



CITY OF
ARVADA
ARVADA, COLORADO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR THE YEAR ENDED DECEMBER 31, 2018





ARVADA, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2018

CERTIFIED

CITY CLERK
CITY OF ARVADA

DATE: June 19, 2019

COPY

REPORT ISSUED BY:

DEPARTMENT OF FINANCE
BRYAN ARCHER, DIRECTOR


CITY OF ARVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
 December 31, 2018

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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, 2019

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, 2018. 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 an independent 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 118,807 and growing.

THE ECONOMIC FACTORS OF 2018

The current economic expansion continued through the end of the year, representing the second longest expansion on record, over 9 years and 7 months. GDP growth has been steady, but slowed down in the fourth quarter to 2.6% from a 9-month average of 3.3%. Overall, the U.S. economy grew at 2.9%, below the targeted goal of 3% but still in the right direction.

Unemployment ticked up to 3.9% on the national level, just a couple of percentage points below where it ended up the prior year at 4.1%. The stock market responded negatively with all three indices, ending the year down for the first time since 2008. The Dow fell 5.6%, the S&P was down 6.2% and the NASDAQ was down 4%. December

was a very difficult month – in fact the worst December on record – since 1931. This was after setting all-time record highs for the Dow and S&P earlier in the year. Volatility was back with a vengeance, bringing along uncertainty and uneasiness.

The Federal Open Market Committee (FOMC) raised interest rates by .25% at their December meeting. This was the fourth time in 2018 that short-term rates were raised, bringing the target range to 2.25% - 2.50%. The FOMC, at their December meeting, reported that they are expecting to raise rates one to two more times in 2019.

Colorado's economy continues to rank as one of the best, if not the best, in the United States. Average GDP growth over the past five years has been 2.7%. Unemployment has remained low, ending the year at 3.5%. Bolstered by a well-educated workforce and an increasing population, growth is expected to continue through 2019. Denver was the third hottest housing market for 2018, with median home values at \$403,800, average rent at \$2,075 and average household income at \$76,643. All numbers are well above the national averages.

The City of Arvada continues to be in a growth pattern, although the pace has slowed. Overall revenues were up over 2017 by 3.3% but this did not come without concern. Sales tax was flat or down for the months of June, August, October, November and December as compared to the corresponding months in 2017. Overall, sales tax was up 1.3% for the year, but well below the budgeted estimate of 4%. The sales tax categories were split, with eight up and eight down. The growth categories included General Department and Grocery Stores and the loss categories included Telephone Equipment and Office Supplies. The last time the City experienced this type of slowdown in sales tax was in 2009.

Other revenue sources also experienced an up and down year. Auto Use tax was down 6% compared to 2017 but had a strong fourth quarter and met its budget. Building Use tax was down over 41% compared to 2017 but also exceeded its budget for the year. Finally, Interest revenue was up over 2% compared to 2017, meeting its budget expectation for the year.

The City Council adopted 39 goals in four priority areas to be accomplished by 2019. Eleven of these goals were accomplished in 2018, adding to the eighteen completed in prior years. Additionally, two measures were modified, leaving six goals in various stages of completion. City Council meets each spring to receive progress updates on their goals and recommend updates to the plan. Council identified a fifth strategic area, Safe Community, that has now been added as a priority area. This fall, Council will adopt new strategic goals for the next six-year plan, 2020-2025.

City staff continued its Journey to Excellence with the submission of a Malcolm Baldrige Peak Application to Rocky Mountain Performance Excellence (RMPEX) in August of 2018. We were fortunate enough to receive a site visit and ultimately received the Timberline Award. This is the second highest designation from RMPEX and shows progress towards our ultimate goal of receiving the Baldrige Award.

In 2014, Council approved, by resolution, mandatory reserves for all of the major funds, demonstrating a long-term conservative view of City finances. In 2018, each of the major funds met or exceeded their required 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 IS NOW OPEN! After being delayed over two and a half years, the train officially opened on April 26. Businesses and residents along the seven-stop line are excited to finally take advantage of this much-needed amenity.

FUTURE ECONOMIC FACTORS

The first few months of 2019 have demonstrated the resilience in the broader and local economies. The year began with the government shutdown, trouble with the Boeing 747 and the continued escalation of a trade war.

The yield curve on U.S. Treasury bonds has inverted, which has historically been a leading indicator for a recession. On the positive side, unemployment is at a 50-year low, corporate earnings continue to beat estimates and the Federal Reserve has announced that it is finished with raising short-term interest rates and will take a “wait and see” approach over the next few months. All of this has led to large jumps in the stock market but has created tremendous uncertainty for the future.

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 King Soopers store opened in the northwest part of the City, increasing the grocery options in the area. 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, Ulta Beauty and Big 5 round out the list of large retailers. Expected sales tax growth ranges from 1% to 3% depending on the pace of building activity. 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 continue to slow in 2019. Single-family detached building permits, multi-family apartments and new businesses are still coming to the market, just at a slower pace. One large multi-family project, Olde Town Residences (252 units) is currently in design with another, Arvada Station (302 units) scheduled to open later this summer. Haskins Station and Sabell Subdivision, two large residential infill projects, have received initial approval from City Council and have begun design work with the plan to break ground in 2020.

Three major development areas continue to be key 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 three multi-family projects, including a 380-unit complex, a 298-unit complex and the previously mentioned Arvada Station (302 unit) project. The next phase of development has begun in the “triangle” area, recently named “Ralston Creek”. Walmart opened in 2018 along with four new restaurants and the relocation of one liquor store. The next phase, currently in design, 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 open for service. TOD development around the Olde Town station continues with the opening of a 136-room Hilton Garden Inn with a conference center in late 2017, 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. Additional development is proposed for the old RTD park-n-ride spot with possibilities including a hotel, stand-alone restaurants and a conference facility.

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. A request for qualifications was issued with three teams selected to compete to be the preferred private partner. A request for proposal will be issued to these teams later this summer with the plan calling for a preferred vendor selection to be completed in the fourth quarter. Construction would then begin in the fall of 2020. The completion of the beltway would be the last piece of a large transportation project that would finally connect I-25 to I-70 in the western part of the Denver Metro region.

Overall, the local economy continues to do well with continued building activity, population growth and very low unemployment, but there are signs of slowing down, with an expected return to a more gradual growth pattern.

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% – 12%. 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 but are currently going through a solicitation process. 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 2019 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 2018, 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 four-member audit board consisting of the City Manager, Deputy City Manager, 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, 2018.


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, 2017. The City of Arvada has received this award for 35 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, 2017

Christopher P. Morill

Executive Director/CEO



CITY OF
ARVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2018

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)

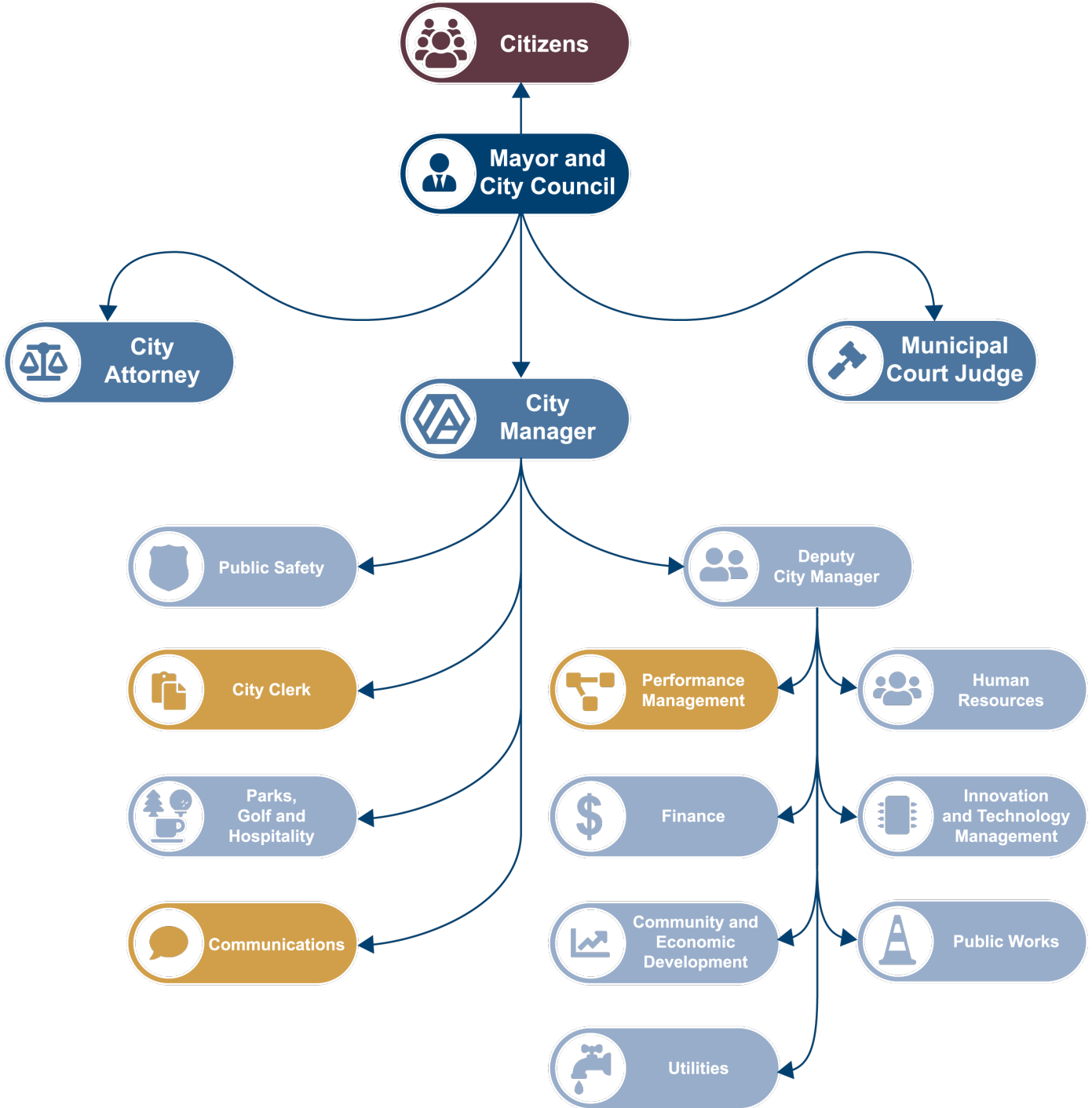
John Marriott
Mayor Pro Tem - Councilmember – District 3
(Term expires 2021)

David Jones
Councilmember – District 4
(Term expires 2019)

City Manager and Key Staff

Mark G. Deven	City Manager
Lorie Gillis	Deputy City Manager
David Cooke	Municipal Judge
Christopher K. Daly	City Attorney
Bryan Archer	Director of Finance
Ron Czarnecki	Director of Information Technology
Cliff Deeds	Director of Utilities (Acting)
Linda Haley	Director of Human Resources
Maureen Phair	Executive Director of Arvada Urban Renewal Authority
Gordon Reusink	Director of Parks, Golf and Hospitality Services
Kristen Rush	City Clerk
Ryan Stachelski	Director of Community and Economic Development
Link Strate	Chief of Police
James Sullivan	Director of Public Works (Acting)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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, 2018 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, 2018 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.

Emphasis of Matter

As discussed in Note I to the financial statements, in 2018, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

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

Honorable Mayor and Members of City Council
City of Arvada

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 on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 18, 2019, 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

Denver, Colorado
June 18, 2019

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Management's Discussion and Analysis



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

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, 2018. 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

Required supplementary information is included throughout the report. 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, 2018

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, 2018

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Arvada's progress in funding its obligation to provide pension benefits and other postemployment benefits, which can be found on pages 79-81.

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, 2018, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$894,695,000. 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, 2018

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

City of Arvada						
Statement of Net Position						
December 31, 2018						
(in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 138,844	\$ 141,203	\$ 132,321	\$ 130,316	\$ 271,165	\$ 271,519
Capital assets	373,351	369,128	299,570	288,434	672,921	657,562
Other non-current assets	3,817	6,303	4,999	5,000	8,816	11,303
Total assets	<u>516,012</u>	<u>516,634</u>	<u>436,890</u>	<u>423,750</u>	<u>952,902</u>	<u>940,384</u>
Deferred outflows of resources	<u>314</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>314</u>	<u>367</u>
Other liabilities	19,408	29,402	7,821	8,073	27,229	37,475
Long-term liabilities	21,501	24,758	3,059	4,774	24,560	29,532
Total liabilities	<u>40,909</u>	<u>54,160</u>	<u>10,880</u>	<u>12,847</u>	<u>51,789</u>	<u>67,007</u>
Deferred inflows of resources	<u>6,715</u>	<u>6,595</u>	<u>17</u>	<u>-</u>	<u>6,732</u>	<u>6,595</u>
Net position:						
Net investment in capital assets	354,428	344,826	294,032	278,095	648,460	622,921
Restricted	24,408	22,053	2,090	2,114	26,498	24,167
Unrestricted	89,866	89,367	129,871	130,694	219,737	220,061
Total Net position	<u>\$ 468,702</u>	<u>\$ 456,246</u>	<u>\$ 425,993</u>	<u>\$ 410,903</u>	<u>\$ 894,695</u>	<u>\$ 867,149</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, \$354,428,000 (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, \$24,408,000 (5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$89,866,000 (19%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net position increased by \$26,364,000 during the current fiscal year. This is due to an increase in the governmental activities of \$10,905,000 and an increase in the business-type activities of \$15,459,000. The increase in the governmental activities is primarily due a decrease in transfers to business type activities for construction projects. The increase in the business-type activities is primarily due to developer contributions and charges for services.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

Changes in Net Position

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

City of Arvada						
Statement of Activities						
Year Ended December 31, 2018						
(in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues:						
Charges for services	10,344	11,924	\$ 46,491	\$ 43,186	\$ 56,835	\$ 55,110
Operating grants and contributions	12,453	12,317	-	-	12,453	12,317
Capital grants and contributions	3,917	7,850	14,177	14,922	18,094	22,772
General revenues:						
Sales and use taxes	76,357	78,564	-	-	76,357	78,564
Property & ownership taxes	7,215	6,235	-	-	7,215	6,235
Other taxes and fees	6,108	5,061	-	-	6,108	5,061
Investment earnings	2,025	1,397	2,203	1,099	4,228	2,496
Other	7,390	6,425	104	104	7,494	6,529
Total revenues	<u>125,809</u>	<u>129,773</u>	<u>62,975</u>	<u>59,311</u>	<u>188,784</u>	<u>189,084</u>
Expenses						
General government	\$ 28,941	\$ 27,429	\$ -	\$ -	\$ 28,941	\$ 27,429
Public safety	31,347	31,893	-	-	31,347	31,893
Public works	38,521	38,974	-	-	38,521	38,974
Parks and recreation	9,161	9,130	-	-	9,161	9,130
Culture	107	169	-	-	107	169
Human service	5,467	5,177	-	-	5,467	5,177
Interest	804	954	-	-	804	954
Water	-	-	23,794	22,662	23,794	22,662
Wastewater	-	-	12,489	13,049	12,489	13,049
Stormwater	-	-	4,031	2,959	4,031	2,959
Golf	-	-	6,135	4,222	6,135	4,222
Food	-	-	1,623	1,571	1,623	1,571
Total expenses	<u>114,348</u>	<u>113,726</u>	<u>48,072</u>	<u>44,463</u>	<u>162,420</u>	<u>158,189</u>
Change in net position before transfers	11,461	16,047	14,903	14,848	26,364	30,895
Transfers	(556)	(7,014)	556	7,014	-	-
Increase in net position	<u>10,905</u>	<u>9,033</u>	<u>15,459</u>	<u>21,862</u>	<u>26,364</u>	<u>30,895</u>
Net position, beginning as previously reported	456,246	447,213	410,903	389,041	867,149	836,254
Restatement for adoption of GASB 75	1,551	-	(369)	-	1,182	-
Net position, beginning as restated	<u>457,797</u>	<u>447,213</u>	<u>410,534</u>	<u>389,041</u>	<u>868,331</u>	<u>836,254</u>
Net position, ending	<u>\$ 468,702</u>	<u>\$ 456,246</u>	<u>\$ 425,993</u>	<u>\$ 410,903</u>	<u>\$ 894,695</u>	<u>\$ 867,149</u>

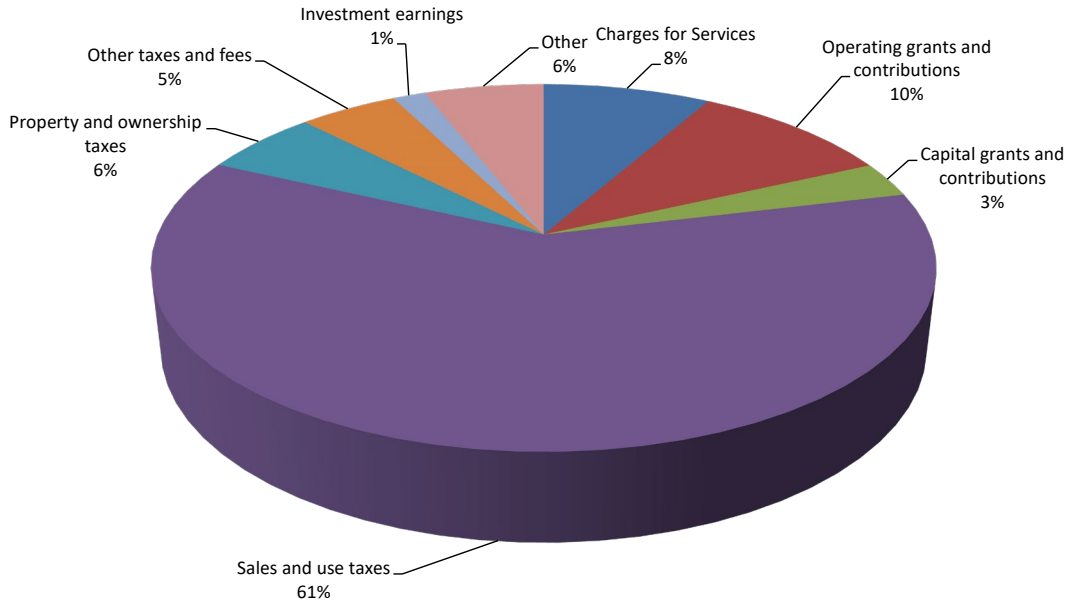
For more detailed information, see the Statement of Activities on pages 28-29 of this report.

The above condensed summary of the City of Arvada's governmental and business-type activities for the year ended December 31, 2018 reflects net position increasing \$26,364,000. Revenues and expenses graphs are presented below to enhance the reader's understanding of the current year activities.

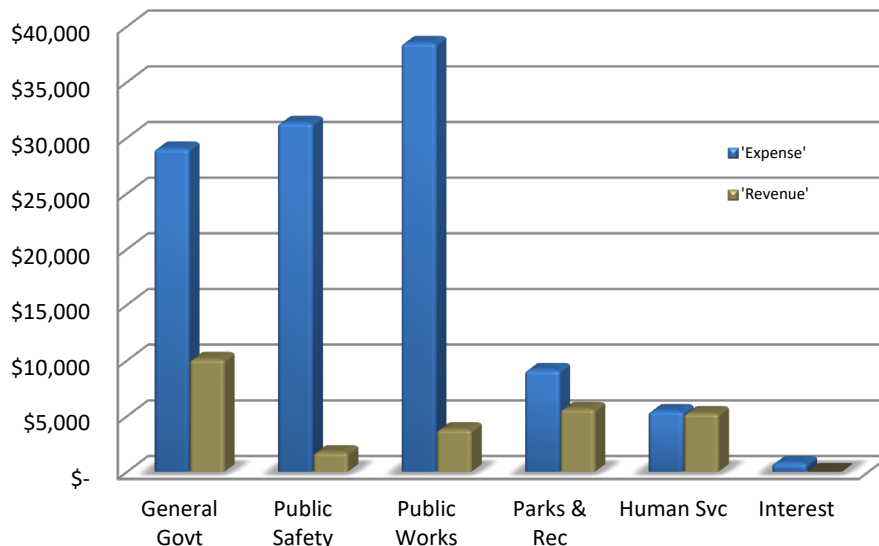
Governmental Activities

Governmental Activities increased Arvada's Net Position by \$10,905,000.

