



# Annual Comprehensive Financial Report

*For the year ended December 31 ,2023*







**Arvada, Colorado  
Annual Comprehensive Financial Report  
For the year ended December 31 ,2023**

**CERTIFIED**

*Kristen R. Rush*

CITY CLERK  
CITY OF ARVADA

DATE: July 16, 2024

**COPY**

**REPORT ISSUED BY:**

DEPARTMENT OF FINANCE  
BRYAN ARCHER, DIRECTOR

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## **Introductory Section**

Letter of Transmittal

Government Finance Officers Association  
Certificate of Achievement

City Officials

Organizational Chart



FINANCE DEPARTMENT

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July 16, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report for Arvada, Colorado for the fiscal year ended December 31, 2023. 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 section listed in the table of contents.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, - an amendment of GASB Statement No. 14, Statement No. 61, *The Financial Reporting Entity: Omnibus* - an amendment of GASB Statements No. 14 and No. 34 and Statement No. 84, *Fiduciary Activities*, 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, funds and blended component units comprise the Reporting Entity. Our only discretely presented component unit is the Arvada Urban Renewal Authority.

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, stormwater, solid waste and recycling 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 123,066 and growing.

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**THE ECONOMIC FACTORS OF 2022**

The overall US economy was stronger than expected in 2023, with real Gross Domestic Product (GDP) growing at 2.5% compared to 1.9% in 2022. Original projects were 0-1.4% year over year growth. The Consumer Price Index (CPI), a measure of the average change over time in the prices paid by urban consumers for a basket of goods and services, increased at an annualized rate of 3.4%, while still elevated, well below the 2022 number of 6.5%. Finally, the Personal Consumption Expenditures Price Index (PCE), a measure of the total household spending on goods and services, was up 2.6%. Each of these measures is taken into consideration when the Federal Reserve decides what to do with short term interest rates. For the past few months, the fed has kept short term interest rates steady at 5.25% – 5.50%. The current sentiment is that the Fed will continue this practice until inflation falls below 2% and unemployment rises above 4-4.5%. Speaking of unemployment, the national level crept up a bit, ending the year at 3.7% with job openings still outpacing available workers, 8.9 million jobs compared to 5.7 million unemployed. Finally, the 2-year and 10-year yield curves continue to be inverted, ending the year at 35 basis points apart. Historically a predictor of a recession, it has not come to fruition, yet.

The State of Colorado finished its fiscal year with overall General Fund revenue growth of 3.9%. The state was once again above its TABOR (Taxpayer's Bill of Rights) limitations and will be distributing refunds (\$800) to taxpayers. Unemployment ticked up from 2.8% at the end of 2022 to 3.3% at the end of 2023. Inflation is expected to slow down to 3.1% in 2024 from an average of 5.2% in 2023. A robust and diversified economic base should help the state fend off, or at least slow down, any recessionary pressures.

Locally, the City of Arvada continues to be strong. Overall General Fund revenues were up 5.5% over the 2023 budget and 12.8% over 2022. Some of this increase is due to the mark to market adjustment for investments with the rest of the increase concentrated in sales tax, building use tax and interest revenue. Sales tax ended the year up 4.0% over 2022 with the categories of grocery stores, merchant wholesalers, limited-service restaurants, cable and delivery services up and liquor stores, furniture stores and wireless telecommunications down. Building use was down 32.0% compared to 2022 but still exceeded budget as building activity is still elevated. As was stated above, interest revenue was significantly higher in 2023 than in 2022. With the large increase in short term rates over the past year and half, the City has been able to increase its average yield from 1.46% in 2022 to 2.50% in 2023. A couple of areas of concern exist with auto use tax and HUTF (Highway User Tax Fund) revenues. Both areas are down from 2022 with no signs of improving any time soon. Remote work continues to be the norm with employees only going into the office when necessary.

Overall General Fund expenditures were in line with budget except two areas, personnel and capital projects. Personnel was below budget again in 2023 due to the large vacancies in the police department along with some smaller vacancies in public works and parks. Elevated inflation continues to put pressure on capital projects with year over year costs growing as much as 30%. Lead times and commodity increases are decreasing so there is hope.

The Street Maintenance fund was able to get a little more than \$12 million worth of work done in 2023. While this is a large amount of money and effort, the needs continue to outpace the resources. Current estimates put the annual need closer to \$20 million. This will continue to be a topic of discussion in future budget cycles.

The Golf Fund built on the momentum of 2022 and had its best year ever for revenue. Rounds were up 10.6% over 2022 with golf revenue up 21.4%. This led to increased restaurant traffic with revenues up 22.6%. The golf managers will look to put this increased revenue towards improvements on the course and equipment replacement.

**City of Arvada**  
**Letter of Transmittal**  
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Work continues on the bond projects approved by the citizens of Arvada in November of 2018. Ralston Road is nearing completion with 72nd Avenue still a few years away. These much-needed projects will improve the traffic flow in and around the City.

Work has begun on the 2025-2026 two-year budget cycle. The leadership team has completed a financial resiliency strategy, along with the City Council's Strategic Plan, which will be the basis for the next budget period. A strong local economy supported by essential business, paired with excellent financial stewardship, should allow the City to deliver core services, along with some value adds, to the residents and visitors for years to come.

The 2024-2030 Council Strategic Plan was presented for review on April 22, 2024, and was approved on May 20, 2024, by resolution. The new plan has five strategic result focus areas: Homelessness, Housing, Local Economy, Physical and Technology Systems, and Quality of Life. Each focus area has six to eight strategic goals that will support the implementation of the strategic results.

In 2014, Council approved, by resolution, mandatory reserves for all the major funds and for many of the key minor fund, demonstrating a long-term conservative view of City finances. In 2023, each of the major funds met or exceeded their required reserve goal in the current two-year cycle and all funds exceeded their goal in the ten-year financial plan. 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.

#### **FUTURE ECONOMIC FACTORS**

The broader economy continues to slow down as the hope of a soft landing is still in play. GDP slowed to 1.6% in the first quarter of 2024, below the 2.4% originally expected. Consumer spending slowed but government spending at the state and local levels kept GDP in positive territory. Inflation rose with the PCE price index up 3.4% over the fourth quarter of 2023. This is much higher than the Fed's targeted 2% rate and puts additional pressure on the consumer. Many consumer debt categories are setting new all-time highs including credit card debt, auto loan debt and student loan debt. Household debt, including first and second mortgages along with home equity lines, has also increased to all-time highs. Fortunately, housing prices are also rising maintaining equity.

The labor markets were strong throughout the first quarter, with unemployment staying steady at 3.9%. Finally, the yield curve – specifically, the spread between the interest rates on the 10-year Treasury note and the three-month Treasury bill – is a valuable forecasting tool. The current spread on the 10-year and three-month Treasury is .95% with the spread on the 10-year and 2-year sitting at .31%. Both spreads have moved lower in the past year with many expecting the Fed to lower rates this summer. Using these numbers as a historic estimator, the recession probability in the next year now sits at 58%, down from a high of 68%. The Fed has held short term interest rates in the 5.25% to 5.50% since July of 2023. With mixed economic data, the Fed is in no rush to lower or even possibly raise short term rates. The Stock Market has shaken off all these concerns, with the S&P 500 up 9.2% for the first quarter. The market is historically forward looking currently betting that any slowdown will be short lived.

The State is expecting fiscal year GDP to come in at 2.4%. A strong labor market, unemployment sits at 3.7%, coupled with wage gains that are outpacing inflation, has allowed consumer spending to remain elevated. Revenue is projected to exceed the TABOR cap, once again.

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The City has experienced a small slowdown in the first quarter of 2024, though many revenue categories are still exceeding their budget expectations. Sales tax collections are up 2.8% but lag one month, so first quarter results only include January and February. The top industry increases are in, electric shopping and mail-order, merchant wholesaler, local delivery and limited-service restaurants. The industries that have struggled to start the year are electric power and liquor stores.

Auto Use has struggled for the past 6 months with revenues down 6.0% for the first quarter. With the cost escalation in new vehicles, consumers are holding onto their cars a little longer. General use is down 6.4% in the first quarter, demonstrating businesses investments are starting to cool. Building use is up 60.0% as compared to first quarter 2023 with some large commercial project permits pulled.

Overall expenditures are up 18.9% over 2023 with the largest areas of growth in personnel costs and support transfers. Expenditures are in line with the 2024 budget, even with the large increase over 2023. The City has started the year right in line with budgeted expectations. More and more economic signs point towards a continued slow down. Will it become a recession, only time will tell.

Three major development areas continue to be keys to the growth of the City. These are the “Ralston Fields” urban renewal area, Transit-Oriented Development (TOD) in and around the G Line stations and the Candelas/Jefferson Center Metropolitan District (JCMD) project area. 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 Arvada Station (302 unit) project. The next phase of development is well under way in the “triangle” area, recently named “Ralston Creek”. Walmart opened in 2018 along with five new restaurants and the relocation of one liquor store. The next phase, currently in design, will include multi-family, an affordable housing complex along with mixed-use options. These developments will be located on the North and South side of the corner of 58th and Garrison and should open later in 2024.

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 a six-story, 252-unit multi-family complex nearing completion, five new restaurants that have opened along with a new 128-room hotel.

The completion of the 470 beltway, named JPPHA, has continued to be at a standstill. Environmental concerns along with the identified location are now slowing progress. Further testing will need to be completed before the final RFP process. 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. If the project is put on hold, additional work will need to be done on the north/south roads in Arvada that are not currently built to handle the growing traffic needs.

Overall, the local economy continues to do well with steady building activity, population growth and relatively low unemployment. The rise in inflation, limited labor force, affordable housing and the rise in homelessness will be hurdles that will need to be addressed. Investing in the community and staying focused on the three major development areas will help to maintain a strong foundation and will benefit the City moving forward.

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**Letter of Transmittal**  
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**FINANCIAL INFORMATION**

Retirement Funds: The City offers 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 available funds. 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 plans use Fidelity Investments as their record keeper. 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's legal level of budgetary control is at the fund level, if a fund is expected to exceed its appropriation, management must obtain approval of the City Council which is the City's governing body. 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 2024 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 2023, 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 section listed in the table of contents.

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 seven-member audit board consisting of the City Manager, Deputy City Manager, Director of Finance, Deputy Director of Finance, Controller and two members of the Arvada City Council. This year Forvis Mazars, a firm of independent accountants, audited the financial statements for

**City of Arvada**  
**Letter of Transmittal**  
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the year ended December 31, 2023.

**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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. The City of Arvada has received this award for 40 consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. 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 Annual Comprehensive Financial Report 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 Debra Nielson, Deputy Director of Finance; Vesta Kruk, Controller; and their teams. The production of the document was in the capable hands of Jenna Belec, the Finance Department's Finance Program Coordinator, 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', is positioned above the printed name.

Bryan Archer CPA  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Arvada  
Colorado**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO

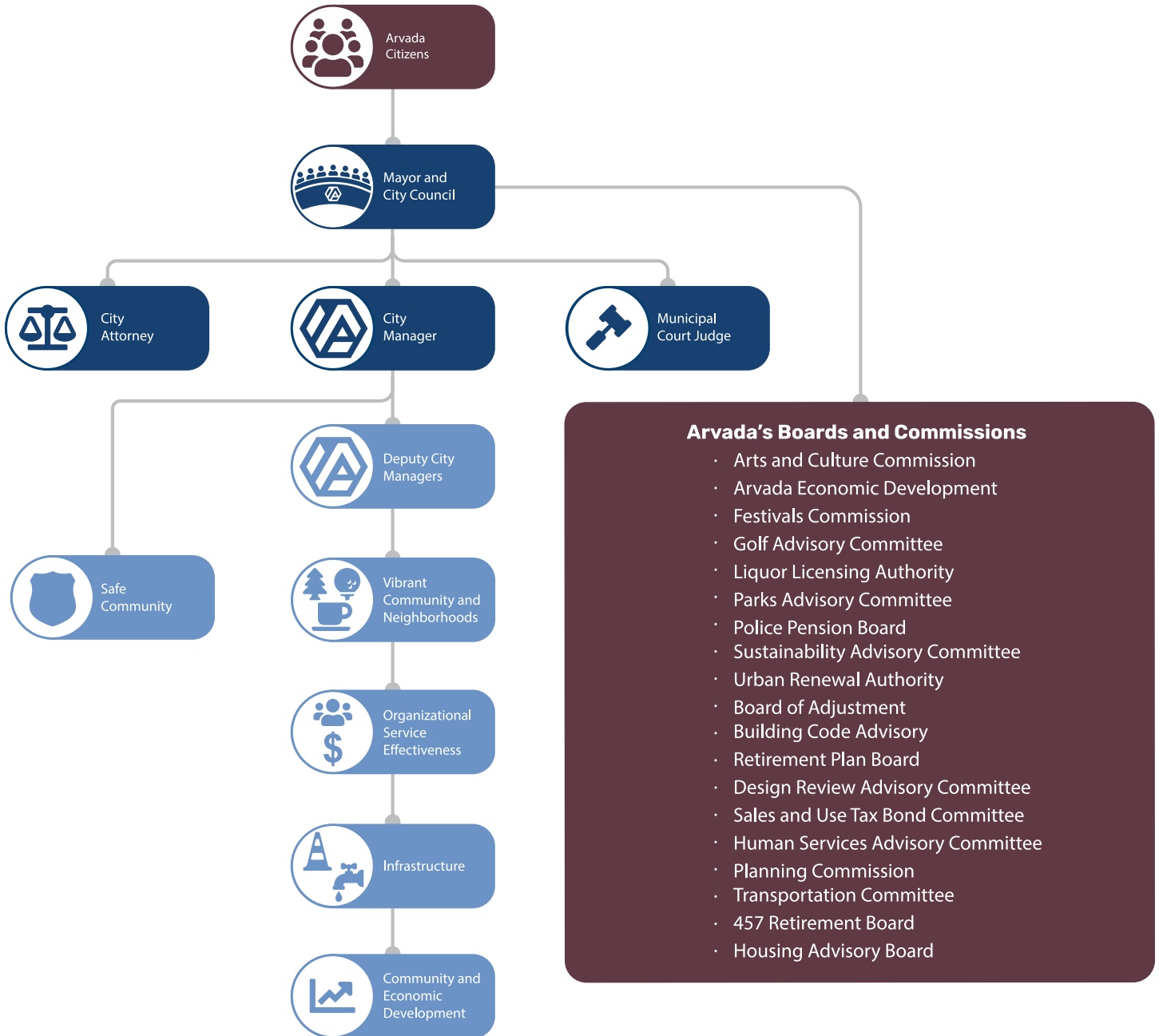
## **City Officials**

Lauren Simpson  
Mayor  
(Term expires 2027)  
Lisa Feret  
Councilmember – At-Large  
(Term expires 2025)  
Sharon Davis  
Councilmember – At-Large  
(Term expires 2027)  
Mayor Pro Tem - Randy Moorman  
Councilmember – District 1  
(Term expires 2025)  
Shawna Ambrose  
Councilmember – District 2  
(Term expires 2027)  
John Marriott  
Councilmember – District 3  
(Term expires 2025)  
Bob Fifer  
Councilmember – District 4  
(Term expires 2027)

## **City Manager and Key Staff**

|                    |                                                      |
|--------------------|------------------------------------------------------|
| Lorie Gillis       | City Manager                                         |
| Linda Haley        | Deputy City Manager                                  |
| Don Wick           | Deputy City Manager                                  |
| Kathryn Kurtz      | Municipal Judge                                      |
| Rachel Morris      | City Attorney                                        |
| Bryan Archer       | Director of Finance                                  |
| Craig Poley        | Chief Information Officer                            |
| Sharon Israel      | Director of Utilities                                |
| Gabriella Bommer   | Director of Human Resources                          |
| Rachel Kuroiwa     | Director of Communications and Engagement            |
| Maureen Phair      | Executive Director of Arvada Urban Renewal Authority |
| Enessa Janes       | Director of Vibrant Community and Neighborhoods      |
| Kristen Rush       | City Clerk                                           |
| Jessica Garner     | Director of Community and Economic Development       |
| Ed Brady           | Chief of Police                                      |
| Jacqueline Rhoades | Director of Public Works                             |

## Organizational Chart



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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**

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arvada, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Development Fund, and Parks Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of a Matter – Change in Accounting Principle***

As discussed in Note H to the financial statements, effective January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* (GASB 96). Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### ***Supplementary 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 information, including the Non Major Governmental Funds statements and budget to actual schedules, the Enterprise Funds and Internal Service Funds statements and budgetary comparison schedules (non-GAAP), and the Custodial Funds statements, Financial Data Schedules and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, including the Non Major Governmental Funds statements and budget to actual schedules, the Enterprise Funds and Internal Service Funds statements and budgetary comparison schedules (non-GAAP), and the Custodial Funds statements, Financial Data Schedules and the Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of City Council  
City of Arvada

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2024, 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 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 City's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Denver, Colorado  
July 16, 2024

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



This section of the City of Arvada's Annual 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, 2023. 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 in 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 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 recreation, culture, and human service. The business-type activities of the City include water, wastewater, stormwater, golf and solid waste.

The government-wide financial statements also include the Arvada Urban Renewal Authority as a discretely presented component unit 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 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, solid waste, 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 and maintenance of vehicles and information technology equipment, 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 enterprise funds are considered to be major funds and are therefore presented separately within the proprietary fund financial statements. Solid Waste and Golf enterprise funds are considered to be non-major funds and are presented in aggregate in one Non-Major Funds column. 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 internal service 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 custodial 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 custodial agent for the benefit of parties outside the government. The custodial funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

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 43-82 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 84-86.

**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, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,123,891,000. The following summaries of net position and changes in net position are presented for the current year and the previous year in comparison format.

### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

|                                  | <b>Governmental<br/>Activities</b> |                   | <b>Business-type<br/>Activities</b> |                   | <b>Total Primary<br/>Government</b> |                     |
|----------------------------------|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|---------------------|
|                                  | <b>2023</b>                        | <b>2022*</b>      | <b>2023</b>                         | <b>2022*</b>      | <b>2023</b>                         | <b>2022*</b>        |
| Current and other assets         | \$ 313,528                         | \$ 295,013        | \$ 180,296                          | \$ 213,597        | \$ 493,824                          | \$ 508,610          |
| Capital assets                   | 461,875                            | 422,766           | 437,535                             | 376,748           | 899,410                             | 799,514             |
| Other non-current assets         | 3,174                              | 5,258             | 4,056                               | 3,857             | 7,230                               | 9,115               |
| Total assets                     | <u>778,577</u>                     | <u>723,037</u>    | <u>621,887</u>                      | <u>594,202</u>    | <u>1,400,464</u>                    | <u>1,317,239</u>    |
| Deferred outflows of resources   | <u>151</u>                         | <u>193</u>        | <u>18</u>                           | <u>18</u>         | <u>169</u>                          | <u>211</u>          |
| Other liabilities                | 47,314                             | 41,768            | 11,461                              | 14,063            | 50,774                              | 55,831              |
| Long-term liabilities            | <u>105,055</u>                     | <u>98,223</u>     | <u>98,449</u>                       | <u>100,346</u>    | <u>203,504</u>                      | <u>198,569</u>      |
| Total liabilities                | <u>152,369</u>                     | <u>139,991</u>    | <u>109,910</u>                      | <u>114,409</u>    | <u>262,279</u>                      | <u>254,400</u>      |
| Deferred inflows of resources    | <u>13,026</u>                      | <u>11,674</u>     | <u>1,437</u>                        | <u>681</u>        | <u>14,464</u>                       | <u>12,355</u>       |
| Net position:                    |                                    |                   |                                     |                   |                                     |                     |
| Net investment in capital assets | 379,201                            | 375,681           | 426,330                             | 368,453           | 804,531                             | 744,134             |
| Restricted                       | 42,685                             | 39,790            | 1,575                               | 1,425             | 44,260                              | 41,215              |
| Unrestricted                     | <u>191,447</u>                     | <u>156,094</u>    | <u>82,653</u>                       | <u>109,252</u>    | <u>275,100</u>                      | <u>265,346</u>      |
| Total Net position               | <u>\$ 613,333</u>                  | <u>\$ 571,565</u> | <u>\$ 510,558</u>                   | <u>\$ 479,130</u> | <u>\$ 1,123,891</u>                 | <u>\$ 1,050,695</u> |

\* 2022 has not been restated for implementation of GASB 96.

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, \$379,201,000 (62%), reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, equipment, lease and subscription assets), 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, \$42,685,000 (7%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$191,447,000 (31%), may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's total net position increased by \$73,196,000 during the current fiscal year. This is due to an increase in the governmental activities of \$41,768,000 and an increase in the business-type activities of \$31,428,000. The increase in the governmental activities is primarily due to an increase in grants and contributions, an increase in sales and use tax and an increase in investment earnings. The increase in the business-type activities is primarily due to increases in developer contributions in the Water and Wastewater Funds, as well as an increase in investment earnings.

## Changes in Net Position

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

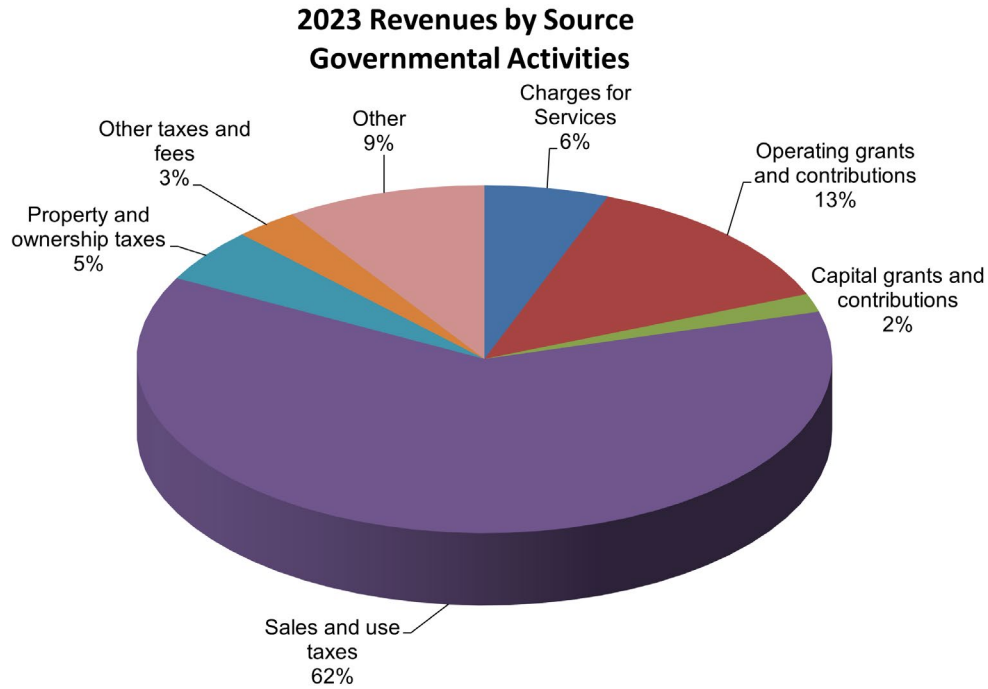
|                                                    | <b>Governmental<br/>Activities</b> |             | <b>Business-type<br/>Activities</b> |             | <b>Total Primary<br/>Government</b> |             |
|----------------------------------------------------|------------------------------------|-------------|-------------------------------------|-------------|-------------------------------------|-------------|
|                                                    | <b>2023</b>                        | <b>2022</b> | <b>2023</b>                         | <b>2022</b> | <b>2023</b>                         | <b>2022</b> |
| <b>Revenues</b>                                    |                                    |             |                                     |             |                                     |             |
| Program revenues:                                  |                                    |             |                                     |             |                                     |             |
| Charges for services                               | \$ 10,161                          | \$ 13,061   | \$ 62,357                           | \$ 66,420   | \$ 72,518                           | \$ 79,481   |
| Operating grants and contribu-<br>tions            | 23,083                             | 21,308      | -                                   | -           | 23,083                              | 21,308      |
| Capital grants and contributions                   | 2,986                              | 18,051      | 26,272                              | 17,935      | 29,258                              | 35,986      |
| General revenues:                                  |                                    |             |                                     |             |                                     |             |
| Sales and use taxes                                | 109,080                            | 107,697     | -                                   | -           | 109,080                             | 107,697     |
| Property & ownership taxes                         | 8,827                              | 8,909       | -                                   | -           | 8,827                               | 8,909       |
| Other taxes and fees                               | 5,174                              | 5,606       | -                                   | -           | 5,174                               | 5,606       |
| Investment earnings (loss)                         | 10,544                             | (6,814)     | 8,770                               | (2,844)     | 19,314                              | (9,658)     |
| Other                                              | 17,072                             | 9,144       | -                                   | -           | 17,072                              | 9,144       |
| Total revenues                                     | 186,927                            | 176,962     | 97,399                              | 81,511      | 284,326                             | 258,473     |
| <b>Expenses</b>                                    |                                    |             |                                     |             |                                     |             |
| General government                                 | \$ 52,196                          | \$ 52,303   | \$ -                                | \$ -        | \$ 52,196                           | \$ 52,303   |
| Public safety                                      | 37,788                             | 36,199      | -                                   | -           | 37,788                              | 36,199      |
| Public works                                       | 30,770                             | 32,771      | -                                   | -           | 30,770                              | 32,771      |
| Parks and recreation                               | 13,117                             | 11,582      | -                                   | -           | 13,117                              | 11,582      |
| Culture                                            | -                                  | -           | -                                   | -           | -                                   | -           |
| Human service                                      | 9,527                              | 7,294       | -                                   | -           | 9,527                               | 7,294       |
| Interest                                           | 3,640                              | 3,619       | -                                   | -           | 3,640                               | 3,619       |
| Water                                              | -                                  | -           | 31,068                              | 30,017      | 31,068                              | 30,017      |
| Wastewater                                         | -                                  | -           | 16,872                              | 15,940      | 16,872                              | 15,940      |
| Stormwater                                         | -                                  | -           | 3,817                               | 3,031       | 3,817                               | 3,031       |
| Golf                                               | -                                  | -           | 8,291                               | 7,285       | 8,291                               | 7,285       |
| Solid Waste                                        | -                                  | -           | 4,044                               | 4,097       | 4,044                               | 4,097       |
| Total expenses                                     | 147,038                            | 143,768     | 64,092                              | 60,370      | 211,130                             | 204,138     |
| <b>Change in net position<br/>before transfers</b> | 39,889                             | 33,194      | 33,307                              | 21,141      | 73,196                              | 54,335      |
| <b>Transfers</b>                                   | 1,879                              | 1,941       | (1,879)                             | (1,941)     | -                                   | -           |
| <b>Increase in net position</b>                    | 41,768                             | 35,135      | 31,428                              | 19,200      | 73,196                              | 54,335      |
| <b>Net position, beginning</b>                     | 571,565                            | 536,430     | 479,130                             | 459,930     | 1,050,695                           | 996,360     |
| <b>Net position, ending</b>                        | \$613,333                          | \$571,565   | \$510,558                           | \$479,130   | \$1,123,891                         | \$1,050,695 |

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

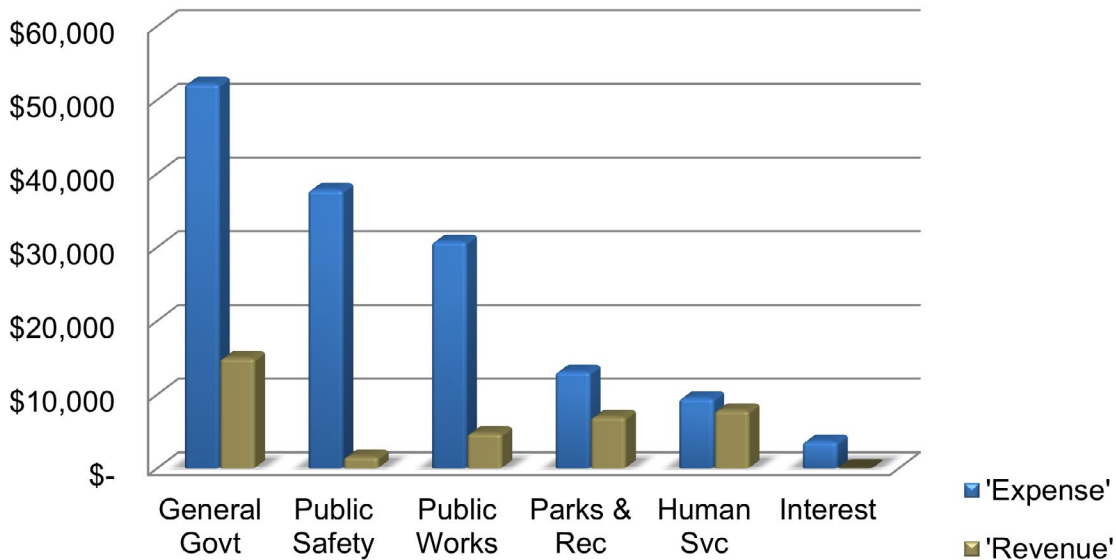
The above condensed summary of the City of Arvada's governmental and business-type activities for the year ended December 31, 2023, reflects net position increasing \$73,196,000. Revenues and expenses graphs are presented below to enhance the reader's understanding of the current year activities.

