508,600</u></u> | <u><u>\$6,783,600</u></u> |                              |



**City of Arvada, Colorado  
Demographic and Economic Statistics  
Last Ten Calendar Years**

| <u>Year</u> | <u>Population</u> | <u>Personal<br/>Income<br/>(in thousands<br/>of dollars)</u> | <u>Per<br/>Capita<br/>Income</u> | <u>Median<br/>Age</u> | <u>School<br/>Enrollment</u> | <u>Unemployment<br/>Rate</u> |
|-------------|-------------------|--|----------------------------------|-----------------------|------------------------------|------------------------------|
| 2008        | 107,050           | 3,236,229  | 30,231                           | 37.2                  | 18,064                       | 4.30%                        |
| 2009        | 106,327           | 2,968,862  | 27,922                           | 39.8                  | 19,469                       | 5.60%                        |
| 2010        | 107,702           | 3,523,040  | 32,711                           | 39.4                  | 19,737                       | 8.10%                        |
| 2011        | 108,539           | 3,216,987  | 29,639                           | 39.4                  | 19,508                       | 9.80%                        |
| 2012        | 106,433           | 3,316,346  | 31,159                           | 40.5                  | 19,054                       | 8.30%                        |
| 2013        | 106,673           | 3,297,902  | 30,916                           | 40.5                  | 19,200                       | 8.00%                        |
| 2014        | 109,157           | 3,374,698  | 30,916                           | 40.5                  | 19,188                       | 6.50%                        |
| 2015        | 111,559           | 3,813,756  | 34,186                           | 40.0                  | 19,512                       | 4.60%                        |
| 2016        | 113,326           | 4,004,941  | 35,340                           | 40.5                  | 20,284                       | 3.60%                        |
| 2017        | 117,453           | 4,291,850  | 36,541                           | 41.0                  | 19,613                       | 2.70%                        |

**Source:** Denver Regional Council of Governments, Adams and Jefferson County School Districts, Arvada Economic Development Department, and Colorado Department of Labor & Employment