**2018 Revenues by Source
 Governmental Activities**



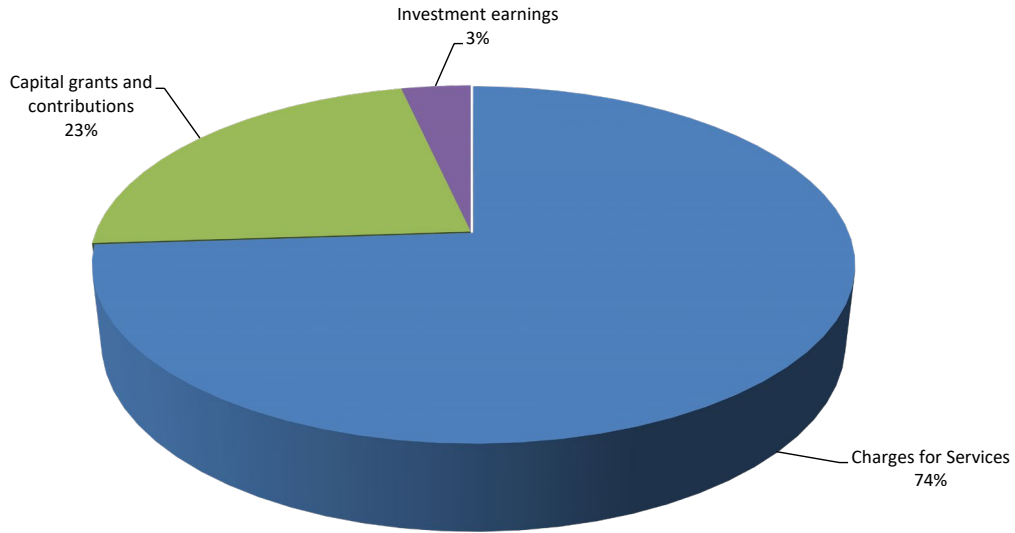
**2018 Expenses and Program Revenues
 Governmental Activities**



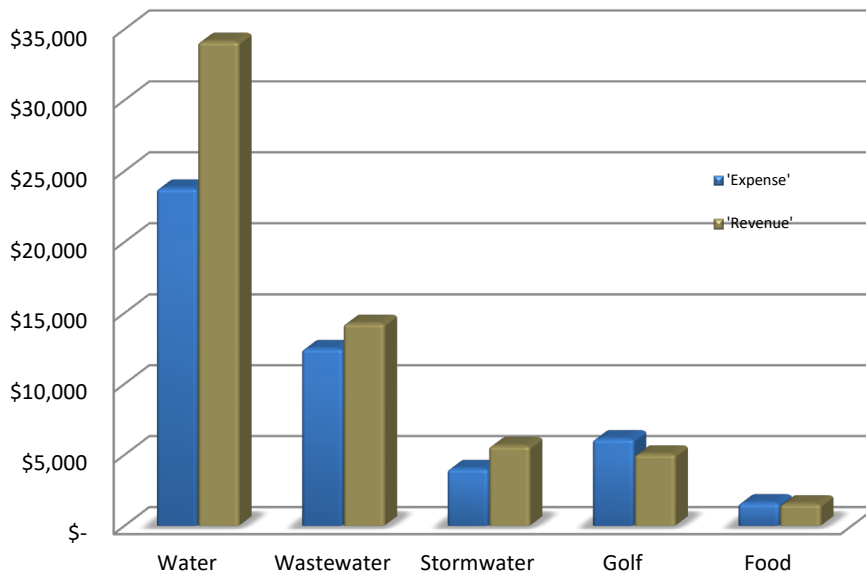
Business-type Activities

Business-type Activities increased Arvada's Net Position by \$15,459,000

**2018 Revenues by Source
Business Activities**



**2018 Expenses and Program Revenues
Business-Type Activities**





MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

Governmental activities. Governmental activities increased the City's net position by \$10,905,000. Key elements of this change are due to the following:

- Capital contributions from developers amounted to \$3,871,000
- Transfers to business type activities for construction projects decreased \$6,458,000

Business-type activities. Business-type activities increased the City's net position by \$15,459,000. Key elements of this increase are due to the following:

- Developer contributions amounted to \$3,300,000
- Charges for services increased \$3,305,000 due to water rate and consumption increases and the re-opening of Westwoods Golf Course in early 2018. Westwoods Golf Course had been closed the majority of 2017 for re-modeling.

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, 2018, 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 \$556,000 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 \$24,409,000 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 \$14,842,000 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 \$16,270,000 in assigned resources.

Unassigned – represents the remaining balance for the City's General Fund. The City had \$41,496,000 in unassigned resources.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

The General Fund is the main operating fund of the City. At December 31, 2018, the non-spendable fund balance was \$518,000, the restricted fund balance was \$2,836,000, and the unassigned fund balance was \$41,496,000. The total fund balance decreased \$1,829,000 in 2018 to \$44,861,000. On a budgetary basis, the General Fund finished over \$7,045,000 to the good. The decrease in total fund balance is due to sales and use tax revenues decrease of \$1,793,000 from 2017.

The Community Development Fund is a major fund of the City. At December 31, 2018, the restricted fund balance was \$1,575,000 and the assigned fund balance was \$3,817,000. Total fund balance decreased \$361,000 in 2018 to \$5,392,000. The decrease was due to transfer to the capital projects fund for sidewalk projects on Carr Street.

The Parks Fund is a major fund of the City. At December 31, 2018, the non-spendable fund balance was \$28,000 the restricted fund balance was \$178,000 and the assigned fund balance was \$5,309,000. The total fund balance increased \$224,000 in 2018 to \$5,515,000. This increase is due to an increase in funding from Jefferson County Open Space.

The General Capital Projects Fund is another major fund of the City. At December 31, 2018, the restricted fund balance was \$4,251,000, the committed fund balance was \$14,842,000 and the assigned fund balance was \$6,377,000. The total fund balance increased \$6,605,000 in 2018 to \$25,470,000. The increase is due fewer expenditures in 2018 and costs recovered on the Transit Hub project.

The Construction Fund is another major fund of the City. At December 31, 2018 the restricted fund balance was \$2,000 and the assigned fund balance was \$756,000. Total fund balance decreased \$6,982,000 in 2018 to \$758,000. This decrease is due to the construction of the Indiana and W 72nd Ave intersection improvement project.

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, 2018

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

	Unrestricted Net Position for Year ended 12/31/18	Unrestricted Net Position for Year ended 12/31/17
Major Enterprise Funds		
Water	105,154	102,136
Wastewater	13,574	14,386
Stormwater	7,261	7,543
Golf	(2,790)	1,589
Food Service	843	629
Total of major enterprise funds	124,042	126,283
Internal service funds	22,406	18,454
Total proprietary funds	\$ 146,448	\$ 144,737

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 \$761,000. The total change in net position for AEDA was a decrease of \$111,000.

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 \$713,000 of unrestricted net position balance. The total change in net position for AURA was an increase of \$1,645,000.

Budgetary Highlights

General Fund.

Final budgeted expenditures and transfers out increased \$14,280,000 from the original budget to a total of \$100,612,000. \$11,378,000 of this increase is due to projects not completed in 2017 and carried to 2018 and also one-time funding for projects. Major projects included obligations related to Jefferson Parkway Public Highway Authority (JPPHA), street maintenance projects, security upgrades at City buildings, and a transfer to the Risk Management Fund. The remaining increase included various operational expenses in the General Fund.

Licenses and permits exceeded budget by \$1,038,000 due to building higher than expected in 2018. Intergovernmental revenue exceed budget by \$1,213,000 due to a one time distribution of Highway Users Tax. Public Safety expenditures had a savings of \$1,186,000 due primarily to vacant positions in 2018. Public Works expenditures had a savings of \$2,076,000 due primarily to projects delayed to 2019.



MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

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, 2018 amounted to \$672,921,000 (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, 2018
(in thousands)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Land and water rights	55,738	\$ 39,771	\$ 95,509
Infrastructure	144,776	5,957	150,733
Construction in progress	55,714	8,298	64,012
Buildings	24,050	12,200	36,250
Improvements other than buildings	80,399	232,294	312,693
Equipment & vehicles	12,674	1,050	13,724
Total capital assets	<u>\$ 373,351</u>	<u>\$ 299,570</u>	<u>\$ 672,921</u>

Major capital improvements during this fiscal year include the following:

Governmental Activities

- Fiber and conduit to Candelas
- Whisper Creek Community Police Station
- Fiber and conduit throughout the City
- Irrigation pump house at Lutz athletic complex

Proprietary Activities

- On-going maintenance and replacement of water, sewer and stormwater lines
- Security system at the water treatment plant
- Denver Moffat water project
- Irrigation system at West Woods 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, 2018, the City had total debt outstanding of \$21,960,000. Of this amount, \$4,265,000 represents bonds secured by specified revenue sources (i.e. sales tax revenue bonds and water revenue bonds). The remaining \$17,695,000 are Certificates of Participation.



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

**City of Arvada
Outstanding Debt
as of December 31, 2018
(in thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Revenue bonds	\$ -	\$ 4,265	\$ 4,265
Certificates of Participation	\$ 17,695	-	17,695
Total outstanding debt	<u>\$ 17,695</u>	<u>\$ 4,265</u>	<u>\$ 21,960</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, 2018
(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	AURA	AEDA
ASSETS					
Cash and investments	\$ 119,848	\$ 87,217	\$ 207,065	\$ 6,919	\$ 497
Restricted cash	1,546	35,031	36,577	-	-
Taxes receivable	15,283	-	15,283	14,130	-
Accounts receivable, net of allowance for uncollectibles	4,771	4,912	9,683	1,011	328
Accrued interest	440	373	813	-	-
Internal balances	(4,235)	4,235	-	-	-
Inventories	638	441	1,079	-	-
Prepaid costs	553	112	665	-	-
Notes receivable - non-current	3,817	4,999	8,816	-	-
Property available for sale	-	-	-	300	-
Capital assets					
Land, water rights and construction in progress	111,452	48,069	159,521	-	-
Other capital assets, net	261,899	251,501	513,400	-	-
Total capital assets	<u>373,351</u>	<u>299,570</u>	<u>672,921</u>	<u>-</u>	<u>-</u>
Total assets	<u>516,012</u>	<u>436,890</u>	<u>952,902</u>	<u>22,360</u>	<u>825</u>
DEFERRED OUTFLOWS OF RESOURCES					
Items related to pension plan	20	-	20	-	-
Deferred loss on refunding	294	-	294	-	-
	<u>314</u>	<u>-</u>	<u>314</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable	13,415	3,336	16,751	622	64
Contracts payable	-	1,988	1,988	-	-
Accrued interest payable	53	29	82	-	-
Unearned revenue	216	67	283	-	-
Long-term liabilities					
Due within one year:					
Bonds, Certificates of Participation, Notes Payable	1,550	2,090	3,640	406	-
Claims payable	2,304	-	2,304	-	-
Compensated absences	1,870	311	2,181	-	-
Due more than one year:					
Bonds, Certificates of Participation, Notes Payable	17,833	2,383	20,216	6,445	-
Total OPEB Liability	1,793	366	2,159	-	-
Net pension liability	5	-	5	-	-
Compensated absences	1,870	310	2,180	-	-
Total liabilities	<u>40,909</u>	<u>10,880</u>	<u>51,789</u>	<u>7,473</u>	<u>64</u>
DEFERRED INFLOWS OF RESOURCES					
Items related to OPEB Liability	82	17	99	-	-
Property taxes	6,633	-	6,633	14,130	-
Total deferred inflows of resources	<u>6,715</u>	<u>17</u>	<u>6,732</u>	<u>14,130</u>	<u>-</u>
NET POSITION					
Net Investment in capital assets	354,428	294,032	648,460	-	-
Restricted for:					
Conversation Trust	837	-	837	-	-
Law Enforcement/Seizure	14,133	-	14,133	-	-
Emergencies	3,544	-	3,544	-	-
CDGB	1,546	-	1,546	-	-
Debt Service	212	2,090	2,302	-	-
Lands Dedicated	2,570	-	2,570	-	-
Adams County Open Space	20	-	20	-	-
Adams County Transportation	8	-	8	-	-
Park Development	1,048	-	1,048	-	-
Housing	37	-	37	-	-
Other	453	-	453	44	-
Unrestricted	89,866	129,871	219,737	713	761
Total Net Position	<u>\$ 468,702</u>	<u>\$ 425,993</u>	<u>\$ 894,695</u>	<u>\$ 757</u>	<u>\$ 761</u>

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



STATEMENT OF ACTIVITIES
Year Ended December 31, 2018
(in thousands)

	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAM ACTIVITIES:					
Primary Government:					
Governmental activities:					
General government	\$ 28,941	\$ 5,515	\$ 757	\$ 3,871	\$ 10,143
Public safety	31,347	-	1,776	-	1,776
Public works	38,521	3,794	-	46	3,840
Parks and recreation	9,161	1,035	4,633	-	5,668
Culture	107	-	-	-	-
Human services	5,467	-	5,287	-	5,287
Interest expense	804	-	-	-	-
Total governmental activities	114,348	10,344	12,453	3,917	26,714
Business-type activities:					
Water	23,794	24,425	-	9,717	34,142
Wastewater	12,489	11,938	-	2,334	14,272
Stormwater	4,031	3,520	-	2,126	5,646
Golf	6,135	5,059	-	-	5,059
Food	1,623	1,549	-	-	1,549
Total business-type activities	48,072	46,491	-	14,177	60,668
Total primary government	\$ 162,420	\$ 56,835	\$ 12,453	\$ 18,094	\$ 87,382
Component Units:					
AURA	\$ 13,424	\$ -	\$ -	\$ -	\$ -
AEDA	888	-	767	-	767
Total component units	\$ 14,312	\$ -	\$ 767	\$ -	\$ 767

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



STATEMENT OF ACTIVITIES
Year Ended December 31, 2018
(in thousands)

Net (Expense) Revenue and Changes in Net Position					
Primary Government - City of Arvada			Component		
Governmental Activities	Business-type Activities	Total	Unit AURA	Component	Unit AEDA
\$ (18,798)	\$ -	\$ (18,798)	\$ -	\$ -	-
(29,571)	-	(29,571)	-	-	-
(34,681)	-	(34,681)	-	-	-
(3,493)	-	(3,493)	-	-	-
(107)	-	(107)	-	-	-
(180)	-	(180)	-	-	-
(804)	-	(804)	-	-	-
<u>(87,634)</u>	<u>-</u>	<u>(87,634)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	10,348	10,348	-	-	-
-	1,783	1,783	-	-	-
-	1,615	1,615	-	-	-
-	(1,076)	(1,076)	-	-	-
-	(74)	(74)	-	-	-
<u>-</u>	<u>12,596</u>	<u>12,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(87,634)</u>	<u>12,596</u>	<u>(75,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	(13,424)	\$ -	-
-	-	-	-	-	(121)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,424)</u>	<u>-</u>	<u>(121)</u>
General Revenues					
Taxes:					
Property	7,215	-	7,215	12,190	-
Sales and use	76,357	-	76,357	2,821	-
Transportation tax	6,108	-	6,108	-	-
Investment earnings	2,025	2,203	4,228	58	10
Miscellaneous	7,390	104	7,494	-	-
Transfers in (out)	(556)	556	-	-	-
Total general revenues	<u>98,539</u>	<u>2,863</u>	<u>101,402</u>	<u>15,069</u>	<u>10</u>
Change in net position	10,905	15,459	26,364	1,645	(111)
Net position, January 1 as previously reported	456,246	410,903	867,149	(888)	872
Restatement for adoption of GASB 75	1,551	(369)	1,182	-	-
Net position, January 1 as restated	<u>457,797</u>	<u>410,534</u>	<u>868,331</u>	<u>(888)</u>	<u>872</u>
Net position, December 31	<u>\$ 468,702</u>	<u>\$ 425,993</u>	<u>\$ 894,695</u>	<u>\$ 757</u>	<u>\$ 761</u>

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



**GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2018
(in thousands)**

	Primary Government						Total Govern- mental Funds
	General Fund	Community Develop- ment Fund	Parks	General Capital Projects Fund	Construction Fund	Other Govern- mental Funds	
ASSETS							
Cash and investments	\$ 43,181	\$ 3,940	\$ 4,337	\$ 26,574	\$ 1,431	\$ 15,107	\$ 94,570
Restricted cash	-	1,546	-	-	-	-	1,546
Taxes receivable	14,423	-	823	37	-	-	15,283
Accounts receivable, net of allowance for uncollectibles	1,476	111	902	910	-	1,181	4,580
Accrued interest	144	2	18	107	1	61	333
Interfund receivable	594	-	-	-	-	-	594
Inventories	316	-	6	-	-	-	322
Prepaid costs	202	-	22	-	-	11	235
Non-current notes receivable, net of allowance for uncollectibles	2,096	1,721	-	-	-	-	3,817
Total assets	\$ 62,432	\$ 7,320	\$ 6,108	\$ 27,628	\$ 1,432	\$ 16,360	\$ 121,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	8,699	200	560	1,279	674	700	12,112
Unearned revenue	169	7	33	-	-	7	216
Total liabilities	8,868	207	593	1,279	674	707	12,328
DEFERRED INFLOW OF RESOURCES							
Property taxes	6,633	-	-	-	-	-	6,633
Grants	35	-	-	855	-	76	966
Notes receivable	2,035	1,721	-	24	-	-	3,780
Total deferred inflows of resources	8,703	1,721	-	879	-	76	11,379
FUND BALANCES							
Reserved for:							
Nonspendable	518	-	28	-	-	11	557
Restricted	2,836	1,575	178	4,251	2	15,566	24,408
Committed	-	-	-	14,842	-	-	14,842
Assigned	11	3,817	5,309	6,377	756	-	16,270
Unassigned	41,496	-	-	-	-	-	41,496
Total fund balances	44,861	5,392	5,515	25,470	758	15,577	97,573
Total liabilities, deferred inflows of resources, and fund balances	\$ 62,432	\$ 7,320	\$ 6,108	\$ 27,628	\$ 1,432	\$ 16,360	\$ 121,280

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, 2018
(in thousands)**

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

Total fund balances - governmental funds		\$ 97,573
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.		362,958
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.		27,970
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds.		314
Certain assets are not available to provide current year financial resources and therefore are deferred in the fund statements		
Notes Receivable - non-current	1,745	
Grants Receivable - non-current	966	
AURA and Arvada Center Notes Receivable	2,035	
Subtotal	4,746	
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, 2018 are:		
Obligation under certificates of participation	(19,383)	
Interest accrual	(53)	
Net pension liability	(5)	
Deferred inflow related to OPEB	(82)	
Total OPEB liability	(1,717)	
Compensated absences	(3,619)	
Subtotal		(24,859)
Net position of governmental activities		\$ 468,702

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, 2018
(in thousands)

	Primary Government						Total Govern- mental Funds
	General Fund	Community Develop- ment Fund	Parks	General Capital Projects Fund	Construction Fund	Other Govern- mental Funds	
REVENUES							
Property and ownership taxes	\$ 7,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,215
Sales and use taxes	62,248	-	-	-	-	14,109	76,357
Franchise fees	4,432	-	-	-	-	-	4,432
Licenses & permits	4,129	-	35	-	-	-	4,164
Intergovernmental	6,371	743	4,633	936	-	5,487	18,170
Charges for services	841	-	-	-	-	-	841
Recovered costs	3,065	-	1,035	3,297	-	-	7,397
Fines & forfeitures	1,558	-	-	-	-	-	1,558
Investment earnings	1,006	89	77	163	79	254	1,668
Memberships, donations & dedications	-	-	-	505	-	-	505
Miscellaneous	177	141	159	196	-	97	770
Total Revenues	<u>91,042</u>	<u>973</u>	<u>5,939</u>	<u>5,097</u>	<u>79</u>	<u>19,947</u>	<u>123,077</u>
EXPENDITURES							
Current expenditures:							
General government	22,030	-	-	1,260	-	6	23,296
Public safety	22,763	-	-	-	-	9,423	32,186
Public works	29,887	-	-	-	-	-	29,887
Parks and recreation	-	-	8,981	-	-	-	8,981
Human services	-	786	-	-	-	4,696	5,482
Debt service	-	-	-	-	-	5,400	5,400
Principal	-	-	-	-	-	5,400	5,400
Interest	-	-	-	-	-	771	771
Capital outlay	26	-	-	9,392	6,254	68	15,740
Total Expenditures	<u>74,706</u>	<u>786</u>	<u>8,981</u>	<u>10,652</u>	<u>6,254</u>	<u>20,364</u>	<u>121,743</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,336	187	(3,042)	(5,555)	(6,175)	(417)	1,334
OTHER FINANCING SOURCES (USES)							
Transfers in	207	45	3,346	12,160	-	2,236	17,994
Transfers out	(18,372)	(593)	(80)	-	(807)	(482)	(20,334)
Total other financing sources (uses)	<u>(18,165)</u>	<u>(548)</u>	<u>3,266</u>	<u>12,160</u>	<u>(807)</u>	<u>1,754</u>	<u>(2,340)</u>
NET CHANGE IN FUND BALANCES	(1,829)	(361)	224	6,605	(6,982)	1,337	(1,006)
FUND BALANCES, BEGINNING	46,690	5,753	5,291	18,865	7,740	14,240	98,579
FUND BALANCES ENDING	<u>\$ 44,861</u>	<u>\$ 5,392</u>	<u>\$ 5,515</u>	<u>\$ 25,470</u>	<u>\$ 758</u>	<u>\$ 15,577</u>	<u>\$ 97,573</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, 2018
(in thousands)

Net change in fund balances - total government funds \$ (1,006)

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.