### Governmental Activities

Governmental Activities increased Arvada's Net Position by \$41,768,000.



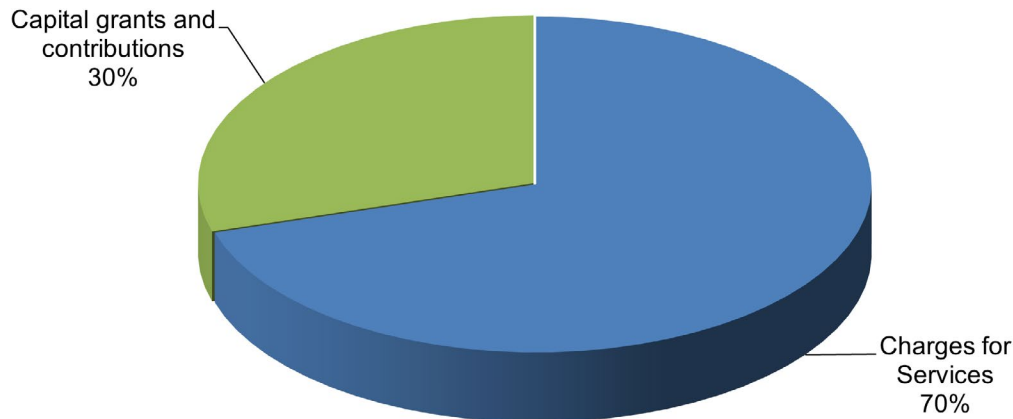
### 2023 Expenses and Program Revenues Governmental Activities



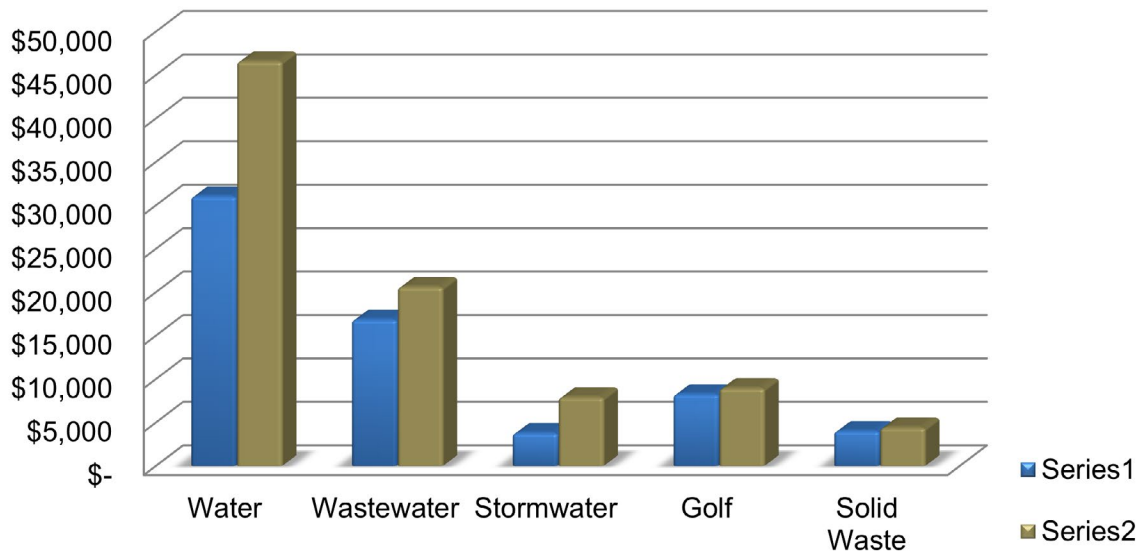
### Business-type Activities

Business-type Activities increased Arvada's Net Position by \$31,428,000.

**2023 Revenues by Source  
Business Activities**



**2023 Expenses and Program Revenues  
Business-Type Activities**



**Governmental activities** Governmental activities increased the City's net position by \$41,768,000. Key elements of this change are due to the following:

- Investment Earnings increased \$17,358,000
- Miscellaneous revenues increased \$7,928,000 due to implementation of a bag fee collected by retailers and remitted to the City and recovered costs

**Business-type activities** Business-type activities increased the City's net position by \$31,428,000. Key elements of this increase are due to the following:

- Developer contributions amounted to \$26,272,000 which is an increase from \$17,932,000 in 2022
- Service charges and fees revenue in the Golf fund increased \$1,554,000 due to an increase in golf rounds and pro shop sales

### 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, 2023, fund balances of governmental funds are classified as follows:

**Non-spendable** – 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 \$625,000 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 \$90,383,000 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 \$39,968,000 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 \$24,174,000 in assigned resources.

**Unassigned** – represents the remaining balance for the City's General Fund. The City had \$81,244,000 in unassigned resources.

The General Fund is the main operating fund of the City. At December 31, 2023, the non-spendable fund balance was \$575,000, the restricted fund balance was \$3,903,000, and the unassigned fund balance was \$81,244,000. The total fund balance increased \$15,744,000 in 2023 to \$85,722,000. On a budgetary basis, the General Fund expenditures finished over \$13,470,000 to the good overall. The increase in total fund balance is primarily due to an increase in federal and state grants as well as interest earnings.

The Community Development Fund is a major fund of the City. At December 31, 2023, the restricted fund balance was \$2,738,000 and the assigned fund balance was \$2,823,000. Total fund balance decreased \$836,000 in 2023 to \$5,561,000. The decrease was due to a slowdown in grant reimbursements and higher expenditures for essential home repairs which are managed by a third party.

The Parks Fund is a major fund of the City. At December 31, 2023, the non-spendable fund balance was \$45,000 the restricted fund balance was \$256,000 and the assigned fund balance was \$7,591,000. The total fund balance increased \$340,000 in 2023 to \$7,892,000. The increase is due to an increase in Jefferson County Open Space revenues and investment earnings.

The General Capital Projects Fund is another major fund of the City. At December 31, 2023, the restricted fund balance was \$16,343,000, the committed fund balance was \$39,968,000 and the assigned fund balance was \$13,760,000. The total fund balance increased \$13,201,000 in 2023 to \$70,071,000. The increase was due to decrease in expenditures partly because of the delay of some of the larger projects.

The Construction Fund is another major fund of the City. At December 31, 2023 the restricted fund balance was \$43,230,000. Total fund balance decreased \$18,214,000 in 2023 to \$43,230,000. This fund accounts for the 2019 and 2023 Sales and Use Tax revenue bond issuance for two street improvement construction projects and 2021 COP issuance for the Meyers Pool Replacement project. There was an increase in expenditures in 2023 as the two street improvement projects are moving forward with construction which will continue for the next few years. Meyers Pool construction has also been in progress since 2022.

**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:

|                                        | <b>Unrestricted<br/>Net Position for<br/>Year ended<br/>12/31/23</b> | <b>Unrestricted<br/>Net Position for<br/>Year ended 12/31/22</b> |
|----------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Major Enterprise Funds</b>          |                                                                      |                                                                  |
| Water                                  | \$ 63,634                                                            | \$ 86,617                                                        |
| Wastewater                             | 10,183                                                               | 11,395                                                           |
| Stormwater                             | 3,122                                                                | 7,037                                                            |
| Subtotal of major enterprise funds     | <u>76,936</u>                                                        | <u>105,049</u>                                                   |
| <b>Non-Major Enterprise Funds</b>      |                                                                      |                                                                  |
| Golf                                   | (274)                                                                | (1,105)                                                          |
| Solid Waste                            | <u>(464)</u>                                                         | <u>(879)</u>                                                     |
| Subtotal of non-major enterprise funds | <u>(738)</u>                                                         | <u>(1,984)</u>                                                   |
| Total enterprise funds                 | 76,201                                                               | 103,065                                                          |
| Internal service funds                 | 27,395                                                               | 33,787                                                           |
| Total proprietary funds                | <u>\$ 103,596</u>                                                    | <u>\$ 136,852</u>                                                |

**Component units** 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 \$469,000 of restricted net position balance and \$6,328,000 of unrestricted net position balance. The total change in net position for AURA was a decrease of \$1,046,000.

## **Budgetary Highlights**

### **General Fund**

Final budgeted expenditures and transfers out increased \$14,182,000 from the original budget to \$135,350,000. \$3,842,062 of this increase is due to projects not completed in 2022 and carried to 2023 and also one-time funding for projects. Major projects included traffic projects, streets maintenance projects, software projects and safety and security. The City committed to purchase a property at 4600 W 60th Avenue in 2023 for \$3,150,000 which needed to be added to the budget. The City was awarded \$5,296,529 in funding from the American Rescue Plan Act in 2021 and was carried over to 2023. The remaining increase included various operational expenses in the General Fund.

Property tax revenue exceeded budget by \$75,000 due to increasing property values, and Sales and Use Tax also exceeded budget by \$1,924,000 primarily due to increased online sales and grocery store sales. Investment revenues exceeded the budget by \$3,133,000 due to the strong investment environment which included a significant gain on the year-end mark-to-market adjustment. Public Safety saw a savings of \$3,932,000 from budget due to vacancies. Public Works saw a savings of \$4,826,000 from budget due to streets maintenance projects not completed and carried into 2024.

## **Capital, Lease and Subscription Assets and Debt Administration**

**Capital, Lease and Subscription Assets** The City's investment in capital, lease and subscription assets for its governmental and business-type activities as of December 31, 2023, amounted to \$899,410,000 (net of accumulated depreciation and amortization). This investment in capital assets includes land, water rights, buildings and improvements, equipment and infrastructure, and lease and subscription assets.

|                                   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total Primary<br/>Government</b> |
|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Land and water rights             | \$ 59,001                          | \$ 39,773                           | \$ 98,774                           |
| Infrastructure                    | 140,982                            | 5,242                               | 146,224                             |
| Construction in progress          | 98,550                             | 100,198                             | 198,748                             |
| Buildings                         | 35,259                             | 9,578                               | 44,837                              |
| Improvements other than buildings | 100,998                            | 281,787                             | 382,785                             |
| Lease assets                      | 49                                 | 226                                 | 275                                 |
| Subscription assets               | 6,518                              | 38                                  | 6,556                               |
| Equipment & vehicles              | 20,518                             | 693                                 | 21,211                              |
| Total capital assets              | <u>\$ 461,875</u>                  | <u>\$ 437,535</u>                   | <u>\$ 899,410</u>                   |

Major capital improvements during this fiscal year include the following:

Governmental Activities

- Ralston Road improvements from Upham Street to Yukon Street
- Ralston Road improvements from Yukon Street to Garrison
- West 72nd Street improvements and railroad underpass from Kipling Street to Simms Street
- Parks Maintenance Building
- Meyers Pool construction
- Fiber and conduit throughout the City
- Traffic signal replacement

Proprietary Activities

- On-going maintenance and replacement of water, sewer and stormwater lines
- Denver Moffat water project
- North Trunk Line Replacement
- Central Trunk Line
- Alkire Lift Station
- Canyon Pines pump station

Additional information of the City's capital assets can be found in Note 3.B on page 62 of this report.

**Long-term debt** At the end of December 31, 2023, the City had total debt outstanding of \$208,159,000. Of this amount, \$173,579,000 represents bonds secured by specified revenue sources (i.e., sales tax revenue bonds). \$27,615,000 represents Certificates of Participation and \$6,965,000 is lease and subscription assets

|                                     | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total Primary<br/>Government</b> |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Revenue bonds                       | \$ 74,281                          | \$ 99,298                           | \$ 173,579                          |
| 2016 Certificates of Participation  | 9,493                              | -                                   | \$ 9,493                            |
| 2015 Certificates of Participation  | 1,270                              | -                                   | \$ 1,270                            |
| 2021 Certificates of Participation  | 16,852                             | -                                   | \$ 16,852                           |
| Lease liability                     | 277                                | 191                                 | \$ 468                              |
| Subscription liability              | 6,054                              | 41                                  | \$ 6,095                            |
| Equipment purchase-direct placement | 402                                | -                                   | \$ 402                              |
| Total outstanding debt              | <u>\$ 108,630</u>                  | <u>\$ 99,529</u>                    | <u>\$ 208,159</u>                   |

Additional information on the City's long-term obligations can be found in Note 3.E on pages 65-69 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

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# **Basic Financial Statements**



**STATEMENT OF NET POSITION**  
**December 31, 2023**  
(in thousands)

|                                                                | Primary Government         |                             |              | Component Unit |
|----------------------------------------------------------------|----------------------------|-----------------------------|--------------|----------------|
|                                                                | Governmental<br>Activities | Business-type<br>Activities | Total        | AURA           |
| <b>ASSETS</b>                                                  |                            |                             |              |                |
| Cash and investments                                           | \$ 284,127                 | \$ 142,822                  | \$ 426,949   | \$ 8,901       |
| Restricted cash                                                | 2,715                      | 22,275                      | 24,990       | -              |
| Taxes receivable                                               | 21,765                     | -                           | 21,765       | 30,971         |
| Accounts receivable, net of allowance for uncollectibles       | 5,679                      | 7,616                       | 13,295       | 1,884          |
| Accrued interest                                               | 1,223                      | 134                         | 1,357        | -              |
| Lease receivable                                               | 2,726                      | 111                         | 2,837        | -              |
| Internal balances                                              | (6,454)                    | 6,454                       | -            | -              |
| Inventories                                                    | 877                        | 763                         | 1,640        | -              |
| Prepaid costs                                                  | 870                        | 121                         | 991          | -              |
| Lease receivable                                               | -                          | 1,220                       | 1,220        | -              |
| Notes receivable                                               | 3,174                      | 2,836                       | 6,010        | -              |
| Property available for sale                                    | -                          | -                           | -            | 603            |
| Capital and lease assets                                       |                            |                             |              |                |
| Lease assets, net                                              | 49                         | 226                         | 275          | 4              |
| Subscriptions assets, net                                      | 6,518                      | 38                          | 6,556        | -              |
| Land, water rights and construction in progress                | 157,551                    | 139,971                     | 297,522      | -              |
| Other capital assets, net                                      | 297,757                    | 297,300                     | 595,057      | 1,527          |
| Total capital, lease and subscription assets                   | 461,875                    | 437,535                     | 899,410      | 1,531          |
| Total assets                                                   | 778,577                    | 621,887                     | 1,400,464    | 43,890         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                          |                            |                             |              |                |
| Items related to pension plan                                  | 22                         | -                           | 22           | -              |
| Items related to OPEB                                          | 85                         | 18                          | 103          | -              |
| Deferred loss on refunding                                     | 44                         | -                           | 44           | -              |
| Total deferred outflows of resources                           | 151                        | 18                          | 169          | -              |
| <b>LIABILITIES</b>                                             |                            |                             |              |                |
| Accounts payable                                               | 33,570                     | 7,511                       | 41,081       | 554            |
| Contracts payable                                              | -                          | 1,658                       | 1,658        | -              |
| Accrued interest payable                                       | 359                        | 12                          | 371          | -              |
| Unearned revenue                                               | 217                        | 107                         | 324          | -              |
| Long-term liabilities                                          |                            |                             |              |                |
| Due within one year:                                           |                            |                             |              |                |
| Bonds, certificates of participation, leases and subscriptions | 7,245                      | 1,786                       | 9,031        | 687            |
| Claims payable                                                 | 3,712                      | -                           | 3,712        | -              |
| Compensated absences                                           | 2,211                      | 387                         | 2,598        | 68             |
| Due more than one year:                                        |                            |                             |              |                |
| Bonds, certificates of participation, leases and subscriptions | 101,385                    | 97,743                      | 199,128      | 3,287          |
| Total OPEB Liability                                           | 1,455                      | 319                         | 1,774        | -              |
| Net pension liability                                          | 4                          | -                           | 4            | -              |
| Compensated absences                                           | 2,211                      | 387                         | 2,598        | -              |
| Total liabilities                                              | 152,369                    | 109,910                     | 262,279      | 4,596          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                           |                            |                             |              |                |
| Items related to pension plan                                  | 10                         | -                           | 10           | -              |
| Items related to OPEB                                          | 647                        | 142                         | 789          | -              |
| Leases                                                         | 2,602                      | 1,295                       | 3,897        | -              |
| Property taxes                                                 | 9,767                      | -                           | 9,767        | 30,971         |
| Total deferred inflows of resources                            | 13,026                     | 1,437                       | 14,463       | 30,971         |
| <b>NET POSITION</b>                                            |                            |                             |              |                |
| Net Investment in capital assets                               | 379,201                    | 426,330                     | 805,531      | 1,527          |
| Restricted for:                                                |                            |                             |              |                |
| Capital Projects                                               | -                          | -                           | -            | 469            |
| Conversation Trust                                             | 2,302                      | -                           | 2,302        | -              |
| Law Enforcement/Seizure                                        | 19,707                     | -                           | 19,707       | -              |
| Emergencies                                                    | 5,367                      | -                           | 5,367        | -              |
| Housing                                                        | 317                        | -                           | 317          | -              |
| CDBG                                                           | 3,106                      | -                           | 3,106        | -              |
| Debt Service                                                   | 707                        | 1,575                       | 2,282        | -              |
| Lands Dedicated                                                | 6,667                      | -                           | 6,667        | -              |
| Adams County Open Space                                        | 378                        | -                           | 378          | -              |
| Adams County Transportation                                    | 1,623                      | -                           | 1,623        | -              |
| Park Development                                               | 2,511                      | -                           | 2,511        | -              |
| Unrestricted                                                   | 191,447                    | 82,653                      | 274,100      | 6,328          |
| Total Net Position                                             | \$ 613,333                 | \$ 510,558                  | \$ 1,123,891 | \$ 8,323       |

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



**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2023**  
(in thousands)

|                                       | Program Revenues  |                      |                                    |                                  | Total             |
|---------------------------------------|-------------------|----------------------|------------------------------------|----------------------------------|-------------------|
|                                       | Expenses          | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                   |
| <b>FUNCTIONS/PROGRAM ACTIVITIES:</b>  |                   |                      |                                    |                                  |                   |
| <b>Primary Government:</b>            |                   |                      |                                    |                                  |                   |
| <b>Governmental activities:</b>       |                   |                      |                                    |                                  |                   |
| General government                    | \$ 52,196         | \$ 6,871             | \$ 6,668                           | \$ 1,431                         | \$ 14,970         |
| Public safety                         | 37,788            | -                    | 1,614                              | -                                | 1,614             |
| Public works                          | 30,770            | 3,210                | -                                  | 1,555                            | 4,765             |
| Parks and recreation                  | 13,117            | 80                   | 6,920                              | -                                | 7,000             |
| Human services                        | 9,527             | -                    | 7,881                              | -                                | 7,881             |
| Interest expense                      | 3,640             | -                    | -                                  | -                                | -                 |
| <b>Total governmental activities</b>  | <b>147,038</b>    | <b>10,161</b>        | <b>23,083</b>                      | <b>2,986</b>                     | <b>36,230</b>     |
| <b>Business-type activities:</b>      |                   |                      |                                    |                                  |                   |
| Water                                 | 31,068            | 29,887               | -                                  | 16,721                           | 46,608            |
| Wastewater                            | 16,872            | 15,231               | -                                  | 5,410                            | 20,641            |
| Stormwater                            | 3,817             | 3,801                | -                                  | 4,141                            | 7,942             |
| Golf                                  | 8,291             | 8,990                | -                                  | -                                | 8,990             |
| Solid waste                           | 4,044             | 4,448                | -                                  | -                                | 4,448             |
| <b>Total business-type activities</b> | <b>64,092</b>     | <b>62,357</b>        | <b>-</b>                           | <b>26,272</b>                    | <b>88,629</b>     |
| <b>Total primary government</b>       | <b>\$ 211,130</b> | <b>\$ 72,518</b>     | <b>\$ 23,083</b>                   | <b>\$ 29,258</b>                 | <b>\$ 124,859</b> |
| <b>Component Units:</b>               |                   |                      |                                    |                                  |                   |
| AURA                                  | \$ 30,810         | \$ 22                | \$ -                               | \$ -                             | \$ 22             |
| <b>Total component units</b>          | <b>\$ 30,810</b>  | <b>\$ 22</b>         | <b>\$ -</b>                        | <b>\$ -</b>                      | <b>\$ 22</b>      |

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



**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2023**  
(in thousands)

| Net (Expense) Revenue and Changes in Net Position |                             |             |             | Component<br>Unit<br>AURA |
|---------------------------------------------------|-----------------------------|-------------|-------------|---------------------------|
| Primary Government - City of Arvada               |                             |             |             |                           |
| Governmental<br>Activities                        | Business-type<br>Activities | Total       |             |                           |
| \$ (37,226)                                       | \$ -                        | \$ (37,226) | \$ -        |                           |
| (36,174)                                          | -                           | (36,174)    | -           |                           |
| (26,005)                                          | -                           | (26,005)    | -           |                           |
| (6,117)                                           | -                           | (6,117)     | -           |                           |
| (1,646)                                           | -                           | (1,646)     | -           |                           |
| (3,640)                                           | -                           | (3,640)     | -           |                           |
| (110,808)                                         | -                           | (110,808)   | -           |                           |
| -                                                 | 15,540                      | 15,540      | -           |                           |
| -                                                 | 3,769                       | 3,769       | -           |                           |
| -                                                 | 4,125                       | 4,125       | -           |                           |
| -                                                 | 699                         | 699         | -           |                           |
| -                                                 | 404                         | 404         | -           |                           |
| -                                                 | 24,537                      | 24,537      | -           |                           |
| (110,808)                                         | 24,537                      | (86,271)    | -           |                           |
| \$ -                                              | \$ -                        | \$ -        | \$ (30,788) |                           |
| -                                                 | -                           | -           | (30,788)    |                           |

**General Revenues**

Taxes:

|                            |                   |                   |                     |                 |
|----------------------------|-------------------|-------------------|---------------------|-----------------|
| Property                   | 8,827             | -                 | 8,827               | 25,260          |
| Sales and use              | 109,080           | -                 | 109,080             | 4,294           |
| Transportation tax         | 5,174             | -                 | 5,174               | -               |
| Investment earnings (loss) | 10,544            | 8,770             | 19,314              | 188             |
| Miscellaneous              | 17,072            | -                 | 17,072              | -               |
| Transfers in (out)         | <u>1,879</u>      | <u>(1,879)</u>    | <u>-</u>            | <u>-</u>        |
| Total general revenues     | <u>152,576</u>    | <u>6,891</u>      | <u>159,467</u>      | <u>29,742</u>   |
| Change in net position     | 41,768            | 31,428            | 73,196              | (1,046)         |
| Net position, January 1    | <u>571,565</u>    | <u>479,130</u>    | <u>1,050,695</u>    | <u>9,369</u>    |
| Net position, December 31  | <u>\$ 613,333</u> | <u>\$ 510,558</u> | <u>\$ 1,123,891</u> | <u>\$ 8,323</u> |

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
December 31, 2023  
(in thousands)**

**Primary Government**

|                                                                         | <u>General<br/>Fund</u> | <u>Community<br/>Development<br/>Fund</u> | <u>Parks<br/>Fund</u> | <u>General<br/>Capital<br/>Projects<br/>Fund</u> | <u>Construction<br/>Fund</u> | <u>Other<br/>Govern-<br/>mental<br/>Funds</u> | <u>Total<br/>Governmen-<br/>tal Funds</u> |
|-------------------------------------------------------------------------|-------------------------|-------------------------------------------|-----------------------|--------------------------------------------------|------------------------------|-----------------------------------------------|-------------------------------------------|
| <b>ASSETS</b>                                                           |                         |                                           |                       |                                                  |                              |                                               |                                           |
| Cash and investments                                                    | \$ 88,285               | \$ 3,120                                  | \$ 7,108              | \$ 73,283                                        | \$ 51,556                    | \$ 22,597                                     | \$ 245,949                                |
| Restricted cash                                                         | -                       | 2,711                                     | -                     | -                                                | -                            | -                                             | 2,711                                     |
| Cash with fiscal agent                                                  | -                       | -                                         | -                     | -                                                | 4                            | -                                             | 4                                         |
| Taxes receivable                                                        | 20,416                  | -                                         | 1,229                 | 120                                              | -                            | -                                             | 21,765                                    |
| Accounts receivable, net of allowance<br>for uncollectibles             | 3,174                   | 238                                       | 54                    | 86                                               | -                            | 1,733                                         | 5,285                                     |
| Accrued interest                                                        | 493                     | -                                         | 41                    | 358                                              | -                            | 129                                           | 1,021                                     |
| Lease receivable                                                        | 1,899                   | -                                         | 827                   | -                                                | -                            | -                                             | 2,726                                     |
| Inventories                                                             | 404                     | -                                         | 24                    | -                                                | -                            | -                                             | 428                                       |
| Prepaid costs                                                           | 171                     | -                                         | 21                    | -                                                | -                            | 5                                             | 197                                       |
| Notes receivable, net of allowance for<br>uncollectibles                | 1,101                   | 2,066                                     | 7                     | -                                                | -                            | -                                             | 3,174                                     |
| Total assets                                                            | <u>\$ 115,943</u>       | <u>\$ 8,135</u>                           | <u>\$ 9,311</u>       | <u>\$ 73,847</u>                                 | <u>\$ 51,560</u>             | <u>\$ 24,464</u>                              | <u>\$ 283,260</u>                         |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |                         |                                           |                       |                                                  |                              |                                               |                                           |
| <b>LIABILITIES</b>                                                      |                         |                                           |                       |                                                  |                              |                                               |                                           |
| Accounts payable                                                        | 16,692                  | 288                                       | 571                   | 3,752                                            | 8,330                        | 450                                           | 30,083                                    |
| Unearned revenue                                                        | 110                     | -                                         | 63                    | -                                                | -                            | 44                                            | 217                                       |
| Total liabilities                                                       | <u>16,802</u>           | <u>288</u>                                | <u>634</u>            | <u>3,752</u>                                     | <u>8,330</u>                 | <u>494</u>                                    | <u>30,300</u>                             |
| <b>DEFERRED INFLOW OF RESOURCES</b>                                     |                         |                                           |                       |                                                  |                              |                                               |                                           |
| Property taxes                                                          | 9,767                   | -                                         | -                     | -                                                | -                            | -                                             | 9,767                                     |
| Grants                                                                  | 4                       | 220                                       | -                     | 24                                               | -                            | 52                                            | 300                                       |
| Leases                                                                  | 1,817                   | -                                         | 785                   | -                                                | -                            | -                                             | 2,602                                     |
| Accounts Receivable                                                     | 730                     | -                                         | -                     | -                                                | -                            | -                                             | 730                                       |
| Notes Receivable                                                        | 1,101                   | 2,066                                     | -                     | -                                                | -                            | -                                             | 3,167                                     |
| Total deferred inflows of resources                                     | <u>13,419</u>           | <u>2,286</u>                              | <u>785</u>            | <u>24</u>                                        | <u>-</u>                     | <u>52</u>                                     | <u>16,566</u>                             |
| <b>FUND BALANCES</b>                                                    |                         |                                           |                       |                                                  |                              |                                               |                                           |
| Nonspendable                                                            | 575                     | -                                         | 45                    | -                                                | -                            | 5                                             | 625                                       |
| Restricted                                                              | 3,903                   | 2,738                                     | 256                   | 16,343                                           | 43,230                       | 23,913                                        | 90,383                                    |
| Committed                                                               | -                       | -                                         | -                     | 39,968                                           | -                            | -                                             | 39,968                                    |
| Assigned                                                                | -                       | 2,823                                     | 7,591                 | 13,760                                           | -                            | -                                             | 24,174                                    |
| Unassigned                                                              | 81,244                  | -                                         | -                     | -                                                | -                            | -                                             | 81,244                                    |
| Total fund balances                                                     | <u>85,722</u>           | <u>5,561</u>                              | <u>7,892</u>          | <u>70,071</u>                                    | <u>43,230</u>                | <u>23,918</u>                                 | <u>236,394</u>                            |
| Total liabilities, deferred inflows<br>of resources, and fund balances  | <u>\$ 115,943</u>       | <u>\$ 8,135</u>                           | <u>\$ 9,311</u>       | <u>\$ 73,847</u>                                 | <u>\$ 51,560</u>             | <u>\$ 24,464</u>                              | <u>\$ 283,260</u>                         |