**City of Arvada, Colorado  
Principal Employers  
Last Ten Fiscal Years**

| Employer                                     | 2008          |      |                            | 2009          |      |                            | 2010          |      |                            | 2011          |      |                            | 2012          |      |                            |
|--|---------------|------|----------------------------|---------------|------|----------------------------|---------------|------|----------------------------|---------------|------|----------------------------|---------------|------|----------------------------|
|  | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment |
| Colorado Lutheran Home                       |               |      |                            |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Parker Personal Care Homes Inc               |               |      |                            |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Sorin Group USA(formerly COBE Cardio)        | 389           | 2    | 0.68%                      | 350           | 2    | 0.65%                      | 351           | 2    | 0.67%                      | 351           | 3    | 0.62%                      | 351           | 4    | 0.61%                      |
| City of Arvada                               | 707           | 1    | 1.23%                      | 691           | 1    | 1.28%                      | 691           | 1    | 1.32%                      | 706           | 1    | 1.24%                      | 678           | 1    | 1.18%                      |
| Sundyne Corporation                          | 370           | 3    | 0.64%                      | 330           | 3    | 0.61%                      | 323           | 3    | 0.62%                      | 323           | 4    | 0.57%                      | 353           | 3    | 0.62%                      |
| Target (All locatons)                        |               |      |                            | 220           | 5    | 0.41%                      | 220           | 6    | 0.42%                      | 418           | 2    | 0.73%                      | 418           | 2    | 0.73%                      |
| Pridemark Paramedic Serv. Inc.               | 275           | 4    | 0.48%                      | 275           | 4    | 0.51%                      | 268           | 4    | 0.51%                      | 268           | 5    | 0.47%                      | 225           | 5    | 0.39%                      |
| Home Depot                                   | 200           | 5    | 0.35%                      | 207           | 7    | 0.38%                      | 195           | 7    | 0.37%                      | 180           | 8    | 0.32%                      | 200           | 7    | 0.35%                      |
| Costco                                       | 200           | 5    | 0.35%                      | 212           | 6    | 0.39%                      | 225           | 5    | 0.43%                      | 225           | 6    | 0.39%                      | 225           | 5    | 0.39%                      |
| Sam's Club                                   |               |      |                            | 180           | 8    | 0.33%                      | 155           | 10   | 0.30%                      | 155           | 10   | 0.27%                      | 155           | 10   | 0.27%                      |
| King Soopers (All locations)                 | 175           | 6    | 0.30%                      | 175           | 9    | 0.32%                      | 175           | 9    | 0.34%                      | 175           | 9    | 0.31%                      | 175           | 9    | 0.31%                      |
| Kohl's Dept. Store                           | 160           | 7    | 0.28%                      |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Mark VII Equipment                           | 140           | 10   | 0.24%                      | 173           | 10   | 0.32%                      | 186           | 8    | 0.36%                      | 189           | 7    | 0.33%                      | 189           | 8    | 0.33%                      |
| Xcel Energy                                  |               |      |                            |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Wanco Inc                                    | 150           | 8    | 0.26%                      |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Piper Electric                               | 160           | 7    | 0.28%                      |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Mc Donalds (all locations)                   |               |      |                            |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| Walmart                                      |               |      |                            |               |      |                            |               |      |                            |               |      |                            |               |      |                            |
| <b>Total Employed by Principal Employers</b> | <b>2,926</b>  |      | <b>5.10%</b>               | <b>2,813</b>  |      | <b>5.20%</b>               | <b>2,789</b>  |      | <b>5.34%</b>               | <b>2,990</b>  |      | <b>5.24%</b>               | <b>2,969</b>  |      | <b>5.18%</b>               |
| <b>Total Employed by Other Employers</b>     | <b>54,455</b> |      | <b>94.90%</b>              | <b>51,284</b> |      | <b>94.80%</b>              | <b>49,433</b> |      | <b>94.66%</b>              | <b>54,051</b> |      | <b>94.76%</b>              | <b>54,356</b> |      | <b>94.82%</b>              |
| <b>Total Employees</b>                       | <b>57,381</b> |      | <b>100.00%</b>             | <b>54,097</b> |      | <b>100.00%</b>             | <b>52,222</b> |      | <b>100.00%</b>             | <b>57,041</b> |      | <b>100.00%</b>             | <b>57,325</b> |      | <b>100.00%</b>             |

**Source:** City of Arvada, CO Department of Labor & Employment and individual employers

Total Employees figure for 2015 constitutes annual average total of employed residents of Arvada (DoL&E stats are based on worker residency, not location of employment).

Starting Jan 1, 2016 we are using the City of Arvada's Sales Tax departments statistics to compile the top 10 employer's data.