Capital outlay	15,740	
Disposal of Capital Assets	(1,163)	
Depreciation expense	<u>(14,943)</u>	
Excess of depreciation expense over capital outlay		(366)

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.

Repayment of principal	<u>5,400</u>	
Subtotal		5,400

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Developer Contributions	3,871	
Grants/notes receivable - current net of allowance	<u>(1,681)</u>	
Subtotal		2,190

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.

Internal service funds		4,331
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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.

Amortization of bond premium and deferred loss on refunding	135	
Pension	(16)	
OPEB	(47)	
Interest expense	17	
Compensated absences	<u>267</u>	
Subtotal		356

Change in net position of governmental activities \$ 10,905

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, 2018
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property and ownership taxes	\$ 6,302	\$ 7,127	\$ 7,215	\$ 88
Sales and use taxes	59,390	61,813	62,248	435
Franchise fees	4,394	4,394	4,432	38
Licenses and permits	3,074	3,091	4,129	1,038
Intergovernmental	5,178	5,158	6,371	1,213
Charges for services	688	738	841	103
Recovered costs	2,777	2,777	3,065	288
Fines and forfeitures	2,038	2,038	1,558	(480)
Investment earnings	653	653	1,006	353
Administrative services	3,819	3,819	3,741	(78)
Miscellaneous	179	179	177	(2)
Total revenues	<u>88,492</u>	<u>91,787</u>	<u>94,783</u>	<u>2,996</u>
EXPENDITURES				
Current expenditures:				
Judicial	1,449	1,612	1,405	207
Management	4,342	5,413	5,076	337
Legal	2,145	2,225	2,382	(157)
Finance	8,791	9,139	9,636	(497)
Human resources	1,845	1,950	1,656	294
Public safety	23,903	23,949	22,763	1,186
Public works	28,066	31,963	29,887	2,076
Planning	2,205	2,399	2,007	392
Information technology	3,650	3,780	3,609	171
Total current expenditures	<u>76,396</u>	<u>82,430</u>	<u>78,421</u>	<u>4,009</u>
Capital outlay	33	89	26	63
Total expenditures	<u>76,429</u>	<u>82,519</u>	<u>78,447</u>	<u>4,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>12,063</u>	<u>9,268</u>	<u>16,336</u>	<u>7,068</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	49	49	207	158
Transfers out	(9,903)	(18,093)	(18,372)	(279)
Total other financing (uses)	<u>(9,854)</u>	<u>(18,044)</u>	<u>(18,165)</u>	<u>(121)</u>
NET CHANGE IN FUND BALANCE	2,209	(8,776)	(1,829)	6,947
FUND BALANCE, BEGINNING	46,690	46,690	46,690	-
FUND BALANCE, ENDING	<u>\$ 48,899</u>	<u>\$ 37,914</u>	<u>\$ 44,861</u>	<u>\$ 6,947</u>
Total expenditures as presented on budgetary basis			78,447	
less allocation of internal transfers			(3,741)	
Total expenditures as presented on GAAP basis			<u>74,706</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, 2018
(in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 668	\$ 668	\$ 743	\$ 75
Investment earnings	34	34	89	55
Miscellaneous	115	115	141	26
Total revenues	<u>817</u>	<u>817</u>	<u>973</u>	<u>156</u>
EXPENDITURES				
Current expenditures:				
Program costs	812	1,412	786	626
Total expenditures	<u>812</u>	<u>1,412</u>	<u>786</u>	<u>626</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	5	(595)	187	782
OTHER FINANCING SOURCES (USES)				
Transfers in	45	45	45	-
Transfers out	(250)	(458)	(593)	(135)
Total other financing sources	<u>(205)</u>	<u>(413)</u>	<u>(548)</u>	<u>(135)</u>
NET CHANGE IN FUND BALANCE	(200)	(1,008)	(361)	647
FUND BALANCE, BEGINNING	<u>5,753</u>	<u>5,753</u>	<u>5,753</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,553</u>	<u>\$ 4,745</u>	<u>\$ 5,392</u>	<u>\$ 647</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, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 18	\$ 18	\$ 35	\$ 17
Intergovernmental revenues				
Jefferson County-Open Space	4,409	4,599	4,633	34
Recovered costs	1,074	1,045	1,035	(10)
Investment earnings	53	53	77	24
Miscellaneous	118	119	159	40
	<u>5,672</u>	<u>5,834</u>	<u>5,939</u>	<u>105</u>
EXPENDITURES				
Current expenditures:				
Park maintenance	8,945	8,945	8,668	277
Park design	294	294	313	(19)
	<u>9,239</u>	<u>9,239</u>	<u>8,981</u>	<u>258</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES				
	(3,567)	(3,405)	(3,042)	363
OTHER FINANCING SOURCES (USES)				
Transfers in	3,371	3,371	3,346	(25)
Transfers out	-	(33)	(80)	(47)
	<u>3,371</u>	<u>3,338</u>	<u>3,266</u>	<u>(72)</u>
NET CHANGE IN FUND BALANCE				
	(196)	(67)	224	291
FUND BALANCE, BEGINNING				
	<u>5,291</u>	<u>5,291</u>	<u>5,291</u>	<u>-</u>
FUND BALANCE, ENDING				
	<u>\$ 5,095</u>	<u>\$ 5,224</u>	<u>\$ 5,515</u>	<u>\$ 291</u>

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



**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2018
(in thousands)**

	Business-Type Activities					Total Business Type Activities	Govern- mental Activities
	Major Funds				Nonmajor Fund		Internal Service Funds
	Water Fund	Waste- water fund	Storm- water Fund	Golf Course	Food Service		
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 72,669	\$ 6,449	\$ 7,169	\$ -	\$ 930	\$ 87,217	\$ 25,278
Cash with fiscal agent	35,031	-	-	-	-	35,031	-
Accounts receivable, net of allowance for uncollectibles	2,320	2,053	339	76	123	4,912	191
Accrued interest	306	32	31	-	4	373	107
Inventories	261	-	-	154	26	441	316
Prepaid costs	93	6	-	10	3	112	318
Interfund receivable	-	115	-	-	-	115	-
Non-current notes receivable, net of allowance for uncollectibles	-	5,000	-	-	-	5,000	-
Total current assets	<u>110,680</u>	<u>13,655</u>	<u>7,539</u>	<u>240</u>	<u>1,086</u>	<u>133,201</u>	<u>26,210</u>
NONCURRENT ASSETS							
Advance to Golf Fund	-	1,772	-	-	-	1,772	-
Land, water rights & construction in progress	43,114	674	51	4,230	-	48,069	-
Property & equipment, net of accumulated depreciation	136,531	49,721	50,607	13,967	675	251,501	10,393
Total non-current assets	<u>179,645</u>	<u>52,167</u>	<u>50,658</u>	<u>18,197</u>	<u>675</u>	<u>301,342</u>	<u>10,393</u>
Total assets	<u>290,325</u>	<u>65,822</u>	<u>58,197</u>	<u>18,437</u>	<u>1,761</u>	<u>434,543</u>	<u>36,603</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES							
CURRENT LIABILITIES							
Accounts payable	2,356	254	281	310	135	3,336	1,303
Accrued interest	29	-	-	-	-	29	-
Contracts payable	377	1,535	76	-	-	1,988	-
Accrued compensated absences	165	52	-	62	32	311	59
Serial bonds payable	2,090	-	-	-	-	2,090	-
Claims payable	-	-	-	-	-	-	2,304
Interfund payable	-	-	-	709	-	709	-
Unearned revenue	-	-	-	46	21	67	-
Total current liabilities	<u>5,017</u>	<u>1,841</u>	<u>357</u>	<u>1,127</u>	<u>188</u>	<u>8,530</u>	<u>3,666</u>
NONCURRENT LIABILITIES							
Serial bonds payable	2,383	-	-	-	-	2,383	-
Accrued compensated absences	165	52	-	62	31	310	59
Total OPEB liability	208	52	17	66	23	366	76
Advance from Wastewater Fund	-	-	-	1,772	-	1,772	-
Total non-current liabilities	<u>2,756</u>	<u>104</u>	<u>17</u>	<u>1,900</u>	<u>54</u>	<u>4,831</u>	<u>135</u>
Total liabilities	<u>7,774</u>	<u>1,945</u>	<u>374</u>	<u>3,027</u>	<u>242</u>	<u>13,362</u>	<u>3,801</u>
DEFERRED INFLOWS OF RESOURCES							
Items related to OPEB liability	10	2	1	3	1	17	3
NET POSITION							
Net investment in capital assets	174,298	50,301	50,561	18,197	675	294,032	10,393
Restricted - debt service	2,090	-	-	-	-	2,090	-
Unrestricted	106,154	13,574	7,261	(2,790)	843	125,042	22,406
Total net position	<u>\$ 282,542</u>	<u>\$ 63,875</u>	<u>\$ 57,822</u>	<u>\$ 15,407</u>	<u>\$ 1,518</u>	<u>\$ 421,164</u>	<u>\$ 32,799</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						4,829	
Net position of business-type activities (page 27)						<u>\$ 425,993</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, 2018
(in thousands)**

	Business-Type Activities						Governmental Activities
	Major Funds				Nonmajor Fund	Total Business Type Activities	Internal Service Funds
	Water Fund	Waste-water fund	Storm- water Fund	Golf Course	Food Service		
OPERATING REVENUES							
Sales	\$ 23,824	\$ -	\$ -	\$ 2,155	\$ 1,547	\$ 27,526	\$ -
Service charges & fees	553	11,940	3,468	2,777	-	18,738	9,107
Recovered costs	-	-	-	-	-	-	1,328
Contributions							
Employer	-	-	-	-	-	-	8,366
Employee	-	-	-	-	-	-	2,453
Retirees and continued benefit individuals	-	-	-	-	-	-	329
Miscellaneous	48	(2)	54	127	2	229	397
Total revenues	<u>24,425</u>	<u>11,938</u>	<u>3,522</u>	<u>5,059</u>	<u>1,549</u>	<u>46,493</u>	<u>21,980</u>
EXPENSES							
Operating & maintenance	18,434	9,779	2,826	-	-	31,039	-
Administration	833	808	-	5,890	1,615	9,146	4,018
Insurance premiums	-	-	-	-	-	-	1,727
Uninsured damages & claims	-	-	-	-	-	-	8,662
Repair & maintenance	-	-	-	-	-	-	3,107
Depreciation	4,105	1,380	1,140	237	30	6,892	2,163
Total expenses	<u>23,372</u>	<u>11,967</u>	<u>3,966</u>	<u>6,127</u>	<u>1,645</u>	<u>47,077</u>	<u>19,677</u>
OPERATING INCOME (LOSS)	<u>1,053</u>	<u>(29)</u>	<u>(444)</u>	<u>(1,068)</u>	<u>(96)</u>	<u>(584)</u>	<u>2,303</u>
NON-OPERATING REVENUES (EXPENSES)							
Investment earnings	1,733	340	117	3	10	2,203	357
Gain (loss) on sale of assets	(445)	(580)	(88)	(13)	-	(1,126)	305
Interest expense	(238)	-	-	(51)	-	(289)	-
Amortization	104	-	-	-	-	104	-
Total non-operating revenues (expenses)	<u>1,154</u>	<u>(240)</u>	<u>29</u>	<u>(61)</u>	<u>10</u>	<u>892</u>	<u>662</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,207	(269)	(415)	(1,129)	(86)	308	2,965
CAPITAL CONTRIBUTIONS TRANSFERS IN	9,717	2,334	2,126	-	-	14,177	-
TRANSFERS IN	496	-	-	1,621	294	2,411	2,205
TRANSFERS OUT	(472)	(344)	(1,039)	-	-	(1,855)	(421)
CHANGE IN NET POSITION	11,948	1,721	672	492	208	15,041	4,749
NET POSITION, AS PREVIOUSLY REPORTED	270,810	62,207	57,168	14,973	1,334		28,129
RESTATEMENT FOR ADOPTION OF GASB 75	(216)	(53)	(18)	(58)	(24)		(79)
NET POSITION, BEGINNING AS RESTATED	<u>270,594</u>	<u>62,154</u>	<u>57,150</u>	<u>14,915</u>	<u>1,310</u>		<u>28,050</u>
NET POSITION, ENDING	<u>\$ 282,542</u>	<u>\$ 63,875</u>	<u>\$ 57,822</u>	<u>\$ 15,407</u>	<u>\$ 1,518</u>		<u>\$ 32,799</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position of business-type activities (page 29)

418
\$ 15,459

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



**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended December 31, 2018
(in thousands)**

	Business-Type Activities					Total Business Type Activities	Govern- mental Activities
	Major Funds				Nonmajor Fund		Internal Service Funds
	Water Fund	Waste- water fund	Storm- water Fund	Golf Course	Food Service		
Cash flows from operating activities							
Cash received from external customers	\$ 24,545	\$ 12,293	\$ 3,593	\$ 4,971	\$ 1,454	\$ 46,856	\$ 1,841
Cash received from internal customers	-	-	-	-	76	76	19,924
Cash payments to external suppliers	(10,683)	(8,655)	(1,923)	(3,706)	(619)	(25,586)	(13,478)
Cash payments to internal suppliers	(868)	(348)	(58)	(315)	(84)	(1,673)	(2,163)
Cash payments to employees for services	(6,623)	(1,347)	(631)	(3,141)	(911)	(12,653)	(2,197)
Net cash provided (used) by operating activities	<u>6,371</u>	<u>1,943</u>	<u>981</u>	<u>(2,191)</u>	<u>(84)</u>	<u>7,020</u>	<u>3,927</u>
Cash flows from non-capital financing activities							
Transfers to other funds	(472)	(344)	(1,039)	-	-	(1,855)	(421)
Transfers from other funds	496	-	-	1,621	294	2,411	2,205
Net cash provided (used) by non-capital financing activities	<u>24</u>	<u>(344)</u>	<u>(1,039)</u>	<u>1,621</u>	<u>294</u>	<u>556</u>	<u>1,784</u>
Cash flows from capital & related financing activities							
Capital contributions	9,392	1,484	-	-	-	10,876	-
Purchase of capital assets	(10,265)	(3,588)	(50)	(1,949)	-	(15,852)	(2,923)
Principal paid on capital debt	(2,010)	-	-	-	-	(2,010)	-
Interest paid on capital debt	(251)	-	-	-	-	(251)	-
Proceeds from sale of assets	-	-	-	(113)	-	(113)	272
Net cash provided (used) by capital and related financing activities	<u>(3,134)</u>	<u>(2,104)</u>	<u>(50)</u>	<u>(2,062)</u>	<u>-</u>	<u>(7,350)</u>	<u>(2,651)</u>
Cash flows from investing activities							
Investment earnings (loss)	1,644	341	108	(48)	8	2,053	392
Net cash provided (used) by investing activities	<u>1,644</u>	<u>341</u>	<u>108</u>	<u>(48)</u>	<u>8</u>	<u>2,053</u>	<u>392</u>
Net increase (decrease) in cash and cash equivalents	4,905	(164)	-	(2,680)	218	2,279	3,452
Cash and cash equivalents January 1, 2018	102,795	6,613	7,169	2,680	712	119,969	21,826
Cash and cash equivalents December 31, 2018	<u>107,700</u>	<u>6,449</u>	<u>7,169</u>	<u>-</u>	<u>930</u>	<u>122,248</u>	<u>25,278</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	1,053	(29)	(444)	(1,068)	(96)	(584)	2,303
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	4,105	1,380	1,140	237	30	6,892	2,163
(Increase) decrease in account receivable	7	239	71	(75)	(21)	221	(166)
(Increase) decrease in notes receivable	-	113	-	-	-	113	-
(Increase) decrease in inventories	-	-	-	(65)	16	(49)	(49)
(Increase) decrease in prepaid expenditures	16	-	-	8	-	24	(25)
(Decrease) increase in accrued payroll	53	16	-	35	2	106	-
(Decrease) increase in accounts payable	921	(371)	136	(1,855)	(9)	(1,178)	195
(Decrease) increase in claims/bonds payable	-	-	-	-	-	-	(509)
(Decrease) increase in interfund payable	-	-	-	594	-	594	-
(Decrease) increase in contracts payable	201	591	76	-	-	868	-
(Decrease) increase in total OPEB liability	2	2	1	12	-	17	-
(Decrease) increase in deferred revenue	-	-	-	(17)	(9)	(26)	-
(Decrease) increase in accrued benefits	13	2	1	3	3	22	15
Net cash provided (used) by operating activities	<u>\$ 6,371</u>	<u>\$ 1,943</u>	<u>\$ 981</u>	<u>\$ (2,191)</u>	<u>\$ (84)</u>	<u>\$ 7,020</u>	<u>\$ 3,927</u>
Non-cash investing, capital and financing activities							
Developer contributions	\$ 325	\$ 850	\$ 2,126	\$ -	\$ -	\$ 3,301	\$ -
Amortization	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ 104	\$ -

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



FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2018
(in thousands)

	Defined Benefit Police Pension	Agency Fund
	<u> </u>	<u> </u>
Assets		
Pooled cash and investments	\$ 445	\$ 12,582
Local Government Investment Pool	2	-
Money market	1	-
Accrued interest	1	55
Total assets	<u>449</u>	<u>12,637</u>
 Liabilities	 -	
Escrow payable	-	
Total liabilities	<u>-</u>	<u>\$ -</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u>\$ 449</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, 2018
(in thousands)

	Defined Benefit Police Pension
ADDITIONS	
Investment income	\$ 9
Funding	-
Total additions	<u>9</u>
DEDUCTIONS	
Benefits paid	<u>29</u>
Total deductions	<u>29</u>
NET DECREASE	(20)
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	<u>469</u>
END OF YEAR	<u><u>\$ 449</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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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 118,807. 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, 2018

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 72nd 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, 2018**

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. The consumption method is used to recognize expense in the period service is provided.