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



**RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET  
POSITION**

**December 31, 2023**

**(in thousands)**

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

|                                          |            |
|------------------------------------------|------------|
| Total fund balances - governmental funds | \$ 236,394 |
|------------------------------------------|------------|

|                                                                                                                                                                                                                                  |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Capital, lease and subscription assets net of accumulated depreciation and amortization used in governmental activities are not current financial resources. Therefore, they are not reported in the funds financial statements. | 438,857 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                                                                              |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 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. | 44,042 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                         |     |
|---------------------------------------------------------------------------------------------------------|-----|
| Deferred outflow of resources are not financial resources, and therefore are not reported in the funds. | 150 |
|---------------------------------------------------------------------------------------------------------|-----|

|                                                                                                                |       |
|----------------------------------------------------------------------------------------------------------------|-------|
| Certain deferred inflow of resources are not financial resources, and therefore are not reported in the funds. | (657) |
|----------------------------------------------------------------------------------------------------------------|-------|

Certain assets are not available to provide current year financial resources and therefore are deferred in the fund statements

|                            |              |       |
|----------------------------|--------------|-------|
| CDBG Notes Receivable      | 2,065        |       |
| Grants Receivable          | 300          |       |
| Opioid Accounts Receivable | 730          |       |
| AURA Notes Receivable      | 1,102        |       |
| Subtotal                   | <u>4,197</u> | 4,197 |

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, 2023 are:

|                                                                    |                  |           |
|--------------------------------------------------------------------|------------------|-----------|
| Lease and subscription payable                                     | (1,719)          |           |
| Bonds payable, including bond premium                              | (74,281)         |           |
| Obligation under certificates of participation, including premiums | (27,616)         |           |
| Accrued interest                                                   | (281)            |           |
| Net pension liability                                              | (4)              |           |
| Total OPEB liability                                               | (1,455)          |           |
| Compensated absences                                               | (4,294)          |           |
| Subtotal                                                           | <u>(109,650)</u> | (109,650) |

|                                         |                   |
|-----------------------------------------|-------------------|
| Net position of governmental activities | <u>\$ 613,333</u> |
|-----------------------------------------|-------------------|

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

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**December 31, 2023**  
**(in thousands)**

**Primary Government**

|                                                          | General Fund     | Community Development Fund | Parks Fund      | General Capital Projects Fund | Construction Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------------------------------------|------------------|----------------------------|-----------------|-------------------------------|-------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                                          |                  |                            |                 |                               |                   |                          |                          |
| Property and ownership taxes                             | \$ 8,827         | \$ -                       | \$ -            | \$ -                          | \$ -              | \$ -                     | \$ 8,827                 |
| Sales and use taxes                                      | 88,532           | -                          | -               | -                             | -                 | 20,548                   | 109,080                  |
| Franchise fees                                           | 5,231            | -                          | -               | 80                            | -                 | -                        | 5,311                    |
| Licenses & permits                                       | 3,899            | -                          | 46              | -                             | -                 | -                        | 3,945                    |
| Intergovernmental                                        | 10,968           | 162                        | 6,920           | 1,555                         | -                 | 9,191                    | 28,796                   |
| Charges for services                                     | 1,033            | -                          | -               | -                             | -                 | -                        | 1,033                    |
| Recovered costs                                          | 5,190            | -                          | 34              | 31                            | 5                 | -                        | 5,260                    |
| Fines & forfeitures                                      | 1,016            | -                          | -               | -                             | -                 | -                        | 1,016                    |
| Investment earnings (loss)                               | 4,306            | 171                        | 335             | 2,176                         | 2,686             | 870                      | 10,544                   |
| Memberships, donations & dedications                     | -                | -                          | -               | 1,191                         | 7,037             | -                        | 8,228                    |
| Miscellaneous                                            | 1,112            | 557                        | 1,208           | 305                           | -                 | 150                      | 3,332                    |
| Total Revenues                                           | <u>130,114</u>   | <u>890</u>                 | <u>8,543</u>    | <u>5,338</u>                  | <u>9,728</u>      | <u>30,759</u>            | <u>185,372</u>           |
| <b>EXPENDITURES</b>                                      |                  |                            |                 |                               |                   |                          |                          |
| General government                                       | 35,243           | -                          | -               | 604                           | 5                 | 198                      | 36,050                   |
| Public safety                                            | 27,293           | -                          | -               | -                             | -                 | 11,554                   | 38,847                   |
| Public works                                             | 31,052           | -                          | -               | -                             | -                 | -                        | 31,052                   |
| Parks and recreation                                     | -                | -                          | 13,261          | -                             | -                 | -                        | 13,261                   |
| Human services                                           | -                | 1,761                      | -               | -                             | -                 | 7,789                    | 9,550                    |
| Debt service                                             |                  |                            |                 |                               |                   |                          |                          |
| Principal                                                | 358              | -                          | -               | -                             | -                 | 5,487                    | 5,845                    |
| Interest                                                 | 27               | -                          | -               | -                             | -                 | 3,579                    | 3,606                    |
| Bond issuance costs                                      | -                | -                          | -               | -                             | 146               | -                        | 146                      |
| Capital outlay                                           | 105              | 10                         | -               | 10,249                        | 35,957            | -                        | 46,321                   |
| Total Expenditures                                       | <u>94,078</u>    | <u>1,771</u>               | <u>13,261</u>   | <u>10,853</u>                 | <u>36,108</u>     | <u>28,607</u>            | <u>184,678</u>           |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | 36,036           | (881)                      | (4,718)         | (5,515)                       | (26,380)          | 2,152                    | 694                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                  |                            |                 |                               |                   |                          |                          |
| Issuance of debt                                         | -                | -                          | -               | -                             | 8,166             | -                        | 8,166                    |
| Transfers in                                             | 250              | 45                         | 5,076           | 18,716                        | -                 | 3,255                    | 27,342                   |
| Transfers out                                            | (20,542)         | -                          | (18)            | -                             | -                 | (3,010)                  | (23,570)                 |
| Total other financing sources (uses)                     | <u>(20,292)</u>  | <u>45</u>                  | <u>5,058</u>    | <u>18,716</u>                 | <u>8,166</u>      | <u>245</u>               | <u>11,938</u>            |
| <b>NET CHANGE IN FUND BALANCES</b>                       | 15,744           | (836)                      | 340             | 13,201                        | (18,214)          | 2,397                    | 12,632                   |
| <b>FUND BALANCES, BEGINNING</b>                          | 69,978           | 6,397                      | 7,552           | 56,870                        | 61,444            | 21,521                   | 223,762                  |
| <b>FUND BALANCES ENDING</b>                              | <u>\$ 85,722</u> | <u>\$ 5,561</u>            | <u>\$ 7,892</u> | <u>\$ 70,071</u>              | <u>\$ 43,230</u>  | <u>\$ 23,918</u>         | <u>\$ 236,394</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**

**December 31, 2023**

**(in thousands)**

|                                                      |          |
|------------------------------------------------------|----------|
| Net change in fund balances - total government funds | \$12,632 |
|------------------------------------------------------|----------|

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 or amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization expense in the current period.

|                                                                     |                 |        |
|---------------------------------------------------------------------|-----------------|--------|
| Capital outlay                                                      | 46,321          |        |
| Disposal of Capital and Lease Assets, net of internal service funds | 2,716           |        |
| Depreciation and amortization expense                               | <u>(19,472)</u> |        |
| Excess of capital outlay over depreciation and amortization expense |                 | 29,565 |

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.

|                                 |              |         |
|---------------------------------|--------------|---------|
| Issuance of debt                | (8,166)      |         |
| Lease and subscription activity | (1,048)      |         |
| Direct placement activity       | (402)        |         |
| Repayment of principal          | <u>5,487</u> |         |
| Subtotal                        |              | (4,129) |

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

|                                                    |            |       |
|----------------------------------------------------|------------|-------|
| Developer Contributions                            | 1,431      |       |
| Grants/notes receivable - current net of allowance | <u>576</u> |       |
| Subtotal                                           |            | 2,007 |

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.

2,389

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 | (502)        |       |
| Pension                                                     | 67           |       |
| OPEB                                                        | 44           |       |
| Interest expense                                            | (11)         |       |
| Compensated absences                                        | <u>(294)</u> |       |
| Subtotal                                                    |              | (696) |

Change in net position of governmental activities

\$41,768

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)**  
**December 31, 2023**  
**(in thousands)**

|                                                      | Budgeted Amounts |           |                   | Variance<br>With Final<br>Budget<br>Positive<br>(Negative) |
|------------------------------------------------------|------------------|-----------|-------------------|------------------------------------------------------------|
|                                                      | Original         | Final     | Actual<br>Amounts |                                                            |
| REVENUES                                             |                  |           |                   |                                                            |
| Property and ownership taxes                         | \$ 8,752         | \$ 8,752  | \$ 8,827          | \$ 75                                                      |
| Sales and use taxes                                  | 86,608           | 86,608    | 88,532            | 1,924                                                      |
| Franchise fees                                       | 5,075            | 5,075     | 5,231             | 156                                                        |
| Licenses and permits                                 | 3,710            | 3,710     | 3,899             | 189                                                        |
| Intergovernmental                                    | 5,563            | 5,563     | 10,968            | 5,405                                                      |
| Charges for services                                 | 570              | 570       | 1,033             | 463                                                        |
| Recovered costs                                      | 4,932            | 4,932     | 5,190             | 258                                                        |
| Fines and forfeitures                                | 1,086            | 1,086     | 1,016             | (70)                                                       |
| Investment earnings                                  | 1,173            | 1,173     | 4,306             | 3,133                                                      |
| Administrative services                              | 3,580            | 3,580     | 4,043             | 463                                                        |
| Miscellaneous                                        | 63               | 63        | 1,112             | 1,049                                                      |
| Total revenues                                       | 121,112          | 121,112   | 134,157           | 13,045                                                     |
| EXPENDITURES                                         |                  |           |                   |                                                            |
| Current expenditures:                                |                  |           |                   |                                                            |
| Community and Economic Development                   | 5,066            | 5,126     | 3,995             | 1,131                                                      |
| Judicial                                             | 1,547            | 1,574     | 1,322             | 252                                                        |
| Management                                           | 5,675            | 6,378     | 5,453             | 925                                                        |
| Legal                                                | 2,675            | 2,972     | 2,848             | 124                                                        |
| Finance                                              | 10,831           | 18,404    | 17,703            | 701                                                        |
| Human resources                                      | 2,500            | 2,588     | 2,236             | 352                                                        |
| Debt Service                                         |                  |           |                   |                                                            |
| Principal                                            | -                | -         | 507               | (507)                                                      |
| Interest                                             | -                | -         | 27                | (27)                                                       |
| Public safety                                        | 30,780           | 31,425    | 27,144            | 4,281                                                      |
| Public works                                         | 34,491           | 35,878    | 31,052            | 4,826                                                      |
| Planning                                             | 663              | 663       | 813               | (150)                                                      |
| Information technology                               | 5,288            | 5,390     | 4,916             | 474                                                        |
| Total current expenditures                           | 99,516           | 110,398   | 98,016            | 12,382                                                     |
| Capital outlay                                       | 83               | 93        | 105               | (12)                                                       |
| Total expenditures                                   | 99,599           | 110,491   | 98,121            | 12,370                                                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES |                  |           |                   |                                                            |
|                                                      | 21,513           | 10,621    | 36,036            | 25,415                                                     |
| OTHER FINANCING SOURCES (USES)                       |                  |           |                   |                                                            |
| Transfer in                                          | 185              | 185       | 250               | 65                                                         |
| Transfers out                                        | (21,569)         | (23,759)  | (20,542)          | 3,217                                                      |
| Total other financing (uses)                         | (21,384)         | (23,574)  | (20,292)          | 3,282                                                      |
| NET CHANGE IN FUND BALANCE                           |                  |           |                   |                                                            |
|                                                      | 129              | (12,953)  | 15,744            | 28,697                                                     |
| FUND BALANCE, BEGINNING                              |                  |           |                   |                                                            |
|                                                      | 69,978           | 69,978    | 69,978            | -                                                          |
| FUND BALANCE, ENDING                                 |                  |           |                   |                                                            |
|                                                      | \$ 70,107        | \$ 57,025 | \$ 85,722         | \$ 28,697                                                  |
| Total expenditures as presented on budgetary basis   |                  |           | 98,121            |                                                            |
| less allocation of internal transfers                |                  |           | (4,043)           |                                                            |
| Total expenditures as presented on GAAP basis        |                  |           | 94,078            |                                                            |

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**  
**December 31, 2023**  
**(in thousands)**

|                                        | <u>Budgeted Amounts</u> |                 | <u>Actual</u>   | <u>Variance</u>                                                            |
|----------------------------------------|-------------------------|-----------------|-----------------|----------------------------------------------------------------------------|
|                                        | <u>Original</u>         | <u>Final</u>    | <u>Amount</u>   | <u>With Final</u><br><u>Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
| <b>REVENUES</b>                        |                         |                 |                 |                                                                            |
| Intergovernmental                      | \$ 659                  | \$ 659          | \$ 162          | \$ (497)                                                                   |
| Investment earnings                    | 34                      | 34              | 171             | 137                                                                        |
| Miscellaneous                          | 157                     | 157             | 557             | 400                                                                        |
| Total revenues                         | <u>850</u>              | <u>850</u>      | <u>890</u>      | <u>40</u>                                                                  |
| <b>EXPENDITURES</b>                    |                         |                 |                 |                                                                            |
| Current expenditures:                  |                         |                 |                 |                                                                            |
| Program costs                          | 1,064                   | 4,184           | 1,761           | 2,423                                                                      |
| Capital outlay                         | -                       | -               | 10              | (10)                                                                       |
| Total expenditures                     | <u>1,064</u>            | <u>4,184</u>    | <u>1,771</u>    | <u>2,413</u>                                                               |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b> |                         |                 |                 |                                                                            |
| <b>OVER EXPENDITURES</b>               | <u>(214)</u>            | <u>(3,334)</u>  | <u>(881)</u>    | <u>2,453</u>                                                               |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                         |                 |                 |                                                                            |
| Transfers in                           | 45                      | 45              | 45              | -                                                                          |
| Transfers out                          | <u>(260)</u>            | <u>(260)</u>    | <u>-</u>        | <u>260</u>                                                                 |
| Total other financing sources (uses)   | <u>(215)</u>            | <u>(215)</u>    | <u>45</u>       | <u>260</u>                                                                 |
| <b>NET CHANGE IN FUND BALANCE</b>      | (429)                   | (3,549)         | (836)           | 2,713                                                                      |
| <b>FUND BALANCE, BEGINNING</b>         | 6,397                   | 6,397           | 6,397           | -                                                                          |
| <b>FUND BALANCE, ENDING</b>            | <u>\$ 5,968</u>         | <u>\$ 2,848</u> | <u>\$ 5,561</u> | <u>\$ 2,713</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**  
**December 31, 2023**  
**(in thousands)**

|                                                               | <b>Budgeted Amounts</b> |                 | <b>Actual</b>   | <b>Variance</b>                                          |
|---------------------------------------------------------------|-------------------------|-----------------|-----------------|----------------------------------------------------------|
|                                                               | <b>Original</b>         | <b>Final</b>    | <b>Amounts</b>  | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                                               |                         |                 |                 |                                                          |
| Licenses and permits                                          | \$ 67                   | \$ 67           | \$ 46           | \$ (21)                                                  |
| Intergovernmental revenues                                    |                         |                 |                 |                                                          |
| Jefferson County-Open Space                                   | 5,942                   | 5,942           | 6,920           | 978                                                      |
| Recovered costs                                               | 1                       | 1               | 34              | 33                                                       |
| Investment earnings                                           | 47                      | 47              | 335             | 288                                                      |
| Miscellaneous                                                 | 1,273                   | 1,273           | 1,208           | (65)                                                     |
|                                                               | <u>7,330</u>            | <u>7,330</u>    | <u>8,543</u>    | <u>1,213</u>                                             |
| <b>EXPENDITURES</b>                                           |                         |                 |                 |                                                          |
| Current expenditures:                                         |                         |                 |                 |                                                          |
| Park maintenance                                              | 12,929                  | 13,549          | 12,758          | 791                                                      |
| Park design                                                   | 453                     | 451             | 429             | 22                                                       |
| Capital outlay                                                | -                       | 35              | 74              | (39)                                                     |
| Total current expenditures                                    | <u>13,382</u>           | <u>14,035</u>   | <u>13,261</u>   | <u>774</u>                                               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>UNDER EXPENDITURES</b> | <u>(6,052)</u>          | <u>(6,705)</u>  | <u>(4,718)</u>  | <u>1,987</u>                                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                         |                 |                 |                                                          |
| Transfers in                                                  | 5,025                   | 5,025           | 5,076           | 51                                                       |
| Transfers out                                                 | -                       | (18)            | (18)            | -                                                        |
| Total other financing sources                                 | <u>5,025</u>            | <u>5,007</u>    | <u>5,058</u>    | <u>51</u>                                                |
| <b>NET CHANGE IN FUND BALANCE</b>                             | <u>(1,027)</u>          | <u>(1,698)</u>  | <u>340</u>      | <u>2,038</u>                                             |
| <b>FUND BALANCE, BEGINNING</b>                                | <u>7,552</u>            | <u>7,552</u>    | <u>7,552</u>    | <u>-</u>                                                 |
| <b>FUND BALANCE, ENDING</b>                                   | <u>\$ 6,525</u>         | <u>\$ 5,854</u> | <u>\$ 7,892</u> | <u>\$ 2,038</u>                                          |

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



**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**  
**(in thousands)**

|                                                          | Business-Type Activities |                  |                  |                  | Total             | Governmental     |
|----------------------------------------------------------|--------------------------|------------------|------------------|------------------|-------------------|------------------|
|                                                          | Major Funds              |                  |                  |                  | Business          | Internal         |
|                                                          | Water Fund               | Waste-water fund | Storm-water Fund | Non-Major Funds  | Type Activities   | Service Funds    |
| <b>ASSETS</b>                                            |                          |                  |                  |                  |                   |                  |
| <b>CURRENT ASSETS</b>                                    |                          |                  |                  |                  |                   |                  |
| Cash and investments                                     | \$ 83,260                | \$ 55,103        | \$ 2,727         | \$ 1,732         | \$ 142,822        | \$ 38,178        |
| Cash with fiscal agent                                   | 22,275                   | -                | -                | -                | 22,275            | -                |
| Accounts receivable, net of allowance for uncollectibles | 3,557                    | 2,693            | 553              | 815              | 7,618             | 394              |
| Accrued interest                                         | 116                      | -                | 18               | -                | 134               | 202              |
| Inventories                                              | 600                      | -                | -                | 163              | 763               | 449              |
| Prepaid costs                                            | 112                      | -                | -                | 9                | 121               | 673              |
| Interfund receivable                                     | 473                      | 131              | -                | -                | 604               | -                |
| Lease Receivable                                         | 111                      | -                | -                | -                | 111               | -                |
| Total current assets                                     | <u>110,504</u>           | <u>57,927</u>    | <u>3,298</u>     | <u>2,719</u>     | <u>174,448</u>    | <u>39,896</u>    |
| <b>NONCURRENT ASSETS</b>                                 |                          |                  |                  |                  |                   |                  |
| Advance to Golf Fund                                     | -                        | 1,175            | -                | -                | 1,175             | -                |
| Advance to Solid Waste                                   | 368                      | -                | -                | -                | 368               | -                |
| Lease receivable                                         | 1,220                    | -                | -                | -                | 1,220             | -                |
| Notes receivable, net of allowance for uncollectibles    | -                        | 2,836            | -                | -                | 2,836             | -                |
| Subscription assets net of amortization                  | -                        | -                | -                | 38               | 38                | 5,413            |
| Lease assets net of amortization                         | -                        | -                | -                | 226              | 226               | 30               |
| Land, water rights & construction in progress            | 123,751                  | 5,315            | 6,598            | 4,307            | 139,971           | -                |
| Property and equipment, net of accumulated depreciation  | 166,492                  | 63,277           | 56,444           | 11,087           | 297,300           | 17,575           |
| Total non-current assets                                 | <u>291,831</u>           | <u>72,603</u>    | <u>63,042</u>    | <u>15,658</u>    | <u>443,134</u>    | <u>23,018</u>    |
| Total assets                                             | <u>402,335</u>           | <u>130,530</u>   | <u>66,340</u>    | <u>18,377</u>    | <u>617,582</u>    | <u>62,914</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                          |                  |                  |                  |                   |                  |
| Items related to OPEB                                    | <u>11</u>                | <u>3</u>         | <u>1</u>         | <u>3</u>         | <u>18</u>         | <u>3</u>         |
| <b>LIABILITIES CURRENT LIABILITIES</b>                   |                          |                  |                  |                  |                   |                  |
| Accounts payable                                         | 5,828                    | 828              | 184              | 671              | 7,511             | 3,486            |
| Contracts payable                                        | 1,059                    | 599              | -                | -                | 1,658             | -                |
| Accrued compensated absences                             | 206                      | 60               | 6                | 115              | 387               | 64               |
| Serial bonds payable                                     | 790                      | 785              | -                | -                | 1,575             | -                |
| Claims payable                                           | -                        | -                | -                | -                | -                 | 3,712            |
| Interfund payable                                        | -                        | -                | -                | 604              | 604               | -                |
| Accrued interest                                         | -                        | -                | -                | 12               | 12                | 78               |
| Lease liability                                          | -                        | -                | -                | 191              | 191               | 16               |
| Subscription liability                                   | -                        | -                | -                | 20               | 20                | 4,255            |
| Unearned revenue                                         | -                        | (1)              | 24               | 84               | 107               | -                |
| Total current liabilities                                | <u>7,883</u>             | <u>2,271</u>     | <u>214</u>       | <u>1,697</u>     | <u>12,065</u>     | <u>11,611</u>    |
| <b>NONCURRENT LIABILITIES</b>                            |                          |                  |                  |                  |                   |                  |
| Accrued compensated absences                             | 206                      | 60               | 6                | 115              | 387               | 64               |
| Total OPEB liability                                     | 192                      | 51               | 18               | 58               | 319               | 59               |
| Serial bonds payable                                     | 48,899                   | 48,823           | -                | -                | 97,722            | -                |
| Lease liability                                          | -                        | -                | -                | -                | -                 | 18               |
| Subscription liability                                   | -                        | -                | -                | 21               | 21                | 725              |
| Advance from Water Fund                                  | -                        | -                | -                | 368              | 368               | -                |
| Advance from Wastewater Fund                             | -                        | -                | -                | 1,175            | 1,175             | -                |
| Total non-current liabilities                            | <u>49,297</u>            | <u>48,934</u>    | <u>24</u>        | <u>1,737</u>     | <u>99,992</u>     | <u>866</u>       |
| Total liabilities                                        | <u>57,180</u>            | <u>51,205</u>    | <u>238</u>       | <u>3,434</u>     | <u>112,057</u>    | <u>12,477</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                          |                  |                  |                  |                   |                  |
| Items related to lease receivable                        | 1,295                    | -                | -                | -                | 1,295             | -                |
| Items related to OPEB liability                          | 85                       | 23               | 8                | 26               | 142               | 27               |
| Total deferred inflows of resources                      | <u>1,380</u>             | <u>23</u>        | <u>8</u>         | <u>26</u>        | <u>1,437</u>      | <u>27</u>        |
| <b>NET POSITION</b>                                      |                          |                  |                  |                  |                   |                  |
| Net investment in capital assets                         | 279,362                  | 68,337           | 62,973           | 15,658           | 426,330           | 23,018           |
| Restricted - debt service                                | 790                      | 785              | -                | -                | 1,575             | -                |
| Unrestricted                                             | 63,634                   | 10,183           | 3,122            | (738)            | 76,201            | 27,395           |
| Total net position                                       | <u>\$ 343,786</u>        | <u>\$ 79,305</u> | <u>\$ 66,095</u> | <u>\$ 14,920</u> | <u>\$ 504,106</u> | <u>\$ 50,413</u> |

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities (page 27)

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

6,452  
\$ 510,558

**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION**  
**December 31, 2023**  
**(in thousands)**

|                                                                                                         | Business-Type Activities |                     |                     |                        |                                | Gov-<br>ern-<br>men-<br>tal<br>Activities |
|---------------------------------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|------------------------|--------------------------------|-------------------------------------------|
|                                                                                                         | Major Funds              |                     |                     |                        | Total                          |                                           |
|                                                                                                         | Water<br>Fund            | Waste-water<br>fund | Storm-water<br>Fund | Non-<br>Major<br>Funds | Business<br>Type<br>Activities | Internal Ser-<br>vice Funds               |
| OPERATING REVENUES                                                                                      |                          |                     |                     |                        |                                |                                           |
| Sales                                                                                                   | \$ 28,034                | \$ -                | \$ -                | \$ 7,813               | \$ 35,847                      | \$ -                                      |
| Service charges & fees                                                                                  | 690                      | 15,158              | 3,925               | 5,600                  | 25,373                         | 15,631                                    |
| Recovered costs                                                                                         | -                        | -                   | -                   | -                      | -                              | 548                                       |
| Contributions                                                                                           | -                        | -                   | -                   | -                      | -                              | -                                         |
| Employer                                                                                                | -                        | -                   | -                   | -                      | -                              | 8,920                                     |
| Employee                                                                                                | -                        | -                   | -                   | -                      | -                              | 2,095                                     |
| Retirees and continued<br>benefit individuals                                                           | -                        | -                   | -                   | -                      | -                              | 302                                       |
| Miscellaneous                                                                                           | 1,285                    | 467                 | 3                   | 25                     | 1,780                          | 1,885                                     |
| Total revenues                                                                                          | 30,009                   | 15,625              | 3,928               | 13,438                 | 63,000                         | 29,381                                    |
| EXPENSES                                                                                                |                          |                     |                     |                        |                                |                                           |
| Operating & maintenance                                                                                 | 24,077                   | 12,615              | 2,508               | -                      | 39,200                         | -                                         |
| Administration                                                                                          | -                        | 635                 | -                   | 11,539                 | 12,174                         | 5,863                                     |
| Insurance premiums                                                                                      | -                        | -                   | -                   | -                      | -                              | 3,236                                     |
| Uninsured damages & claims                                                                              | -                        | -                   | -                   | -                      | -                              | 10,830                                    |
| Repair & maintenance                                                                                    | -                        | -                   | -                   | -                      | -                              | 3,248                                     |
| Interest expense                                                                                        | -                        | -                   | -                   | -                      | -                              | 84                                        |
| Depreciation and amortization                                                                           | 5,135                    | 1,633               | 1,321               | 784                    | 8,873                          | 3,961                                     |
| Total expenses                                                                                          | 29,212                   | 14,883              | 3,829               | 12,323                 | 60,247                         | 27,222                                    |
| OPERATING INCOME                                                                                        | 797                      | 742                 | 99                  | 1,115                  | 2,753                          | 2,159                                     |
| NON-OPERATING REVENUES<br>(EXPENSES)                                                                    |                          |                     |                     |                        |                                |                                           |
| Investment                                                                                              | 5,448                    | 2,833               | 432                 | 57                     | 8,770                          | 1,907                                     |
| Gain (loss) on sale of assets                                                                           | (200)                    | (479)               | (127)               | -                      | (806)                          | 483                                       |
| Interest expense                                                                                        | (1,930)                  | (1,946)             | -                   | (71)                   | (3,947)                        | -                                         |
| Total non-operating revenues (expenses)                                                                 | 3,318                    | 408                 | 305                 | (14)                   | 4,017                          | 2,390                                     |
| INCOME BEFORE CONTRIBUTIONS<br>AND TRANSFERS                                                            | 4,115                    | 1,150               | 404                 | 1,101                  | 6,770                          | 4,549                                     |
| CAPITAL CONTRIBUTIONS                                                                                   | 16,721                   | 5,410               | 4,141               | -                      | 26,272                         | -                                         |
| TRANSFERS IN                                                                                            | 8                        | -                   | 8                   | 345                    | 361                            | 1,433                                     |
| TRANSFERS OUT                                                                                           | (918)                    | (16)                | (874)               | (432)                  | (2,240)                        | (3,326)                                   |
| CHANGE IN NET POSITION                                                                                  | 19,926                   | 6,544               | 3,679               | 1,014                  | 31,163                         | 2,656                                     |
| NET POSITION, BEGINNING                                                                                 | 323,860                  | 72,761              | 62,416              | 13,906                 |                                | 47,757                                    |
| NET POSITION, ENDING                                                                                    | \$ 343,786               | \$ 79,305           | \$ 66,095           | \$ 14,920              |                                | \$ 50,413                                 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                          |                     |                     |                        | 265                            |                                           |
| Change in net position of business-type activities (page 29)                                            |                          |                     |                     |                        | \$ 31,428                      |                                           |