**City of Arvada, Colorado  
Principal Employers  
Last Ten Fiscal Years**

| Employer                                     | 2013          |      |                            | 2014          |      |                            | 2015          |      |                            | 2016          |       |                            | 2017          |      |                            |
|--|---------------|------|----------------------------|---------------|------|----------------------------|---------------|------|----------------------------|---------------|-------|----------------------------|---------------|------|----------------------------|
|  | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment | Employees     | Rank | % of Total City Employment | Employees     | Rank  | % of Total City Employment | Employees     | Rank | % of Total City Employment |
| Colorado Lutheran Home                       |               |      |                            | 185           | 10   | 0.31%                      | 185           | 10   | 0.31%                      |               |       |                            | 185           | 10   | 0.29%                      |
| Parker Personal Care Homes Inc               |               |      |                            | 290           | 3    | 0.49%                      | 324           | 3    | 0.54%                      | 200           | 10    | 0.32%                      | 346           | 4    | 0.54%                      |
| Sorin Group USA(formerly COBE Cardio)        | 294           | 5    | 0.53%                      | 250           | 4    | 0.42%                      | 290           | 4    | 0.48%                      | 250           | 4     | 0.40%                      | 250           | 6    | 0.39%                      |
| City of Arvada                               | 672           | 1    | 1.20%                      | 700           | 1    | 1.17%                      | 705           | 1    | 1.17%                      | 718           | 2     | 1.16%                      | 689           | 2    | 1.07%                      |
| Sundyne Corporation                          | 353           | 3    | 0.63%                      | 200           | 9    | 0.34%                      | 408           | 2    | 0.67%                      | 200           | 9     | 0.32%                      | 326           | 5    | 0.51%                      |
| Target (All locatons)                        | 342           | 4    | 0.61%                      |               |      |                            |               |      |                            | 300           | 3     | 0.48%                      |               |      |                            |
| Pridemark Paramedic Serv. Inc.               | 370           | 2    | 0.66%                      | 347           | 2    | 0.58%                      | 202           | 9    | 0.33%                      |               |       |                            |               |      |                            |
| Home Depot                                   | 200           | 7    | 0.36%                      | 221           | 6    | 0.37%                      | 235           | 6    | 0.39%                      | 221           | 5     | 0.36%                      | 221           | 7    | 0.34%                      |
| Costco                                       | 234           | 6    | 0.42%                      | 210           | 8    | 0.35%                      | 240           | 5    | 0.40%                      | 210           | 8     | 0.34%                      | 210           | 9    | 0.33%                      |
| Sam's Club                                   | 156           | 9    | 0.28%                      |               |      |                            |               |      |                            |               |       |                            |               |      |                            |
| King Soopers (All locations)                 | 200           | 7    | 0.36%                      | 218           | 7    | 0.37%                      | 209           | 8    | 0.35%                      | 909           | 1     | 1.47%                      | 858           | 1    | 1.33%                      |
| Kohl's Dept. Store                           |               |      |                            |               |      |                            |               |      |                            |               |       |                            |               |      |                            |
| Mark VII Equipment                           | 95            | 10   | 0.17%                      |               |      |                            |               |      |                            |               | 0.00% |                            |               |      |                            |
| Xcel Energy                                  |               |      |                            | 229           | 5    | 0.38%                      | 220           | 7    | 0.36%                      | 220           | 6     | 0.36%                      |               |      |                            |
| Wanco Inc                                    |               |      |                            |               |      |                            |               |      |                            |               |       |                            |               |      |                            |
| Piper Electric                               |               |      |                            |               |      |                            |               |      |                            |               |       |                            |               |      |                            |
| Mc Donalds (all locations)                   |               |      |                            |               |      |                            |               |      |                            | 217           | 7     | 0.35%                      | 217           | 8    | 0.34%                      |
| Walmart                                      |               |      |                            |               |      |                            |               |      |                            |               |       |                            | 350           | 3    | 0.54%                      |
| <b>Total Employed by Principal Employers</b> | <b>2,916</b>  |      | <b>5.21%</b>               | <b>2,850</b>  |      | <b>4.78%</b>               | <b>3,018</b>  |      | <b>4.99%</b>               | <b>3,445</b>  |       | <b>5.56%</b>               | <b>3,652</b>  |      | <b>5.67%</b>               |
| <b>Total Employed by Other Employers</b>     | <b>53,056</b> |      | <b>94.79%</b>              | <b>56,804</b> |      | <b>95.22%</b>              | <b>57,485</b> |      | <b>95.01%</b>              | <b>58,489</b> |       | <b>94.44%</b>              | <b>60,785</b> |      | <b>94.33%</b>              |
| <b>Total Employees</b>                       | <b>55,972</b> |      | <b>100.00%</b>             | <b>59,654</b> |      | <b>100.00%</b>             | <b>60,503</b> |      | <b>100.00%</b>             | <b>61,934</b> |       | <b>100.00%</b>             | <b>64,437</b> |      | <b>100.00%</b>             |