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 both the government-wide activity and fund statements.

Deferred inflows of resources also include non-current grants and notes receivable that are unavailable in the fund statements but are recognized as revenue in the government-wide statements. In addition, deferred inflow of resources includes items related to the total OPEB liability and is included in government-wide statements and the fund statements for proprietary funds.

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

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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 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:	Community		Capital		Other		Total	
	General Fund	Development Fund	Parks Fund	Projects Fund	Construction Fund	Governmental Funds	Governmental Funds	
Nonspendable:								
Inventories	\$ 316	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 322
Prepaid	202	-	22	-	-	11	-	235
Total Nonspendable	518	-	28	-	-	11	-	557
Restricted:								
Conservation Trust	-	-	-	-	-	837	-	837
Voter restricted sales tax - police	-	-	-	-	-	13,639	-	13,639
Seizure Funds	-	-	-	-	-	494	-	494
Emergencies - Tabor	2,836	29	178	152	2	347	-	3,544
Community Development	-	1,546	-	-	-	-	-	1,546
Housing	-	-	-	-	-	37	-	37
Debt service	-	-	-	-	-	212	-	212
Lands Dedicated	-	-	-	2,570	-	-	-	2,570
Adams County Open Space	-	-	-	20	-	-	-	20
Adams County Transportation	-	-	-	8	-	-	-	8
Park Development Fees	-	-	-	1,048	-	-	-	1,048
Capital - Parks	-	-	-	453	-	-	-	453
Capital - Streets	-	-	-	-	-	-	-	-
Capital - Traffic	-	-	-	-	-	-	-	-
Total Restricted	2,836	1,575	178	4,251	2	15,566	-	24,408
Committed								
Capital - General	-	-	-	4,803	-	-	-	4,803
Capital - Parks	-	-	-	1,261	-	-	-	1,261
Capital - Streets	-	-	-	5,141	-	-	-	5,141
Capital - Traffic	-	-	-	3,637	-	-	-	3,637
Total Committed	-	-	-	14,842	-	-	-	14,842
Assigned								
Capital - General	-	-	-	3,177	-	-	-	3,177
Capital - Parks	-	-	-	1,466	-	-	-	1,466
Capital - Streets	-	-	-	1,113	-	-	-	1,113
Capital - Traffic	-	-	-	621	-	-	-	621
Construction	-	-	-	-	756	-	-	756
Community Development	-	3,817	-	-	-	-	-	3,817
Parks	-	-	5,309	-	-	-	-	5,309
2019 Budget	11	-	-	-	-	-	-	11
Total Assigned	11	3,817	5,309	6,377	756	-	-	16,270
Unassigned								
	41,496	-	-	-	-	-	-	41,496
Total Fund Balances	\$ 44,861	\$ 5,392	\$ 5,515	\$ 25,470	\$ 758	\$ 15,577	\$ -	\$ 97,573

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.

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. 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.

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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, 2018, the City's cash deposits had a carrying value of \$4,168,618. The bank balances were \$7,154,277 of which \$615,631 was covered by federal deposit insurance and \$6,538,646 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 \$35,030,809. 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.

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, 2018, 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 10.93%, 20.05%, 7.49% 8.62% and 8.21% 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 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



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records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

Cash and Investments reported on the financial statements as of December 31, 2018 (in thousands):

Cash and Investments	\$ 207,065
Cash with Fiscal Agent – restricted cash	35,031
Restricted Cash	<u>1,546</u>
Total per Statement of Net Position	243,642
Agency Fund	12,582
Police Pension Defined Benefit	<u>445</u>
Total Financial Statement Cash & Investments	<u>\$256,669</u>
Carrying value of cash	\$ 4,168
Cash with Fiscal Agent	35,031
Fair market value of investments	<u>217,470</u>
Total value cash and investments	<u>\$ 256,669</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.



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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 organization that regularly rates such obligations. At December 31, 2018, AURA's investment in the Dreyfus Government Cash Management money market fund of \$349,609 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: The market approach technique is utilized using quoted prices of securities with similar characteristics or independent asset pricing services.
- Level 3: Unobservable inputs for an asset or liability

The City has the following fair value measurements as of December 31, 2018:

Investment by fair value level	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
US Treasuries	\$ 47,810,454	\$ 47,810,454	\$ -	\$ -
US Agency Securities	120,246,605	-	120,246,605	-
Corporate Bonds	28,889,247	-	28,889,247	-
Municipal Bonds	464,034	-	464,034	-
Negotiable Certificates of Deposit	243,824	-	243,824	-
Total Investments by fair value level	197,654,164	47,810,454	149,843,710	-
Local Government Investment Pool - CSIP	10,145,242			
Local Government Investment Pool - Colotrust	9,651,963			
Local Government Investment Pool - Csafe	18,980			
	<u>19,816,185</u>			
	<u>\$ 217,470,348</u>			



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As of December 31, 2018, 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	\$ 19,816,185	\$ 19,816,185	\$ -	\$ -	\$ -	\$ -	9.11%
U.S. Treasuries	AAA	\$ 47,810,454	2,825,348	14,828,050	17,721,581	7,714,366	4,721,109	21.98%
U.S. Agencies								
FFCB	AAA	\$ 18,736,100	5,938,500	5,886,000	6,911,600	-	-	8.62%
FHLB	AAA	\$ 23,772,400	2,987,100	7,920,600	6,926,500	5,938,200	-	10.93%
FHLMC	AAA	\$ 43,605,800	3,997,200	24,719,400	-	9,875,200	5,014,000	20.05%
FNMA	AAA	\$ 16,283,905	11,370,885	988,620	-	3,924,400	-	7.49%
FAMC	AAA	\$ 17,848,400	1,986,800	-	10,861,200	-	5,000,400	8.21%
Subtotal for U.S. Agencies		120,246,605	26,280,485	39,514,620	24,699,300	19,737,800	10,014,400	
Negotiable Certificates of Deposit	AA	\$ 243,824	243,824	-	-	-	-	0.11%
Corporate Bonds	AA+	\$ 28,889,247	16,372,316	7,728,739	342,417	4,445,775	-	13.28%
Municipal Bonds	SP-1	\$ 464,034	-	-	-	464,034	-	0.21%
Total for all Asset Categories		\$ 217,470,348	\$ 65,538,158	\$ 62,071,409	\$ 42,763,298	\$ 32,361,975	\$ 14,735,509	100.00%
			30.14%	28.54%	19.66%	14.88%	6.78%	

As of December 31, 2018 AURA's cash deposits and had carrying values of \$6,569,231. The bank balances were \$6,989,462 of which \$851,998 was covered by the federal deposit insurance and \$6,137,464 was collateralized with securities held by the pledging financial institution's trust department or agent in AURA's name.

As of December 31, 2018 AEDA's cash deposits had carrying values of \$497,328. The bank balances were \$497,328 of which \$250,000 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, 2018 follows (in thousands):

	Balance January 1, 2018	Additions	Retirements	Transfers To (From) CIP	Balance December 31 2018
Primary Government:					
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 55,738	\$ -	\$ -	\$ -	\$ 55,738
Construction in progress	55,166	15,645	(1,122)	(13,975)	55,714
Total capital assets, not being depreciated	<u>110,904</u>	<u>15,645</u>	<u>(1,122)</u>	<u>(13,975)</u>	<u>111,452</u>
Capital assets, being depreciated:					
Buildings	45,428	-	-	-	45,428
Improvements other than buildings	119,519	9	-	4,961	124,489
Equipment & vehicles	29,968	3,027	(1,897)	2,529	33,627
Infrastructure	436,567	3,872	-	6,485	446,924
Total capital assets being depreciated	<u>631,482</u>	<u>6,908</u>	<u>(1,897)</u>	<u>13,975</u>	<u>650,468</u>
Less accumulated depreciation for:					
Buildings	(20,473)	(905)	-	-	(21,378)
Improvements other than buildings	(39,039)	(5,051)	-	-	(44,090)
Equipment & vehicles	(20,438)	(2,310)	1,795	-	(20,953)
Infrastructure	(293,308)	(8,840)	-	-	(302,148)
Total accumulated depreciation	<u>(373,258)</u>	<u>(17,106)</u>	<u>1,795</u>	<u>-</u>	<u>(388,569)</u>
Total capital assets, being depreciated, net	<u>258,224</u>	<u>(10,198)</u>	<u>(102)</u>	<u>13,975</u>	<u>261,899</u>
Governmental activities capital assets, net	<u>\$ 369,128</u>	<u>\$ 5,447</u>	<u>\$ (1,224)</u>	<u>\$ -</u>	<u>\$ 373,351</u>
	Balance January 1, 2018	Additions	Retirements	Transfers To (From) CIP	Balance December 31 2018
Business-type activities					
Capital assets not being depreciated:					
Water rights	\$ 31,603	\$ -	\$ -	\$ -	\$ 31,603
Land	8,168	-	-	-	8,168
Construction in progress	18,482	6,404	(314)	(16,274)	8,298
Total capital assets, not being depreciated	<u>58,253</u>	<u>6,404</u>	<u>(314)</u>	<u>(16,274)</u>	<u>48,069</u>
Capital assets, being depreciated:					
Buildings	15,066	-	-	6,437	21,503
Improvements other than buildings	318,330	13,021	(2,121)	9,216	338,446
Equipment & vehicles	3,411	42	-	621	4,074
Infrastructure	7,155	-	-	-	7,155
Total capital assets being depreciated	<u>343,962</u>	<u>13,063</u>	<u>(2,121)</u>	<u>16,274</u>	<u>371,178</u>
Less accumulated depreciation for:					
Buildings	(9,004)	(299)	-	-	(9,303)
Improvements other than buildings	(100,796)	(6,352)	996	-	(106,152)
Equipment & vehicles	(2,926)	(98)	-	-	(3,024)
Infrastructure	(1,055)	(143)	-	-	(1,198)
Total accumulated depreciation	<u>(113,781)</u>	<u>(6,892)</u>	<u>996</u>	<u>-</u>	<u>(119,677)</u>
Total capital assets, being depreciated, net	<u>230,181</u>	<u>6,171</u>	<u>(1,125)</u>	<u>16,274</u>	<u>251,501</u>
Business-type activities capital assets, net	<u>\$ 288,434</u>	<u>\$ 12,575</u>	<u>\$ (1,439)</u>	<u>\$ -</u>	<u>\$ 299,570</u>

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Depreciation expense was charged to functions/programs of the primary government as follows (in thousands):

	Governmental Activities	Business-Type Activities
General government	\$ 5,179	\$ -
Public safety – police & judicial	326	-
Public works	8,995	-
Parks	336	-
Culture	107	-
Internal Service	2,163	-
Water	-	4,105
Wastewater	-	1,380
Stormwater	-	1,140
Golf	-	237
Food	-	30
Total depreciation expense	<u>\$ 17,106</u>	<u>\$ 6,892</u>

C. Construction Commitments

The City has active construction projects as of December 31, 2018. The projects include streets, traffic, general construction and water, wastewater and stormwater system projects. At year end the City's commitments with contractors are as follows (in thousands):

	Project Spent-to-Date	Remaining Commitment
Streets construction	\$ 10,207	\$ 690
General Construction	2,427	2,062
Traffic Construction	3,692	2,807
Wastewater System	1,777	164
Stormwater System	1,451	559
Water system	5,065	2,183
Total	<u>\$ 24,619</u>	<u>\$ 8,465</u>

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D. Interfund Transactions

There were two “interfund receivable” and “interfund payable” balances and one “advance to” and “advance from” as of December 31, 2018. 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. The balance as of December 31, 2018 was \$1,887,000. This transaction has been eliminated in the presentation of the Government-Wide financial statements but appears in the proprietary funds financial statements. The Golf Fund owes the General Fund \$593,949 for expenditures to be repaid, which accounts for the second “interfund receivable” and “interfund payable”.

Transfers to/from other funds for the year ended December 31, 2018 were as follows (in thousands):

Fund	Transfers In	Transfers Out
General Fund	\$ 207	\$ 18,372
Community Development Fund	45	593
Parks Fund	3,346	80
Capital Projects Fund	12,160	-
Construction Fund	-	807
Non-major Governmental Funds	2,236	482
Water Fund	496	472
Wastewater Fund	-	344
Stormwater Fund	-	1,039
Golf Course Fund	1,621	-
Food Service Fund	294	-
Internal Service Funds	2,205	421
Total	\$ 22,610	\$ 22,610

The General Fund transfers out include support transfers to Parks, Community Development, Food Service, Insurance and Golf Course Funds, capital transfer to the Capital Projects Fund, debt transfers to the Bond and COP Funds, and transfers to the Vehicles internal service for the purchase of police vehicles.

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 the Vehicle Internal Service Fund to purchase vehicles.

This year the General, Community Development, Police Tax Incremental and Water Funds made transfers into the Capital Projects 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 and to the Capital Project Fund for a non-enterprise asset. The transfers in are from the Wastewater and Stormwater Funds in support of administrative expenses.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

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

The Stormwater Fund transfers out are to the Water Fund for administrative expense, 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 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

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, 2018, are as follows (in thousands):

Year Ending December 31	Principal	Interest	Total
2019	2,090	171	2,261
2020	2,175	87	2,262
Total	\$4,265	\$258	\$4,523

The 2009 Water Enterprise Revenue Refunding Bonds are payable solely from revenues of the Water Fund. During the year ended December 31, 2018, revenues of \$16,281,000 were available to pay the annual debt service of \$2,247,684.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2018**

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.

Annual lease payments for Series 2015A Certificates and outstanding balance at December 31, 2018 are as follows (in thousands):

Year Ending December 31	Principal	Interest	Total
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	1,250	45	1,295
2024	1,270	22	1,292
Total	\$ 7,305	\$ 461	\$7,766

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 72nd 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.

Year Ending December 31	Principal	Interest	Total
2019	385	447	832
2020	400	428	828
2021	420	408	828
2022	445	387	832
2023	465	364	829
2024-2028	2,690	1,464	4,154
2029-2033	3,280	865	4,145
2034-2036	2,305	187	2,492
Total	\$ 10,390	\$ 4,550	\$ 14,940



NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Changes in General Long-Term Liabilities – During the year ended December 31, 2018 the following changes occurred in liabilities reported in the governmental activities (including internal service funds), and business type activities (in thousands):

Governmental Activities	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018	Due in 1 year
Revenue Bonds	\$ 3,885	\$ -	\$ 3,885	\$ -	\$ -
Bond Premium	\$ 91	-	91	-	-
Certificates of Participation	\$ 19,210	-	1,515	17,695	1,550
Bond Premium	\$ 1,782	-	94	1,688	-
Compensated Absences	\$ 3,992	2,344	2,596	3,740	1,870
Total Governmental	\$ 28,960	\$ 2,344	\$ 8,181	\$ 23,123	\$ 3,420

Business-Type Activities	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018	Due in 1 year
Revenue Bond	\$ 6,275	\$ -	\$ 2,010	\$ 4,265	\$ 2,090
Bond Premium	\$ 312	-	104	208	-
Compensated Absences	\$ 600	502	482	621	311
Total Business Type	\$ 7,187	\$ 502	\$ 2,596	\$ 5,094	\$ 2,401

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 \$387,000 per person and \$1,093,000 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.

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):

	Insurance Service
Unpaid Claims, January 1, 2017	\$ 1,416
Incurring Claims	1,140
Claim Payments	257
Unpaid Claims, December 31, 2017	2,299
Incurring Claims	884
Claim Payments	1,467
Unpaid Claims, December 31, 2018	\$ 1,716

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 \$588,100 as of December 31, 2018 represents an estimate of incurred but not reported (IBNR) claims.

	Medical Insurance
Unpaid Claims January 1, 2017	\$ 438
Incurring Claims	8,178
Claim Payments	8,102
Unpaid Claims, December 31, 2017	514
Incurring Claims	7,594
Claim Payments	7,520
Unpaid Claims, December 31, 2018	\$ 588

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, 2018. 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, 2018, the City abated sales taxes totaling \$633,420 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 \$54,684.
- A 50% sales tax abatement to a restaurant to improve and occupy an empty restaurant location. The abatement amounted to \$45,732.
- A 50% sales tax abatement to a retail store for construction including infrastructure and improvements of a retail store. The abatement amounted to \$20,916.
- A 75% sales tax abatement to a retail store to improve and occupy an empty store front. The abatement amounted to \$30,255.
- 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 \$375,991.
- 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 \$29,356.

4) AURA CommitmentsDeveloper 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, 2018, the Authority has entered into nine DDAs expiring from 2025 to 2035. During the year ended December 31, 2018, the Authority rebated property tax of \$10,755,864, PIF of \$868,162 and lodging tax of \$108,484.

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, 2018, there were 2 Industrial Revenue Bonds, 1,042 single and multi-family Mortgage Bonds, 247 Mortgage Credit Certificates and 3 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 \$7 million. The unpaid balance on the Mortgage Credit Certificates is \$36.4 million, and on the Private Activity Bonds is \$56.5 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, 2018. 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.

NOTES TO FINANCIAL STATEMENTS
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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, 2018. 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 or 2018.

Investments

The pension plan's investment policy follows the City's investment policy as summarized on pages 55-57. The December 31, 2018 plan asset allocation is shown below:

Asset Class	Allocation
Local Government Investment Pool	0.44%
Pooled cash and investments	99.56%
	100.00%

For the year ended December 31, 2018, 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 Liability of the City

The components of the net pension liability of the City at December 31, 2018, were as follows:

Total pension liability	\$454,707
Plan fiduciary net position	<u>449,537</u>
City's net pension liability	\$5,170
Plan fiduciary net position as a percentage of the total pension liability	98.87%

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
December 31, 2018**

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 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 (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Net pension liability (asset)	\$ 61,546	\$ 5,170	\$ (41,458)

Net Pension Liability of the City

The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018, rolled forward to December 31, 2018 using standard actuarial methods.

Significant methods and assumptions included the following:

- Actuarial Valuation Date – January 1, 2018
- Measurement Date – December 31, 2018
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar
- Rate of Investment Return – 3.5% per annum
- Remaining Closed Amortization Period – 13 years
- Asset Valuation Method – Market Value
- Inflation 2.5%

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of December 31, 2017	\$ 461,802	\$ 469,830	\$ (8,028)
Changes for the year:			
Service Cost	-	-	-
Interest on total pension liability	15,663	-	15,663
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	6,060	-	6,060
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(28,818)	(28,818)	-
Administrative expenses	-	-	-
Member contributions	-	-	-
Employer contributions	-	-	-
Net investment income (loss)	-	8,525	(8,525)
Balances December 31, 2018	<u>\$ 454,707</u>	<u>\$ 449,537</u>	<u>\$ 5,170</u>

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



NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2018 the City recognized pension expense of \$8,610. At December 31, 2018 the City reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources
Net difference between projected and actual earnings	19,834
Totals	\$ 19,834

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

Year ended December 31:	
2019	\$ 8,342
2020	6,165
2021	3,844
2022	1,483
2023	-
Thereafter	-
Total	\$ 19,834

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. 484 employees were participants in the plan as of December 31, 2018. Employer contributions vest with the employee according to the following:

Years of Service	Vesting Percentage
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 \$3,882,443 and the required employee contributions of \$2,721,949 were paid during 2018. Additional employee contributions, in the form of rollovers, of \$89,435 were also made in 2018. The required contributions represent 11.41% 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 12% 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.