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

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
December 31, 2023  
(in thousands)**

|                                                                                                          | Business-Type Activities |                  |                  |                                | Governmental Activities |
|----------------------------------------------------------------------------------------------------------|--------------------------|------------------|------------------|--------------------------------|-------------------------|
|                                                                                                          | Major Funds              |                  |                  | Total Business Type Activities | Internal Service Funds  |
|                                                                                                          | Water Fund               | Waste-water fund | Storm-water Fund |                                |                         |
| <b>Cash flows from operating activities</b>                                                              |                          |                  |                  |                                |                         |
| Cash received from external customers                                                                    | \$ 28,799                | \$ 15,509        | \$ 4,071         | \$ 13,394                      | \$ 61,773               |
| Cash received from internal customers                                                                    | -                        | -                | -                | -                              | 3,332                   |
| Cash payments to external suppliers                                                                      | (14,054)                 | (9,677)          | (3,750)          | (6,660)                        | 26,648                  |
| Cash payments to internal suppliers                                                                      | (1,302)                  | (484)            | (132)            | (592)                          | (19,439)                |
| Cash payments to employees for services                                                                  | (9,002)                  | (2,344)          | (973)            | (4,625)                        | (265)                   |
| Net cash provided by operating activities                                                                | <u>4,441</u>             | <u>3,004</u>     | <u>(784)</u>     | <u>1,517</u>                   | <u>(2,806)</u>          |
| <b>Cash flows from non-capital financing activities</b>                                                  |                          |                  |                  |                                |                         |
| Transfers to other funds                                                                                 | (918)                    | (16)             | (874)            | (432)                          | (3,326)                 |
| Transfers from other funds                                                                               | 8                        | -                | 8                | 345                            | 1,390                   |
| Net cash provided (used) in non-capital financing activities                                             | <u>(910)</u>             | <u>(16)</u>      | <u>(866)</u>     | <u>(87)</u>                    | <u>(1,936)</u>          |
| <b>Cash flows from capital &amp; related financing activities</b>                                        |                          |                  |                  |                                |                         |
| Capital contributions                                                                                    | 11,851                   | 1,406            | -                | -                              | 13,257                  |
| Purchase of capital assets                                                                               | (48,774)                 | (5,963)          | (2,502)          | (176)                          | (57,415)                |
| Proceeds from sale of assets                                                                             | 92                       | -                | -                | -                              | 92                      |
| Principal paid on lease and subscription payable                                                         | -                        | -                | -                | (128)                          | (128)                   |
| Interest paid on lease and subscription payable                                                          | -                        | -                | -                | (16)                           | (16)                    |
| Principal paid on serial bond payable                                                                    | (715)                    | (710)            | -                | -                              | (1,425)                 |
| Interest paid on serial bond payable                                                                     | (2,008)                  | (2,031)          | -                | -                              | (4,039)                 |
| Principal paid on interfund payable                                                                      | -                        | -                | -                | (591)                          | (591)                   |
| Interest paid on interfund payable                                                                       | -                        | -                | -                | (67)                           | (67)                    |
| Receipts from principal paid on interfund payable                                                        | 462                      | 627              | -                | -                              | 1,089                   |
| Receipts from interest paid on interfund payable                                                         | 78                       | -                | -                | -                              | 78                      |
| Net cash provided (used) by capital and related financing activities                                     | <u>(39,014)</u>          | <u>(6,671)</u>   | <u>(2,502)</u>   | <u>(978)</u>                   | <u>(49,165)</u>         |
| <b>Cash flows from investing activities</b>                                                              |                          |                  |                  |                                |                         |
| Investment earnings                                                                                      | 6,998                    | 3,097            | 550              | 149                            | 10,794                  |
| Change in pooled investments                                                                             | (1,359)                  | (238)            | (110)            | (88)                           | (1,795)                 |
| Net cash provided by investing activities                                                                | <u>5,639</u>             | <u>2,859</u>     | <u>440</u>       | <u>61</u>                      | <u>8,999</u>            |
| Net increase (decrease) in cash and cash equivalents                                                     | <u>(29,844)</u>          | <u>(824)</u>     | <u>(3,712)</u>   | <u>513</u>                     | <u>(140)</u>            |
| Cash and cash equivalents January 1, 2023                                                                | 106,575                  | 55,927           | 6,439            | 1,219                          | 170,160                 |
| Cash with fiscal agent January 1, 2023                                                                   | <u>28,804</u>            | -                | -                | -                              | <u>28,804</u>           |
| Total cash, cash equivalents and cash with fiscal agent January 1, 2023                                  | 135,379                  | 55,927           | 6,439            | 1,219                          | 198,964                 |
| Cash and cash equivalents December 31, 2023                                                              | 83,260                   | 55,103           | 2,727            | 1,732                          | 142,822                 |
| Cash with fiscal agent December 31, 2023                                                                 | <u>22,275</u>            | -                | -                | -                              | <u>22,275</u>           |
| Total cash, cash equivalents and cash with fiscal agent December 31, 2023                                | <u>105,535</u>           | <u>55,103</u>    | <u>2,727</u>     | <u>1,732</u>                   | <u>165,097</u>          |
| <b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b> |                          |                  |                  |                                |                         |
| Operating income (loss)                                                                                  | 797                      | 743              | 99               | 1,115                          | 2,753                   |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:           |                          |                  |                  |                                |                         |
| Depreciation and amortization                                                                            | 5,135                    | 1,633            | 1,321            | 784                            | 8,873                   |
| (Increase) decrease in account receivable                                                                | (335)                    | (116)            | 128              | (45)                           | (368)                   |
| (Increase) decrease in lease receivable                                                                  | (798)                    | -                | -                | -                              | (798)                   |
| (Increase) decrease in notes receivable                                                                  | -                        | -                | -                | -                              | -                       |
| (Increase) decrease in inventories                                                                       | (100)                    | -                | -                | 20                             | (80)                    |
| (Increase) decrease in prepaid costs                                                                     | (15)                     | 1                | -                | -                              | (14)                    |
| (Decrease) increase deferred inflow leases                                                               | 778                      | -                | -                | 26                             | 804                     |
| (Decrease) increase in accrued payroll                                                                   | -                        | 11               | 5                | 16                             | 32                      |
| (Decrease) increase in accounts payable                                                                  | (1,556)                  | 629              | (2,356)          | (221)                          | (3,504)                 |
| (Decrease) increase in contracts payable                                                                 | 723                      | 115              | -                | -                              | 838                     |
| (Decrease) increase in claims payable                                                                    | -                        | -                | -                | -                              | -                       |
| (Decrease) increase in total OPEB liability                                                              | 12                       | 7                | (7)              | (1)                            | 11                      |
| (Decrease) increase in unearned revenue                                                                  | (183)                    | -                | 24               | (200)                          | (359)                   |
| (Decrease) increase in compensated absences                                                              | (17)                     | (19)             | 2                | 23                             | (11)                    |
| Net cash provided by operating activities                                                                | <u>\$ 4,441</u>          | <u>\$ 3,004</u>  | <u>\$ (784)</u>  | <u>\$ 1,517</u>                | <u>\$ 8,178</u>         |
| <b>Non-cash investing, capital and financing activities</b>                                              |                          |                  |                  |                                |                         |
| Developer contributions                                                                                  | \$ 4,871                 | \$ 4,004         | \$ 4,141         | \$ -                           | \$ 13,016               |
| Change in fair value of non-cash pooled investment                                                       | \$ (1,359)               | \$ (238)         | \$ (110)         | \$ (88)                        | \$ (1,795)              |
| Capital assets accounts payable and contract payable outstanding                                         | \$ 1,059                 | \$ 599           | \$ -             | \$ (76)                        | \$ 1,582                |

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



**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2023**  
**(in thousands)**

|                                                   | <b>Defined<br/>Benefit<br/>Police<br/>Pension</b> | <b>Custodial<br/>Fund</b> |
|---------------------------------------------------|---------------------------------------------------|---------------------------|
| <b>Assets</b>                                     |                                                   |                           |
| Pooled cash and investments                       | \$ 379                                            | \$ 2,000                  |
| Money market                                      | 7                                                 | \$ -                      |
| Accrued interest                                  | 2                                                 | \$ 10                     |
| Total current assets                              | <u>388</u>                                        | <u>2,010</u>              |
| <br>Total Assets                                  | <br><u>388</u>                                    | <br><u>2,010</u>          |
| <br><b>Liabilities</b>                            |                                                   |                           |
| <b>Current Liabilities</b>                        |                                                   |                           |
| Accounts payable                                  | -                                                 | 27                        |
| Due to employees                                  | -                                                 | 164                       |
| Total current liabilities                         | <u>-</u>                                          | <u>191</u>                |
| <br>Total liabilities                             | <br><u>-</u>                                      | <br><u>191</u>            |
| <br><b>NET POSITION RESTRICTED FOR</b>            |                                                   |                           |
| Pensions                                          | 388                                               | -                         |
| Individuals, organizations, and other governments | -                                                 | 1,819                     |
| Total fiduciary net position                      | <u>\$ 388</u>                                     | <u>\$ 1,819</u>           |

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



**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**December 31, 2023**  
**(in thousands)**

|                                                     | <b>Defined<br/>Benefit<br/>Police<br/>Pension</b> | <b>Custodial<br/>Fund</b> |
|-----------------------------------------------------|---------------------------------------------------|---------------------------|
| <b>ADDITIONS</b>                                    |                                                   |                           |
| Investment earnings                                 | \$ 18                                             | \$ 88                     |
| Contributions                                       | 19                                                | 2,359                     |
| Total additions                                     | <u>37</u>                                         | <u>2,447</u>              |
| <b>DEDUCTIONS</b>                                   |                                                   |                           |
| Program costs                                       | -                                                 | 2,149                     |
| Benefits paid                                       | 29                                                | -                         |
| Total deductions                                    | <u>29</u>                                         | <u>2,149</u>              |
| <b>INCREASE (DECREASE) IN FIDUCIARY NET POSTION</b> | 8                                                 | 298                       |
| <b>Fiduciary net position, January 1</b>            | <u>380</u>                                        | <u>1,521</u>              |
| <b>Fiduciary net position, December 31</b>          | <u><u>\$ 388</u></u>                              | <u><u>\$ 1,819</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 123,066. The City, incorporated in 1904, provides general government; police services; water; sewer, stormwater; solid waste, golf; park maintenance; and various trust and custodial functions in a fiduciary capacity. The City does not provide fire protection, or public education.

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 unit, on the other hand, is reported in a separate column in the government-wide statements to emphasize it is 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.

**Arvada Economic Development Association (AEDA) (Special Revenue Fund)** - AEDA was established to encourage and stimulate all forms of economic development, commercial and industrial. The City's management team has operational responsibility for AEDA. AEDA exclusively benefits the City through economic development which increases revenues received by the City. Separate audited financial statements for the Arvada Economic Development Association are not prepared.

**Police Defined Benefit Pension Plan (Fiduciary Fund)** – The single employer defined benefit pension plan covers the uniformed police officers who did not elect to participate in the Defined Contribution Police Plan that became effective January 1, 1986. One fully vested participant remains in the Defined Benefit Plan as of December 31, 2023. Funding for the plan consists of contributions from the City and investment earnings. The City also has operational responsibility for the Plan. Separate audited financial statements for the Police Defined Benefit Pension Plan are not prepared.

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**Discrete Component Unit**

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 because of the City's ability to appoint AURA's governing authority and approve the budget and its revision, however, the City does not have any responsibilities to fund AURA operating deficiencies or deficits.

Separate audited financial statements for AURA may be obtained by contacting the Finance Department at 720-898-7120 or writing to:

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

**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 defined benefit police pension 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.

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, lease 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.

### 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 balance/net position, 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 and is a special revenue fund.

The Parks Fund accounts for costs associated with the acquisition, design, development, maintenance and beautification of parks, open space and trails within the City and is a special revenue fund. Revenues are primarily from Jefferson County Open Space funds and can include revenues from the City's General Fund, Grants Fund, and Lands Dedicated revenues.

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 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 2021 Certificates of Participation issue and the Sales and Use Tax Revenue Bonds Series 2019 as well as the Sales and Use Tax Revenue Bonds Series 2023. The fund will be used to replace the Meyers Pool with a new 50-meter pool, reconstruction and widening of Ralston Road from Yukon Street to Garrison Street and the reconstruction and railroad underpass on West 72nd Avenue from Kipling Street to Simms Street.

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

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.

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 Defined Benefit Police Pension 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.

Custodial Funds are used to account for monies held for the Ralston House, a local 503(c)(3) not-for-profit agency to which the City of Arvada provides accounting and investing services.

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.

All receivables are shown net of an allowance for uncollectible accounts when applicable. The citizen invoice receivable allowance in the General Fund as of December 31, 2023, was \$47,913. The loans receivable allowance in the Community Development Fund as of December 31, 2023, was \$558,963. The loans receivable allowance in the Housing Fund as of December 31, 2023, was \$61,203. The customer account receivable allowance in the Water Fund as of December 31, 2023, was \$6,782.

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 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. Non-current notes receivable in the governmental funds include loans to the Arvada Urban Renewal Authority \$1,101,896, Opioid Settlement funds of \$729,537, and notes receivable to various customers in the Community Development and Parks Funds \$2,476,000. 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 positions are available. Certain assets of the Community Development Block Grant special revenue fund are restricted because their use is completely restricted by grant agreements. Certain assets of the Construction Fund are restricted because their use is restricted due to Bond and Certificates of Participation (COP) rules.

### **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 of more than one year. 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. Assets are assessed for impairment annually; there were no impaired assets during 2023.

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 and Lease 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) Leases**

### Lessor Leases

The City is the lessor for noncancellable leases of real estate owned by the City. City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and proprietary fund financial statements. The City recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. All leases are fixed payment leases; there are no variable payment leases. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as miscellaneous revenue in the fund financial statements. The miscellaneous revenue in the Governmental Funds is \$178,099, and Enterprise Funds \$20,845.

Key estimates and judgements include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

- The City uses the estimated incremental borrowing rate for the discount rate.
- The lease term includes the noncancellable period of the leases.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the leases.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### Lessee Leases

The City is the lessee for noncancellable leases of land, equipment, and vehicles. The City recognizes a lease liability and intangible right-to-use lease asset (lease asset) in the government-wide and Enterprise fund financial statements. The City recognizes lease assets with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, less any lease incentives received from the lessor at or before commencement of the lease, plus certain initial indirect costs. Subsequently, the lease asset is amortized on the straight-line basis over the shorter of the lease term or the useful life of the underlying asset. All lease payments are fixed payment leases; there are no variable payment leases.

Key estimates and judgements related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term included the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease assets and liabilities if certain changes occur that are expected to significantly alter the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with current and noncurrent liabilities on the statement of net position and Enterprise fund financial statements.

#### Subscription-Based Information Technology Arrangements

The City has entered into Subscription-Based Information Technology Arrangements (SBITA), which conveys the right to use another party's information technology software. The City recognizes a subscription liability and intangible right-to-use subscription asset (subscription asset) in the government-wide, Internal Service and Enterprise fund financial statements. The City recognizes subscription assets with an initial, individual value of \$5,000 or more.

At the commencement of a subscription agreement, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, less any subscription incentives received at or before commencement of the subscription, plus certain capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on the straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset. The City has a variety of variable subscription payment clauses with varying set and percentage increases through the life of the subscription agreement.

Key estimates and judgements related to subscriptions include how the City determines the discount rate it uses to discount the expected subscription payments to present value, subscription term and subscription payments.

- The City uses the interest rate charged in the subscription agreement as the discount rate. When the interest rate charged is not provided, the City uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term included the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription assets and liabilities if certain changes occur that are expected to significantly alter the amount of the subscription liability. Subscription assets are reported with capital assets and subscription liabilities are reported with current and noncurrent liabilities on the statement of net position and Enterprise fund financial statements.

## **7) 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.

## **8) 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. Long-term liabilities 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.

## **9) Deferred Inflows and Outflows of Resources**

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

The loss on refunding represents refunding's resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt and is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The deferred outflows related to pensions are changes in the net pension liability that are to be recognized, beginning in the current reporting period, using a systematic and rational method, over a closed period that is either equal to a five-year period (for differences between projected and actual earnings on pension plan investments) or the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan determined as of the beginning of the measurement period.

There are two types of deferred outflows related to OPEB. (1) Changes in the OPEB liability to be recognized in the next budget fiscal year for administrative and employee benefits due to measurement date. (2) Changes in the OPEB liability that are to be recognized, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. Eligible deferrals are:

- A.** Difference between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of the total OPEB liability
- B.** Changes of assumptions about future economic or demographic factors or of other inputs (changes of assumptions or other inputs).

A deferred inflow of resources is an acquisition of net assets that is applicable to future reporting periods. Governmental funds report unavailable revenues as deferred inflows of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. The City considers all funds received within 60 days of the end of the fiscal year to be available. Resources received in advance of all eligibility requirements being met, other than time restrictions, are reported as unearned revenue. Property tax receivables are reported as a deferred inflow of resources when levied in both the government-wide and fund statements.

The deferred inflows of resources related to the pension and OPEB are recognized in a manner consistent with the deferred outflows of resources described above.

The City's deferred inflows of resources related to leases are reported in accordance with GASB Statement No. 87, *Leases*.

## 10) Fund Balance

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

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

**Fund Balances:**

|                                     | <b>General Fund</b> | <b>Community Development Fund</b> | <b>Parks Fund</b> | <b>Capital Projects Fund</b> | <b>Construction Fund</b> | <b>Other Governmental Funds</b> | <b>Total Governmental Funds</b> |
|-------------------------------------|---------------------|-----------------------------------|-------------------|------------------------------|--------------------------|---------------------------------|---------------------------------|
| <b>Nonspendable:</b>                |                     |                                   |                   |                              |                          |                                 |                                 |
| Inventories                         | \$ 404              | \$ -                              | \$ 24             | \$ -                         | \$ -                     | \$ -                            | \$ 428                          |
| Prepaid                             | 171                 | -                                 | 21                | -                            | -                        | 5                               | 197                             |
| <b>Total Nonspendable</b>           | <b>575</b>          | <b>-</b>                          | <b>45</b>         | <b>-</b>                     | <b>-</b>                 | <b>5</b>                        | <b>625</b>                      |
| <b>Restricted:</b>                  |                     |                                   |                   |                              |                          |                                 |                                 |
| Conservation Trust                  | -                   | -                                 | -                 | -                            | -                        | 2,302                           | 2,302                           |
| Voter restricted sales tax - police | -                   | -                                 | -                 | -                            | -                        | 19,459                          | 19,459                          |
| Seizure Funds                       | -                   | -                                 | -                 | -                            | -                        | 248                             | 248                             |
| Emergencies - Tabor                 | 3,903               | 27                                | 256               | 160                          | 536                      | 485                             | 5,367                           |
| Community Development               | -                   | 2,711                             | -                 | -                            | -                        | 395                             | 3,106                           |
| Housing                             | -                   | -                                 | -                 | -                            | -                        | 317                             | 317                             |
| Debt service                        | -                   | -                                 | -                 | -                            | -                        | 707                             | 707                             |
| Lands Dedicated                     | -                   | -                                 | -                 | 6,667                        | -                        | -                               | 6,667                           |
| Adams County Open Space             | -                   | -                                 | -                 | 378                          | -                        | -                               | 378                             |
| Adams County Transportation         | -                   | -                                 | -                 | 1,623                        | -                        | -                               | 1,623                           |
| Park Development Fees               | -                   | -                                 | -                 | 2,511                        | -                        | -                               | 2,511                           |
| Capital - General                   | -                   | -                                 | -                 | 670                          | 8,422                    | -                               | 9,092                           |
| Capital - Parks                     | -                   | -                                 | -                 | 616                          | -                        | -                               | 616                             |
| Capital - Streets                   | -                   | -                                 | -                 | -                            | 34,272                   | -                               | 34,272                          |
| Capital - Traffic                   | -                   | -                                 | -                 | 3,718                        | -                        | -                               | 3,718                           |
| <b>Total Restricted</b>             | <b>3,903</b>        | <b>2,738</b>                      | <b>256</b>        | <b>16,343</b>                | <b>43,230</b>            | <b>23,913</b>                   | <b>90,383</b>                   |
| <b>Committed</b>                    |                     |                                   |                   |                              |                          |                                 |                                 |
| Capital - General                   | -                   | -                                 | -                 | 11,090                       | -                        | -                               | 11,090                          |
| Capital - Parks                     | -                   | -                                 | -                 | 9,455                        | -                        | -                               | 9,455                           |
| Capital- Technology                 | -                   | -                                 | -                 | -                            | -                        | -                               | -                               |
| Capital - Streets                   | -                   | -                                 | -                 | 9,334                        | -                        | -                               | 9,334                           |
| Capital - Traffic                   | -                   | -                                 | -                 | 10,089                       | -                        | -                               | 10,089                          |
| <b>Total Committed</b>              | <b>-</b>            | <b>-</b>                          | <b>-</b>          | <b>39,968</b>                | <b>-</b>                 | <b>-</b>                        | <b>39,968</b>                   |
| <b>Assigned</b>                     |                     |                                   |                   |                              |                          |                                 |                                 |
| Capital - General                   | -                   | -                                 | -                 | 565                          | -                        | -                               | 565                             |
| Capital - Parks                     | -                   | -                                 | -                 | 3,129                        | -                        | -                               | 3,129                           |
| Capital - Streets                   | -                   | -                                 | -                 | 1,695                        | -                        | -                               | 1,695                           |
| Capital - Traffic                   | -                   | -                                 | -                 | 7,693                        | -                        | -                               | 7,693                           |
| Capital - Technology                | -                   | -                                 | -                 | 678                          | -                        | -                               | 678                             |
| Community Development               | -                   | 2,823                             | -                 | -                            | -                        | -                               | 2,823                           |
| Parks                               | -                   | -                                 | 7,591             | -                            | -                        | -                               | 7,591                           |
| <b>Total Assigned</b>               | <b>-</b>            | <b>2,823</b>                      | <b>7,591</b>      | <b>13,760</b>                | <b>-</b>                 | <b>-</b>                        | <b>24,174</b>                   |
| <b>Unassigned</b>                   | <b>81,244</b>       | <b>-</b>                          | <b>-</b>          | <b>-</b>                     | <b>-</b>                 | <b>-</b>                        | <b>81,244</b>                   |
| <b>Total Fund Balances</b>          | <b>\$ 85,722</b>    | <b>\$ 5,561</b>                   | <b>\$ 7,892</b>   | <b>\$ 70,071</b>             | <b>\$ 43,230</b>         | <b>\$ 23,918</b>                | <b>\$ 236,394</b>               |

## 11) 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, lease and subscription assets, net of accumulated depreciation and amortization, 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.

## **12) 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, the Arvada Medical internal service fund, and the Arvada Economic Development Association Fund.

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

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

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

For the year ended December 31, 2023, the Debt Service Fund exceeded the amount budgeted by \$433,000 which may be a violation of Colorado budget law. This over-expenditure is due to the issuance of additional debt mid-year. The city issued Sales and Use Tax Revenue Bond Series 2023 and made its first debt service payment in December 2023.

#### **C. State Constitutional Amendment**

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

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

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

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

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

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

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

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

### **3. Detailed Notes on Funds and Account Balances**

#### **A. Deposits and Investments**

As of December 31, 2023, the City's cash deposits had a carrying value of \$3,387,664. The bank balances were \$8,255,188 of which \$500,000 was covered by federal deposit insurance and \$7,755,188 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 \$22,279,270. \$22,275,102 of these funds are held in escrow for the Gross Reservoir Enlargement project with Denver Water. The other \$4,168 of these funds are held in escrow for the Meyers Pool replacement project with Jefferson County School District. 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.

**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 A- 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, 2023, 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), Federal Agricultural Mortgage Corporation (FAMC), and Supranationals are 12.16%, 5.20%, 5.71%, 7.24%, 2.90% and 2.94% 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 cash fund (CSAFE), and the Colorado Statewide Investment Program Trust (CSIP), collectively, the Trusts. COLOTRUST and CSIP are local government investment pools with a stable net asset value (NAV) and its NAV is measured at fair value per share. CSAFE is considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and its NAV is measured at amortized cost per share. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable

securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as custodian of the Trusts' portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

Cash and Investments reported on the financial statements as of December 31, 2023 (in thousands):

|                                              |            |
|----------------------------------------------|------------|
| Cash and Investments                         | \$ 426,949 |
| Restricted Cash                              | 24,990     |
| Total per Statement of Net Position          | 451,939    |
| Custodial Funds                              | 2,000      |
| Defined Benefit Police Pension               | 386        |
| Total Financial Statement Cash & Investments | \$ 454,325 |
| Carrying value of cash                       | \$ 3,388   |
| Cash with Fiscal Agent                       | 22,279     |
| Fair market value of investments             | 428,658    |
| Total value cash and investments             | \$ 454,325 |

### **AURA Investment Policy**

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

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

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

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

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

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a nationally recognized organization that regularly rates such obligations. At December 31, 2023, AURA invested \$3,541,750 in a Vectra Bank Public Funds money market which is held at cost. AURA also invested \$380,572 with a Wells Fargo broker in a money market mutual fund which is held at fair value.

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.

At December 31, 2023, the Authority invested in CSIP's Term Portfolio \$1,131,435, an investment established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSIP operates similarly to a money market fund and each share is equal to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. The Authority's investment in CSIP is rated AA+ by Fitch Ratings. CSIP is routinely monitored by the Colorado Division of Securities with regard to operations and investments.

As of December 31, 2023 AURA's cash deposits and had carrying values of \$3,847,654. The bank balances were \$3,847,654 of which \$500,000 was covered by the federal deposit insurance and \$3,365,278 was collateralized with securities held by the pledging financial institution's trust department or agent in AURA's name.