**City of Arvada, Colorado**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

| <u>Function/program</u>       | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City Manager's/Clerk's Office | 18.75         | 18.75         | 17.00         | 17.00         | 16.75         | 17.75         | 18.95         | 21.95         | 20.95         | 20.95         | 22.10         |
| Community Development         | 26.00         | 26.00         | 26.00         | 26.00         | 24.00         | 24.00         | 24.00         | 25.00         | 26.00         | 27.00         | 21.00         |
| Cultural Services             | 41.00         | 41.00         | 40.00         | 39.00         | 38.75         | 38.75         | 39.25         | 39.25         | 39.25         | 41.25         | 0*            |
| Economic Development          | 4.00          | 5.00          | 5.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| Parks, Golf, and Hospitality  | 72.00         | 72.00         | 74.00         | 72.00         | 70.00         | 70.00         | 69.00         | 73.00         | 73.00         | 75.00         | 80.64         |
| Finance/Risk Management       | 46.25         | 43.25         | 43.25         | 42.75         | 38.00         | 38.00         | 41.00         | 35.00         | 33.70         | 33.70         | 33.06         |
| Judicial/Legal                | 19.00         | 21.00         | 21.00         | 22.00         | 23.00         | 22.00         | 20.00         | 22.00         | 24.00         | 24.00         | 25.00         |
| Information Technology        | 26.00         | 29.00         | 29.00         | 29.00         | 29.00         | 29.00         | 27.00         | 27.00         | 29.00         | 29.00         | 27.00         |
| Human Resources               | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 9.00          | 10.00         |
| Public Works                  | 198.50        | 202.75        | 205.25        | 200.25        | 202.25        | 198.25        | 198.25        | 205.25        | 212.25        | 213.25        | 201.25        |
| Public Safety                 | 244.75        | 239.00        | 236.40        | 230.40        | 227.40        | 227.40        | 232.40        | 233.50        | 235.50        | 241.50        | 268.00        |
| Total                         | <u>705.25</u> | <u>706.75</u> | <u>705.90</u> | <u>691.40</u> | <u>682.15</u> | <u>678.15</u> | <u>682.85</u> | <u>694.95</u> | <u>706.65</u> | <u>718.65</u> | <u>692.05</u> |

**Source:** City of Arvada 2017 -2018 Biennial Operating and Capital Budget Book

**Note:** Figures represents budgeted full and part-time benefited employees.

\* The Arvada Center became a legally separate and stand-alone not for profit on June 30, 2016



**City of Arvada, Colorado  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

| Function/Program              | Fiscal Year |            |            |            |            |            |            |            |            |            |
|-------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                               | 2008        | 2009       | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       |
| General government            |             |            |            |            |            |            |            |            |            |            |
| Building permits issued       | 5,852       | 14,582     | 8,552      | 5,019      | 5,718      | 5,293      | 9,002      | 9,957      | 8,695      | 13,669     |
| Police                        |             |            |            |            |            |            |            |            |            |            |
| Physical arrests              | 3,067       | 2,655      | 2,373      | 2,384      | 2,272      | 2,338      | 2,245      | 2,638      | 2,456      | 2,523      |
| Parking violations            | 458         | 314        | 442        | 468        | 436        | 831        | 1,209      | 1,473      | 2,131      | 3,779      |
| Traffic violations            | 10,448      | 11,513     | 10,366     | 8,776      | 12,351     | 12,451     | 11,222     | 12,215     | 11,484     | 11,689     |
| Other public works            |             |            |            |            |            |            |            |            |            |            |
| Street resurfacing (miles)    | 6           | 8          | 18         | 42         | 43         | 28         | 32         | 23         | 23         | 137        |
| Potholes repaired             | 1,343       | 2,716      | 6,723      | 1,547      | 2,175      | 2,866      | 4,931      | 9,404      | 6,337      | 5,911      |
| Parks and recreation          |             |            |            |            |            |            |            |            |            |            |
| Athletic field permits issued | 22,062      | 21,989     | 20,830     | 21,871     | 22,965     | 22,276     | 22,841     | 22,905     | 22,447     | 19,012     |
| Water                         |             |            |            |            |            |            |            |            |            |            |
| Consumers (Tap)               | 35,082      | 35,104     | 35,100     | 35,644     | 36,177     | 36,492     | 35,537     | 36,193     | 37,067     | 38,010     |
| New connections               | 131         | 74         | 167        | 141        | 342        | 445        | 530        | 705        | 966        | 638        |
| Leaks                         | 66          | 37         | 47         | 39         | 47         | 47         | 49         | 25         | 29         | 47         |
| Average daily consumption     | 16,300,000  | 13,761,000 | 15,828,849 | 15,805,112 | 18,561,650 | 14,984,589 | 12,773,725 | 13,080,428 | 14,440,172 | 13,359,897 |

Source: City of Arvada Building Department, Police Department, Street Department, Parks Department, and Water Department.