174 employees were participants as of December 31, 2018. The required contributions for the City and PMPP employees amounted to \$1,586,083 each (12% 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 2018.

**NOTES TO FINANCIAL STATEMENTS
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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, 2018 the City contributed \$259,204 for the benefit of the 13 participants in the Plan and the employees contributed \$201,262, as required.

E. Postemployment Benefits Other than Pensions

Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenditures and certain note disclosure and required supplementary information.

Plan Description

The City has established a single employer-defined benefit post-employment healthcare plan for eligible retirees, their spouses and dependents.

All benefits are provided through the City's self-insured health plan. The two optional benefits levels High Deductible Health Plan (HDHP) and Traditional Open Access – IN Plan (OAP-IN), are the same for retirees as those afforded to active employees.

Benefits Provided

The City provides retiree health program coverage to current and future retirees of the City who qualify for retirement. Members who terminate prior to retirement eligibility are not eligible to participate in the program. The election to participate in the plan must occur upon retirement. The retirement eligibility is based on the following requirements:

Civilian employees (CARP retirement plan) must have completed 20 years of service, or must have completed five years of service and attained 59 ½ years of age.

Sworn police officers (PMPP retirement plan) must have completed 20 years of service.

Once a retiree reaches the age of 65, or becomes eligible for Medicare, the retiree is no longer eligible to receive benefits under the City's plan.

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	16
Terminated employees eligible for benefits, but not yet enrolled	0
Active Employees	658
	<u>674</u>

Accounting Policy

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a stand-alone financial report for the plan.

NOTES TO FINANCIAL STATEMENTS
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Funding Policies

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, 2018, the City made \$135,863 in contributions to the plan. Plan members are required to contribute their share of the premiums.

Monthly retiree health coverage contribution rates for offered benefit levels are as follows:

	HDHP	OAP-IN
Retiree	\$ 662	\$ 770
Retiree plus one	\$ 1,323	\$ 1,541

Actuarial Methods and Assumptions

Actuarial cost method	Entry Age Normal Level Percent of Pay
Discount rate	4.10%
Inflation	2.50%
Salary increases	3.50%
Medical trend	4.10% for 2018, 5.60% for 2019, grading down to 4.10% in 2080.
Mortality	RP-2014 Healthy Annuitant Mortality Tables adjusted to reflect
Mortality Improvement Scale MP-2018 from 2006 base year, and projected forward using MP-2018 on a generational basis participation rates	All current retired participants are assumed to continue retiree health coverage. 20% of future eligible retired participants are assumed to elect retiree health coverage upon retirement. This assumption is based on historical participant behavior and expectations of future plan experience

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding funded status and contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The assumptions reflect the Bond Buyer 20-Year General Obligation Bond Index for the 4.10% discount rate.

Changes in assumptions

- Funding method change from projected unit credit to the individual entry age normal level percentage of pay cost method
- Discount rate has been changed to 20-year-tax-exempt municipal bond yield, beginning of the year discount rate 3.44% and end of year discount rate 4.1%
- Mortality assumption was updated to reflect most recent projection scale
- Election of retirement coverage assumption lowered from 30% to 20% to better reflect anticipated experience
- Claims costs and contribution assumptions were updated to reflect 2018 and 2019 premiums



NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Total OPEB Liability

The total OPEB liability of \$2,159,930 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018 and rolled forward to December 31, 2018.

The total OPEB liability and related information are as follows as of December 31, 2018:

	Total OPEB Liability
Balance as of January 1, 2018, as restated	\$ 2,196,451
Changes for the year:	
Service cost	140,410
Interest on Total OPEB Liability	78,071
Effect of changes to benefit terms	
Effect of economic/demographic gains or losses	
Effect of assumptions changes or inputs	(119,139)
Benefit payments	(135,863)
Balance as of December 31, 2018	\$ 2,159,930

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018 the City recognized OPEB expense of \$198,624. As of December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following

	Deferred Inflows of Resources
Changes of assumptions	\$ (99,282)
Total deferred inflow of resources December 31, 2018	\$ (99,282)

Amounts currently reported as deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended December 31		
2019	\$	(19,857)
2020		(19,857)
2121		(19,857)
2022		(19,857)
2023		(19,854)
Thereafter		-
Total	\$	(99,282)

NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.10 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10 percent) or 1 percentage point higher (5.10 percent) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 2,342,414	\$ 2,159,930	\$ 1,989,793

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, calculated using healthcare cost trend rates that are 1 percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
Total OPEB liability	\$ 1,897,976	\$ 2,159,930	\$ 2,474,271

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, 2018 is \$1,834,896. 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, 2018 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.

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 June, 2018 this agreement was extended for one year.

G. 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:

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 373,351	\$ 299,570
Related debt	(19,383)	(4,473)
Unspent debt proceeds	640	-
Deferred loss on refunding	294	-
Outstanding accounts payable	(474)	(1,065)
Net investment in capital assets	<u>\$ 354,428</u>	<u>\$ 294,032</u>

H. Subsequent Events

On February 26, 2019 the City issued \$72,570,000 of Sales and Use Tax Revenue Bonds for two projects: West 72nd Avenue between Kipling Street and Simms Street and Ralston Road between Yukon Street and Garrison Street. The coupon rate ranges from 3.375% and 5% with interest payable semi-annually on June 1 and December 1 and principle payments due December 1 annually starting in 2019 and continuing through 2038.

I. GASB 75

The City has adopted and implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaced the requirements of GASB Statement No. 45, *Accounting for Postemployment Benefits Other Than Pensions*. Implementation resulted in a restatement of beginning net position as of January 1, 2018, reclassification of amounts previously expensed and recognition of the total OPEB liabilities as of January 1, 2018. The City has implemented this Statement in fiscal year 2018 and has restated beginning net position as shown below:

	Government wide		Fund Financial Statements	
	Governmental Activities	Business-type Activities	Proprietary Funds	Internal Service Funds
Net position January 1, 2018 prior to adoption of GASB 75	\$ 456,246	\$ 410,903	\$ 406,492	\$ 28,129
Restatement for adoption of GASB 75	1,551	(369)	(369)	(79)
Net position January 1, 2018 as adjusted	<u>\$ 457,797</u>	<u>\$ 410,534</u>	<u>\$ 406,123</u>	<u>\$ 28,050</u>

J. GASB 89

The City has adopted and implemented GASB Statement No. 89 *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This Statement supersedes the requirements of paragraphs 5-22 of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989 FASB and AICPA Pronouncements*, and requires interest costs incurred before the end of a construction period to be recognized as expense in the period incurred under the economic resources measurement focus. Adoption of GASB 89 had no effect on the City's financial statements.

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Required Supplementary Information

Post-Employment Benefits Other Than Pensions



Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

Total OPEB Liability	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service cost	\$ 140,410	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	78,071	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of changes to benefit terms	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(119,139)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(135,863)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(36,521)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	2,196,451	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	2,159,930	2,196,451	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	50,439,938	49,581,247	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as % of covered payroll	4.28%	4.43%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Years prior to 2018 are not calculated using GASB 75 requirements and therefore are not shown.

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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									
	2018	2017	2016	2015	2014	2013*	2012*	2011*	2010*	2009*
Total pension liability										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	15,663	16,108	16,538	17,200	17,597	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	6,060	-	5,548	-	-	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
Benefit payments	(28,818)	(28,819)	(28,819)	(28,819)	(28,819)	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	(7,095)	(12,711)	(19,694)	(11,619)	(11,222)	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	461,802	474,513	494,207	505,826	517,048	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending	454,707	461,802	474,513	494,207	505,826	N/A	N/A	N/A	N/A	N/A

Fiduciary Net Position										
Employer contributions	-	-	170,000	20,000	20,000	N/A	N/A	N/A	N/A	N/A
Member contributions	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	8,525	4,978	3,066	1,458	514	N/A	N/A	N/A	N/A	N/A
Benefit payments	(28,818)	(28,819)	(28,819)	(28,819)	(28,819)	N/A	N/A	N/A	N/A	N/A
Administrative payments	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	(20,293)	(23,841)	144,247	(7,361)	(8,305)	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	469,830	493,671	349,424	356,785	365,090	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending	449,537	469,830	493,671	349,424	356,785	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) ending	5,170	(8,028)	(19,158)	144,783	149,041	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	98.86%	101.74%	104.04%	70.70%	70.54%	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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ -	\$ 11,927	\$ 11,927	\$ 12,011	\$ 12,011	\$ 7,632	\$ 7,632	\$ 7,632	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
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, 2018
- Actuarial cost method: Entry age normal
- Amortization method: Level dollar
- Closed, open or layered periods: Closed
- Remaining amortization period: 13 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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weighted rate of return net of investment expense	1.88%	1.04%	0.71%	0.43%	0.15%	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, 2018
(in thousands)**

ASSETS

Cash and investments	\$ 497
Accounts receivable (net)	<u>328</u>
Total assets	<u><u>\$ 825</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 64
Total liabilities	<u>64</u>

FUND BALANCES

Assigned	<u>761</u>
Total fund balance	<u>761</u>

Total liabilities and fund balances	<u><u>\$ 825</u></u>
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AEDA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended December 31, 2018
(in thousands)

REVENUES	
Interest	\$ 10
Operating grants	767
Total Revenues	<u>777</u>
EXPENDITURES	
Personnel services	471
Services & charges	121
Program costs	122
Professional services	153
Supplies	21
Total expenditures	<u>888</u>
NET CHANGE IN FUND BALANCES	(111)
FUND BALANCES, BEGINNING	<u>872</u>
FUND BALANCES, ENDING	<u><u>\$ 761</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

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, 2018
(in thousands)**

	Arvada Housing Authority Fund	Police Seizure Fund	Police Tax Increment (.21) Fund	Police Tax Increment (.25) Fund
ASSETS				
Cash and investments	\$ 56	\$ 493	\$ 5,995	\$ 7,517
Accounts receivable (net)	97	-	488	596
Accrued interest	-	1	26	31
Prepaid costs	-	-	11	-
Total assets	<u>\$ 153</u>	<u>\$ 494</u>	<u>\$ 6,520</u>	<u>\$ 8,144</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 24	\$ -	\$ 293	\$ 383
Unearned revenue	-	-	7	-
Total liabilities	<u>24</u>	<u>-</u>	<u>300</u>	<u>383</u>
DEFERRED INFLOW OF RESOURCES				
Grants	76	-	-	-
Notes Receivable	-	-	-	-
Total deferred inflows of resources	76	-	-	-
FUND BALANCES				
Nonspendable	-	-	11	-
Restricted	53	494	6,209	7,761
Total fund balance	<u>53</u>	<u>494</u>	<u>6,220</u>	<u>7,761</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 153</u>	<u>\$ 494</u>	<u>\$ 6,520</u>	<u>\$ 8,144</u>

<u>Debt Service</u>			
<u>Grants Fund</u>	<u>Bond Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-major Governmental</u>
\$ 834	\$ 212	\$ -	\$ 15,107
-	-	-	1,181
3	-	-	61
-	-	-	11
<u>\$ 837</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ 16,360</u>
\$ -	\$ -	\$ -	\$ 700
-	-	-	7
-	-	-	707
-	-	-	76
-	-	-	-
-	-	-	76
-	-	-	11
837	212	-	15,566
<u>837</u>	<u>212</u>	<u>-</u>	<u>15,577</u>
<u>\$ 837</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ 16,360</u>



NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2018
(in thousands)

	Arvada Housing Authority Fund	Police Seizure Fund	Police Tax Increment (.21) Fund	Police Tax Increment (.25) Fund
REVENUES				
Taxes	\$ -	\$ -	\$ 4,698	\$ 5,732
Intergovernmental	4,544	-	150	198
Investment earnings	3	8	86	114
Miscellaneous	26	12	11	48
Total Revenues	<u>4,573</u>	<u>20</u>	<u>4,945</u>	<u>6,092</u>
EXPENDITURES				
Program costs	4,696	15	3,994	5,414
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	68	-
Total expenditures	<u>4,696</u>	<u>15</u>	<u>4,062</u>	<u>5,414</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(123)</u>	<u>5</u>	<u>883</u>	<u>678</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	105	-	-	-
Transfers out	(3)	-	(244)	(235)
Total other financing sources (uses)	<u>102</u>	<u>-</u>	<u>(244)</u>	<u>(235)</u>
NET CHANGE IN FUND BALANCES	(21)	5	639	443
FUND BALANCES, BEGINNING	<u>74</u>	<u>489</u>	<u>5,581</u>	<u>7,318</u>
FUND BALANCES, ENDING	<u>\$ 53</u>	<u>\$ 494</u>	<u>\$ 6,220</u>	<u>\$ 7,761</u>

<u>Debt Service</u>			
<u>Grants Fund</u>	<u>Bond Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-major Governmental</u>
\$ -	\$ -	\$ 3,679	\$ 14,109
595	-	-	5,487
4	14	25	254
-	-	-	97
<u>599</u>	<u>14</u>	<u>3,704</u>	<u>19,947</u>
-	6	0	14,125
-	1,515	3,885	5,400
-	615	156	771
-	-	-	68
<u>-</u>	<u>2,136</u>	<u>4,041</u>	<u>20,364</u>
<u>599</u>	<u>(2,122)</u>	<u>(337)</u>	<u>(417)</u>
-	2,131	-	2,236
-	-	-	(482)
<u>-</u>	<u>2,131</u>	<u>-</u>	<u>1,754</u>
599	9	(337)	1,337
<u>238</u>	<u>203</u>	<u>337</u>	<u>14,240</u>
<u>\$ 837</u>	<u>\$ 212</u>	<u>\$ -</u>	<u>\$ 15,577</u>



ARVADA HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Federal grants	\$ 3,928	\$ 4,578	\$ 4,544	\$ (34)
Investment earnings	1	1	3	2
Miscellaneous	19	19	26	7
	<u>3,948</u>	<u>4,598</u>	<u>4,573</u>	<u>(25)</u>
EXPENDITURES				
Current expenditures:				
Personnel services	340	340	322	18
Services and charges	85	85	64	21
Supplies	32	32	22	10
Rents	3,592	4,592	4,288	304
	<u>4,049</u>	<u>5,049</u>	<u>4,696</u>	<u>353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(101)	(451)	(123)	328
OTHER FINANCING SOURCES				
Transfers in	90	90	105	15
Transfers out	-	-	(3)	(3)
	<u>90</u>	<u>90</u>	<u>102</u>	<u>12</u>
NET CHANGE IN FUND BALANCE	(11)	(361)	(21)	340
FUND BALANCE, BEGINNING	<u>74</u>	<u>74</u>	<u>74</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 63</u>	<u>\$ (287)</u>	<u>\$ 53</u>	<u>\$ 340</u>



POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Seizure & forfeitures	\$ 25	\$ 25	\$ 12	\$ (13)
Investment earnings	<u>6</u>	<u>6</u>	<u>8</u>	<u>2</u>
Total revenues	<u>31</u>	<u>31</u>	<u>20</u>	<u>(11)</u>
EXPENDITURES	<u>28</u>	<u>28</u>	<u>15</u>	<u>13</u>
NET CHANGE IN FUND BALANCE	<u>3</u>	<u>3</u>	<u>5</u>	<u>2</u>
FUND BALANCE, BEGINNING	<u>489</u>	<u>489</u>	<u>489</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 492</u></u>	<u><u>\$ 492</u></u>	<u><u>\$ 494</u></u>	<u><u>\$ 2</u></u>



POLICE TAX INCREMENT (.21) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 4,518	\$ 4,613	\$ 4,698	\$ 85
Intergovernmental				
Federal grants	50	50	150	100
Investment earnings	49	49	86	37
Miscellaneous	20	20	11	(9)
	<u>4,637</u>	<u>4,732</u>	<u>4,945</u>	<u>213</u>
EXPENDITURES				
Current expenditures:				
Personnel services	3,494	3,494	2,982	512
Services and charges	354	479	593	(114)
Supplies	367	490	419	71
	<u>4,215</u>	<u>4,463</u>	<u>3,994</u>	<u>469</u>
Total current expenditures	4,215	4,463	3,994	469
Capital outlay	8	284	68	216
	<u>4,223</u>	<u>4,747</u>	<u>4,062</u>	<u>685</u>
Total Expenditures	4,223	4,747	4,062	685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>414</u>	<u>(15)</u>	<u>883</u>	<u>898</u>
OTHER FINANCING USES				
Transfers Out	-	(285)	(244)	41
	<u>-</u>	<u>(285)</u>	<u>(244)</u>	<u>41</u>
Total other financing uses	-	(285)	(244)	41
NET CHANGE IN FUND BALANCE				
	414	(300)	639	939
FUND BALANCE, BEGINNING				
	<u>5,581</u>	<u>5,581</u>	<u>5,581</u>	<u>-</u>
FUND BALANCE, ENDING				
	<u>\$ 5,995</u>	<u>\$ 5,281</u>	<u>\$ 6,220</u>	<u>\$ 939</u>



POLICE TAX INCREMENT (.25) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 4,518	\$ 4,613	\$ 4,698	\$ 85
Intergovernmental				
Federal grants	50	50	150	100
Investment earnings	49	49	86	37
Miscellaneous	20	20	11	(9)
	<u>4,637</u>	<u>4,732</u>	<u>4,945</u>	<u>213</u>
EXPENDITURES				
Current expenditures:				
Personnel services	3,494	3,494	2,982	512
Services and charges	354	479	593	(114)
Supplies	367	490	419	72
	<u>4,215</u>	<u>4,463</u>	<u>3,994</u>	<u>469</u>
Capital outlay	8	284	68	216
	<u>4,223</u>	<u>4,747</u>	<u>4,062</u>	<u>685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>414</u>	<u>(15)</u>	<u>883</u>	<u>898</u>
OTHER FINANCING USES				
Transfers Out	-	(285)	(244)	41
	<u>-</u>	<u>(285)</u>	<u>(244)</u>	<u>41</u>
NET CHANGE IN FUND BALANCE	414	(300)	639	939
FUND BALANCE, BEGINNING	<u>5,581</u>	<u>5,581</u>	<u>5,581</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,995</u>	<u>\$ 5,281</u>	<u>\$ 6,220</u>	<u>\$ 939</u>



GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues				
State grants	\$ 567	\$ 567	\$ 595	\$ 28
Investment earnings	25	25	4	(21)
	<u>592</u>	<u>592</u>	<u>599</u>	<u>7</u>
OTHER FINANCING USES				
Transfers out	(699)	(699)	-	699
	<u>(699)</u>	<u>(699)</u>	<u>-</u>	<u>699</u>
NET CHANGE IN FUND BALANCE	(107)	(107)	599	706
FUND BALANCE, BEGINNING	<u>238</u>	<u>238</u>	<u>238</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 131</u></u>	<u><u>\$ 131</u></u>	<u><u>\$ 837</u></u>	<u><u>\$ 706</u></u>



BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 14	\$ 14
Total revenues	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
EXPENDITURES				
Debt Service				
Principal	1,515	1,515	1,515	-
Interest	615	615	615	-
Professional services	10	10	6	4
Total expenditures	<u>2,140</u>	<u>2,140</u>	<u>2,136</u>	<u>4</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,140)	(2,140)	(2,122)	18
OTHER FINANCING SOURCES				
Transfers in	<u>2,130</u>	<u>2,130</u>	<u>2,131</u>	<u>1</u>
Total other financing sources	<u>2,130</u>	<u>2,130</u>	<u>2,131</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	(10)	(10)	9	19
FUND BALANCE, BEGINNING	<u>203</u>	<u>203</u>	<u>203</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 193</u>	<u>\$ 193</u>	<u>\$ 212</u>	<u>\$ 19</u>



DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 4,040	\$ 4,040	\$ 3,679	\$ (361)
Investment earnings	14	14	25	11
	<u>4,054</u>	<u>4,054</u>	<u>3,704</u>	<u>(350)</u>
Total revenues				
EXPENDITURES				
Services and charges	5	5	0	5
Principal	3,885	3,885	3,885	-
Interest	155	155	156	(1)
	<u>4,045</u>	<u>4,045</u>	<u>4,041</u>	<u>4</u>
Total expenditures				
NET CHANGE IN FUND BALANCE	<u>9</u>	<u>9</u>	<u>(337)</u>	<u>(346)</u>
FUND BALANCE, BEGINNING	<u>337</u>	<u>337</u>	<u>337</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 346</u>	<u>\$ 346</u>	<u>\$ -</u>	<u>\$ (346)</u>

Enterprise Funds

Water Fund
Wastewater Fund
Stormwater Fund
Golf Fund
Food Service 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.