### **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 for 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, 2023:

| Investment by fair value level               | Fair Value Measurements |               |             |         |
|----------------------------------------------|-------------------------|---------------|-------------|---------|
|                                              | Carrying Value          | Level 1       | Level 2     | Level 3 |
| US Treasuries                                | \$ 48,432,511           | \$ 48,432,511 | \$ -        | \$ -    |
| US Agency Securities                         | 154,923,103             | -             | 154,923,103 | -       |
| Corporate Bonds                              | 46,987,320              | -             | 46,987,320  | -       |
| Municipal Bonds                              | 18,677,999              | -             | 18,677,999  | -       |
| Negotiable Certificates of Deposit           | 402,264                 | -             | 402,264     | -       |
| Total Investments by fair value level        | 269,423,198             | 48,432,511    | 220,990,687 | -       |
| Local Government Investment Pool - CSIP      | 152,726,990             |               |             |         |
| Local Government Investment Pool - COLOTRUST | 6,487,432               |               |             |         |
| Local Government Investment Pool - CSAFE     | 19,949                  |               |             |         |
|                                              | <u>159,234,370</u>      |               |             |         |
|                                              | <u>\$ 428,657,568</u>   |               |             |         |

As of December 31, 2023, the City had the following investments and maturities:

| Asset Category                               | Credit Quality | Carrying 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            | \$ 159,234,370        | 159,234,370           | -                    | -                    | -                    | -                    | 37.15%     |
| U.S. Treasuries                              | AA+            | \$ 48,432,511         | 5,372,740             | 5,859,773            | 21,675,409           | 11,950,577           | 3,574,012            | 11.30%     |
| U.S. Agencies                                |                |                       |                       |                      |                      |                      |                      |            |
| FFCB                                         | AA+            | \$ 31,024,000         | 8,856,980             | 3,849,640            | 8,614,950            | 7,721,930            | 1,980,500            | 7.24%      |
| FHLB                                         | AA+            | \$ 52,121,328         | 2,977,570             | 5,173,780            | 23,810,094           | 18,186,724           | 1,973,160            | 12.16%     |
| FHLMC                                        | AA+            | \$ 22,278,154         | 5,802,300             | 7,111,968            | 1,902,155            | 3,921,539            | 3,540,191            | 5.20%      |
| FNMA                                         | AA+            | \$ 24,455,333         | 2,923,560             | 20,985,843           | -                    | -                    | 545,930              | 5.71%      |
| FAMC                                         | AA+            | \$ 12,437,090         | -                     | 7,495,810            | -                    | 4,941,280            | -                    | 2.90%      |
| Supranationals                               | AAA            | \$ 12,607,199         | 1,893,830             | 5,278,722            | 1,440,767            | 3,993,880            | -                    | 2.94%      |
| Subtotal for U.S. Agencies                   |                | 154,923,103           | 10,018,638            | 49,895,763           | 41,398,594           | 38,765,353           | 8,039,781            |            |
| Corporate Bonds                              | AA+            | \$ 46,987,320         | 12,899,308            | 8,872,530            | 13,575,900           | 5,835,370            | 5,804,213            | 10.96%     |
| Municipal Bonds                              | AA+            | \$ 18,677,999         | 5,510,967             | 12,617,132           | 549,900              | -                    | -                    | 4.36%      |
| Negotiable Certificates of Deposit           | A              | \$ 402,264            | -                     | -                    | 402,264              | -                    | -                    | 0.09%      |
| Total for all Asset Categories               |                | <u>\$ 428,657,568</u> | <u>\$ 212,903,786</u> | <u>\$ 77,245,198</u> | <u>\$ 77,199,803</u> | <u>\$ 49,062,988</u> | <u>\$ 34,912,874</u> |            |
|                                              |                |                       | 49.67%                | 18.02%               | 18.01%               | 11.45%               | 8.14%                | 100.00%    |

**B. Capital, Lease, and Subscription Assets**

A summary of changes in capital, lease and subscription assets activity for the year ended December 31, 2023 follows (in thousands):

|                                                                                | Balance<br>January 1,<br>2023<br>as restated | Additions | Retirements | Transfers<br>To (From)<br>CIP | Balance<br>December<br>31, 2023 |
|--------------------------------------------------------------------------------|----------------------------------------------|-----------|-------------|-------------------------------|---------------------------------|
| <b>Primary Government:</b>                                                     |                                              |           |             |                               |                                 |
| <b>Governmental activities</b>                                                 |                                              |           |             |                               |                                 |
| Capital, lease and subscription assets not being depreciated/amortized:        |                                              |           |             |                               |                                 |
| Land                                                                           | \$ 58,764                                    | \$ -      | \$ -        | \$ -                          | \$ 58,764                       |
| Lease land                                                                     | 237                                          | -         | -           | -                             | 237                             |
| Construction in progress                                                       | 55,729                                       | 46,640    | (175)       | (3,644)                       | 98,550                          |
| Total capital, lease and subscription assets, not being depreciated/amortized  | 114,730                                      | 46,640    | (175)       | (3,644)                       | 157,551                         |
| Capital, lease and subscription assets, being depreciated/amortized:           |                                              |           |             |                               |                                 |
| Buildings                                                                      | 62,554                                       | -         | -           | -                             | 62,554                          |
| Improvements other than buildings                                              | 174,910                                      | 3         | (38)        | 3,493                         | 178,368                         |
| Equipment & vehicles                                                           | 49,289                                       | 7,453     | (1,871)     | 151                           | 55,022                          |
| Subscriptions                                                                  | 1,682                                        | 5,580     | (60)        | -                             | 7,202                           |
| Lease equipment & vehicles                                                     | 207                                          | -         | -           | -                             | 207                             |
| Infrastructure                                                                 | 486,290                                      | 1,428     | (89)        | -                             | 487,629                         |
| Total capital, lease and subscription assets being depreciated/amortized       | 774,932                                      | 14,464    | (2,058)     | 3,644                         | 790,982                         |
| <b>Less accumulated depreciation/amortization for:</b>                         |                                              |           |             |                               |                                 |
| Buildings                                                                      | (26,082)                                     | (1,213)   | -           | -                             | (27,295)                        |
| Improvements other than buildings                                              | (69,893)                                     | (7,510)   | 33          | -                             | (77,370)                        |
| Equipment & vehicles                                                           | (31,765)                                     | (4,546)   | 1,807       | -                             | (34,504)                        |
| Subscriptions                                                                  | -                                            | (744)     | 60          | -                             | (684)                           |
| Lease equipment & vehicles                                                     | (79)                                         | (79)      | -           | -                             | (158)                           |
| Infrastructure                                                                 | (337,395)                                    | (9,341)   | 89          | -                             | (346,647)                       |
| Total accumulated depreciation/amortization                                    | (465,214)                                    | (23,433)  | 1,989       | -                             | (486,658)                       |
| Total capital, lease and subscription assets, being depreciated/amortized, net | 309,718                                      | (8,969)   | (69)        | 3,644                         | 304,324                         |
| Governmental activities capital, lease and subscription assets, net            | \$ 424,448                                   | \$ 37,671 | \$ (244)    | \$ -                          | \$ 461,875                      |
| <b>Business-type activities</b>                                                |                                              |           |             |                               |                                 |
| Capital assets not being depreciated/amortized:                                |                                              |           |             |                               |                                 |
| Water rights                                                                   | \$ 31,605                                    | \$ -      | \$ -        | \$ -                          | \$ 31,605                       |
| Land                                                                           | 8,168                                        | -         | -           | -                             | 8,168                           |
| Construction in progress                                                       | 50,055                                       | 52,929    | (43)        | (2,743)                       | 100,198                         |
| Total capital assets, not being depreciated/amortized                          | 89,828                                       | 52,929    | (43)        | (2,743)                       | 139,971                         |
| Capital, lease and subscription assets, being depreciated/amortized:           |                                              |           |             |                               |                                 |
| Buildings                                                                      | 20,168                                       | 36        | -           | -                             | 20,204                          |
| Improvements other than buildings                                              | 401,940                                      | 17,282    | (1,440)     | 2,743                         | 420,525                         |
| Equipment & vehicles                                                           | 3,778                                        | 198       | (161)       | -                             | 3,815                           |
| Subscriptions                                                                  | 62                                           | -         | -           | -                             | 62                              |
| Lease equipment & vehicles                                                     | 565                                          | -         | -           | -                             | 565                             |
| Infrastructure                                                                 | 7,155                                        | -         | -           | -                             | 7,155                           |
| Total capital, lease and subscription assets being depreciated/amortized       | 433,668                                      | 17,516    | (1,601)     | 2,743                         | 452,326                         |
| <b>Less accumulated depreciation/ amortization for:</b>                        |                                              |           |             |                               |                                 |
| Buildings                                                                      | (10,221)                                     | (405)     | -           | -                             | (10,626)                        |
| Improvements other than buildings                                              | (131,377)                                    | (7,998)   | 637         | -                             | (138,738)                       |
| Equipment & vehicles                                                           | (3,149)                                      | (133)     | 160         | -                             | (3,122)                         |
| Subscriptions                                                                  | -                                            | (24)      | -           | -                             | (24)                            |
| Lease equipment & vehicles                                                     | (169)                                        | (170)     | -           | -                             | (339)                           |
| Infrastructure                                                                 | (1,770)                                      | (143)     | -           | -                             | (1,913)                         |
| Total accumulated depreciation/amortization                                    | (146,686)                                    | (8,873)   | 797         | -                             | (154,762)                       |
| Total capital, lease and subscription assets, being depreciated/amortized, net | 286,982                                      | 8,643     | (804)       | 2,743                         | 297,564                         |
| Business-type activities capital, lease and subscription assets, net           | \$ 376,810                                   | \$ 61,572 | \$ (847)    | \$ -                          | \$ 437,535                      |

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

|                                    | <u>Governmental</u> | <u>Business-Type</u> |
|------------------------------------|---------------------|----------------------|
| General Government                 | \$ 7,631            | \$ -                 |
| Public Safety- police and judicial | 900                 | -                    |
| Public Works                       | 9,842               | -                    |
| Parks                              | 773                 | -                    |
| Culture                            | 326                 | -                    |
| Internal Service                   | 3,961               | -                    |
| Water                              | -                   | 5,135                |
| Wastewater                         | -                   | 1,633                |
| Stormwater                         | -                   | 1,321                |
| Golf                               | -                   | 784                  |
| Total                              | <u>\$ 23,433</u>    | <u>\$ 8,873</u>      |

**C. Construction Commitments**

The City has active construction projects as of December 31, 2023. The projects include streets, general construction and water, and wastewater system projects. At year end the City's commitments with contractors are as follows (in thousands):

|                      | <b>Project Spent-to-Date</b> | <b>Remaining Commitment</b> |
|----------------------|------------------------------|-----------------------------|
| Streets construction | \$ 42,450                    | \$ 3,730                    |
| Wastewater system    | 2,583                        | 432                         |
| Water system         | 17,757                       | 7,676                       |
| Total                | <u>\$ 62,790</u>             | <u>\$ 11,838</u>            |

**D. Interfund Transactions**

There were two "advance to" and "advance from" as of December 31, 2023. 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, 2023, was \$1,305,549. The Water Fund loaned the Solid Waste Fund \$2,000,000 for the startup of this new service offered to citizens of Arvada. The loan is for five (5) years at 2.0% interest with annual interest and principal payments beginning in December 2021. The balance as of December 31, 2023, is \$841,304. These transactions have been eliminated in the presentation of the Government-Wide financial statements but appear in the proprietary funds' financial statements.

Transfers to/from other funds for the year ended December 31, 2023, were as follows (in thousands):

| <b>Fund</b>                  | <b>Trans In</b> | <b>Trans Out</b> |
|------------------------------|-----------------|------------------|
| General Fund                 | 250             | 20,542           |
| Community Development        | 45              | -                |
| Parks                        | 5,076           | 18               |
| Capital Projects Fund        | 18,716          | -                |
| Non-Major Governmental Funds | 3,255           | 3,010            |
| Water Fund                   | 8               | 918              |
| Wastewater Fund              | -               | 16               |
| Stormwater                   | 8               | 874              |
| Golf Course Fund             | 345             | 432              |
| Internal Service Fund        | 1,433           | 3,326            |
| <b>Total</b>                 | <b>29,136</b>   | <b>29,136</b>    |

The General Fund transfers out include support transfers to Parks, Community Development, Water, Golf Course, and Buildings Fund. Capital transfer to the Capital Projects Fund, to the Computers Fund for the ERP replacement, debt transfers to the COP Fund, and transfers to the Vehicles internal service for the purchase of vehicles. The transfer in is from the Community Development for administration.

The Community Development Fund transfer in is from the General Fund to support operations and the transfers out are to the Housing Fund for operations.

The Parks Fund transfer in is from the General Fund to support operations and safety. The transfer out is to the Vehicle Internal Service Fund to purchase vehicles.

This year the General and Water Funds made transfers into the Capital Projects Fund for various capital projects.

The Water Fund transfer out was to the Vehicle Fund for the purchase of vehicles, the buildings Fund for the energy efficiency project, and to the Capital Project fund for non-enterprise assets. The transfers in are from the General Fund, Wastewater and Stormwater Funds for operations.

The Wastewater Fund transfers out are to the Water Fund for operations, Buildings Fund for the energy efficiency project, and the Capital Projects for tree replacement reimbursement to Parks CIP.

The Stormwater Fund transfers out are to the Water and Wastewater Funds for operations, the Capital Projects for various capital projects, the Bond Funds for debt service payment on the 2015 Certificates of Participation, and the General Fund to support operations and safety.

The Golf Course Fund transfers in are from the General Fund to support operation. The transfers out are to the Buildings Fund for the energy efficiency project and the COP Fund for payment of the 2015 Certificates of Participation.

The Internal Service Funds transfers in are in support of vehicle purchases and support for the efficiency project in the Buildings fund.

**E. Long-Term Debt**

**Revenue Bonds and Certificates of Participation**

**Governmental Activities**

Series 2015A and 2015B Certificates of Participation- Direct Placement

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 in a direct placement transaction. The City entered into a "Lease Purchase" Agreement with the property consisting of 191,517 square foot City Hall Building, the City Hall Annex 12,700 square foot building and the 9.69-acre site where the building are located. In the event of default, the City must vacate the financed property; no payment acceleration clause exists in the event of default. No outstanding in-substance defeased debt remains on the 2005 Certificates. The refunding resulted in a deferred loss on refunding of \$444,000. Series 2015B Certificates were paid in full December 1, 2018. Series 2015A Certificates have interest rate of 1.78%, payable semi-annually. The payments mature starting in 2018 and continue through 2024.

Annual payments for Series 2015A Certificates and outstanding balance at December 31, 2023, are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total Payment</b> |
|------------------------------------|------------------|-----------------|----------------------|
| 2024                               | 1,270            | 23              | 1,293                |
| Totals                             | \$1,270          | \$23            | \$1,293              |

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 payments mature beginning in 2016 and continue through 2036.

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2024                               | 490              | 341             | 831          |
| 2025                               | 515              | 317             | 832          |
| 2026                               | 540              | 291             | 831          |
| 2027                               | 560              | 269             | 829          |
| 2028                               | 585              | 247             | 832          |
| 2029-2033                          | 3,280            | 865             | 4,145        |
| 2034-2036                          | 2,305            | 187             | 2,492        |
| Totals                             | \$8,275          | \$2,517         | \$10,792     |

Sales and Use Tax Revenue Bonds Series 2019

On February 13, 2019, the City issued \$72,570,000 of Sales and Use Tax Revenue Bonds Series 2019 for two projects, West 72nd Ave improvements and railroad underpass between Kipling Street and Simms Street and Ralston Road improvement between Yukon Street and Garrison Street. The coupon rate ranges from 3.375% to 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2019 and continue through 2038.

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2024                               | 2,885            | 2,473           | 5,358        |
| 2025                               | 3,030            | 2,329           | 5,359        |
| 2026                               | 3,180            | 2,178           | 5,358        |
| 2027                               | 3,340            | 2,019           | 5,359        |
| 2028                               | 3,510            | 1,852           | 5,362        |
| 2029-2033                          | 20,310           | 6,487           | 26,797       |
| 2034-2038                          | 24,330           | 2,462           | 26,792       |
| Totals                             | \$60,585         | \$19,800        | \$80,385     |

Series 2021 Certificates of Participation- Direct Placement

On December 22, 2021, the City and Jefferson County School District issued \$35,210,000 of 2021 Certificates of Participation in a direct placement transaction. The City and the School District entered into a "Lease Purchase" Agreement with the property consisting of the property located at 7900 Carr Drive Arvada, CO. The City and School District are each responsible for ½ of the Certificates of Participation, the City's portion is \$17,605,000. Should the School District default or fail to appropriate their portion of the payments, the City would become responsible for the entire payment. In the event of default by the City and the School District the property must be surrendered. The certificates have an interest rate of 2.25%, payable semi- annually. The payments mature starting in 2023 and continue through 2041.

The City's annual payments for Series 2021 Certificates and outstanding balance at December 31, 2023, are as follows (in thousands):

| <b>Year Ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b> |
|------------------------------------|------------------|-----------------|--------------|
| 2024                               | 769              | 375             | 1,144        |
| 2025                               | 786              | 357             | 1,143        |
| 2026                               | 804              | 340             | 1,144        |
| 2027                               | 822              | 322             | 1,144        |
| 2028                               | 841              | 303             | 1,144        |
| 2029-2033                          | 4,499            | 1,220           | 5,719        |
| 2034-2038                          | 5,031            | 688             | 5,719        |
| 2039-2042                          | 3,300            | 131             | 3,431        |
| Totals                             | \$16,852         | \$3,736         | \$20,588     |

Sales and Use Tax Revenue Bonds Series 2023

On May 31, 2023, the City issued \$7,230,000 of Sales and Use Tax Revenue Bonds Series 2023 for two projects, West 72nd Ave improvements and railroad underpass between Kipling Street and Simms Street and Ralston Road improvement between Yukon Street and Garrison Street. The coupon rate of 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2023 and continue through 2042:

| <b>Year ending<br/>December 31</b> | <b>Principal</b> | <b>Interest</b> | <b>Total<br/>Payment</b> |
|------------------------------------|------------------|-----------------|--------------------------|
| 2024                               | 95               | 348             | 443                      |
| 2025                               | 95               | 343             | 438                      |
| 2026                               | 105              | 339             | 444                      |
| 2027                               | 110              | 333             | 443                      |
| 2028                               | 110              | 328             | 438                      |
| 2029-2033                          | 645              | 1,550           | 2,195                    |
| 2034-2038                          | 825              | 1,372           | 2,197                    |
| 2039-2042                          | 4,975            | 637             | 5,612                    |
| <b>Totals</b>                      | <b>\$6,960</b>   | <b>\$5,250</b>  | <b>\$12,210</b>          |

#### Governmental Leases

The City's annual payments for governmental lease liabilities and outstanding balance at December 31, 2023, are as follows (in thousands):

| <b>Year ending<br/>December 31,</b> | <b>Principal</b> | <b>Interest</b> | <b>Total<br/>Payment</b> |
|-------------------------------------|------------------|-----------------|--------------------------|
| 2024                                | 43               | 9               | 52                       |
| 2025                                | 45               | 6               | 51                       |
| 2026                                | 14               | 4               | 18                       |
| 2027                                | 15               | 4               | 19                       |
| 2028                                | 16               | 3               | 19                       |
| 2029-2033                           | 90               | 12              | 102                      |
| 2034-2038                           | 54               | 2               | 56                       |
| <b>Totals</b>                       | <b>277</b>       | <b>40</b>       | <b>317</b>               |

The City's annual payments for governmental subscription liabilities and outstanding balance at December 31, 2023, are as follows (in thousands):

| <b>Year ending<br/>December 31,</b> | <b>Principal</b> | <b>Interest</b> | <b>Total<br/>Payment</b> |
|-------------------------------------|------------------|-----------------|--------------------------|
| 2024                                | 1,056            | 197             | 1,253                    |
| 2025                                | 1,074            | 162             | 1,236                    |
| 2026                                | 836              | 129             | 965                      |
| 2027                                | 523              | 109             | 632                      |
| 2028                                | 455              | 91              | 546                      |
| 2029-2033                           | 2,110            | 177             | 2,287                    |
| <b>Totals</b>                       | <b>6,054</b>     | <b>865</b>      | <b>6,919</b>             |

#### **Business Type Activities**

##### Water Enterprise Revenue Bonds Series 2022

On December 20, 2022, the City issued \$48,150,000 of Water Enterprise Revenue Bonds Series 2022 for various wastewater infrastructure projects. The coupon rate ranges from 4.0% to 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2023 and continue through 2052.

| Year ending<br>December 31 | Principal | Interest | Total<br>Payment |
|----------------------------|-----------|----------|------------------|
| 2024                       | 790       | 2,085    | 2,875            |
| 2025                       | 830       | 2,045    | 2,875            |
| 2026                       | 875       | 2,004    | 2,879            |
| 2027                       | 915       | 1,960    | 2,875            |
| 2028                       | 960       | 1,914    | 2,874            |
| 2029-2033                  | 5,580     | 8,799    | 14,379           |
| 2034-2038                  | 7,120     | 7,258    | 14,378           |
| 2039-2043                  | 8,980     | 5,401    | 14,381           |
| 2044-2048                  | 10,945    | 3,436    | 14,381           |
| 2049-2052                  | 10,440    | 1,064    | 11,504           |
| Totals                     | \$47,435  | \$35,966 | \$83,401         |

The 2022 Water Enterprise Revenue Bonds are paid solely from revenues of the Water Fund. During the year ended December 31, 2023, revenues of \$23,230,000 were available to pay the annual debt service of \$2,723,395.28.

#### Wastewater Enterprise Revenue Bonds Series 2022

On December 20, 2022, the City issued \$47,855,000 of Water Enterprise Revenue Bonds Series 2022 for various water infrastructure projects. The coupon rate ranges from 4.0% to 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2023 and continue through 2052.

| Year ending<br>December 31 | Principal | Interest | Total<br>Payment |
|----------------------------|-----------|----------|------------------|
| 2024                       | 785       | 2,109    | 2,894            |
| 2025                       | 825       | 2,070    | 2,895            |
| 2026                       | 865       | 2,028    | 2,893            |
| 2027                       | 910       | 1,985    | 2,895            |
| 2028                       | 955       | 1,940    | 2,895            |
| 2029-2033                  | 5,530     | 8,934    | 14,464           |
| 2034-2038                  | 7,065     | 7,405    | 14,470           |
| 2039-2043                  | 8,905     | 5,563    | 14,468           |
| 2044-2048                  | 10,865    | 3,605    | 14,470           |
| 2049-2052                  | 10,440    | 1,132    | 11,572           |
| Totals                     | \$47,145  | \$36,771 | \$83,916         |

The 2022 Wastewater Enterprise Revenue Bonds are paid solely from revenues of the Wastewater Fund. During the year ended December 31, 2023, revenues of \$6,126,000 were available to pay the annual debt service of \$2,741,276.62.

#### **Business Type Leases**

The City's annual payments for business type lease assets and outstanding balance at December 31, 2023, are as follows (in thousands):

| Year ending<br>December 31 | Principal | Interest | Total<br>Payment |
|----------------------------|-----------|----------|------------------|
| 2024                       | 191       | 1        | 192              |
| Totals                     | \$191     | \$1      | \$192            |

The City's annual payments for business type subscription liabilities and outstanding balance at December 31, 2023, are as follows (in thousands):

| Year ending<br>December 31 | Principal | Interest | Total<br>Payment |
|----------------------------|-----------|----------|------------------|
| 2024                       | 20        | 1        | 21               |
| 2025                       | 21        | -        | 21               |
| Totals                     | 41        | 1        | 42               |

### Changes in General Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in liabilities reported in the governmental activities (including internal service funds), and business type activities (in thousands):

| Governmental Activities                      | Balance<br>1/1/2023<br>as restated | Additions        | Reductions      | Balance<br>12/31/2023 | Due in<br>1 year |
|----------------------------------------------|------------------------------------|------------------|-----------------|-----------------------|------------------|
| Sales and Use Tax Revenue Bonds Series 2019  | \$ 63,335                          | \$ -             | \$ 2,750        | \$ 60,585             | \$ 2,885         |
| Bond Premium - Sales and Use Tax Series 2019 | 6,190                              | -                | 364             | 5,826                 | 364              |
| Sales and Use Tax Revenue Bonds Series 2023  | -                                  | 7,230            | 270             | 6,960                 | 95               |
| Bond Premium - Sales and Use Tax Series 2023 | -                                  | 936              | 26              | 910                   | 48               |
| Lease liability                              | 363                                | -                | 86              | 277                   | 43               |
| Subscription liability                       | 1,682                              | 5,580            | 1,208           | 6,054                 | 1,056            |
| 2016 Certificates of Participation           | 8,740                              | -                | 465             | 8,275                 | 490              |
| Certificate of Participation Premium         | 1,312                              | -                | 94              | 1,218                 | 94               |
| Compensated Absences                         | 4,118                              | 3,206            | 2,902           | 4,422                 | 2,211            |
| <b>Total Governmental</b>                    | <b>\$ 85,740</b>                   | <b>\$ 16,952</b> | <b>\$ 8,165</b> | <b>\$ 94,528</b>      | <b>\$ 7,286</b>  |

| Governmental Activities - Direct Placement  | Balance<br>1/1/2023<br>as restated | Additions     | Reductions      | Balance<br>12/31/2023 | Due in<br>1 year |
|---------------------------------------------|------------------------------------|---------------|-----------------|-----------------------|------------------|
| 2015 Certificates of Participation          | \$ 2,520                           | \$ -          | \$ 1,250        | \$ 1,270              | \$ 1,270         |
| 2021 Certificates of Participation          | \$ 17,605                          | \$ -          | \$ 753          | \$ 16,852             | \$ 769           |
| Equipment purchase, direct placement        | \$ -                               | \$ 521        | \$ 119          | \$ 402                | \$ 131           |
| <b>Total Governmental- Direct Placement</b> | <b>\$ 20,125</b>                   | <b>\$ 521</b> | <b>\$ 2,122</b> | <b>\$ 18,524</b>      | <b>\$ 2,170</b>  |

| Business-Type Activities                               | Balance<br>1/1/2023<br>as restated | Additions     | Reductions      | Balance<br>12/31/2023 | Due in<br>1 year |
|--------------------------------------------------------|------------------------------------|---------------|-----------------|-----------------------|------------------|
| Water Enterprise Revenue Bond 2022                     | \$ 48,150                          | \$ -          | \$ 715          | \$ 47,435             | \$ 790           |
| Bond Premium - Water Enterprise Revenue Bond 2022      | 2,332                              | -             | 78              | 2,254                 | 78               |
| Wastewater Enterprise Revenue Bond 2022                | 47,855                             | -             | 710             | 47,145                | 785              |
| Bond Premium - Wastewater Enterprise Revenue Bond 2022 | 2,548                              | -             | 85              | 2,463                 | 85               |
| Lease liability                                        | 376                                | -             | 185             | 191                   | 191              |
| Subscription liability                                 | 62                                 | -             | 21              | 41                    | 20               |
| Compensated Absences                                   | 785                                | 569           | 580             | 774                   | 387              |
| <b>Total Business Type</b>                             | <b>\$ 102,109</b>                  | <b>\$ 569</b> | <b>\$ 2,374</b> | <b>\$ 100,303</b>     | <b>\$ 2,336</b>  |

**4. Other Information**

**A. Risk Management**

The City has established a risk management program for much of its insurance needs. It is self-insured for occurrences of general liability and auto liability claims, which are subject to the Colorado Governmental Immunity Act which caps recoveries at \$424,000 per person and \$1,195,000 per accident. Property damage is subject to a \$100,000 deductible except for wind and/or hail then it is \$250,000 minimum or 5% of the value of each location. Liability insurance a \$250,000 self-insured retention (SIR). Effective April 1, 2022, the Workers' Compensation program maintains a self-insured retention limit of \$750,000. 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.

Changes in the balances of claims liabilities during the past two years are as follows (in thousands):

|                                  | <b>Insurance Service</b> |
|----------------------------------|--------------------------|
| Unpaid Claims, January 1, 2022   | \$ 2,518                 |
| Incurred Claims                  | 1,366                    |
| Claim Payments                   | 674                      |
| Unpaid Claims, December 31, 2022 | 3,210                    |
| Incurred Claims                  | 407                      |
| Claim Payments                   | 702                      |
| Unpaid Claims, December 31, 2023 | \$ 2,915                 |

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. Changes in the balance of unpaid claims related to medical insurance during the past two years are as follows (in thousands):

|                                  | <b>Medical Insurance</b> |
|----------------------------------|--------------------------|
| Unpaid Claims January 1, 2022    | \$ 698                   |
| Incurred Claims                  | 8,570                    |
| Claim Payments                   | 8,497                    |
| Unpaid Claims, December 31, 2022 | 771                      |
| Incurred Claims                  | 10,154                   |
| Claim Payments                   | 10,128                   |
| Unpaid Claims, December 31, 2023 | \$ 797                   |

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, 2023. 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, 2023, the City abated sales taxes totaling \$46,091 under this program, including the following tax abatement agreements:

- A 50% sales tax abatement to a retail store for construction including infrastructure and improvements of a retail store. The abatement amounted to \$6,384.
- 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 \$39,707.

### **4) AURA Commitments**

#### **Developer Agreements**

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

As of December 31, 2023, the Authority has entered into 11 DDAs expiring from 2025 to 2035. During the year ended December 31, 2023, the Authority rebated property tax of \$17,442,717, PIF of \$1,033,508 and lodging tax of \$141,432.

## **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. These bonds are not direct or contingent liabilities of the City and there are no voluntary commitments to support this debt. Accordingly the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2023, there were 3 Industrial Revenue Bonds, 1,188 single and multi-family Mortgage Bonds, 247 Mortgage Credit Certificates and 6 Private Activity Bond and one Charter School Revenue Bond. The unpaid balance on the Industrial Revenue Bonds is \$21.5 million and on the multi-family Mortgage Bonds is \$13.1 million. The unpaid balance on the Mortgage Credit Certificates is \$36.4 million, and on the Private Activity Bonds is \$88.7 million. The balance on the Charter School Revenue Bond is \$5.9 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 position 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, 2023. 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.

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, 2023. The City contributed \$20,000 per year to the plan from 2012 through 2015. During 2016 the City contributed \$170,000 to the plan, a \$12,000 contribution in 2019 and 2020, an \$18,000 contribution in 2022, and \$18,450 contribution in 2023. The City did not make a contribution to the plan during 2017, 2018 or 2021.