Note: The number of new connections increase in 2016 due to the building development at Leyden Rock, Candelas, Wild Grass and Solana areas.



**City of Arvada, Colorado  
Capital Assets Statistics by Function/Program  
Last Ten Fiscal Years**

| Function/Program                         | Fiscal Year |       |       |       |       |       |       |       |       |       |
|--|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | 2008        | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  |
| Police                                   |             |       |       |       |       |       |       |       |       |       |
| Stations                                 | 1           | 1     | 1     | 1     | 1     | 1     | 3     | 3     | 3     | 3     |
| Patrol units                             | 82          | 79    | 79    | 79    | 79    | 79    | 100   | 99    | 83    | 93    |
| Fire Protection Districts                | 3           | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Other public works                       |             |       |       |       |       |       |       |       |       |       |
| Streets (miles)                          | 404         | 411   | 413   | 420   | 427   | 437   | 450   | 481   | 467   | 467   |
| Parks and recreation                     |             |       |       |       |       |       |       |       |       |       |
| Square Miles (City of Arvada)            | 36          | 36    | 36    | 38    | 39    | 39    | 39    | 39    | 39    | 39    |
| Playgrounds                              | 57          | 48    | 50    | 51    | 52    | 57    | 58    | 60    | 67    | 67    |
| Tennis/basketball Courts                 | 72          | 72    | 75    | 75    | 75    | 77    | 77    | 77    | 72    | 72    |
| Baseball/softball diamonds               | 41          | 41    | 41    | 41    | 41    | 43    | 43    | 43    | 31    | 31    |
| Soccer/football fields                   | 27          | 27    | 27    | 27    | 32    | 32    | 32    | 35    | 27    | 28    |
| Community centers/Sport complexes        | 19          | 19    | 19    | 19    | 19    | 19    | 19    | 19    | 18    | 18    |
| Water                                    |             |       |       |       |       |       |       |       |       |       |
| Water mains (miles)                      | 550         | 551   | 568   | 572   | 589   | 602   | 616   | 621   | 624   | 632   |
| Fire hydrants                            | 4,639       | 4,650 | 4,808 | 4,768 | 4,889 | 5,018 | 5,212 | 5,392 | 5,489 | 5,592 |
| Wastewater                               |             |       |       |       |       |       |       |       |       |       |
| Sanitary sewers (miles)                  | 396         | 400   | 408   | 410   | 416   | 423   | 440   | 456   | 458   | 461   |
| Storm sewers (miles)                     | 140         | 144   | 145   | 148   | 151   | 151   | 166   | 169   | 178   | 174   |
| Treatment capacity (millions of gallons) | 3,430       | 3,256 | 3,295 | 3,548 | 3,387 | 3,750 | 3,640 | 3,760 | 3,474 | 3,200 |