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.

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.



WATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales	\$ 22,134	\$ 22,411	\$ 23,824	\$ 1,413
Service charges and fees	359	559	553	(6)
Investment earnings	508	508	1,733	1,225
Miscellaneous revenues	59	51	48	(3)
Water/tap	13,316	13,316	9,392	(3,924)
Developer contributions	-	-	325	325
Transfers in	497	497	496	(1)
	<u>36,873</u>	<u>37,342</u>	<u>36,371</u>	<u>(972)</u>
EXPENDITURES				
Operating and maintenance	18,128	18,113	18,434	(321)
Administration	847	847	833	14
Capital outlay	7,775	17,838	10,265	7,573
Principal expense	2,010	2,010	2,010	-
Interest expense	251	251	238	13
Transfers out	361	361	472	(111)
	<u>29,372</u>	<u>39,420</u>	<u>32,252</u>	<u>7,168</u>
CHANGE IN NET POSITION	<u>\$ 7,501</u>	<u>\$ (2,078)</u>	4,119	<u>\$ 6,196</u>
ADJUSTMENTS TO GAAP BASIS				
Principal			2,010	
Capital outlay			10,265	
Net book value of assets retired			(445)	
Depreciation and amortization			<u>(4,001)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 11,948</u>	



WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses/permits and fees	\$ -	\$ -	\$ -	\$ -
Service charges and fees	13,439	13,439	11,940	(1,499)
Investment earnings	315	315	340	25
Miscellaneous revenues	-	-	(2)	(2)
Sewer/tap	1,012	1,012	1,485	473
Developer contributions	-	-	849	849
	<u>14,766</u>	<u>14,766</u>	<u>14,612</u>	<u>(154)</u>
EXPENDITURES				
Operating and maintenance	11,038	11,012	9,779	1,233
Administration	808	808	808	0
Capital outlay	5,128	7,458	3,588	3,870
Transfers out	324	324	344	(20)
	<u>17,298</u>	<u>19,602</u>	<u>14,519</u>	<u>5,083</u>
CHANGE IN NET POSITION	<u>\$ (2,532)</u>	<u>\$ (4,837)</u>	93	<u>\$ 4,929</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			3,588	
Net book value of assets retired			(580)	
Depreciation			<u>(1,380)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 1,721</u>	



STORMWATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees	\$ 3,370	\$ 3,370	\$ 3,468	\$ 98
Grants	11	11	54	43
Miscellaneous revenues	-	-	-	-
Investment earnings	61	61	117	56
Developer contributions	-	-	2,126	2,126
	<u>3,442</u>	<u>3,442</u>	<u>5,765</u>	<u>2,323</u>
Total revenues				
EXPENDITURES				
Operating and maintenance	2,034	2,034	2,826	(792)
Capital outlay	721	1,731	51	1,680
Transfers out	1,040	1,040	1,039	1
	<u>3,795</u>	<u>4,805</u>	<u>3,916</u>	<u>889</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (353)</u>	<u>\$ (1,363)</u>	1,849	<u>\$ 3,213</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			51	
Net book value of assets retired			(88)	
Depreciation			<u>(1,140)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 672</u>	



GOLF COURSE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales	\$ 2,189	\$ 1,939	\$ 2,155	\$ 216
Service charges and fees	3,366	3,004	2,777	(227)
Investment earnings	4	4	3	(1)
Other revenue	17	15	127	112
Transfers in	244	1,301	1,621	320
Total revenues	5,820	6,263	6,683	420
EXPENDITURES				
Operating and maintenance	5,568	5,568	5,890	(322)
Principal expense	113	113	113	0
Interest expense	51	51	51	0
Capital outlay	40	2,668	1,949	719
Transfers out	-	-	-	-
Total expenditures	5,772	8,400	8,003	398
CHANGE IN NET POSITION	\$ 48	\$ (2,137)	(1,320)	\$ 818
ADJUSTMENTS TO GAAP BASIS				
Principal			113	
Capital outlay			1,949	
Gain on sale of assets			(13)	
Depreciation			(237)	
CHANGE IN NET POSITION, GAAP BASIS			\$ 492	



**FOOD SERVICES FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2018
(in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales	\$ 1,514	\$ 1,514	\$ 1,547	\$ 33
Investment earnings	10	10	10	(0)
Other Revenue	37	37	2	(35)
Transfer In	66	492	294	(198)
	<u>1,627</u>	<u>2,053</u>	<u>1,853</u>	<u>(200)</u>
EXPENDITURES				
Operating and maintenance	1,599	1,599	1,615	(16)
Capital outlay	18	18	-	18
	<u>1,617</u>	<u>1,617</u>	<u>1,615</u>	<u>2</u>
CHANGE IN NET POSITION	<u>\$ 10</u>	<u>\$ 436</u>	238	<u>\$ (198)</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			-	
Depreciation			<u>(30)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 208</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, 2018
(in thousands)**

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service Funds
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 5,181	\$ 4,593	\$ 6,865	\$ 285	\$ 5,059	\$ 3,295	\$ 25,278
Accounts receivable (net)	5	185	-	1	-	-	191
Accrued interest	22	20	31	1	18	15	107
Inventories	-	-	-	5	311	-	316
Prepaid costs	2	-	304	2	10	-	318
Total current assets	<u>5,210</u>	<u>4,798</u>	<u>7,200</u>	<u>294</u>	<u>5,398</u>	<u>3,310</u>	<u>26,210</u>
NONCURRENT ASSETS							
Property and equipment, net of accumulated depreciation	99	-	1,132	52	8,996	114	10,393
Total assets	<u>5,309</u>	<u>4,798</u>	<u>8,332</u>	<u>346</u>	<u>14,394</u>	<u>3,424</u>	<u>36,603</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES							
CURRENT LIABILITIES							
Accounts payable	153	609	391	25	125	-	1,303
Claims payable	1,716	588	-	-	-	-	2,304
Accrued compensated absences	7	-	-	-	52	-	59
Total current liabilities	<u>1,876</u>	<u>1,197</u>	<u>391</u>	<u>25</u>	<u>177</u>	<u>-</u>	<u>3,666</u>
NONCURRENT LIABILITIES							
OPEB	12	-	3	6	52	3	76
Accrued compensated absences	7	-	-	-	52	-	59
Total non-current liabilities	<u>19</u>	<u>-</u>	<u>3</u>	<u>6</u>	<u>104</u>	<u>3</u>	<u>135</u>
Total liabilities	<u>1,895</u>	<u>1,197</u>	<u>394</u>	<u>31</u>	<u>281</u>	<u>3</u>	<u>3,801</u>
DEFERRED INFLOWS OF RESOURCES							
Items related to OPEB	1	-	-	-	2	-	3
NET POSITION							
Net investment in capital assets	99	-	1,132	52	8,996	114	10,393
Unrestricted	3,314	3,601	6,806	263	5,115	3,307	22,406
Total net position	<u>\$ 3,413</u>	<u>\$ 3,601</u>	<u>\$ 7,938</u>	<u>\$ 315</u>	<u>\$ 14,111</u>	<u>\$ 3,421</u>	<u>\$ 32,799</u>



INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2018
(in thousands)

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service Funds
REVENUES							
Service charges	\$ 2,123	\$ -	\$ 2,119	\$ 370	\$ 4,067	\$ 428	\$ 9,107
Recovered costs	1,104	-	11	-	213	-	1,328
Contributions							
Employer	-	8,366	-	-	-	-	8,366
Employee	-	2,453	-	-	-	-	2,453
Retirees and continued benefit individuals	-	329	-	-	-	-	329
Miscellaneous	-	367	30	-	-	-	397
Total revenues	3,227	11,515	2,160	370	4,280	428	21,980
EXPENSES							
Administration	100	1,466	172	315	1,965	-	4,018
Insurance premiums/ prescriptions	884	843	-	-	-	-	1,727
Uninsured damages and claims	1,068	7,594	-	-	-	-	8,662
Repair and maintenance	-	-	2,334	14	712	47	3,107
Depreciation	15	-	265	7	1,857	19	2,163
Total expenses	2,067	9,903	2,771	336	4,534	66	19,677
Operating income	1,160	1,612	(611)	34	(254)	362	2,303
NON-OPERATING REVENUES							
NON-OPERATING REVENUES (EXPENSES)							
Gain on sale of assets	-	-	-	-	305	-	305
Investment earnings	58	44	119	4	81	51	357
Interest expense	-	-	-	-	-	-	-
Total non-operating revenues	58	44	119	4	386	51	662
INCOME BEFORE TRANSFERS	1,218	1,656	(492)	38	132	413	2,965
TRANSFERS IN	1,000	-	150	-	1,055	-	2,205
TRANSFERS OUT	-	(166)	-	-	-	(255)	(421)
CHANGE IN NET POSITION	2,218	1,490	(342)	38	1,187	158	4,749
NET POSITION, BEGINNING, AS PREVIOUSLY REPORTED	1,208	2,111	8,283	283	12,978	3,266	\$ 28,129
RESTATEMENT FOR ADOPTION OF GASB 75	(13)	-	(3)	(6)	(54)	(3)	(79)
NET POSITION, BEGINNING AS RESTATED	1,195	2,111	8,280	277	12,924	3,263	28,050
NET POSITION, ENDING	\$ 3,413	\$ 3,601	\$ 7,938	\$ 315	\$ 14,111	\$ 3,421	\$ 32,799



**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2018
(in thousands)**

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service
Cash Flows From Operating Activities							
Cash received from external customers	\$ 1,116	511	\$ 40	\$ (1)	\$ 237	\$ (62)	\$ 1,841
Cash received from internal customers	2,123	10,819	\$ 2,119	370	4,066	427	\$ 19,924
Cash payments to external suppliers	(333)	(9,575)	(2,270)	(106)	(1,148)	(46)	(13,478)
Cash payments to internal suppliers	(1,966)	-	(1)	(11)	(185)	-	(2,163)
Cash payments to employees for services	(306)	-	(170)	(200)	(1,521)	-	(2,197)
Net cash provided (used) by operating activities	<u>634</u>	<u>1,755</u>	<u>(282)</u>	<u>52</u>	<u>1,449</u>	<u>319</u>	<u>3,927</u>
Cash Flows From Noncapital Financing Activities							
Transfers to other funds	-	(166)	-	-	-	(255)	(421)
Transfer from other funds	1,000	-	150	-	1,055	-	2,205
Net cash provided (used) by noncapital financing activities	<u>1,000</u>	<u>(166)</u>	<u>150</u>	<u>-</u>	<u>1,055</u>	<u>(255)</u>	<u>1,784</u>
Cash Flows From Capital and Related Financing Activities							
Purchases of capital assets	-	-	(258)	-	(2,665)	-	(2,923)
Proceeds from sale of assets	-	-	-	-	272	-	272
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(258)</u>	<u>-</u>	<u>(2,393)</u>	<u>-</u>	<u>(2,651)</u>
Cash Flows From Investing Activities							
Investment earnings	47	33	111	4	151	46	392
Net cash provided (used) by investing activities	<u>47</u>	<u>33</u>	<u>111</u>	<u>4</u>	<u>151</u>	<u>46</u>	<u>392</u>
Net increase (decrease) in cash and cash equivalents	1,681	1,622	(279)	56	262	110	3,452
Cash and cash equivalents January 1, 2018	<u>3,500</u>	<u>2,971</u>	<u>7,144</u>	<u>229</u>	<u>4,797</u>	<u>3,185</u>	<u>21,826</u>
Cash and cash equivalents December 31, 2018	<u><u>5,181</u></u>	<u><u>4,593</u></u>	<u><u>6,865</u></u>	<u><u>285</u></u>	<u><u>5,059</u></u>	<u><u>3,295</u></u>	<u><u>25,278</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities :							
Operating income	1,160	1,612	(611)	34	(254)	362	2,303
Adjustments to reconcile operating income to net cash provided by operating activities :							
Depreciation expense	15	-	265	7	1,857	19	2,163
(Increase) decrease in account receivable	(4)	(185)	-	(1)	24	-	(166)
(Increase) decrease in inventories	-	-	-	1	(50)	-	(49)
(Increase) decrease in prepaid expenditures	15	-	(40)	-	-	-	(25)
(Decrease) increase in accounts payable	26	254	104	11	(138)	(62)	195
(Decrease) increase in claims payable	(583)	74	-	-	-	-	(509)
(Decrease) increase in accrued benefits	5	-	-	-	10	-	15
Net cash provided (used) by operating activities	<u><u>634</u></u>	<u><u>1,755</u></u>	<u><u>(282)</u></u>	<u><u>52</u></u>	<u><u>1,449</u></u>	<u><u>319</u></u>	<u><u>3,927</u></u>



**INSURANCE SERVICE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2018
(in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges	\$ 2,101	\$ 2,101	\$ 2,123	\$ 22
Recovered costs	-	-	1,104	1,104
Investment earnings	66	66	58	(8)
Transfer in	-	1,000	1,000	-
Total revenues	<u>2,167</u>	<u>3,167</u>	<u>4,285</u>	<u>1,118</u>
EXPENDITURES				
Administration	845	1,995	100	1,895
Insurance premiums	556	556	1,068	(512)
Uninsured damages and claims	934	934	884	50
Total expenditures	<u>2,335</u>	<u>3,485</u>	<u>2,052</u>	<u>1,433</u>
CHANGE IN NET POSITION	<u><u>\$ (168)</u></u>	<u><u>\$ (318)</u></u>	2,233	<u><u>\$ 2,551</u></u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			<u>(15)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u><u>\$ 2,218</u></u>	



COMPUTER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges	\$ 2,116	\$ 2,116	\$ 2,119	3
Recovered costs	58	58	11	(47)
Miscellaneous Costs	28	28	30	2
Investment earnings	-	-	119	119
Transfer In	-	150	150	-
	<u>2,202</u>	<u>2,352</u>	<u>2,429</u>	<u>77</u>
EXPENDITURES				
Administration	125	323	172	151
Repair and maintenance	2,039	2,742	2,334	408
Capital Outlay	-	-	258	(258)
	<u>2,164</u>	<u>3,065</u>	<u>2,764</u>	<u>301</u>
CHANGE IN NET POSITION	<u>\$ 38</u>	<u>\$ (713)</u>	(335)	<u>\$ 378</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			258	
Depreciation			<u>(265)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (342)</u>	



PRINT SHOP FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges	\$ 346	\$ 346	\$ 370	\$ 24
Investment earnings	-	-	4	4
Total revenues	<u>346</u>	<u>346</u>	<u>374</u>	<u>28</u>
EXPENDITURES				
Administration	312	312	315	(3)
Repair and maintenance	14	14	14	0
Capital outlay	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total expenditures	<u>331</u>	<u>331</u>	<u>329</u>	<u>2</u>
CHANGE IN NET POSITION	<u>\$ 15</u>	<u>\$ 15</u>	45	<u>\$ 30</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			-	
Depreciation			<u>(7)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 38</u>	



VEHICLE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges	\$ 3,985	\$ 3,985	\$ 4,067	\$ 82
Recovered costs	-	-	213	213
Investment earnings	71	71	81	10
Transfer in	-	881	1,055	174
Gain on sale of assets	75	75	305	230
	<u>4,131</u>	<u>5,012</u>	<u>5,721</u>	<u>709</u>
EXPENDITURES				
Administration	2,019	2,019	1,965	54
Repair and maintenance	618	618	712	(94)
Capital outlay	1,236	4,121	2,665	1,456
	<u>3,873</u>	<u>6,758</u>	<u>5,342</u>	<u>1,416</u>
CHANGE IN NET POSITION	<u>\$ 258</u>	<u>\$ (1,746)</u>	379	<u>\$ 2,125</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			2,665	
Depreciation			<u>(1,857)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 1,187</u>	



BUILDING FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
 Year Ended December 31, 2018
 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges	\$ 565	\$ 565	\$ 428	\$ (137)
Investment earnings	-	-	51	51
Transfers in	-	-	-	-
	<u>565</u>	<u>565</u>	<u>479</u>	<u>(86)</u>
EXPENDITURES				
Repair and maintenance	509	509	47	462
Administration	-	-	-	-
Transfer Out	-	-	255	(255)
	<u>509</u>	<u>509</u>	<u>302</u>	<u>207</u>
CHANGE IN NET POSITION	<u>\$ 56</u>	<u>\$ 56</u>	177	<u>\$ 121</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			<u>(19)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 158</u>	

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Fiduciary Fund



AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended December 31, 2018
 (in thousands)

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
<u>ESCROW FUND</u>				
ASSETS				
Cash and investments	\$ 14,077	\$ 2,922	\$ 4,417	\$ 12,582
Accrued Interest	45	55	45	55
Total assets	<u>\$ 14,122</u>	<u>\$ 2,977</u>	<u>\$ 4,462</u>	<u>\$ 12,637</u>
LIABILITIES				
Escrow funds	\$ 14,122	\$ 2,583	\$ 4,068	\$ 12,637
Total liabilities	<u>\$ 14,122</u>	<u>\$ 2,583</u>	<u>\$ 4,068</u>	<u>\$ 12,637</u>

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Financial Data Schedules

Arvada Housing Authority (CO050)

Arvada, CO

Program Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14.871 Housing 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	\$14,460	\$14,460
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	\$85,922	\$85,922
128.1 Allowance for Doubtful Accounts - Fraud	-\$3,524	-\$3,524
129 Accrued Interest Receivable		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$96,858	\$96,858
131 Investments - Unrestricted		
132 Investments - Restricted	\$55,729	\$55,729
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	\$0	\$0
145 Assets Held for Sale		
150 Total Current Assets	\$152,587	\$152,587
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	\$152,587	\$152,587
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$387	\$387
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable	\$20,538	\$20,538
322 Accrued Compensated Absences - Current Portion		
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs	\$2,686	\$2,686
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	\$23,611	\$23,611
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		
354 Accrued Compensated Absences - Non Current		
355 Loan Liability - Non Current	\$0	\$0
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities	\$0	\$0
350 Total Non-Current Liabilities	\$0	\$0

300 Total Liabilities	\$23,611	\$23,611
400 Deferred Inflow of Resources	\$75,816	\$75,816
508.3 Nonspendable Fund Balance		
509.3 Restricted Fund Balance	\$53,160	\$53,160
510.3 Committed Fund Balance		
511.3 Assigned Fund Balance		
512.3 Unassigned Fund Balance		
513 Total Equity - Net Assets / Position	\$53,160	\$53,160
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$152,587	\$152,587

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Arvada Housing Authority (CO050)

Arvada, CO

Program Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	14.871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue		
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	\$0	\$0
70600 HUD PHA Operating Grants	\$4,543,580	\$4,543,580
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	\$2,653	\$2,653
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery	\$21,648	\$21,648
71500 Other Revenue		
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted	\$0	\$0
70000 Total Revenue	\$4,567,881	\$4,567,881
91100 Administrative Salaries	\$204,055	\$204,055
91200 Auditing Fees	\$16,180	\$16,180
91300 Management Fee	\$0	\$0
91310 Book-keeping Fee		
91400 Advertising and Marketing		
91500 Employee Benefit contributions - Administrative	\$71,373	\$71,373
91600 Office Expenses	\$19,048	\$19,048
91700 Legal Expense		
91800 Travel	\$8,339	\$8,339
91810 Allocated Overhead	\$53,834	\$53,834
91900 Other		
91000 Total Operating - Administrative	\$372,829	\$372,829