### **Investments**

The pension plan's investment policy follows the City's investment policy as summarized on pages 57-58. The December 31, 2023, plan asset allocation is shown below:

| Asset Class                      | Allocation |
|----------------------------------|------------|
| Local Government Investment Pool | 1.87%      |
| Pooled cash and investments      | 98.13%     |
|                                  | 100.00%    |

For the year ended December 31, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 5.04% 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, 2023, were as follows:

|                                                                            |                |
|----------------------------------------------------------------------------|----------------|
| Total pension liability                                                    | \$392,084      |
| Plan fiduciary net position                                                | 388,292        |
| City's net pension liability                                               | <u>\$3,792</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 99.03%         |

Mortality rates were based on the Pub-2010 Safety Retiree Mortality (Participant) and Pub 2010 General Retiree Mortality (Spouse), with Generational Projection using MP2020.

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 1.5% per annum, net of investment expenses.

The discount rate used to measure the total pension liability was 3.77 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 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 3.77 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 (2.77 percent) or 1-percentage-point higher (4.77 percent) than the current rate:

|                               | "1% Decrease<br>(2.77%)" | "Current Discount Rate<br>(3.77%)" | "1% Increase<br>(4.77%)" |
|-------------------------------|--------------------------|------------------------------------|--------------------------|
| Net pension liability (asset) | \$ 44,968                | \$ 3,792                           | \$ (31,097)              |

### Net Pension Liability of the City

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024, rolled back to December 31, 2023, using standard actuarial methods.

Significant methods and assumptions included the following:

- Actuarial Valuation Date – January 1, 2024
- Measurement Date – December 31, 2023
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, closed
- Rate of Investment Return – 1.5% per annum
- Remaining Closed Amortization Period – 7 years
- Asset Valuation Method – Market Value

### Changes in the Net Pension Liability

|                                                | Total Pension<br>Liability | Increase (Decrease)<br>Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|------------------------------------------------|----------------------------|-------------------------------------------------------|--------------------------|
| Balances as of December 31, 2022               | \$ 388,824                 | \$ 380,253                                            | \$ 8,571                 |
| Interest on total pension liability            | 15,170                     | -                                                     | 15,170                   |
| Effect of economic/demographic gains or losses | 6,563                      | -                                                     | 6,563                    |
| Effect of assumptions changes or inputs        | 10,346                     | -                                                     | 10,346                   |
| Benefit payments                               | (28,819)                   | (28,819)                                              | -                        |
| Employer contributions                         | -                          | 18,450                                                | (18,450)                 |
| Net investment income (loss)                   | -                          | 18,408                                                | (18,408)                 |
| Balances December 31, 2023                     | <u>\$ 392,084</u>          | <u>\$ 388,292</u>                                     | <u>\$ 3,792</u>          |

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

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

For the year ended December 31, 2023, the City recognized pension expense of \$33,366. At December 31, 2023 the City reported deferred outflows and inflows of resources related to pensions from the following source:

|                                                       | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|-------------------------------------------------------|-----------------------------------|----------------------------------|
| Net difference between expected and actual experience | \$ -                              | \$ -                             |
| Assumption Changes                                    | -                                 | -                                |
| Net difference between projected and actual earnings  | 21,799                            | (10,226)                         |
| Totals                                                | <u>\$ 21,799</u>                  | <u>\$ (10,226)</u>               |

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

Year ended December 31:

|            |                  |
|------------|------------------|
| 2024       | \$ 5,791         |
| 2025       | 5,584            |
| 2026       | 2,756            |
| 2027       | (2,558)          |
| 2028       | -                |
| Thereafter | -                |
| Total      | <u>\$ 11,573</u> |

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

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

All City full-time and part-time employees, except uniformed police officers, the City Manager, the City Attorney, the Municipal Judge and Department Heads are eligible to participate in CARP. 568 employees were participants in the plan as of December 31, 2023. 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.

The required City contribution of \$4,884,035 and the required employee contributions of \$3,747,214 were paid during 2023. Additional employee contributions, in the form of rollovers, of \$892,167 were also made in 2023. The required contributions represent 10.4% and 8% of total covered payroll, respectively. The plan investments are maintained and administered by Fidelity.

### **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.

157 employees were participants as of December 31, 2023. The required contributions for the City were \$2,017,752.15, and for the PMPP employees the required contributions were \$2,380,832 (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 separate defined contribution plans. The plans are administered by Fidelity 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 2023.

Employees covered under these Plans are vested upon date of hire. Employees who leave employment with the City are entitled to all contributions and interest earnings. For the year ended December 31, 2023, the City contributed \$282,489 for the benefit of the 12 participants in the Plan and the employees contributed \$220,592, as required.

## **E. Postemployment Benefits Other than Pensions**

Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Post-employment 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, 2023, the following employees were covered by the benefit terms:

|                                               |            |
|-----------------------------------------------|------------|
| Retirees and beneficiaries receiving benefits | 21         |
| Active Employees                              | 665        |
|                                               | <u>686</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.

### **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, 2023, the City made \$91,404 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          | \$ 680   | \$ 791   |
| Retiree plus one | \$ 1,429 | \$ 1,662 |

### Actuarial Methods and Assumptions

|                                                                                                                                          |                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial cost method                                                                                                                    | Individual Entry-Age Normal                                                                                                                                                                                                                                                                        |
| Discount rate                                                                                                                            | 3.77%                                                                                                                                                                                                                                                                                              |
| Inflation                                                                                                                                | 2.50%                                                                                                                                                                                                                                                                                              |
| Salary increases                                                                                                                         | 3.50%, including inflation                                                                                                                                                                                                                                                                         |
| Medical trend                                                                                                                            | 7.0% declining to an ultimate rate of 4.15% after 15 years                                                                                                                                                                                                                                         |
| Mortality                                                                                                                                | For healthy retirees, the Pub-2010 Retirees Tables for males and females are used. Those rates are projected on a fully generational basis based on the mortality improvement scale MP-2020.                                                                                                       |
| Mortality Improvement Scale MP-2020 from 2010 base year, and projected forward using MP-2020 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 3.77% discount rate.

### Changes in assumptions

- Discount rate has been updated according to the 20-year tax-exempt municipal bond yield as of the measurement date to 3.77%

### Total OPEB Liability

The total OPEB liability of \$1,774,492 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2023.

The total OPEB liability and related information are as follows as of December 31, 2023:

|                                                | Total OPEB<br>Liability |
|------------------------------------------------|-------------------------|
| Balance as of January 1, 2023                  | \$ 1,698,179            |
| Changes for the year:                          |                         |
| Service cost                                   | 107,810                 |
| Interest on Total OPEB Liability               | 68,020                  |
| Effect of economic/demographic gains or losses | 4,577                   |
| Effect of assumptions changes or inputs        | 41,049                  |
| Benefit payments                               | (145,143)               |
| Balance as of December 31, 2023                | <u>\$ 1,774,492</u>     |

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

For the year ended December 31, 2023 the City recognized OPEB expense of \$91,404. As of December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following:

|                                                    | Deferred<br>Inflows<br>of Resources | Deferred<br>Outflows<br>of Resources |
|----------------------------------------------------|-------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ (555,182)                        | \$ 38,178                            |
| Changes of assumptions                             | (233,524)                           | 65,381                               |
| Total at December 31, 2023                         | <u>\$ (788,706)</u>                 | <u>\$ 103,559</u>                    |

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

|                        |                     |
|------------------------|---------------------|
| Year ended December 31 |                     |
| 2024                   | \$ (64,570)         |
| 2025                   | (86,983)            |
| 2026                   | (84,392)            |
| 2027                   | (85,222)            |
| 2028                   | (85,593)            |
| Thereafter             | (278,387)           |
| Total                  | <u>\$ (685,147)</u> |

### **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 3.77 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 (2.77 percent) or 1 percentage point higher (4.77 percent) than the current rate:

|                      | 1% Decrease<br>2.77% | Current Discount Rate<br>3.77% | 1% Increase<br>4.77% |
|----------------------|----------------------|--------------------------------|----------------------|
| Total OPEB liability | \$ 1,929,296         | \$ 1,774,492                   | \$ 1,631,742         |

### **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<br>Trend Rates Assumption | 1% Increase  |
|----------------------|--------------|---------------------------------------------------|--------------|
| Total OPEB liability | \$ 1,528,710 | \$ 1,774,492                                      | \$ 2,074,317 |

### **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 is being paid in monthly installments beginning January 2016 and continuing through November 2030 at a simple interest rate of 1.5%. The balance as of December 31, 2023 is \$1,109,340. Though the note is 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 2028. Principal and interest is being paid monthly thereafter until maturity. The balance as of December 31, 2023 is \$2,837,089. 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 March 2022, The City and AURA entered into a promissory note in which the City loaned AURA \$8,000,000 at a simple interest rate of 3% through March 2025. Interest and principal payments are due annually. 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. The agreement may be extended for four one-year terms. As of December 31, 2023, this loan has not yet been funded.

**G. Net Investment in Capital, Lease and Subscription Assets**

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

|                                                    | Governmental<br>Activities | Business-type<br>Activities |
|----------------------------------------------------|----------------------------|-----------------------------|
| Capital, lease and subscription assets, net        | \$ 461,875                 | \$ 437,535                  |
| Related debt                                       | (108,629)                  | (99,297)                    |
| Unspent debt proceeds including premiums           | 37,988                     | 92,847                      |
| Deferred loss on refunding                         | 44                         | -                           |
| Outstanding related accounts and contracts payable | (12,077)                   | (4,755)                     |
| Net investment in capital assets                   | <u>\$ 379,201</u>          | <u>\$ 426,330</u>           |

**H. GASB Statement No. 96, Subscription – Based Information Technology Arrangements (SBITA)**

The City has adopted and implemented GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA). The statement requires the recognition of certain subscription assets and liabilities that were previously classified as operating expenses and recognized inflows or outflows of resources based on payment provisions of the contract. The standard establishes a single model for subscription-based software accounting based on the principle that subscriptions are financings of the subscription asset. The implementation resulted in the recognition of right to use subscription assets of \$1,682,000 in the governmental activities and \$62,000 in the business-type activities along with subscription liabilities of the same amounts. Under the accounting standard it is required to recognize a subscription liability and a subscription asset. Implementation of this standard did not result in a restatement of the beginning net position or fund balance.

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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                                  | 2023       | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016 | 2015 | 2014 |
|-------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------|------|------|
| Service cost                                          | \$ 107,810 | \$ 190,868 | \$ 185,326 | \$ 173,158 | \$ 132,977 | \$ 140,410 | N/A        | N/A  | N/A  | N/A  |
| Interest on total OPEB liability                      | 68,020     | 52,771     | 54,960     | 69,153     | 91,761     | 78,071     | N/A        | N/A  | N/A  | N/A  |
| Effect of changes to benefit terms                    | -          | -          | -          | -          | -          | -          | N/A        | N/A  | N/A  | N/A  |
| Effect of economic/demographic (gains) or losses      | 4,577      | (688,894)  | -          | 95,941     | -          | -          | N/A        | N/A  | N/A  | N/A  |
| Effect of assumption changes or inputs                | 41,049     | (238,698)  | 11,435     | (115,988)  | 134,468    | (119,139)  | N/A        | N/A  | N/A  | N/A  |
| Benefit payments                                      | (145,143)  | (168,228)  | (215,793)  | (116,196)  | (110,772)  | (135,863)  | N/A        | N/A  | N/A  | N/A  |
| Net change in total OPEB liability                    | 76,313     | (852,181)  | 35,928     | 106,068    | 248,434    | (36,521)   | N/A        | N/A  | N/A  | N/A  |
| Total OPEB liability, beginning                       | 1,698,179  | 2,550,360  | 2,514,432  | 2,408,364  | 2,159,930  | 2,196,451  | N/A        | N/A  | N/A  | N/A  |
| Total OPEB liability, ending                          | 1,774,492  | 1,698,179  | 2,550,360  | 2,514,432  | 2,408,364  | 2,159,930  | 2,196,451  | N/A  | N/A  | N/A  |
| Covered-employee payroll                              | 66,611,074 | 60,765,502 | 56,452,482 | 55,899,049 | 53,649,127 | 50,439,938 | 49,581,247 | N/A  | N/A  | N/A  |
| Total OPEB liability as % of covered-employee payroll | 2.66%      | 2.79%      | 4.52%      | 4.50%      | 4.49%      | 4.28%      | 4.43%      | N/A  | N/A  | N/A  |

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

Note: Assets are not accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay benefits for the OPEB plan.

Changes of assumptions reflect the effects of changes in the discount rate each period. This discount rate at the beginning of FYE 2018 was 3.44%.

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## **Defined Benefit Police 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 |      |      |      |      |      |      |      |      |      |
|--------------------------------|------|------|------|------|------|------|------|------|------|
| 2023                           | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |

**Total pension liability**

|                                               |          |          |          |          |          |          |          |          |          |          |
|-----------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Service Cost                                  | \$-      | \$-      | \$-      | \$-      | \$-      | \$-      | \$-      | \$-      | \$-      | \$-      |
| Interest on total pension liability           | 15,170   | 11,321   | 11,748   | 15,084   | 15,416   | 15,663   | 16,108   | 16,538   | 17,200   | 17,597   |
| Effect of plan changes                        | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Effect of assumption changes or inputs        | 6,563    | 6,204    | -        | 5,396    | -        | 6,060    | -        | 5,548    | -        | -        |
| Effect of economic/demographic gains (losses) | 10,346   | (67,043) | -        | 47,345   | 3,922    | -        | -        | (12,961) | -        | -        |
| Benefit payments                              | (28,819) | (28,819) | (28,819) | (28,819) | (28,819) | (28,818) | (28,819) | (28,819) | (28,819) | (28,819) |
| Net change in total pension liability         | 3,260    | (78,337) | (17,071) | 39,006   | (9,481)  | (7,095)  | (12,711) | (19,694) | (11,619) | (11,222) |
| Total pension liability, beginning            | 388,824  | 467,161  | 484,232  | 445,226  | 454,707  | 461,802  | 474,513  | 494,207  | 505,826  | 517,048  |
| Total pension liability, ending               | 392,084  | 388,824  | 467,161  | 484,232  | 445,226  | 454,707  | 461,802  | 474,513  | 494,207  | 505,826  |

**Fiduciary Net Position**

|                                                          |          |          |          |          |          |          |          |          |          |          |
|----------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Employer contributions                                   | 18,450   | 18,000   | -        | 12,000   | 12,000   | -        | -        | 170,000  | 20,000   | 20,000   |
| Member contributions                                     | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Investment income net of investment expenses             | 18,408   | (16,501) | (3,498)  | 14,145   | 9,846    | 8,525    | 4,978    | 3,066    | 1,458    | 514      |
| Benefit payments                                         | (28,819) | (28,819) | (28,819) | (28,819) | (28,819) | (28,818) | (28,819) | (28,819) | (28,819) | (28,819) |
| Administrative payments                                  | -        | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Net change in plan fiduciary net position                | 8,039    | (27,320) | (32,317) | (2,674)  | (6,973)  | (20,293) | (23,841) | 144,247  | (7,361)  | (8,305)  |
| Fiduciary net position, beginning                        | 380,253  | 407,573  | 439,890  | 442,564  | 449,537  | 469,830  | 493,671  | 349,424  | 356,785  | 365,090  |
| Fiduciary net position, ending                           | 388,292  | 380,253  | 407,573  | 439,890  | 442,564  | 449,537  | 469,830  | 493,671  | 349,424  | 356,785  |
| Net pension liability (asset) ending                     | 3,792    | 8,571    | 59,588   | 44,342   | 2,662    | 5,170    | (8,028)  | (19,158) | 144,783  | 149,041  |
| Fiduciary net position as a % of total pension liability | 99.03%   | 97.80%   | 87.24%   | 90.84%   | 99.40%   | 98.86%   | 101.74%  | 104.04%  | 70.70%   | 70.54%   |
| Covered-employee 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      |

\*\* 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**

|                                                                      | 2023      | 2022      | 2021     | 2020     | 2019     | 2018 | 2017      | 2016      | 2015      | 2014      |
|----------------------------------------------------------------------|-----------|-----------|----------|----------|----------|------|-----------|-----------|-----------|-----------|
| Actuarially determined contribution                                  | \$ 12,011 | \$ 14,785 | \$ 6,131 | \$ 6,131 | \$ -     | \$ - | \$ 11,927 | \$ 11,927 | \$ 12,011 | \$ 12,011 |
| Contributions in relation to the Actuarially determined contribution | 18,450    | 18,000    | -        | 12,000   | 12,000   | -    | -         | 170,000   | 20,000    | 20,000    |
| Contribution deficiency (excess)                                     | (6,439)   | (3,215)   | 6,131    | (5,869)  | (12,000) | -    | 11,927    | (158,073) | (7,989)   | (7,989)   |
| Covered-employee 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       |

\* The City did not make contributions to the plan from 2017-2018 and 2021.

Methods and assumptions used to determine contribution rates:

|                                 |                                                                                                                                         |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial valuation date:       | January 1, 2024                                                                                                                         |
| Actuarial cost method:          | Entry age normal                                                                                                                        |
| Amortization method:            | Level dollar                                                                                                                            |
| Closed, open or layered periods | Closed                                                                                                                                  |
| Remaining amortization period:  | 7 years                                                                                                                                 |
| Asset valuation method:         | Market value                                                                                                                            |
| Rate of investment return:      | 1.50%                                                                                                                                   |
| Mortality:                      | Pub-2010 Safety Retiree Monthly (Participant) and Pub-2010 General Retiree Mortality (Spouse), with Gnerational Projection Using MP2020 |

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

|                                                                | 2023  | 2022   | 2021   | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  |
|----------------------------------------------------------------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|
| Annual money-weighted rate of return net of investment expense | 5.04% | -4.21% | -0.82% | 3.31% | 2.26% | 1.88% | 1.04% | 0.71% | 0.43% | 0.15% |

## **Nonmajor Government Funds**

Arvada Housing Authority  
Police Seizure Fund  
Police Tax Increment Funds  
Grants Fund  
Arvada Economic Development Association (AEDA)  
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.

**Arvada Economic Development Association (AEDA)** - The purpose of the AEDA fund is to encourage and stimulate all forms of economic development, commercial and industrial. This fund accounts for this activity.

### 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, 2023  
(in thousands)**

**Special Revenue Funds**

|                                      | <b>Arvada<br/>Housing<br/>Authority<br/>Fund</b> | <b>Police<br/>Seizure<br/>Fund</b> | <b>Police Tax<br/>Increment<br/>(.21) Fund</b> | <b>Police Tax In-<br/>crement (.25)<br/>Fund</b> | <b>Grants<br/>Fund</b> | <b>Arvada<br/>Economic<br/>Development<br/>Association</b> |
|--------------------------------------|--------------------------------------------------|------------------------------------|------------------------------------------------|--------------------------------------------------|------------------------|------------------------------------------------------------|
| <b>ASSETS</b>                        |                                                  |                                    |                                                |                                                  |                        |                                                            |
| Cash and investments                 | \$ 330                                           | \$ 247                             | \$ 8,626                                       | \$ 10,001                                        | \$ 2,291               | \$ 395                                                     |
| Accounts receivable (net)            | 58                                               | -                                  | 869                                            | 806                                              | -                      | -                                                          |
| Accrued interest                     | -                                                | 1                                  | 52                                             | 65                                               | 11                     | -                                                          |
| Prepaid costs                        | -                                                | -                                  | 5                                              | -                                                | -                      | -                                                          |
| Total assets                         | <u>388</u>                                       | <u>248</u>                         | <u>9,552</u>                                   | <u>10,872</u>                                    | <u>2,302</u>           | <u>395</u>                                                 |
| <b>LIABILITIES, AND FUND BALANCE</b> |                                                  |                                    |                                                |                                                  |                        |                                                            |
| <b>LIABILITIES</b>                   |                                                  |                                    |                                                |                                                  |                        |                                                            |
| Accounts payable                     | 27                                               | -                                  | 248                                            | 175                                              | -                      | -                                                          |
| Unearned revenue                     | <u>44</u>                                        | <u>-</u>                           | <u>-</u>                                       | <u>-</u>                                         | <u>-</u>               | <u>-</u>                                                   |
| Total liabilities                    | <u>71</u>                                        | <u>-</u>                           | <u>248</u>                                     | <u>175</u>                                       | <u>-</u>               | <u>-</u>                                                   |
| <b>DEFERRED INFLOW OF RESOURCES</b>  |                                                  |                                    |                                                |                                                  |                        |                                                            |
| Grants                               | <u>-</u>                                         | <u>-</u>                           | <u>52</u>                                      | <u>-</u>                                         | <u>-</u>               | <u>-</u>                                                   |
| Total deferred inflows of resources  | <u>-</u>                                         | <u>-</u>                           | <u>52</u>                                      | <u>-</u>                                         | <u>-</u>               | <u>-</u>                                                   |
| <b>FUND BALANCES</b>                 |                                                  |                                    |                                                |                                                  |                        |                                                            |
| Nonspendable                         | -                                                | -                                  | 5                                              | -                                                | -                      | -                                                          |
| Restricted                           | <u>317</u>                                       | <u>248</u>                         | <u>9,247</u>                                   | <u>10,697</u>                                    | <u>2,302</u>           | <u>395</u>                                                 |
| Total fund balance                   | <u>317</u>                                       | <u>248</u>                         | <u>9,252</u>                                   | <u>10,697</u>                                    | <u>2,302</u>           | <u>395</u>                                                 |
| Total liabilities and fund balances  | <u>\$ 388</u>                                    | <u>\$ 248</u>                      | <u>\$ 9,552</u>                                | <u>\$ 10,872</u>                                 | <u>\$ 2,302</u>        | <u>\$ 395</u>                                              |

| Debt Service  |                   |                              |
|---------------|-------------------|------------------------------|
| Bond Fund     | Debt Service Fund | Total Non-major Governmental |
| \$ 224        | \$ 483            | \$ 22,597                    |
| -             | -                 | 1,733                        |
| -             | -                 | 129                          |
| -             | -                 | 5                            |
| <u>224</u>    | <u>483</u>        | <u>24,464</u>                |
| -             | -                 | 450                          |
| -             | -                 | 44                           |
| -             | -                 | 494                          |
| -             | -                 | 52                           |
| -             | -                 | 52                           |
| -             | -                 | 5                            |
| <u>224</u>    | <u>483</u>        | <u>23,913</u>                |
| <u>224</u>    | <u>483</u>        | <u>23,918</u>                |
| <u>\$ 224</u> | <u>\$ 483</u>     | <u>\$ 24,464</u>             |



**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                              | Special Revenue Funds                  |                          |                                       |                                       |                |                                                    |
|--------------------------------------------------------------|----------------------------------------|--------------------------|---------------------------------------|---------------------------------------|----------------|----------------------------------------------------|
|                                                              | Arvada<br>Housing<br>Authority<br>Fund | Police Sei-<br>zure Fund | Police Tax<br>Increment<br>(.21) Fund | Police Tax<br>Increment<br>(.25) Fund | Grants<br>Fund | Arvada<br>Economic De-<br>velopment<br>Association |
| <b>REVENUES</b>                                              |                                        |                          |                                       |                                       |                |                                                    |
| Taxes                                                        | \$ -                                   | \$ -                     | \$ 6,691                              | \$ 8,054                              | \$ -           | \$ -                                               |
| Intergovernmental                                            | 7,719                                  | -                        | 598                                   | -                                     | 874            | -                                                  |
| Investment earnings                                          | 5                                      | 3                        | 359                                   | 404                                   | 43             | 7                                                  |
| Miscellaneous                                                | 32                                     | 74                       | 40                                    | 4                                     | -              | -                                                  |
| Total Revenues                                               | 7,756                                  | 77                       | 7,688                                 | 8,462                                 | 917            | 7                                                  |
| <b>EXPENDITURES</b>                                          |                                        |                          |                                       |                                       |                |                                                    |
| Program costs                                                | 7,789                                  | 29                       | 5,947                                 | 5,577                                 | -              | 193                                                |
| Debt Service                                                 |                                        |                          |                                       |                                       |                |                                                    |
| Principal                                                    | -                                      | -                        | -                                     | -                                     | -              | -                                                  |
| Interest                                                     | -                                      | -                        | 1                                     | -                                     | -              | -                                                  |
| Capital outlay                                               | -                                      | -                        | -                                     | -                                     | -              | -                                                  |
| Total expenditures                                           | 7,789                                  | 29                       | 5,948                                 | 5,577                                 | -              | 193                                                |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | (33)                                   | 48                       | 1,740                                 | 2,885                                 | 917            | (186)                                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                        |                          |                                       |                                       |                |                                                    |
| Transfers in                                                 | -                                      | -                        | -                                     | -                                     | -              | -                                                  |
| Transfers out                                                | -                                      | -                        | (1,005)                               | (2,005)                               | -              | -                                                  |
| Total other financing sources (uses)                         | -                                      | -                        | (1,005)                               | (2,005)                               | -              | -                                                  |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (33)                                   | 48                       | 735                                   | 880                                   | 917            | (186)                                              |
| <b>FUND BALANCES, BEGINNING</b>                              | 350                                    | 200                      | 8,517                                 | 9,817                                 | 1,385          | 581                                                |
| <b>FUND BALANCES, ENDING</b>                                 | \$ 317                                 | \$ 248                   | \$ 9,252                              | \$ 10,697                             | \$ 2,302       | \$ 395                                             |

| <u>Debt Service</u> |                                  | <u>Total<br/>Non-major<br/>Governmental</u> |
|---------------------|----------------------------------|---------------------------------------------|
| <u>Bond Fund</u>    | <u>Debt<br/>Service<br/>Fund</u> |                                             |
| \$ -                | \$ 5,803                         | \$ 20,548                                   |
| -                   | -                                | 9,191                                       |
| 19                  | 30                               | 870                                         |
| -                   | -                                | 150                                         |
| <u>19</u>           | <u>5,833</u>                     | <u>30,759</u>                               |
| 6                   | -                                | 19,541                                      |
| 2,467               | 3,020                            | 5,487                                       |
| 801                 | 2,777                            | 3,579                                       |
| -                   | -                                | -                                           |
| <u>3,274</u>        | <u>5,797</u>                     | <u>28,607</u>                               |
| <u>(3,255)</u>      | <u>36</u>                        | <u>2,152</u>                                |
| 3,255               | -                                | 3,255                                       |
| -                   | -                                | (3,010)                                     |
| <u>3,255</u>        | <u>-</u>                         | <u>245</u>                                  |
| -                   | 36                               | 2,397                                       |
| <u>224</u>          | <u>447</u>                       | <u>21,521</u>                               |
| <u>\$ 224</u>       | <u>\$ 483</u>                    | <u>\$ 23,918</u>                            |



**ARVADA HOUSING AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                              | <b>Budgeted Amounts</b> |                   | <b>Actual</b>  | <b>Variance</b>                                          |
|--------------------------------------------------------------|-------------------------|-------------------|----------------|----------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>      | <b>Amounts</b> | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                                              |                         |                   |                |                                                          |
| Intergovernmental                                            |                         |                   |                |                                                          |
| Federal grants                                               | \$ 5,882                | \$ 5,882          | \$ 7,719       | \$ 1,837                                                 |
| Investment earnings                                          | 1                       | 1                 | 5              | 4                                                        |
| Miscellaneous                                                | 16                      | 16                | 32             | 16                                                       |
|                                                              | <u>5,899</u>            | <u>5,899</u>      | <u>7,756</u>   | <u>1,857</u>                                             |
| Total revenues                                               |                         |                   |                |                                                          |
| <b>EXPENDITURES</b>                                          |                         |                   |                |                                                          |
| Current expenditures:                                        |                         |                   |                |                                                          |
| Personnel services                                           | 378                     | 378               | 366            | 12                                                       |
| Services and charges                                         | 99                      | 99                | 90             | 9                                                        |
| Supplies                                                     | 38                      | 38                | 33             | 5                                                        |
| Rents                                                        | 5,425                   | 7,365             | 7,300          | 65                                                       |
|                                                              | <u>5,940</u>            | <u>7,880</u>      | <u>7,789</u>   | <u>91</u>                                                |
| Total expenditures                                           |                         |                   |                |                                                          |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | (41)                    | (1,981)           | (33)           | (1,948)                                                  |
| <b>OTHER FINANCING SOURCES</b>                               |                         |                   |                |                                                          |
| Transfers in                                                 | 75                      | 75                | -              | (75)                                                     |
|                                                              | <u>75</u>               | <u>75</u>         | <u>-</u>       | <u>(75)</u>                                              |
| Total other financing sources                                |                         |                   |                |                                                          |
| <b>NET CHANGE IN FUND BALANCE</b>                            | 34                      | (1,906)           | (33)           | (2,023)                                                  |
| <b>FUND BALANCE, BEGINNING</b>                               | 350                     | 350               | 350            | -                                                        |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 384</u>           | <u>\$ (1,556)</u> | <u>\$ 317</u>  | <u>\$ (2,023)</u>                                        |