**Source:** City of Arvada, Police, Parks & Rec, Public Works Departments

## **Compliance Section**

# **Single Audit Reports**

**City of Arvada**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2017**

| Federal Grantor/Pass-through Grantor/Cluster Program Title    | Federal<br>CFDA<br>Number | Pass-through<br>Entity Identifying<br>Number | Passed Through<br>to Subrecipients | Expenditures        |
|---|---------------------------|--|------------------------------------|---------------------|
| <b>U.S. Department of Housing and Urban Development</b>       |                           |  |                                    |                     |
| Direct Award:   |                           |  |                                    |                     |
| Community Development Block Grants/Entitlement Grants Cluster | 14.218                    | N/A  | \$ 75,000                          | \$ 597,643          |
| Housing Voucher Cluster                                       |                           |  |                                    |                     |
| Section 8 Housing Choice Vouchers                             | 14.871                    | N/A  | -                                  | 4,203,825           |
| <b>Total U.S. Department of Housing and Urban Development</b> |                           |  | <b>75,000</b>                      | <b>4,801,468</b>    |
| <b>U.S. Department of Justice</b>                             |                           |  |                                    |                     |
| Direct Award:   |                           |  |                                    |                     |
| Public Safety Partnership and Community Policing Grants       | 16.710                    | 2015UMWX0022                                 | -                                  | 264,092             |
| Edward Byrne Memorial Justice Assistance Grant Program        | 16.738                    | 2016-DJ-BX-0561                              | -                                  | 5,802               |
| <b>Total U.S. Department of Justice</b>                       |                           |  | <b>-</b>                           | <b>269,894</b>      |
| <b>U.S. Department of Transportation</b>                      |                           |  |                                    |                     |
| Highway Planning and Construction Cluster                     |                           |  |                                    |                     |
| Passed through Colorado Department of Transportation          |                           |  |                                    |                     |
| Highway Planning and Construction                             | 20.205                    | 411009936                                    | -                                  | 1,596               |
| Passed through Denver Regional Council of Governments         |                           |  |                                    |                     |
| Highway Planning and Construction                             | 20.205                    | 948  | -                                  | 5,814               |
| <b>Total Highway Planning and Construction Cluster</b>        |                           |  | <b>-</b>                           | <b>7,410</b>        |
| <b>Passed through Regional Transportation District</b>        |                           |  |                                    |                     |
| <b>Federal Transit - Formula Grants Cluster</b>               | 20.507                    | CO-2016-009                                  | -                                  | 65,284              |
| Highway Safety Cluster  |                           |  |                                    |                     |
| Passed through Colorado Department of Transportation          |                           |  |                                    |                     |
| State and Community Highway Safety Cluster                    | 20.600                    | 17NHTSA402                                   | -                                  | 2,400               |
| National Priority Safety Programs                             | 20.616                    | 17-01-11.05                                  | -                                  | 7,500               |
| <b>Total Highway Safety Cluster</b>                           |                           |  | <b>-</b>                           | <b>9,900</b>        |
| <b>Total U.S. Department of Transportation</b>                |                           |  | <b>-</b>                           | <b>82,594</b>       |
| <b>Executive Office of the President</b>                      |                           |  |                                    |                     |
| Passed through City of Lakewood                               |                           |  |                                    |                     |
| High Intensity Drug Trafficking Areas Program                 | 95.001                    | G16RM0025A                                   | -                                  | 48,057              |
| <b>Total Executive Office of the President</b>                |                           |  | <b>-</b>                           | <b>48,057</b>       |
| <b>U.S. Department of Homeland Security</b>                   |                           |  |                                    |                     |
| Passed through Colorado Department of Public Safety           |                           |  |                                    |                     |
| Emergency Management Performance Grants                       | 97.042                    | 17EM-18-81                                   | -                                  | 50,000              |
| <b>Total U.S. Department of Homeland Security</b>             |                           |  | <b>-</b>                           | <b>50,000</b>       |
| <b>Total Federal Financial Assistance</b>                     |                           |  | <b>\$ 75,000</b>                   | <b>\$ 5,252,013</b> |

**City of Arvada**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2017**

**Notes to Schedule**

1. This schedule includes the federal awards activity of the City of Arvada (the City). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.
2. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. Revolving Loan Funds – Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grants/Entitlement Grants program (CFDA No. 14.218). However, this program is not subject to any continuing compliance requirements other than required loan payments; therefore the outstanding loan balances have not been included in the accompanying schedule of expenditures of federal awards. The outstanding balance of the revolving loan funds at December 31, 2017 is \$2,223,701.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards**

Honorable Mayor and Members of City Council  
City of Arvada  
Arvada, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Arvada (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 13, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Honorable Mayor and Members of City Council  
City of Arvada

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City's Response to Findings***

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Denver, Colorado  
June 13, 2018

## Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Honorable Mayor and Members of City Council  
City of Arvada  
Arvada Colorado

### Report on Compliance for Each Major Federal Program

We have audited the City of Arvada's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Honorable Mayor and Members of City Council  
City of Arvada

***Opinion on Each Major Federal Program.***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Denver, Colorado  
June 13, 2018

**City of Arvada**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2017**

**Summary of Auditor's Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
- Unmodified       Qualified       Adverse       Disclaimer
2. The independent auditor's report on internal control over financial reporting disclosed:
- Significant deficiency(ies)?       Yes       None Reported
- Material weakness(es)?       Yes       No
3. Noncompliance considered material to the financial statements was disclosed by the audit?       Yes       No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:
- Significant deficiency(ies)?       Yes       None Reported
- Material weakness(es)?       Yes       No
5. The opinion(s) expressed in the independent auditor's report on compliance for major federal awards was):
- Unmodified       Qualified       Adverse       Disclaimer
6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?       Yes       No

**City of Arvada**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended December 31, 2017**

7. The City's major programs were:

| <b>Name of Federal Program or Cluster</b>                    | <b>CFDA Number</b> |
|--|--------------------|
| Housing Voucher Cluster<br>Section 8 Housing Choice Vouchers | 14.871             |

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

9. Auditee qualified as low-risk auditee?  Yes  No

**City of Arvada**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended December 31, 2017**

**Findings Required to be Reported by *Government Auditing Standards***

**Reference  
Number**

**Finding**

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**2017-001 Finding: Capital Assets**

**Criteria:** An effective financial reporting system is an important component of an internal control system that helps ensure transactions are recorded accurately and timely, thereby providing accurate financial data. The City of Arvada (the City) is responsible for establishing and maintaining effective internal controls over financial reporting. Specifically, the City should have controls in place to ensure that expenditures related to capital assets are appropriately evaluated for capitalization.

**Condition:** 1) Certain capital assets purchased in the Computer Fund were expensed rather than capitalized. 2) A contribution towards construction of a new recreation center facility which will not be owned by the City was included as construction in process in the Governmental Activities capital assets.

**Effect:** 1) An audit adjusting entry of approximately \$1.1 million was posted to correct the Computer Fund error. 2) A passed audit adjusting entry was posted for the recreation center facility error of \$1 million to decrease capital assets of the governmental activities.

**Cause:** 1) An employee new to the City was responsible for purchasing the items and was not familiar with the City's process for identifying such items. Normally, the items would be identified as "required to be tracked" on the accounts payable form. In addition, such items would normally be detected by an accountant's review of the capital outlay expense accounts, however, these items were erroneously recorded in a repairs and maintenance account. 2) The City process for tracking projects of this nature has been to include them in construction in process and then to write off the assets belonging to others upon completion. Historically, activity of this type has been fairly limited.

**Identification as a Repeat Finding:** Not applicable

**Recommendation:** 1) We recommend the City provide additional training for all individuals who may be responsible for acquiring capital assets. Additionally, all repairs and maintenance expenditures should be analyzed for potential items to be capitalized. 2) The City should consider adjusting the process for accumulating costs of assets that will be owned by others to identify and exclude them from assets that will ultimately belong to the City.

**Views of Responsible Officials:** We agree with the finding. See separate report for planned corrective actions.

**City of Arvada**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended December 31, 2017**

**Findings Required to be Reported by the Uniform Guidance**

| <b>Reference<br/>Number</b> | <b>Finding</b> | <b>Questioned<br/>Costs</b> |
|-----------------------------|----------------|-----------------------------|
|-----------------------------|----------------|-----------------------------|

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No matters are reportable.

**City of Arvada**  
**Status of Prior Audit Findings**  
**Year Ended December 31, 2017**

| <b>Reference<br/>Number</b> | <b>Summary of Findings</b> | <b>Status</b> |
|-----------------------------|----------------------------|---------------|
|-----------------------------|----------------------------|---------------|

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No matters are reportable.

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**CITY OF ARVADA**  
**8101 RALSTON ROAD**  
**ARVADA, CO 80002**