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	\$1,811	\$1,811
94300 Ordinary Maintenance and Operations Contracts		
94500 Employee Benefit Contributions - Ordinary Maintenance		
94000 Total Maintenance	\$1,811	\$1,811
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		
96120 Liability Insurance	\$1,038	\$1,038
96130 Workmen's Compensation	\$492	\$492
96140 All Other Insurance	\$1,918	\$1,918
96100 Total insurance Premiums	\$3,448	\$3,448
96200 Other General Expenses	\$33,267	\$33,267
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	\$33,267	\$33,267

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	\$411,355	\$411,355
97000 Excess of Operating Revenue over Operating Expenses	\$4,156,526	\$4,156,526
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$4,287,732	\$4,287,732
97350 HAP Portability-In	\$108,819	\$108,819
97400 Depreciation Expense		
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	\$4,807,906	\$4,807,906
10010 Operating Transfer In	\$0	\$0
10020 Operating transfer Out		
10030 Operating Transfers from/to Primary Government	\$219,004	\$219,004
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)	\$219,004	\$219,004
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$21,021	-\$21,021
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$74,181	\$74,181
11040 Prior Period Adjustments, Equity Transfers and Correction		
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	\$23,272	\$23,272
11180 Housing Assistance Payments Equity	\$29,888	\$29,888
11190 Unit Months Available	6096	6096
11210 Number of Unit Months Leased	5626	5626
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



**Local Highway Finance Report
Year Ended December 31, 2018**

LOCAL HIGHWAY FINANCE REPORT	STATE:
	Colorado
	YEAR ENDING:
	Dec-18

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	904,281	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	647,330	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,551,611	h. Other	
c. Total (a. + b.)	1,551,611	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	5,203,928	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	0
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	452,606	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	0
f. Total (a. through e.)	452,606	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	5,656,534	3. Total (1. + 2.g)	0
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.I. Capital outlay:			
a. Right-Of-Way Costs	909,953	7,765,596	8,675,548
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	387,901	2,668,682	3,056,583
(3). System Preservation		11,816,824	11,816,824
(4). System Enhancement & Operation		1,067,642	1,067,642
(5). Total Construction (1) + (2) + (3) + (4)	387,901	15,553,148	15,941,049
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,297,853	23,318,744	24,616,597
			(Carry forward to page 1)

Notes and Comments:



Local Highway Finance Report Year Ended December 31, 2018

Financial Planning 02/01			
The public report burden for this information collection is estimated to average 380 hours annually.			
		City or County:	Form # 350-050-36
		City of Arvada	
LOCAL HIGHWAY FINANCE REPORT		YEAR ENDING :	
		Dec-18	
This Information From The Records Of (example - City of _ or County of _):		Prepared By: Christine Summitt	
City of Arvada		Phone: 720-898-7138	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes
ITEM			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			
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	24,616,597
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,693,101
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	3,163,183
2. General fund appropriations	36,610,459	b. Snow and ice removal	1,063,693
3. Other local imposts (from page 2)	1,551,611	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	4,226,876
5. Transfers from toll facilities		4. General administration & miscellaneous	987,849
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	9,294,180
a. Bonds - Original Issues		6. Total (1 through 5)	43,818,604
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	38,162,070	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government		2. Notes:	
(from page 2)	5,656,534	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	43,818,604	3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	43,818,604
IV. LOCAL HIGHWAY DEBT STATUS			
(Show all entries at par)			
	Opening Debt	Amount Issued	Redemptions
A. Bonds (Total)			Closing Debt
1. Bonds (Refunding Portion)			0
B. Notes (Total)			0
V. LOCAL ROAD AND STREET FUND BALANCE			
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements
		43,818,604	43,818,604
			D. Ending Balance
			E. Reconciliation
			0
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.

Contents	Page
Financial Trends	
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	126
Changes in Net Position (expenses)	127
Changes in Net Position (revenues)	128
Fund Balances, Governmental Funds	139
Changes in Fund Balances, Governmental Funds	130
Revenue Capacity	
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	131
Sales and Use Tax Revenue	132-133
Principal Property Tax Payers	134-135
Property Tax Levies and Collections	136
Assessed & Actual Values of Taxable Property	137
Debt Capacity	
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.	
Ratios of Outstanding Debt by Type	138
Ratios of General Bonded Debt Outstanding	139
Direct and Overlapping Governmental Activities Debt	140
Legal Debt Margin Information	141
Pledged-Revenue Coverage	142
Schedule of Debt Service Requirements - Business-Type Activities	143
Demographic and Economic Information	
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	144
Principal Employers	145-146
Operating Information	
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	147
Operating Indicators by Function/Program	148
Capital Asset Statistics by Function/Program	149
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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 218,883	\$ 222,197	\$ 234,874	\$ 252,120	\$ 262,131	\$ 292,888	\$ 314,529	\$ 346,609	\$ 344,826	\$ 354,428
Restricted	18,174	20,306	25,837	22,517	19,018	27,511	19,900	10,448	22,053	24,408
Unrestricted	98,412	100,289	95,365	90,637	92,089	82,945	90,610	90,156	89,367	89,866
Total governmental activities net position	\$ 335,469	\$ 342,792	\$ 356,076	\$ 365,274	\$ 373,238	\$ 403,344	\$ 425,039	\$ 447,213	\$ 456,246	\$ 468,702
Business-type Activities										
Net investment in capital assets	\$ 194,128	\$ 198,953	\$ 206,768	\$ 219,419	\$ 238,881	\$ 252,606	\$ 263,285	\$ 265,019	\$ 278,095	\$ 294,032
Restricted	1,865	1,865	1,866	1,706	1,536	1,805	1,964	1,915	2,114	2,090
Unrestricted	89,902	85,899	85,717	91,198	89,643	95,699	103,479	122,107	130,694	129,871
Total business-type activities net position	\$ 284,030	\$ 286,717	\$ 294,351	\$ 312,323	\$ 330,060	\$ 350,110	\$ 368,728	\$ 389,041	\$ 410,903	\$ 425,993
Primary Government										
Net investment in capital assets	\$ 413,011	\$ 421,150	\$ 441,642	\$ 471,539	\$ 501,012	\$ 545,494	\$ 577,814	\$ 611,628	\$ 622,921	\$ 648,460
Restricted	18,174	22,171	27,703	24,223	20,554	29,316	21,864	12,363	24,167	26,498
Unrestricted	188,554	186,188	181,082	181,835	181,732	178,644	194,089	212,263	220,061	219,737
Total primary government net position	\$ 619,739	\$ 629,509	\$ 650,427	\$ 677,597	\$ 703,298	\$ 753,454	\$ 793,767	\$ 836,254	\$ 867,149	\$ 894,695

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 14,267	\$ 15,586	\$ 14,280	\$ 16,245	\$ 22,193	\$ 17,485	\$ 20,939	\$ 25,627	\$ 27,429	\$ 28,941
Public safety	23,544	22,999	23,989	25,987	26,578	27,154	28,030	29,263	31,893	31,347
Public works	16,967	17,102	25,631	26,644	28,117	30,460	31,124	32,126	38,974	38,521
Parks and recreation	14,273	14,382	7,121	7,329	7,428	8,173	8,279	8,543	9,130	9,161
Culture	10,649	10,000	10,613	10,809	10,797	10,507	10,068	5,545	169	107
Human services	4,251	4,734	4,420	4,580	4,558	4,876	4,665	4,781	5,177	5,467
Interest	2,329	1,579	1,501	1,443	1,119	1,107	659	821	954	804
Total governmental activities expenses	86,280	86,382	87,555	93,037	100,790	99,762	103,764	106,706	113,726	114,348
Business-type activities:										
Water	19,386	19,169	19,544	19,634	20,609	21,071	21,632	22,688	22,662	23,794
Wastewater	8,770	9,341	9,883	10,553	11,536	11,677	12,620	12,127	13,049	12,489
Other	7,035	6,764	7,016	7,302	7,575	7,939	8,648	9,412	8,752	11,789
Total business-type activities expenses	35,191	35,274	36,443	37,489	39,720	40,687	42,900	44,227	44,463	48,072
Total primary government expenses	\$ 121,471	\$ 121,656	\$ 123,998	\$ 130,526	\$ 140,510	\$ 140,449	\$ 146,664	\$ 150,933	\$ 158,189	\$ 162,420
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,267	5,130	5,333	5,159	5,726	6,212	5,397	5,694	5,495	5,515
Public works	3,008	1,578	2,038	2,623	2,870	4,761	5,170	6,094	6,383	3,794
Parks & recreation	1,020	2,603	1,799	961	902	967	958	965	46	1,035
Other activities	6,959	5,819	6,720	6,737	4,831	4,690	4,660	1,655	0	0
Operating grants and contributions	9,501	11,789	9,218	9,171	11,681	11,330	12,529	12,066	12,317	12,453
Capital grants and contributions	2,789	3,020	6,470	12,431	6,706	22,287	10,206	8,936	7,850	3,917
Total governmental activities program revenues	28,544	29,939	31,578	37,082	32,716	50,247	38,920	35,410	32,091	26,714
Business-type activities:										
Charges for services:										
Water	14,972	17,170	18,221	21,026	22,635	19,215	20,565	23,120	22,573	24,425
Wastewater	9,753	9,904	10,336	10,704	11,179	11,334	11,721	11,516	12,361	11,938
Other	8,661	8,519	8,497	9,544	8,527	9,239	9,324	9,295	8,252	10,128
Operating grants and contributions	-	64	200	-	-	-	-	-	-	-
Capital grants and contributions	1,581	2,584	6,519	12,240	17,633	21,326	20,578	20,912	14,922	14,177
Total business-type activities program revenues	34,967	38,241	43,773	53,514	59,974	61,114	62,188	64,843	58,108	60,668
Total primary government program revenues	\$ 63,511	\$ 68,180	\$ 75,351	\$ 90,596	\$ 92,690	\$ 111,361	\$ 101,108	\$ 100,253	\$ 90,199	\$ 87,382



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

Functions/Program Activities	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	(57,736)	(56,443)	(55,977)	(55,955)	(68,074)	(49,515)	(64,844)	(71,296)	(81,635)	(87,634)
Business-type activities	(224)	2,967	7,330	16,025	20,254	20,427	19,288	20,616	13,645	12,596
Total primary government net expense	<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>	<u>(\$75,038)</u>
General Revenues and Other Changes In Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,121	\$ 4,961	\$ 4,953	\$ 4,829	\$ 4,907	\$ 4,977	\$ 5,074	\$ 6,056	\$ 6,235	\$ 7,215
Franchise taxes	-	-	-	-	-	-	-	-	-	-
Sales and use taxes	49,530	50,259	50,996	54,298	58,519	64,429	69,744	74,083	78,564	76,357
Transportation taxes	4,665	4,761	4,648	4,787	4,646	4,757	5,400	4,923	5,061	6,108
Investment earnings	1,875	1,206	1,602	571	107	944	823	1,003	1,397	2,025
Miscellaneous	462	1,198	471	1,947	5,974	3,353	4,219	6,435	6,425	7,390
Transfers	882	1,381	931	(1,279)	2,418	1,161	1,412	957	(7,014)	(556)
Total governmental activities	<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>	<u>98,539</u>
Business-type activities										
Investment earnings	1,361	894	1,148	582	(56)	680	507	550	1,099	2,203
Miscellaneous	1,319	207	87	86	104	104	104	104	104	104
Transfers	(882)	(1,381)	(931)	1,279	(2,418)	(1,161)	(1,412)	(957)	7,014	556
Total business-type activities	<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>	<u>2,863</u>
Total primary government	<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>	<u>\$ 101,402</u>
Change in Net Position										
Governmental activities	4,799	7,323	7,624	9,198	8,497	30,106	21,828	22,161	9,033	10,905
Business-type activities	1,574	2,687	7,634	17,972	17,884	20,050	18,487	20,313	21,862	15,459
Total primary government	<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>	<u>\$ 26,364</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserve	\$ 2,521	\$ 2,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	30,218	18,652	-	-	-	-	-	-	-	-
Nonspendable	-	-	607	603	640	705	664	589	570	518
Restricted	-	-	1,780	1,891	2,028	2,248	2,447	2,589	2,856	2,836
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	2,731	985	-	2,598	1,468	15,143	-	11
Unassigned	-	-	17,947	19,486	23,007	25,296	32,951	23,076	43,264	41,496
Total general fund	32,739	21,058	23,065	22,965	25,675	30,847	37,530	41,397	46,690	44,861
All Other Governmental Funds										
Reserve	16,530	17,855	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Special revenue funds	14,862	14,831	-	-	-	-	-	-	-	-
Debt Service	343	377	-	-	-	-	-	-	-	-
Capital project funds	34,275	48,810	-	-	-	-	-	-	-	-
Nonspendable	-	-	301	255	231	193	110	46	43	39
Restricted	-	-	24,098	20,654	16,120	16,937	17,453	19,796	19,189	21,572
Committed	-	-	24,279	17,768	14,953	22,764	17,330	7,693	11,393	14,842
Assigned	-	-	30,354	33,378	38,314	23,474	20,172	25,783	21,264	16,259
Unassigned	-	-	-	-	-	-	-	-	-	-
Subtotal All Other Governmental Funds	-	-	79,032	72,055	69,618	63,368	55,065	53,318	51,889	52,712
Governmental Funds	66,010	81,873	102,097	95,020	95,293	94,215	92,595	94,715	98,579	97,573
Total Governmental Funds										
Reserve	18,842	21,033	-	-	-	-	-	-	-	-
Unreserved	79,907	82,670	-	-	-	-	-	-	-	-
Nonspendable	-	-	908	858	871	898	774	635	613	557
Restricted	-	-	25,878	22,545	18,148	19,185	19,900	22,385	22,045	24,408
Committed	-	-	24,279	17,768	14,953	22,764	17,330	7,693	11,393	14,842
Assigned	-	-	33,085	34,363	38,314	26,072	21,640	40,926	21,264	16,270
Unassigned	-	-	17,947	19,486	23,007	25,296	32,951	23,076	43,264	41,496
Total all other governmental funds	\$ 98,749	\$ 103,703	\$ 102,097	\$ 95,020	\$ 95,293	\$ 94,215	\$ 92,595	\$ 94,715	\$ 98,579	\$ 97,573

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 58,710	\$ 59,547	\$ 60,232	\$ 63,274	\$ 67,846	\$ 73,917	\$ 79,169	\$ 84,443	\$ 89,199	\$ 88,004
Licenses and Permits	3,450	3,014	2,396	2,873	3,275	4,881	5,197	6,041	6,508	4,164
Intergovernmental	15,291	16,440	15,166	15,441	15,668	15,261	17,849	18,172	15,751	18,170
Charges for Services	8,324	9,563	8,116	5,628	5,537	5,546	5,684	2,878	1,063	841
Fines and Forfeits	1,633	1,558	1,261	1,681	1,710	1,609	1,846	1,732	4,317	1,558
Interest	1,431	986	1,231	425	167	684	635	801	1,187	1,668
Memberships and Donations	332	290	1,577	427	725	1,414	942	758	1,332	505
Miscellaneous	664	924	839	2,418	5,507	3,019	3,881	2,893	6,949	8,167
Total revenues	\$ 89,835	\$ 92,322	\$ 90,818	\$ 92,167	\$ 100,435	\$ 106,331	\$ 115,203	\$ 117,718	\$ 126,306	\$ 123,077
Expenditures:										
General Government	\$ 12,167	\$ 13,697	\$ 11,080	\$ 12,779	\$ 13,640	\$ 13,251	\$ 15,759	\$ 18,642	\$ 21,835	\$ 23,296
Public Safety	24,094	23,873	23,555	25,518	26,382	27,200	28,166	28,731	31,139	32,186
Public Works	17,128	17,286	18,188	19,266	20,498	21,443	22,577	23,174	29,958	29,887
Program Costs	20,981	21,219	21,300	21,870	22,060	22,683	22,460	17,623	13,899	14,463
Capital Outlay	5,946	9,917	14,551	12,986	16,468	18,428	23,305	34,949	12,162	15,740
Debt Service										
Principal	3,011	4,079	4,073	4,045	3,895	4,185	4,510	4,670	5,085	5,400
Interest	1,469	1,667	1,515	1,388	1,209	1,120	721	718	946	771
Total Expenditures	\$ 84,796	\$ 91,738	\$ 94,262	\$ 97,852	\$ 104,152	\$ 108,310	\$ 117,498	\$ 128,507	\$ 115,024	\$ 121,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,039	584	(3,444)	(5,685)	(3,717)	(1,979)	(2,295)	(10,789)	11,282	1,334
Other Financing Sources (Uses)										
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	-	-	-	-	-	-	-	-	-	-
Transfers in	15,774	30,777	14,955	19,350	20,110	16,812	18,410	21,735	18,477	17,994
Transfers out	(12,884)	(26,407)	(14,136)	(20,742)	(15,926)	(15,911)	(17,738)	(21,747)	(25,895)	(20,334)
Total Other Financing Sources (Uses)	1,603	4,370	819	(1,392)	3,990	901	676	12,909	(7,418)	(2,340)
Net Change in Fund Balances	\$ 6,642	\$ 4,954	\$ (2,625)	\$ (7,077)	\$ 273	\$ (1,078)	\$ (1,619)	\$ 2,120	\$ 3,864	\$ (1,006)
Debt service as a % of Noncapital Expenditures	6%	8%	7%	6%	6%	6%	6%	6%	6%	6%

Source: City of Arvada, Finance Department



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

Fiscal Year	City Direct Rates		Overlapping Rates				
	Basic Rate	State of Colorado	Jefferson County	Adams County	Rapid Transit District RTD	Cultural Facilities District	Baseball Football Stadium District
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%
2018	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**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Sales Tax:					
Grocery Chain Stores	\$ 7,334,570	\$ 7,200,230	\$ 7,483,405	\$ 8,273,428	\$ 8,967,965
Fast Food Restaurants	2,021,516	2,062,638	1,576,778	1,659,362	1,710,024
General Dept Stores	7,306,966	7,381,406	7,702,012	8,104,435	8,215,281
Public Utilities	3,637,476	3,886,360	3,901,682	3,786,645	4,094,148
Restaurant & Lounges	2,164,532	2,309,170	2,369,833	2,578,383	2,642,306
Telephone Equipment & Service	2,527,228	2,506,964	2,487,405	2,611,925	2,507,633
Misc. - Other	<u>13,895,570</u>	<u>14,762,442</u>	<u>22,440,904</u>	<u>16,901,224</u>	<u>18,371,506</u>
Total Sales Tax	38,887,858	40,109,210	47,962,019	43,915,402	46,508,863
Use Tax:					
Grocery Chain Stores	68,055	56,962	145,708	92,328	83,558
Fast Food Restaurants	15,459	29,626	45,810	33,141	52,869
General Dept Stores	48,512	50,083	28,893	21,726	35,809
Public Utilities	589,297	1,141,121	425,956	313,319	385,520
Restaurant & Lounges	29,931	23,865	45,491	32,201	37,678
Telephone Equipment & Service	4,545	4,545	1,670	3,238	1,819
Misc. - Other	<u>719,127</u>	<u>279,628</u>	<u>1,050,125</u>	<u>912,227</u>	<u>1,195,406</u>
Total Use Tax	1,474,926	1,585,830	1,743,653	1,408,180	1,792,659
Auto Use	4,532,111	4,593,311	5,006,383	5,539,267	6,205,601
Building Use	2,355,796	1,999,800	2,053,400	2,751,416	3,327,650
Total	<u>\$ 47,250,690</u>	<u>\$ 48,288,151</u>	<u>\$ 56,765,455</u>	<u>\$ 53,614,265</u>	<u>\$ 57,834,773</u>
City Direct Sales Tax Rate	3.46%	3.46%	3.46%	3.46%	3.46%

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 2018 showed minimal growth coming in 1.58% over 2017. The Grocery Stores category, our largest individual category in terms of sales taxes generated, showed a 5.54% increase in 2018. The Telephone Equipment & Service category showed a large decrease of 14.40% compared to 2017. General use tax also showed solid growth, 7.73% compared to 2017. The total amount of use tax collected, which is comprised of General, Building, and Automotive use taxes, showed a large decrease, 19.71%, compared to 2017. The decrease in total use tax is primarily due to the slow down in building activity that occurred in 2018. This is evidenced by the large, 41.66%, decrease in building use tax.