**POLICE SEIZURE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |              | <b>Actual</b>  | <b>Variance</b>                                          |
|-----------------------------------|-------------------------|--------------|----------------|----------------------------------------------------------|
|                                   | <b>Original</b>         | <b>Final</b> | <b>Amounts</b> | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                   |                         |              |                |                                                          |
| Seizure & forfeitures             | \$ 25                   | \$ 25        | \$ 74          | \$ 49                                                    |
| Investment earnings               | 7                       | 7            | 3              | (4)                                                      |
| Total revenues                    | 32                      | 32           | 77             | 45                                                       |
| <b>EXPENDITURES</b>               |                         |              |                |                                                          |
| Supplies                          | 30                      | 30           | 29             | 1                                                        |
| Total current expenditures        | 30                      | 30           | 29             | 1                                                        |
| Capital outlay                    | -                       | -            | -              | -                                                        |
| Total expenditures                | 30                      | 30           | 29             | 1                                                        |
| <b>NET CHANGE IN FUND BALANCE</b> | 2                       | 2            | 48             | 46                                                       |
| <b>FUND BALANCE, BEGINNING</b>    | 200                     | 200          | 200            | -                                                        |
| <b>FUND BALANCE, ENDING</b>       | \$ 202                  | \$ 202       | \$ 248         | \$ 46                                                    |



**POLICE TAX INCREMENT (.21) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                              | <b>Budgeted Amounts</b> |                 | <b>Actual</b>   | <b>Variance</b>                                          |
|--------------------------------------------------------------|-------------------------|-----------------|-----------------|----------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>    | <b>Amounts</b>  | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                                              |                         |                 |                 |                                                          |
| Sales and use taxes                                          | \$ 6,541                | \$ 6,541        | \$ 6,691        | \$ 150                                                   |
| Intergovernmental                                            |                         |                 |                 |                                                          |
| Federal grants                                               | 453                     | 453             | 598             | 145                                                      |
| Investment earnings                                          | 95                      | 95              | 359             | 264                                                      |
| Miscellaneous                                                | 20                      | 20              | 40              | 20                                                       |
|                                                              | <u>7,109</u>            | <u>7,109</u>    | <u>7,688</u>    | <u>579</u>                                               |
| Total revenues                                               |                         |                 |                 |                                                          |
| <b>EXPENDITURES</b>                                          |                         |                 |                 |                                                          |
| Current expenditures:                                        |                         |                 |                 |                                                          |
| Personnel services                                           | 5,299                   | 5,299           | 4,337           | 962                                                      |
| Services and charges                                         | 803                     | 950             | 860             | 90                                                       |
| Services and charges                                         | -                       | -               | 1               | (1)                                                      |
| Supplies                                                     | 1,051                   | 1,091           | 750             | 341                                                      |
|                                                              | <u>7,153</u>            | <u>7,340</u>    | <u>5,948</u>    | <u>1,392</u>                                             |
| Total current expenditures                                   |                         |                 |                 |                                                          |
| Total expenditures                                           | <u>7,153</u>            | <u>7,340</u>    | <u>5,948</u>    | <u>1,392</u>                                             |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <u>(44)</u>             | <u>(231)</u>    | <u>1,740</u>    | <u>1,971</u>                                             |
| <b>OTHER FINANCING (USES)</b>                                |                         |                 |                 |                                                          |
| Transfers Out                                                | <u>(1,005)</u>          | <u>(1,005)</u>  | <u>(1,005)</u>  | <u>-</u>                                                 |
| Total other financing uses                                   | <u>(1,005)</u>          | <u>(1,005)</u>  | <u>(1,005)</u>  | <u>-</u>                                                 |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>(1,049)</u>          | <u>(1,236)</u>  | <u>735</u>      | <u>1,971</u>                                             |
| <b>FUND BALANCE, BEGINNING</b>                               | <u>8,517</u>            | <u>8,517</u>    | <u>8,517</u>    | <u>-</u>                                                 |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 7,468</u>         | <u>\$ 7,281</u> | <u>\$ 9,252</u> | <u>\$ 1,971</u>                                          |



**POLICE TAX INCREMENT (.25) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                              | <b>Budgeted Amounts</b> |                 | <b>Actual</b>    | <b>Variance</b>                                          |
|--------------------------------------------------------------|-------------------------|-----------------|------------------|----------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b>    | <b>Amounts</b>   | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                                              |                         |                 |                  |                                                          |
| Sales and use taxes                                          | \$ 7,872                | \$ 7,872        | \$ 8,054         | \$ 182                                                   |
| Investment earnings                                          | 107                     | 107             | 404              | \$297                                                    |
| Miscellaneous                                                | 20                      | 20              | 4                | (16)                                                     |
|                                                              | <u>7,999</u>            | <u>7,999</u>    | <u>8,462</u>     | <u>463</u>                                               |
| <b>EXPENDITURES</b>                                          |                         |                 |                  |                                                          |
| Current expenditures:                                        |                         |                 |                  |                                                          |
| Personnel services                                           | 6,333                   | 6,333           | 4,327            | 2,006                                                    |
| Services and charges                                         | 650                     | 640             | 509              | 131                                                      |
| Supplies                                                     | 1,159                   | 1,169           | 741              | 428                                                      |
|                                                              | <u>8,142</u>            | <u>8,142</u>    | <u>5,577</u>     | <u>2,565</u>                                             |
| Total current expenditures                                   | 8,142                   | 8,142           | 5,577            | 2,565                                                    |
|                                                              | <u>8,142</u>            | <u>8,142</u>    | <u>5,577</u>     | <u>2,565</u>                                             |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <u>(143)</u>            | <u>(143)</u>    | <u>2,885</u>     | <u>3,028</u>                                             |
| <b>OTHER FINANCING (USES)</b>                                |                         |                 |                  |                                                          |
| Transfers Out                                                | (2,005)                 | (2,005)         | (2,005)          | -                                                        |
| Total other financing uses                                   | (2,005)                 | (2,005)         | (2,005)          | -                                                        |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (2,148)                 | (2,148)         | 880              | 3,028                                                    |
| <b>FUND BALANCE, BEGINNING</b>                               | <u>9,817</u>            | <u>9,817</u>    | <u>9,817</u>     | <u>-</u>                                                 |
| <b>FUND BALANCE, ENDING</b>                                  | <u>\$ 7,669</u>         | <u>\$ 7,669</u> | <u>\$ 10,697</u> | <u>\$ 3,028</u>                                          |



**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                   | <b>Budgeted Amounts</b> |              | <b>Actual</b>  | <b>Variance</b>                                          |
|-----------------------------------|-------------------------|--------------|----------------|----------------------------------------------------------|
|                                   | <b>Original</b>         | <b>Final</b> | <b>Amounts</b> | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                   |                         |              |                |                                                          |
| Intergovernmental revenues        |                         |              |                |                                                          |
| State grants                      | \$ 578                  | \$ 578       | \$ 874         | \$ 296                                                   |
| Investment earnings               | 13                      | 13           | 43             | 30                                                       |
|                                   |                         |              |                |                                                          |
| Total revenues                    | 591                     | 591          | 917            | 326                                                      |
| <b>OTHER FINANCING USES</b>       |                         |              |                |                                                          |
| Transfers out                     | (184)                   | (184)        | -              | 184                                                      |
|                                   |                         |              |                |                                                          |
| Total other financing uses        | (184)                   | (184)        | -              | 184                                                      |
| <b>NET CHANGE IN FUND BALANCE</b> | 407                     | 407          | 917            | 510                                                      |
| <b>FUND BALANCE, BEGINNING</b>    | 1,385                   | 1,385        | 1,385          | -                                                        |
| <b>FUND BALANCE, ENDING</b>       | \$ 1,792                | \$ 1,792     | \$ 2,302       | \$ 510                                                   |



**BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                              | <b>Budgeted Amounts</b> |              | <b>Actual</b>  | <b>Variance</b>                                          |
|--------------------------------------------------------------|-------------------------|--------------|----------------|----------------------------------------------------------|
|                                                              | <b>Original</b>         | <b>Final</b> | <b>Amounts</b> | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                                              |                         |              |                |                                                          |
| Investment earnings                                          | \$ -                    | \$ -         | \$ 19          | \$ 19                                                    |
| Total revenues                                               | -                       | -            | 19             | 19                                                       |
| <b>EXPENDITURES</b>                                          |                         |              |                |                                                          |
| Debt Service                                                 |                         |              |                |                                                          |
| Principal                                                    | 2,079                   | 2,467        | 2,467          | -                                                        |
| Interest                                                     | 801                     | 801          | 801            | -                                                        |
| Professional services                                        | 10                      | 10           | 6              | 4                                                        |
| Total expenditures                                           | 2,890                   | 3,278        | 3,274          | 4                                                        |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | (2,890)                 | (3,278)      | (3,255)        | 23                                                       |
| <b>OTHER FINANCING SOURCES</b>                               |                         |              |                |                                                          |
| Transfers in                                                 | 3,269                   | 3,269        | 3,255          | (14)                                                     |
| Total other financing sources                                | 3,269                   | 3,269        | 3,255          | (14)                                                     |
| <b>NET CHANGE IN FUND BALANCE</b>                            | 379                     | (9)          | -              | 9                                                        |
| <b>FUND BALANCE, BEGINNING</b>                               | 224                     | 224          | 224            | -                                                        |
| <b>FUND BALANCE, ENDING</b>                                  | \$ 603                  | \$ 215       | \$ 224         | \$ 9                                                     |



**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                   | <u>Budgeted Amounts</u> |               | <u>Actual</u>  | <u>Variance</u>                                          |
|-----------------------------------|-------------------------|---------------|----------------|----------------------------------------------------------|
|                                   | <u>Original</u>         | <u>Final</u>  | <u>Amounts</u> | <u>With Final<br/>Budget<br/>Positive<br/>(Negative)</u> |
| <b>REVENUES</b>                   |                         |               |                |                                                          |
| Sales and use taxes               | \$ 5,361                | \$ 5,361      | \$ 5,803       | \$ 442                                                   |
| Investment earnings               | 3                       | 3             | 30             | 27                                                       |
|                                   | <u>5,364</u>            | <u>5,364</u>  | <u>5,833</u>   | <u>469</u>                                               |
| Total revenues                    |                         |               |                |                                                          |
| <b>EXPENDITURES</b>               |                         |               |                |                                                          |
| Services and charges              | 3                       | 3             | -              | 3                                                        |
| Debt Service                      |                         |               |                |                                                          |
| Principal                         | 2,750                   | 2,750         | 3,020          | (270)                                                    |
| Interest                          | 2,611                   | 2,611         | 2,777          | (166)                                                    |
|                                   | <u>5,364</u>            | <u>5,364</u>  | <u>5,797</u>   | <u>(433)</u>                                             |
| Total expenditures                |                         |               |                |                                                          |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>-</u>                | <u>-</u>      | <u>36</u>      | <u>36</u>                                                |
| <b>FUND BALANCE, BEGINNING</b>    | <u>447</u>              | <u>447</u>    | <u>447</u>     | <u>-</u>                                                 |
| <b>FUND BALANCE, ENDING</b>       | <u>\$ 447</u>           | <u>\$ 447</u> | <u>\$ 483</u>  | <u>\$ 36</u>                                             |

## **Enterprise Funds**

Water Fund  
Wastewater Fund  
Stormwater Fund  
Golf Fund  
Solid Waste 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.

**Solid Waste Fund** – This fund accounts for all activities necessary to offer waste and recycling services to the City of Arvada.



**NON-MAJOR PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                             | <b>Golf<br/>Course</b> | <b>Solid<br/>Waste</b> | <b>Total<br/>Business Type<br/>Activities</b> |
|-------------------------------------------------------------|------------------------|------------------------|-----------------------------------------------|
| <b>ASSETS</b>                                               |                        |                        |                                               |
| <b>CURRENT ASSETS</b>                                       |                        |                        |                                               |
| Cash and investments                                        | \$ 1,826               | \$ (94)                | \$ 1,732                                      |
| Accounts receivable, net of<br>allowance for uncollectibles | 12                     | 803                    | 815                                           |
| Inventories                                                 | 163                    | -                      | 163                                           |
| Prepaid costs                                               | 9                      | -                      | 9                                             |
| Total current assets                                        | <u>2,010</u>           | <u>709</u>             | <u>2,719</u>                                  |
| <b>NONCURRENT ASSETS</b>                                    |                        |                        |                                               |
| Subscription assets net of amortization                     | 38                     | -                      | 38                                            |
| Lease assets net of amortization<br>in progress             | 226<br>4,307           | -<br>-                 | 226<br>4,307                                  |
| accumulated depreciation                                    | 11,087                 | -                      | 11,087                                        |
| Total non-current assets                                    | <u>15,658</u>          | <u>-</u>               | <u>15,658</u>                                 |
| Total assets                                                | <u>17,668</u>          | <u>709</u>             | <u>18,377</u>                                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                        |                        |                                               |
| Items related to OPEB                                       | <u>3</u>               | <u>-</u>               | <u>3</u>                                      |
| <b>LIABILITIES</b>                                          |                        |                        |                                               |
| <b>CURRENT LIABILITIES</b>                                  |                        |                        |                                               |
| Accounts payable                                            | 346                    | 325                    | 671                                           |
| Accrued compensated absences                                | 115                    | -                      | 115                                           |
| Interfund payable                                           | 131                    | 473                    | 604                                           |
| Accrued interest                                            | 12                     | -                      | 12                                            |
| Lease payable                                               | 191                    | -                      | 191                                           |
| Subscription payable                                        | 20                     | -                      | 20                                            |
| Unearned revenue                                            | 84                     | -                      | 84                                            |
| Total current liabilities                                   | <u>899</u>             | <u>798</u>             | <u>1,697</u>                                  |
| <b>NONCURRENT LIABILITIES</b>                               |                        |                        |                                               |
| Accrued compensated absences                                | 115                    | -                      | 115                                           |
| Total OPEB liability                                        | 53                     | 5                      | 58                                            |
| Lease payable                                               | 21                     | -                      | 21                                            |
| Subscription payable                                        | -                      | -                      | -                                             |
| Advance from Water Fund                                     | -                      | 368                    | 368                                           |
| Advance from Wastewater Fund                                | 1,175                  | -                      | 1,175                                         |
| Total non-current liabilities                               | <u>1,364</u>           | <u>373</u>             | <u>1,737</u>                                  |
| Total liabilities                                           | <u>2,263</u>           | <u>1,171</u>           | <u>3,434</u>                                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                        |                        |                                               |
| Items related to OPEB liability                             | <u>24</u>              | <u>2</u>               | <u>26</u>                                     |
| Total deferred inflows of resources                         | <u>24</u>              | <u>2</u>               | <u>26</u>                                     |
| <b>NET POSITION</b>                                         |                        |                        |                                               |
| Net investment in capital assets                            | 15,658                 | -                      | 15,658                                        |
| Unrestricted                                                | (274)                  | (464)                  | (738)                                         |
| Total net position                                          | <u>\$ 15,384</u>       | <u>\$ (464)</u>        | <u>\$ 14,920</u>                              |



**NON-MAJOR PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                      | <b>Golf<br/>Course</b> | <b>Solid Waste</b> | <b>Total<br/>Non-Major<br/>Funds</b> |
|------------------------------------------------------|------------------------|--------------------|--------------------------------------|
| <b>OPERATING REVENUES</b>                            |                        |                    |                                      |
| Sales                                                | \$ 3,365               | \$ 4,448           | \$ 7,813                             |
| Service charges & fees                               | 5,600                  | -                  | 5,600                                |
| Miscellaneous                                        | 25                     | -                  | 25                                   |
| Total revenues                                       | <u>8,990</u>           | <u>4,448</u>       | <u>13,438</u>                        |
| <b>EXPENSES</b>                                      |                        |                    |                                      |
| Administration                                       | 7,516                  | 4,023              | 11,539                               |
| Depreciation and amortization                        | 784                    | -                  | 784                                  |
| Total expenses                                       | <u>8,300</u>           | <u>4,023</u>       | <u>12,323</u>                        |
| <b>OPERATING INCOME</b>                              | <u>690</u>             | <u>425</u>         | <u>1,115</u>                         |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>             |                        |                    |                                      |
| Investment earnings                                  | 41                     | 16                 | 57                                   |
| Interest expense                                     | (45)                   | (26)               | (71)                                 |
| Total non-operating (expenses)                       | <u>(4)</u>             | <u>(10)</u>        | <u>(14)</u>                          |
| <b>INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b> | 686                    | 415                | 1,101                                |
| <b>TRANSFERS IN</b>                                  | 345                    | -                  | 345                                  |
| <b>TRANSFERS OUT</b>                                 | <u>(432)</u>           | <u>-</u>           | <u>(432)</u>                         |
| <b>CHANGE IN NET POSITION</b>                        | 599                    | 415                | 1,014                                |
| <b>NET POSITION, BEGINNING</b>                       | 14,785                 | (879)              | 13,906                               |
| <b>NET POSITION, ENDING</b>                          | <u>\$ 15,384</u>       | <u>\$ (464)</u>    | <u>\$ 14,920</u>                     |



**NON-MAJOR PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2023  
(in thousands)**

|                                                                                                          | <b>Golf Course</b> | <b>Solid Waste</b> | <b>Total<br/>Business Type<br/>Activities</b> |
|----------------------------------------------------------------------------------------------------------|--------------------|--------------------|-----------------------------------------------|
| <b>Cash flows from operating activities</b>                                                              |                    |                    |                                               |
| Cash received from external customers                                                                    | \$ 8,978           | \$ 4,416           | \$ 13,394                                     |
| Cash payments to external suppliers                                                                      | (2,610)            | (4,050)            | (6,660)                                       |
| Cash payments to internal suppliers                                                                      | (517)              | (75)               | (592)                                         |
| Cash payments to employees for services                                                                  | (4,473)            | (152)              | (4,625)                                       |
| Net cash provided by operating activities                                                                | <u>1,378</u>       | <u>139</u>         | <u>1,517</u>                                  |
| <b>Cash flows from non-capital financing activities</b>                                                  |                    |                    |                                               |
| Transfers to other funds                                                                                 | (432)              | -                  | (432)                                         |
| Transfers from other funds                                                                               | 345                | -                  | 345                                           |
| Net cash provided (used) in non-capital financing activities                                             | <u>(87)</u>        | <u>-</u>           | <u>(87)</u>                                   |
| <b>Cash flows from capital &amp; related financing activities</b>                                        |                    |                    |                                               |
| Capital contributions                                                                                    | -                  | -                  | -                                             |
| Purchase of capital assets                                                                               | (176)              | -                  | (176)                                         |
| Lease payable                                                                                            | (144)              | -                  | (144)                                         |
| Principal paid on interfund payable                                                                      | (127)              | (464)              | (591)                                         |
| Interest paid on interfund payable                                                                       | (40)               | (27)               | (67)                                          |
| Net cash provided (used) by capital and related financing activities                                     | <u>(487)</u>       | <u>(491)</u>       | <u>(978)</u>                                  |
| <b>Cash flows from investing activities</b>                                                              |                    |                    |                                               |
| Investment earnings                                                                                      | 122                | 27                 | 149                                           |
| Change in equity in non-cash pooled investments                                                          | (76)               | (12)               | (88)                                          |
| Net cash (used) by investing activities                                                                  | <u>46</u>          | <u>15</u>          | <u>61</u>                                     |
| Net increase (decrease) in cash and cash equivalents                                                     | <u>850</u>         | <u>(337)</u>       | <u>513</u>                                    |
| Cash and cash equivalents January 1, 2023                                                                | <u>976</u>         | <u>243</u>         | <u>1,219</u>                                  |
| Total cash, cash equivalents and cash with fiscal agent January 1, 2023                                  | 976                | 243                | 1,219                                         |
| Cash and cash equivalents December 31, 2023                                                              | <u>1,826</u>       | <u>(94)</u>        | <u>1,732</u>                                  |
| Total cash, cash equivalents and cash with fiscal agent December 31, 2023                                | <u>1,826</u>       | <u>(94)</u>        | <u>1,732</u>                                  |
| <b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b> |                    |                    |                                               |
| Operating income (loss)                                                                                  | 690                | 425                | 1,115                                         |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:           |                    |                    |                                               |
| Depreciation and amortization                                                                            | 784                | -                  | 784                                           |
| (Increase) decrease in account receivable                                                                | (12)               | (33)               | (45)                                          |
| (Increase) decrease in inventories                                                                       | 20                 | -                  | 20                                            |
| (Increase) decrease in prepaid costs                                                                     | -                  | -                  | -                                             |
| (Decrease) increase deferred inflow leases                                                               | 26                 | -                  | 26                                            |
| (Decrease) increase in accrued payroll                                                                   | 18                 | (2)                | 16                                            |
| (Decrease) increase in accounts payable                                                                  | 29                 | (250)              | (221)                                         |
| (Decrease) increase in total OPEB liability                                                              | (1)                | -                  | (1)                                           |
| (Decrease) increase in unearned revenue                                                                  | (199)              | (1)                | (200)                                         |
| (Decrease) increase in compensated absences                                                              | 23                 | -                  | 23                                            |
| Net cash provided by operating activities                                                                | <u>\$ 1,378</u>    | <u>\$ 139</u>      | <u>\$ 1,517</u>                               |
| <b>Non-cash investing, capital and financing activities</b>                                              |                    |                    |                                               |
| Change in fair value of non-cash pooled investment                                                       | \$ (76)            | \$ (12)            | \$ (88)                                       |
| Capital assets accounts payable and contract payable outstanding                                         | \$ -               | \$ -               | \$ -                                          |



**WATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <b>Budgeted Amounts</b> |                    | <b>Actual</b>    | <b>Variance</b>                                          |
|-------------------------------------------|-------------------------|--------------------|------------------|----------------------------------------------------------|
|                                           | <b>Original</b>         | <b>Final</b>       | <b>Amounts</b>   | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                           |                         |                    |                  |                                                          |
| Sales                                     | \$ 31,141               | \$ 31,141          | \$ 28,034        | \$ (3,107)                                               |
| Service charges and fees                  | 476                     | 476                | 690              | 214                                                      |
| Investment earnings                       | 686                     | 686                | 5,448            | 4,762                                                    |
| Miscellaneous revenues                    | 353                     | 353                | 1,285            | 932                                                      |
| Water/tap                                 | 10,372                  | 10,372             | 11,851           | 1,479                                                    |
| Developer contributions                   | -                       | -                  | 4,871            | 4,871                                                    |
| Transfers in                              | 51,738                  | 51,738             | 8                | (51,730)                                                 |
|                                           | <u>94,766</u>           | <u>94,766</u>      | <u>52,187</u>    | <u>(42,579)</u>                                          |
| Total revenues                            |                         |                    |                  |                                                          |
| <b>EXPENDITURES</b>                       |                         |                    |                  |                                                          |
| Operating and maintenance                 | 29,932                  | 28,436             | 24,078           | 4,358                                                    |
| Capital outlay                            | 67,127                  | 94,825             | 48,774           | 46,051                                                   |
| Principal expense                         | 3,100                   | 3,100              | 715              | 2,385                                                    |
| Interest expense                          | -                       | -                  | 2,008            | (2,008)                                                  |
| Transfers out                             | 63                      | 251                | 918              | (667)                                                    |
|                                           | <u>100,222</u>          | <u>126,612</u>     | <u>76,493</u>    | <u>50,119</u>                                            |
| Total expenditures                        |                         |                    |                  |                                                          |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (5,456)</u>       | <u>\$ (31,846)</u> | (24,306)         | <u>\$ 7,540</u>                                          |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                    |                  |                                                          |
| Capital outlay                            |                         |                    | 48,774           |                                                          |
| Principal                                 |                         |                    | 715              |                                                          |
| Net book value of assets retired          |                         |                    | (200)            |                                                          |
| Depreciation and amortization             |                         |                    | (5,057)          |                                                          |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                    | <u>\$ 19,926</u> |                                                          |



**WASTEWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <b>Budgeted Amounts</b> |                    | <b>Actual</b>   | <b>Variance</b>                                          |
|-------------------------------------------|-------------------------|--------------------|-----------------|----------------------------------------------------------|
|                                           | <b>Original</b>         | <b>Final</b>       | <b>Amounts</b>  | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                           |                         |                    |                 |                                                          |
| Service charges and fees                  | \$ 16,322               | \$ 16,322          | \$ 15,158       | \$ (1,164)                                               |
| Investment earnings                       | 208                     | 208                | 2,833           | 2,625                                                    |
| Miscellaneous revenues                    | -                       | -                  | 467             | 467                                                      |
| Sewer/tap                                 | 3,022                   | 3,022              | 1,406           | (1,616)                                                  |
| Developer contributions                   | -                       | -                  | 4,004           | 4,004                                                    |
|                                           | <u>19,552</u>           | <u>19,552</u>      | <u>23,868</u>   | <u>4,316</u>                                             |
| Total revenues                            |                         |                    |                 |                                                          |
| <b>EXPENDITURES</b>                       |                         |                    |                 |                                                          |
| Operating and maintenance                 | 14,365                  | 14,209             | 12,615          | 1,594                                                    |
| Administration                            | 634                     | 635                | 635             | -                                                        |
| Capital outlay                            | 12,858                  | 21,445             | 5,770           | 15,675                                                   |
| Principal expense                         | 3,000                   | 3,000              | 710             | 2,290                                                    |
| Interest                                  | -                       | -                  | 2,031           | (2,031)                                                  |
| Transfers out                             | 6                       | 16                 | 16              | -                                                        |
|                                           | <u>30,863</u>           | <u>39,305</u>      | <u>21,777</u>   | <u>17,528</u>                                            |
| Total expenditures                        |                         |                    |                 |                                                          |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (11,311)</u>      | <u>\$ (19,753)</u> | 2,091           | <u>\$ 21,844</u>                                         |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                    |                 |                                                          |
| Capital outlay                            |                         |                    | 5,770           |                                                          |
| Net book value of assets retired          |                         |                    | (479)           |                                                          |
| Principal                                 |                         |                    | 710             |                                                          |
| Depreciation and amortization             |                         |                    | (1,548)         |                                                          |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                    | <u>\$ 6,544</u> |                                                          |



**STORMWATER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |                   | <u>Actual</u>   | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|-------------------|-----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>      | <u>Amounts</u>  | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |                   |                 |                                              |
| Service charges and fees                  | \$ 4,014                | \$ 4,014          | \$ 3,928        | \$ (75)                                      |
| Grants                                    | 16                      | 16                | -               | (16)                                         |
| Investment earnings                       | 88                      | 88                | 432             | 344                                          |
| Transfers in                              | -                       | -                 | 8               | 8                                            |
| Developer contributions                   | -                       | -                 | 4,141           | 4,141                                        |
|                                           | <u>4,118</u>            | <u>4,118</u>      | <u>8,509</u>    | <u>4,391</u>                                 |
| <b>EXPENDITURES</b>                       |                         |                   |                 |                                              |
| Operating and maintenance                 | 3,181                   | 4,787             | 2,508           | 2,279                                        |
| Capital outlay                            | 3,769                   | 6,287             | 1,817           | 4,470                                        |
| Transfers out                             | 864                     | 874               | 874             | -                                            |
|                                           | <u>7,814</u>            | <u>11,948</u>     | <u>5,199</u>    | <u>6,749</u>                                 |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (3,696)</u>       | <u>\$ (7,830)</u> | 3,310           | <u>\$ 11,140</u>                             |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                 |                                              |
| Capital outlay                            |                         |                   | 1,817           |                                              |
| Net book value of assets retired          |                         |                   | (127)           |                                              |
| Depreciation                              |                         |                   | (1,321)         |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 3,679</u> |                                              |