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Sales Tax:					
Grocery Chain Stores	\$ 9,535,244	\$ 10,007,863	\$ 10,250,605	\$ 10,428,743	\$11,006,047
Fast Food Restaurants	1,746,583	1,848,439	1,904,774	1,988,556	1,961,776
General Dept Stores	8,660,395	8,977,911	9,712,663	10,323,021	10,717,989
Public Utilities	4,184,426	4,034,612	3,888,283	4,037,700	4,106,099
Restaurant & Lounges	2,873,752	3,039,338	3,175,973	3,355,016	3,506,679
Telephone Equipment & Service	2,568,048	2,426,775	2,367,071	2,487,706	2,129,580
Misc. - Other	<u>20,413,304</u>	<u>23,507,566</u>	<u>25,167,368</u>	<u>26,447,292</u>	<u>26,573,880</u>
Total Sales Tax	49,981,752	53,842,504	56,466,737	59,068,034	60,002,050
Use Tax:					
Grocery Chain Stores	26,036	33,986	32,944	37,529	20,359
Fast Food Restaurants	33,509	87,669	20,323	28,062	34,220
General Dept Stores	48,068	36,868	39,593	36,250	70,261
Public Utilities	280,535	217,714	180,360	432,564	276,330
Restaurant & Lounges	36,234	32,264	30,293	33,002	37,339
Telephone Equipment & Service	8,460	5,820	4,633	26,963	33,100
Misc. - Other	<u>1,336,142</u>	<u>1,429,836</u>	<u>1,206,037</u>	<u>969,664</u>	<u>1,213,319</u>
Total Use Tax	1,768,986	1,844,157	1,514,182	1,564,034	1,684,928
Auto Use	6,899,840	8,042,434	8,260,640	9,849,865	9,252,673
Building Use	5,110,547	6,015,271	7,841,134	8,082,067	4,715,298
Total	<u>\$ 63,761,125</u>	<u>\$ 69,744,366</u>	<u>\$ 74,082,693</u>	<u>\$ 78,564,000</u>	<u>\$ 75,654,949</u>
City Direct Sales Tax Rate	3.46%	3.46%	3.46%	3.46%	3.46%



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

Tax Remitter	2009			2010			2011			2012			2013		
	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%	3,495	9	0.31%
Arvada Market Place East															
Arvada Structures LLC	3,657	10	0.32%												
Arvada West 04, LLC	4,297	7	0.38%	4,110	7	0.37%	3,609	8	0.32%	3,707	8	0.33%			
Comcast of Colorado	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	4,594	5	0.41%	4,199	6	0.37%	4,372	5	0.39%	4,373	7	0.39%	4,290	7	0.38%
GP Retail I LLC															
Inland Western Arvada LLC	9,478	3	0.84%	9,615	4	0.86%	6,979	4	0.62%	9,133	4	0.81%	8,905	4	0.79%
Livanova Inc															
Lowes HIW Inc															
Neodyne Industries															
Northridge Center 1703 LLC															
Panorama AR LLP															
Plains End LLC	34,352	1	3.05%	28,337	1	2.53%	12,290	3	1.10%	9,951	3	0.89%	17,140	2	1.53%
Primestar Solar										8,063	5	0.72%	4,810	5	0.43%
Public Service Co of Colorado	9,321	4	0.83%	14,170	2	1.26%	18,915	1	1.69%	16,722	2	1.49%	21,848	1	1.95%
Qwest Corp.	12,036	2	1.07%	12,310	3	1.10%	15,902	2	1.42%	18,772	1	1.67%	9,911	3	0.88%
R&M Western Partnership							4,160	6	0.37%	4,749	6	0.42%			
Seagate Panorama Assoc LLC															
Solana Olde Town Station LLC															
Sorin Group (Cobe Laboratories)							3,420	9	0.30%	3,420	10	0.30%	3,420	10	0.30%
Sundyne Corp.	4,531	6	0.40%	4,309	5	0.38%	3,839	7	0.34%				4,364	6	0.39%
Target Corp.	4,019	8	0.36%	3,891	8	0.35%							3,584	8	0.32%
Union Pacific Railroad Co															
W PT Arvada VII LLC															
Total	\$ 90,090		7.99%	\$ 88,131		7.85%	\$ 76,850		6.85%	\$ 82,511		7.35%	\$ 81,767		7.29%

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	2014			2015			2016			2017			2018		
	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	3,495	8	0.31%	3,568	6	0.31%	3,568	6	0.31%	3,531	9	0.31%			
Arvada Hotel Investors LLC													3,855	10	0.34%
Arvada Market Place East															
Arvada Structures LLC															
Arvada West 04, LLC															
Comcast of Colorado															
Costco Wholesale Corp.										4,011	7	0.35%	4,011	8	0.35%
Cub Square Centre LLC	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	9,052	4	0.80%			0.00%									
Livanova Inc										5,284	5	0.47%	5,020	5	0.44%
Lowes HIW Inc										3,903	8	0.34%	3,903	9	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	18,885	2	1.67%	20,467	2	1.81%	18,554	2	1.64%	19,204	2	1.69%	16,926	2	1.49%
Primestar Solar															
Public Service Co of Colorado	21,923	1	1.93%	24,349	1	2.15%	24,722	1	2.18%	29,413	1	2.60%	34,613	1	3.05%
Qwest Corp.	10,196	3	0.90%	10,533	3	0.93%	11,155	3	0.98%	11,623	3	1.03%	7,755	4	0.68%
R&M Western Partnership															
Seagate Panorama Assoc LLC										4,277	6	0.38%	4,277	6	0.38%
Solana Old Town Station LLC													4,277	7	0.38%
Sarin Group (Cobe Laboratories)	4,431	5	0.39%	3,909	5	0.34%	3,909	5	0.34%						
Sundyne Corp.							3,463	7	0.31%						
Target Corp.	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%	10,715	3	0.95%
Total	\$ 81,570		7.20%	\$ 82,007		7.24%	\$ 83,869		7.40%	\$ 95,433		8.42%	\$ 95,352		8.41%



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

<u>Levy/ Collection Year</u>	<u>Taxes Levied for the Fiscal Year (1)</u>	<u>Collection within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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%
2017/2018	6,593,213	6,568,030	99.62%	2,622	6,570,652	99.66%

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 2018 is 4.31.



**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		
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
2018	-	0	0	19,383	4,473	0	23,856	0.50%	0.20

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		
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
2018	\$0	\$0	\$0	0.00%	\$0.00

Source: City of Arvada Comprehensive Annual Financial Report (2009-2018), 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 Outstanding	2018 Percents Applicable To City of Arvada	Estimated Share of Overlapping Debt
Direct			
City of Arvada	\$ 19,383,000	100.00%	\$ 19,383,000
Overlapping			
Adams County Fire Protection District	\$ 2,016,288	5.21%	\$ 105,116
APEX (North Jeffco Park & Recreation)	24,070,000	84.38%	20,309,198
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	1,120,727	0.02%	224
Hometown Metropolitan District No. 2	710,000	100.00%	710,000
Hyland Hills Park & Recreation District	5,215,000	4.47%	233,116
Jefferson Center Metropolitan Dist. No. 1	28,727,000	37.59%	10,798,479
Jefferson County School District R-1	457,916,920	16.48%	75,477,623
Mountain Shadows Metropolitan District	20,640,000	100.00%	20,640,000
Ralston Valley Water and Sanitation Dist.	1,024,410	20.84%	213,487
Richards Farm Metropolitan Dist. No. 2	3,310,000	100.00%	3,310,000
Spring Mesa Metropolitan District	6,955,000	100.00%	6,955,000
Vauxmont Metropolitan District	57,290,000	98.92%	56,671,268
West Point Metropolitan District	5,200,000	100.00%	5,200,000
Westminster Public Schools FKA Adams County School District 50	58,440,000	7.29%	4,257,402
Subtotal, overlapping debt			<u>\$ 232,730,913</u>
Total, direct and overlapping debt			<u><u>\$ 252,113,913</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 2018</u>	
Actual value	\$17,617,458,957
Debt limit (3% of actual value)	528,523,769
Debt applicable to limit:	
General obligation bonds	0
Less: Amount set aside for repayment of general obligation debt	<u>0</u>
Total net debt applicable to limit	<u>0</u>
Legal debt margin	<u>528,523,769</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>	<u>2018</u>
Debt Limit	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	528,523,769
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 528,523,769</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	
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
2018	35,548,000	19,267,000	16,281,000	2,010,000	237,684	7.24	65,224,908	3,885,000	155,400	16.14

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
Business-Type Activities
December 31, 2018**

Water Enterprise Revenue Refunding Bonds - Series 2009

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Principal Balance</u>
2018				4,265,000
2019	2,090,000	170,600	2,260,600	2,175,000
2020	2,175,000	87,000	2,262,000	\$ -
TOTALS	<u><u>\$4,265,000</u></u>	<u><u>\$257,600</u></u>	<u><u>\$4,522,600</u></u>	



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

Year	Population	Personal Income (in thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
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%
2018	118,807	4,740,280	39,899	41.0	19,020	3.72%

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	2009			2010			2011			2012			2013		
	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)	350	2	0.65%	351	2	0.67%	351	3	0.62%	351	4	0.61%	294	5	0.53%
City of Arvada	691	1	1.28%	691	1	1.32%	706	1	1.24%	678	1	1.18%	672	1	1.20%
Sundyne Corporation	330	3	0.61%	323	3	0.62%	323	4	0.57%	353	3	0.62%	353	3	0.63%
Target (All locations)	220	5	0.41%	220	6	0.42%	418	2	0.73%	418	2	0.73%	342	4	0.61%
Pridemark Paramedic Serv. Inc.	275	4	0.51%	268	4	0.51%	268	5	0.47%	225	5	0.39%	370	2	0.66%
Home Depot	207	7	0.38%	195	7	0.37%	180	8	0.32%	200	7	0.35%	200	7	0.36%
Costco	212	6	0.39%	225	5	0.43%	225	6	0.39%	225	5	0.39%	234	6	0.42%
Sam's Club	180	8	0.33%	155	10	0.30%	155	10	0.27%	155	10	0.27%	156	9	0.28%
King Soopers (All locations)	175	9	0.32%	175	9	0.34%	175	9	0.31%	175	9	0.31%	200	7	0.36%
Kohl's Dept. Store															
Mark VII Equipment	173	10	0.32%	186	8	0.36%	189	7	0.33%	189	8	0.33%	95	10	0.17%
Xcel Energy															
Wanco Inc															
Piper Electric															
Mc Donalds (all locations)															
Walmart															
Total Employed by Principal Employers	2,813		5.20%	2,789		5.34%	2,990		5.24%	2,969		5.18%	2,916		5.21%
Total Employed by Other Employers	51,284		94.80%	49,433		94.66%	54,051		94.76%	54,356		94.82%	53,056		94.79%
Total Employees	54,097		100.00%	52,222		100.00%	57,041		100.00%	57,325		100.00%	55,972		100.00%

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 department's statistics to compile the top 10 employer's data.



City of Arvada, Colorado Principal Employers Last Ten Fiscal Years

Employer	2014			2015			2016			2017			2018		
	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%	263	6	0.40%
Sorin Group USA(formerly COBE Cardio)	250	4	0.42%	290	4	0.48%	250	4	0.40%	250	6	0.39%	250	8	0.38%
City of Arvada	700	1	1.17%	705	1	1.17%	718	2	1.16%	689	2	1.07%	665	2	1.00%
Sundyne Corporation	200	9	0.34%	408	2	0.67%	200	9	0.32%	326	5	0.51%	325	4	0.49%
Target (All locatons)							300	3	0.48%				300	5	0.45%
Pridemark Paramedic Serv. Inc.	347	2	0.58%	202	9	0.33%									
Home Depot	221	6	0.37%	235	6	0.39%	221	5	0.36%	221	7	0.34%	221	9	0.33%
Costco	210	8	0.35%	240	5	0.40%	210	8	0.34%	210	9	0.33%	210	10	0.32%
Sam's Club															
King Soopers (All locations)	218	7	0.37%	209	8	0.35%	909	1	1.47%	858	1	1.33%	1109	1	1.67%
Kohl's Dept. Store															
Mark VII Equipment									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%	252	7	0.38%
Walmart										350	3	0.54%	350	3	0.53%
Total Employed by Principal Employers	2,850		4.78%	3,018		4.99%	3,445		5.56%	3,652		5.67%	3,945		5.96%
Total Employed by Other Employers	56,804		95.22%	57,485		95.01%	58,489		94.44%	60,785		94.33%	62,275		94.04%
Total Employees	59,654		100.00%	60,503		100.00%	61,934		100.00%	64,437		100.00%	66,220		100.00%



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

<u>Function/program</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>	<u>2018</u>
City Manager's/Clerk's Office	17.00	17.00	16.75	17.75	18.95	21.95	20.95	20.95	22.10	21.10
Community Development	26.00	26.00	24.00	24.00	24.00	25.00	26.00	27.00	21.00	27.00
Cultural Services	40.00	39.00	38.75	38.75	39.25	39.25	39.25	41.25	0*	0*
Economic Development	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Parks, Golf, and Hospitality	74.00	72.00	70.00	70.00	69.00	73.00	73.00	75.00	80.64	77.64
Finance/Risk Management	43.25	42.75	38.00	38.00	41.00	35.00	33.70	33.70	33.06	33.06
Judicial/Legal	21.00	22.00	23.00	22.00	20.00	22.00	24.00	24.00	25.00	25.00
Information Technology	29.00	29.00	29.00	29.00	27.00	27.00	29.00	29.00	27.00	27.00
Human Resources	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00
Public Works	205.25	200.25	202.25	198.25	198.25	205.25	212.25	213.25	201.25	216.25
Public Safety	236.40	230.40	227.40	227.40	232.40	233.50	235.50	241.50	268.00	248.00
Total	<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>	<u>689.05</u>

Source: City of Arvada 2019 -2020 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	14,582	8,552	5,019	5,718	5,293	9,002	9,957	8,695	13,669	7,704
Police										
Physical arrests	2,655	2,373	2,384	2,272	2,338	2,245	2,638	2,456	2,523	2,764
Parking violations	314	442	468	436	831	1,209	1,473	2,131	3,779	3,818
Traffic violations	11,513	10,366	8,776	12,351	12,451	11,222	12,215	11,484	11,689	9,018
Other public works										
Street resurfacing (miles)	8	18	42	43	28	32	23	23	137	40
Potholes repaired	2,716	6,723	1,547	2,175	2,866	4,931	9,404	6,337	5,911	4,768
Parks and recreation										
Athletic field permits issued	21,989	20,830	21,871	22,965	22,276	22,841	22,905	22,447	19,012	6,312
Water										
Consumers (Tap)	35,104	35,100	35,644	36,177	36,492	35,537	36,193	37,067	38,010	38,464
New connections	74	167	141	342	445	530	705	966	638	457
Leaks	37	47	39	47	47	49	25	29	47	43
Average daily consumption	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	14,294,415

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	3	3	3	3	3
Patrol units	79	79	79	79	79	100	99	83	93	81
Fire Protection Districts	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	411	413	420	427	437	450	481	467	467	478
Parks and recreation										
Square Miles (City of Arvada)	36	36	38	39	39	39	39	39	39	40
Playgrounds	48	50	51	52	57	58	60	67	67	67
Tennis/basketball Courts	72	75	75	75	77	77	77	72	72	72
Baseball/softball diamonds	41	41	41	41	43	43	43	31	31	33
Soccer/football fields	27	27	27	32	32	32	35	27	28	30
Community centers/Sport complexes	19	19	19	19	19	19	19	18	18	18
Water										
Water mains (miles)	551	568	572	589	602	616	621	624	632	633
Fire hydrants	4,650	4,808	4,768	4,889	5,018	5,212	5,392	5,489	5,592	5,741
Wastewater										
Sanitary sewers (miles)	400	408	410	416	423	440	456	458	461	463
Storm sewers (miles)	144	145	148	151	151	166	169	178	174	179
Treatment capacity (millions of gallons)	3,256	3,295	3,548	3,387	3,750	3,640	3,760	3,474	3,200	3,047

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

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Compliance Section

Single Audit Reports

City of Arvada
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/Pass-through Grantor/Cluster Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Housing and Urban Development				
Direct Award:				
Community Development Block Grants/Entitlement Grants Cluster	14.218	N/A	\$ 72,142	\$ 614,137
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	-	4,543,580
Total U.S. Department of Housing and Urban Development			72,142	5,157,717
U.S. Department of Justice				
Direct Award:				
Public Safety Partnership and Community Policing Grants	16.710	2015UMWX0022	-	198,072
Total U.S. Department of Justice			-	198,072
Executive Office of the President				
Passed through City of Lakewood				
High Intensity Drug Trafficking Areas Program	95.001	G16RM0025A	-	39,767
Total Executive Office of the President			-	39,767
U.S. Department of Homeland Security				
Passed through Colorado Department of Public Safety				
Emergency Management Performance Grants	97.042	17EM-18-81	-	50,000
Total U.S. Department of Homeland Security			-	50,000
Total Federal Financial Assistance			\$ 72,142	\$ 5,445,556

City of Arvada
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

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, 2018 is \$2,249,518.

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, 2018, 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 18, 2019. Our report contained an emphasis of matter paragraph for a change in accounting principle.

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 opinion 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 or significant deficiencies.

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 18, 2019

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, 2018. 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 program.

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, 2018.

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 18, 2019

City of Arvada
Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

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, 2018

7. The City's major programs were:

Name of Federal Program or Cluster	CFDA Number
Housing Voucher Cluster 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, 2018

Findings Required to be Reported by *Government Auditing Standards*

**Reference
Number**

Finding

No matters are reportable.

City of Arvada
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2018

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding	Questioned Costs
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No matters are reportable.

City of Arvada
Status of Prior Audit Findings
Year Ended December 31, 2018

Reference Number	Summary of Findings	Status
2017-001 Finding: Capital Assets	<p>We noted the following in testing of capital assets: 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.</p> <p>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. In addition, 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.</p>	Implemented



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

Corrective Action Plan
OMB Circular A-133 Audit
For the Fiscal Year Ended
December 31, 2017

Fiscal year: 2017
Finding Number: 001

Finding: Certain capital assets purchased in the Computer Fund were expensed rather than capitalized, and a contribution toward construction of a new recreation center facility, which is not owned by the City, was included in construction in progress.

Status: Corrective action complete

Corrective action: Employees responsible for Computer Fund purchases have been trained regarding fitting capital asset criteria and how to mark the appropriate box on the accounts payable form to track a purchase as a capital asset; the accountant reviews repair and maintenance accounts on a monthly basis for possible capital asset purchases. A process has been added to review projects and exclude any costs associated with assets or construction in progress owned by other entities.

Completion Date: July 1, 2018



CITY OF ARVADA
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ARVADA, CO 80002