**GOLF COURSE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |                 | <u>Actual</u>  | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|-----------------|----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>    | <u>Amounts</u> | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |                 |                |                                              |
| Sales                                     | \$ 2,715                | \$ 2,715        | \$ 3,365       | \$ 650                                       |
| Service charges and fees                  | 4,701                   | 4,701           | 5,600          | 899                                          |
| Investment earnings                       | -                       | -               | 41             | 41                                           |
| Miscellaneous revenues                    | 2                       | 2               | 25             | 23                                           |
| Transfers in                              | 283                     | 283             | 345            | 62                                           |
|                                           | <u>7,701</u>            | <u>7,701</u>    | <u>9,376</u>   | <u>1,675</u>                                 |
| <b>EXPENDITURES</b>                       |                         |                 |                |                                              |
| Administration                            | 6,994                   | 7,727           | 7,516          | 211                                          |
| Principal expense                         | 128                     | 128             | 128            | -                                            |
| Interest expense                          | 36                      | 36              | 45             | (9)                                          |
| Capital outlay                            | 30                      | 110             | 114            | (4)                                          |
| Transfers out                             | 432                     | 432             | 432            | -                                            |
|                                           | <u>7,620</u>            | <u>8,433</u>    | <u>8,235</u>   | <u>198</u>                                   |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 81</u>            | <u>\$ (732)</u> | 1,141          | <u>\$ 1,873</u>                              |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                |                                              |
| Principal                                 |                         |                 | 128            |                                              |
| Capital outlay                            |                         |                 | 114            |                                              |
| Depreciation                              |                         |                 | (784)          |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 | <u>\$ 599</u>  |                                              |



**SOLID WASTE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |                 | <u>Actual</u>  | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|-----------------|----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>    | <u>Amounts</u> | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |                 |                |                                              |
| Sales                                     | \$ 4,185                | \$ 4,185        | \$ 4,448       | \$ 263                                       |
| Investment earnings                       | -                       | -               | 16             | 16                                           |
| Miscellaneous revenues                    | 264                     | 264             | -              | (264)                                        |
|                                           | <u>4,449</u>            | <u>4,449</u>    | <u>4,464</u>   | <u>15</u>                                    |
| <b>EXPENDITURES</b>                       |                         |                 |                |                                              |
| Administration                            | 4,095                   | 4,095           | 4,023          | 72                                           |
| Principal expense                         | 464                     | 464             | 464            | -                                            |
| Interest expense                          | 26                      | 26              | 26             | -                                            |
| Total expenditures                        | <u>4,585</u>            | <u>4,585</u>    | <u>4,513</u>   | <u>72</u>                                    |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (136)</u>         | <u>\$ (136)</u> | (49)           | <u>\$ 87</u>                                 |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                |                                              |
| Principal                                 |                         |                 | 464            |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 | <u>\$ 415</u>  |                                              |

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## **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, 2023**  
**(in thousands)**

|                                                            | Insurance<br>Service<br>Fund | Arvada<br>Medical<br>Fund | Computer<br>Fund | Print<br>Shop<br>Fund | Vehicle<br>Fund | Building<br>Fund | Total<br>Internal<br>Service<br>Funds |
|------------------------------------------------------------|------------------------------|---------------------------|------------------|-----------------------|-----------------|------------------|---------------------------------------|
| <b>ASSETS</b>                                              |                              |                           |                  |                       |                 |                  |                                       |
| <b>CURRENT ASSETS</b>                                      |                              |                           |                  |                       |                 |                  |                                       |
| Cash and investments                                       | \$ 4,112                     | \$ 13,345                 | \$ 11,069        | \$ 322                | \$ 8,021        | \$ 1,309         | \$ 38,178                             |
| Accounts receivable (net)                                  | -                            | 387                       | 3                | 1                     | 3               | -                | 394                                   |
| Accrued interest                                           | 23                           | 67                        | 67               | 2                     | 39              | 4                | 202                                   |
| Lease Receivable                                           | -                            | -                         | -                | -                     | -               | -                | -                                     |
| Inventories                                                | -                            | -                         | -                | 4                     | 445             | -                | 449                                   |
| Prepaid costs                                              | 2                            | -                         | 665              | 2                     | 4               | -                | 673                                   |
| Total current assets                                       | 4,137                        | 13,799                    | 11,804           | 331                   | 8,512           | 1,313            | 39,896                                |
| <b>NONCURRENT ASSETS</b>                                   |                              |                           |                  |                       |                 |                  |                                       |
| Lease assets, net of amortization                          | -                            | -                         | -                | -                     | 30              | -                | 30                                    |
| Subscription assets, net of amortization                   | -                            | -                         | 5,413            | -                     | -               | -                | 5,413                                 |
| Property and equipment, net of<br>accumulated depreciation | 39                           | -                         | 4,020            | 65                    | 11,093          | 2,358            | 17,575                                |
| Total assets                                               | 4,176                        | 13,799                    | 21,237           | 396                   | 19,635          | 3,671            | 62,914                                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                              |                           |                  |                       |                 |                  |                                       |
| Items related to OPEB                                      | 1                            | -                         | -                | -                     | 2               | -                | 3                                     |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>          |                              |                           |                  |                       |                 |                  |                                       |
| <b>CURRENT LIABILITIES</b>                                 |                              |                           |                  |                       |                 |                  |                                       |
| Accounts payable                                           | 168                          | 1,025                     | 1,789            | 11                    | 290             | 203              | 3,486                                 |
| Accrued interest payable                                   | -                            | -                         | 78               | -                     | -               | -                | 78                                    |
| Claims payable                                             | 2,915                        | 797                       | -                | -                     | -               | -                | 3,712                                 |
| Lease payable                                              | -                            | -                         | -                | -                     | 16              | -                | 16                                    |
| Subscriptions payable                                      | -                            | -                         | 4,255            | -                     | -               | -                | 4,255                                 |
| Accrued compensated absences                               | 4                            | -                         | -                | -                     | 60              | -                | 64                                    |
| Total current liabilities                                  | 3,087                        | 1,822                     | 6,122            | 11                    | 366             | 203              | 11,611                                |
| <b>NONCURRENT LIABILITIES</b>                              |                              |                           |                  |                       |                 |                  |                                       |
| Total OPEB                                                 | 9                            | -                         | 2                | 5                     | 41              | 2                | 59                                    |
| Lease payable                                              | -                            | -                         | -                | -                     | 18              | -                | 18                                    |
| Subscriptions payable                                      | -                            | -                         | 725              | -                     | -               | -                | 725                                   |
| Accrued compensated absences                               | 4                            | -                         | -                | -                     | 60              | -                | 64                                    |
| Total non-current liabilities                              | 13                           | -                         | 727              | 5                     | 119             | 2                | 866                                   |
| Total liabilities                                          | 3,100                        | 1,822                     | 6,849            | 16                    | 485             | 205              | 12,477                                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                              |                           |                  |                       |                 |                  |                                       |
| Items related to OPEB                                      | 4                            | -                         | 1                | 2                     | 20              | -                | 27                                    |
| Items related to lease receivable                          | -                            | -                         | -                | -                     | -               | -                | -                                     |
| Total deferred inflows of resources                        | 4                            | -                         | 1                | 2                     | 20              | -                | 27                                    |
| <b>NET POSITION</b>                                        |                              |                           |                  |                       |                 |                  |                                       |
| Net investment in capital, lease and subscription assets   | 39                           | -                         | 9,433            | 65                    | 11,123          | 2,358            | 23,018                                |
| Unrestricted                                               | 1,034                        | 11,977                    | 4,954            | 313                   | 8,009           | 1,108            | 27,395                                |
| Total net position                                         | \$ 1,073                     | \$ 11,977                 | \$ 14,387        | \$ 378                | \$ 19,132       | \$ 3,466         | \$ 50,413                             |



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                            | Insurance<br>Service<br>Fund | Arvada<br>Medical<br>Fund | Computer<br>Fund | Print<br>Shop<br>Fund | Vehicle<br>Fund  | Building<br>Fund | Total<br>Internal<br>Service<br>Funds |
|--------------------------------------------|------------------------------|---------------------------|------------------|-----------------------|------------------|------------------|---------------------------------------|
| <b>REVENUES</b>                            |                              |                           |                  |                       |                  |                  |                                       |
| Service charges                            | \$ 3,503                     | \$ -                      | \$ 5,135         | \$ 298                | \$ 6,040         | \$ 655           | \$ 15,631                             |
| Recovered costs                            | 136                          | -                         | 97               | -                     | 315              | -                | 548                                   |
| Contributions                              |                              |                           |                  |                       |                  |                  |                                       |
| Employer                                   | -                            | 8,920                     | -                | -                     | -                | -                | 8,920                                 |
| Employee                                   | -                            | 2,095                     | -                | -                     | -                | -                | 2,095                                 |
| Retirees and continued benefit individuals | -                            | 302                       | -                | -                     | -                | -                | 302                                   |
| Miscellaneous                              | -                            | 1,851                     | 30               | -                     | 4                | -                | 1,885                                 |
|                                            | <u>3,639</u>                 | <u>13,168</u>             | <u>5,262</u>     | <u>298</u>            | <u>6,359</u>     | <u>655</u>       | <u>29,381</u>                         |
| Total revenues                             |                              |                           |                  |                       |                  |                  |                                       |
|                                            | <u>3,639</u>                 | <u>13,168</u>             | <u>5,262</u>     | <u>298</u>            | <u>6,359</u>     | <u>655</u>       | <u>29,381</u>                         |
| <b>EXPENSES</b>                            |                              |                           |                  |                       |                  |                  |                                       |
| Administration                             | 823                          | 2,097                     | 110              | 282                   | 2,546            | 5                | 5,863                                 |
| Insurance premiums/ prescriptions          | 2,253                        | 983                       | -                | -                     | -                | -                | 3,236                                 |
| Uninsured damages and claims               | 702                          | 10,128                    | -                | -                     | -                | -                | 10,830                                |
| Repair and maintenance                     | -                            | -                         | 1,622            | 10                    | 1,041            | 575              | 3,248                                 |
| Interest expense                           | -                            | -                         | 78               | -                     | 6                | -                | 84                                    |
| Depreciation and amortization              | 4                            | -                         | 562              | 57                    | 2,757            | 581              | 3,961                                 |
|                                            | <u>3,782</u>                 | <u>13,208</u>             | <u>2,372</u>     | <u>349</u>            | <u>6,350</u>     | <u>1,161</u>     | <u>27,222</u>                         |
| Total expenses                             |                              |                           |                  |                       |                  |                  |                                       |
|                                            | <u>3,782</u>                 | <u>13,208</u>             | <u>2,372</u>     | <u>349</u>            | <u>6,350</u>     | <u>1,161</u>     | <u>27,222</u>                         |
| Operating income (loss)                    | (143)                        | (40)                      | 2,890            | (51)                  | 9                | (506)            | 2,159                                 |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>   |                              |                           |                  |                       |                  |                  |                                       |
| Gain on sale of assets                     | -                            | -                         | -                | -                     | 483              | -                | 483                                   |
| Investment (loss)                          | 228                          | 639                       | 670              | 18                    | 356              | (4)              | 1,907                                 |
|                                            | <u>228</u>                   | <u>639</u>                | <u>670</u>       | <u>18</u>             | <u>839</u>       | <u>(4)</u>       | <u>2,390</u>                          |
| Total non-operating expenses               |                              |                           |                  |                       |                  |                  |                                       |
|                                            | <u>228</u>                   | <u>639</u>                | <u>670</u>       | <u>18</u>             | <u>839</u>       | <u>(4)</u>       | <u>2,390</u>                          |
| <b>INCOME(LOSS) BEFORE TRANSFERS</b>       | 85                           | 599                       | 3,560            | (33)                  | 848              | (510)            | 4,549                                 |
| <b>TRANSFERS IN</b>                        | -                            | -                         | 125              | 43                    | 513              | 752              | 1,433                                 |
| <b>TRANSFERS OUT</b>                       | (263)                        | -                         | (3,000)          | -                     | -                | (63)             | (3,326)                               |
|                                            | <u>(263)</u>                 | <u>-</u>                  | <u>(3,000)</u>   | <u>-</u>              | <u>-</u>         | <u>(63)</u>      | <u>(3,326)</u>                        |
| <b>CHANGE IN NET POSITION</b>              | (178)                        | 599                       | 685              | 10                    | 1,361            | 179              | 2,656                                 |
| <b>NET POSITION, BEGINNING</b>             | 1,251                        | 11,378                    | 13,702           | 368                   | 17,771           | 3,287            | 47,757                                |
| <b>NET POSITION, ENDING</b>                | <u>\$ 1,073</u>              | <u>\$ 11,977</u>          | <u>\$ 14,387</u> | <u>\$ 378</u>         | <u>\$ 19,132</u> | <u>\$ 3,466</u>  | <u>\$ 50,413</u>                      |



**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                                                                                           | Insurance<br>Service<br>Fund | Arvada<br>Medical<br>Fund | Computer<br>Fund | Print<br>Shop<br>Fund | Vehicle<br>Fund | Building<br>Fund | Total<br>Internal<br>Service |
|-----------------------------------------------------------------------------------------------------------|------------------------------|---------------------------|------------------|-----------------------|-----------------|------------------|------------------------------|
| <b>Cash Flows From Operating Activities</b>                                                               |                              |                           |                  |                       |                 |                  |                              |
| Cash received from external customers                                                                     | \$ 174                       | \$ 2,558                  | \$ 80            | \$ (4)                | \$ 325          | \$ 199           | \$ 3,332                     |
| Cash received from internal customers                                                                     | 3,502                        | 11,016                    | 5,134            | 300                   | 6,041           | 655              | 26,648                       |
| Cash payments to external suppliers                                                                       | (3,544)                      | (13,752)                  | (189)            | (58)                  | (1,394)         | (502)            | (19,439)                     |
| Cash payments to internal suppliers                                                                       | (22)                         | -                         | (9)              | (15)                  | (209)           | (10)             | (265)                        |
| Cash payments to employees for services                                                                   | (435)                        | -                         | (97)             | (214)                 | (1,992)         | (68)             | (2,806)                      |
| Net cash provided by (used in) operating activities                                                       | <u>(325)</u>                 | <u>(178)</u>              | <u>4,919</u>     | <u>9</u>              | <u>2,771</u>    | <u>274</u>       | <u>7,470</u>                 |
| <b>Cash Flows From Noncapital Financing Activities</b>                                                    |                              |                           |                  |                       |                 |                  |                              |
| Transfer to other funds                                                                                   | (263)                        | -                         | (3,000)          | -                     | -               | (63)             | (3,326)                      |
| Transfer from other funds                                                                                 | -                            | -                         | 125              | -                     | 513             | 752              | 1,390                        |
| Net cash provided by (used in) noncapital financing activities                                            | <u>(263)</u>                 | <u>-</u>                  | <u>(2,875)</u>   | <u>-</u>              | <u>513</u>      | <u>689</u>       | <u>(1,936)</u>               |
| <b>Cash Flows From Capital and Related Financing Activities</b>                                           |                              |                           |                  |                       |                 |                  |                              |
| Purchases of capital assets                                                                               | -                            | -                         | (3,884)          | (54)                  | (3,255)         | -                | (7,193)                      |
| Proceeds from sale of assets                                                                              | -                            | -                         | -                | -                     | 483             | -                | 483                          |
| Payment of lease and subscription liability                                                               | -                            | -                         | (783)            | -                     | (14)            | -                | (797)                        |
| Net cash (used in) capital and related financing activities                                               | <u>-</u>                     | <u>-</u>                  | <u>(4,667)</u>   | <u>(54)</u>           | <u>(2,786)</u>  | <u>-</u>         | <u>(7,507)</u>               |
| <b>Cash Flows From Investing Activities</b>                                                               |                              |                           |                  |                       |                 |                  |                              |
| Investment earnings                                                                                       | 81                           | 205                       | 238              | 3                     | 102             | (33)             | 596                          |
| Change in equity in pooled investments                                                                    | 139                          | 411                       | 411              | 11                    | 240             | 25               | 1,237                        |
| Net cash provided by investing activities                                                                 | <u>220</u>                   | <u>616</u>                | <u>649</u>       | <u>14</u>             | <u>342</u>      | <u>(8)</u>       | <u>1,833</u>                 |
| Net increase (decrease) in cash and cash equivalents                                                      | (368)                        | 438                       | (1,974)          | (31)                  | 840             | 955              | (140)                        |
| Cash and cash equivalents January 1, 2023                                                                 | <u>4,480</u>                 | <u>12,907</u>             | <u>13,043</u>    | <u>353</u>            | <u>7,181</u>    | <u>354</u>       | <u>38,318</u>                |
| Cash and cash equivalents December 31, 2023                                                               | <u>4,112</u>                 | <u>13,345</u>             | <u>11,069</u>    | <u>322</u>            | <u>8,021</u>    | <u>1,309</u>     | <u>38,178</u>                |
| <b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities :</b> |                              |                           |                  |                       |                 |                  |                              |
| Operating income (loss)                                                                                   | (143)                        | (41)                      | 2,889            | (51)                  | 10              | (506)            | 2,158                        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities : |                              |                           |                  |                       |                 |                  |                              |
| Depreciation and amortization expense                                                                     | 4                            | -                         | 562              | 56                    | 2,755           | 581              | 3,958                        |
| (Increase) decrease in account receivable                                                                 | 1                            | 406                       | -                | (1)                   | 10              | -                | 416                          |
| (Increase) decrease in inventories                                                                        | -                            | -                         | -                | 6                     | (68)            | -                | (62)                         |
| (Increase) decrease in prepaid expenditures                                                               | 36                           | -                         | (228)            | -                     | -               | -                | (192)                        |
| (Decrease) increase in accounts payable                                                                   | 84                           | (569)                     | 1,667            | (1)                   | 43              | 199              | 1,423                        |
| (Decrease) increase in claims payable                                                                     | (295)                        | 26                        | -                | -                     | -               | -                | (269)                        |
| (Decrease) increase in lease receivable                                                                   | -                            | -                         | (47)             | -                     | -               | -                | (47)                         |
| (Decrease) increase in deferred inflows leases                                                            | -                            | -                         | 78               | -                     | -               | -                | 78                           |
| (Decrease) increase in OPEB                                                                               | 1                            | -                         | (2)              | -                     | (4)             | -                | (5)                          |
| (Decrease) increase in accrued compensated absences                                                       | (13)                         | -                         | -                | -                     | 25              | -                | 12                           |
| Net cash provided by (used in) operating activities                                                       | <u>\$ (325)</u>              | <u>\$ (178)</u>           | <u>\$ 4,919</u>  | <u>\$ 9</u>           | <u>\$ 2,771</u> | <u>\$ 274</u>    | <u>\$ 7,470</u>              |
| <b>Non-cash investing, capital and financing activities</b>                                               |                              |                           |                  |                       |                 |                  |                              |
| Change in fair value of pooled investment                                                                 | \$ 139                       | \$ 411                    | \$ 411           | \$ 11                 | \$ 240          | \$ 25            | \$ 1,237                     |



**INSURANCE SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |                 | <u>Actual</u>   | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|-----------------|-----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>    | <u>Amounts</u>  | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |                 |                 |                                              |
| Service charges                           | \$ 3,469                | \$ 3,469        | \$ 3,503        | \$ 34                                        |
| Recovered costs                           | -                       | -               | 136             | 136                                          |
| Investment earnings                       | 66                      | 66              | 228             | 162                                          |
|                                           | <u>3,535</u>            | <u>3,535</u>    | <u>3,867</u>    | <u>332</u>                                   |
| Total revenues                            |                         |                 |                 |                                              |
| <b>EXPENDITURES</b>                       |                         |                 |                 |                                              |
| Administration                            | 1,046                   | 1,046           | 823             | 223                                          |
| Insurance premiums                        | 1,670                   | 2,286           | 2,253           | 33                                           |
| Uninsured damages and claims              | 650                     | 750             | 702             | 48                                           |
| Transfer out                              | -                       | 263             | 263             | -                                            |
|                                           | <u>3,366</u>            | <u>4,345</u>    | <u>4,041</u>    | <u>304</u>                                   |
| Total expenditures                        |                         |                 |                 |                                              |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 169</u>           | <u>\$ (810)</u> | (174)           | <u>\$ 636</u>                                |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                 |                                              |
| Depreciation and amortization             |                         |                 | <u>(4)</u>      |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 | <u>\$ (178)</u> |                                              |



**COMPUTER FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <b>Budgeted Amounts</b> |                   | <b>Actual</b>  | <b>Variance</b>                                          |
|-------------------------------------------|-------------------------|-------------------|----------------|----------------------------------------------------------|
|                                           | <b>Original</b>         | <b>Final</b>      | <b>Amounts</b> | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                           |                         |                   |                |                                                          |
| Service charges                           | \$ 4,621                | \$ 4,621          | \$ 5,135       | 514                                                      |
| Recovered costs                           | 210                     | 210               | 97             | (113)                                                    |
| Miscellaneous Costs                       | 28                      | 28                | 30             | 2                                                        |
| Investment earnings                       | -                       | -                 | 670            | 670                                                      |
| Transfer In                               | -                       | -                 | 125            | 125                                                      |
|                                           | <u>4,859</u>            | <u>4,859</u>      | <u>6,057</u>   | <u>1,198</u>                                             |
| <b>EXPENDITURES</b>                       |                         |                   |                |                                                          |
| Administration                            | 102                     | 102               | 110            | (8)                                                      |
| Repair and maintenance                    | 7,343                   | 9,572             | 1,622          | 7,950                                                    |
| Capital Outlay                            | -                       | -                 | 3,884          | (3,884)                                                  |
| Interest expense                          | -                       | -                 | 78             | (78)                                                     |
| Transfer out                              | -                       | 3,000             | 3,000          | -                                                        |
|                                           | <u>7,445</u>            | <u>12,674</u>     | <u>8,694</u>   | <u>3,980</u>                                             |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (2,586)</u>       | <u>\$ (7,815)</u> | (2,637)        | <u>\$ 5,178</u>                                          |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                   |                |                                                          |
| Capital Outlay                            |                         |                   | 3,884          |                                                          |
| Depreciation and amortization             |                         |                   | <u>(562)</u>   |                                                          |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                   | <u>\$ 685</u>  |                                                          |



**PRINT SHOP FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|----------------|----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>   | <u>Amounts</u> | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |                |                |                                              |
| Service charges                           | \$ 335                  | \$ 335         | \$ 298         | \$ (37)                                      |
| Investment earnings                       | -                       | -              | 18             | 18                                           |
| Transfers in                              | -                       | -              | 43             | 43                                           |
| Total revenues                            | <u>335</u>              | <u>335</u>     | <u>359</u>     | <u>24</u>                                    |
| <b>EXPENDITURES</b>                       |                         |                |                |                                              |
| Administration                            | 336                     | 336            | 282            | 54                                           |
| Repair and maintenance                    | 15                      | 15             | 10             | 5                                            |
| Capital outlay                            | <u>12</u>               | <u>54</u>      | <u>54</u>      | <u>-</u>                                     |
| Total expenditures                        | <u>363</u>              | <u>405</u>     | <u>346</u>     | <u>59</u>                                    |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ (28)</u>          | <u>\$ (70)</u> | 13             | <u>\$ 83</u>                                 |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                |                |                                              |
| Capital outlay                            |                         |                | 54             |                                              |
| Depreciation and amortization             |                         |                | <u>(57)</u>    |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                | <u>\$ 10</u>   |                                              |



**VEHICLE FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <b>Budgeted Amounts</b> |                 | <b>Actual</b>   | <b>Variance</b>                                          |
|-------------------------------------------|-------------------------|-----------------|-----------------|----------------------------------------------------------|
|                                           | <b>Original</b>         | <b>Final</b>    | <b>Amounts</b>  | <b>With Final<br/>Budget<br/>Positive<br/>(Negative)</b> |
| <b>REVENUES</b>                           |                         |                 |                 |                                                          |
| Service charges                           | \$ 6,572                | \$ 6,572        | \$ 6,040        | \$ (532)                                                 |
| Recovered costs                           | -                       | -               | 315             | 315                                                      |
| Investment earnings                       | 71                      | 71              | 356             | 285                                                      |
| Miscellaneous revenues                    | -                       | -               | 4               | 4                                                        |
| Transfer in                               | 200                     | 200             | 513             | 313                                                      |
| Gain on sale of assets                    | 75                      | 75              | 483             | 408                                                      |
|                                           | <u>6,918</u>            | <u>6,918</u>    | <u>7,711</u>    | <u>793</u>                                               |
| Total revenues                            |                         |                 |                 |                                                          |
| <b>EXPENDITURES</b>                       |                         |                 |                 |                                                          |
| Administration                            | 2,544                   | 2,539           | 2,546           | (27)                                                     |
| Repair and maintenance                    | 715                     | 1,125           | 1,041           | 104                                                      |
| Capital outlay                            | 1,758                   | 3,532           | 3,351           | 181                                                      |
| Interest expense                          | -                       | -               | 6               | (6)                                                      |
|                                           | <u>5,017</u>            | <u>7,196</u>    | <u>6,944</u>    | <u>252</u>                                               |
| Total expenditures                        |                         |                 |                 |                                                          |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 1,901</u>         | <u>\$ (278)</u> | 767             | <u>\$ 1,045</u>                                          |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |                 |                 |                                                          |
| Capital outlay                            |                         |                 | 3,351           |                                                          |
| Depreciation and amortization             |                         |                 | <u>(2,757)</u>  |                                                          |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |                 | <u>\$ 1,361</u> |                                                          |



**BUILDING FUND**  
**BUDGETARY COMPARISON SCHEDULE (NON-GAAP)**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                           | <u>Budgeted Amounts</u> |               | <u>Actual</u>  | <u>Variance</u>                              |
|-------------------------------------------|-------------------------|---------------|----------------|----------------------------------------------|
|                                           | <u>Original</u>         | <u>Final</u>  | <u>Amounts</u> | <u>With Final Budget Positive (Negative)</u> |
| <b>REVENUES</b>                           |                         |               |                |                                              |
| Service charges                           | \$ 829                  | \$ 829        | \$ 655         | \$ (174)                                     |
| Investment earnings                       | 25                      | 25            | (4)            | (29)                                         |
| Transfers in                              | <u>252</u>              | <u>252</u>    | <u>752</u>     | <u>500</u>                                   |
| Total revenues                            | <u>1,106</u>            | <u>1,106</u>  | <u>1,403</u>   | <u>297</u>                                   |
| <b>EXPENDITURES</b>                       |                         |               |                |                                              |
| Repair and maintenance                    | 797                     | 797           | 575            | 222                                          |
| Administration                            | 5                       | 5             | 5              | -                                            |
| Transfer out                              | <u>-</u>                | <u>-</u>      | <u>63</u>      | <u>(63)</u>                                  |
| Total expenditures                        | <u>802</u>              | <u>802</u>    | <u>643</u>     | <u>159</u>                                   |
| <b>CHANGE IN NET POSITION</b>             | <u>\$ 304</u>           | <u>\$ 304</u> | 760            | <u>\$ 456</u>                                |
| <b>ADJUSTMENTS TO GAAP BASIS</b>          |                         |               |                |                                              |
| Depreciation and amortization             |                         |               | <u>(581)</u>   |                                              |
| <b>CHANGE IN NET POSITION, GAAP BASIS</b> |                         |               | <u>\$ 179</u>  |                                              |

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**Custodial Fund**

Ralston House



## **CUSTODIAL FUND**

**Ralston House** - Accounts for the monies held for the Ralston House, a local 501(c)(3) not for profit agency to which the City of Arvada provides accounting and investing services.



**CUSTODIAL FUND**  
**STATEMENT OF CUSTODIAL NET POSITION**  
**December 31, 2023**  
**(in thousands)**

|                                                   | <u><b>Ralston<br/>House</b></u> |
|---------------------------------------------------|---------------------------------|
| <b>Assets</b>                                     |                                 |
| Pooled cash and investments                       | \$ 2,000                        |
| Accrued interest                                  | <u>10</u>                       |
| Total current assets                              | <u>2,010</u>                    |
| <br>Total Assets                                  | <br><u><u>2,010</u></u>         |
| <br><b>Liabilities</b>                            |                                 |
| <b>Current Liabilities</b>                        |                                 |
| Accounts payable                                  | 27                              |
| Due to employees                                  | <u>164</u>                      |
| Total current liabilities                         | <u>191</u>                      |
| <br>Total liabilities                             | <br><u><u>191</u></u>           |
| <br><b>NET POSITION RESTRICTED FOR</b>            |                                 |
| Individuals, organizations, and other governments | <u>1,819</u>                    |
| Total fiduciary net position                      | <u><u>\$ 1,819</u></u>          |



**CUSTODIAL FUND**  
**STATEMENT OF CHANGES IN CUSTODIAL NET POSITION**  
**Year Ended December 31, 2023**  
**(in thousands)**

|                                            | <u>Ralston<br/>House</u> |
|--------------------------------------------|--------------------------|
| <b>ADDITIONS</b>                           |                          |
| Investment earnings                        | \$ 88                    |
| Contribution                               | <u>2,359</u>             |
| Total additions                            | <u>2,447</u>             |
| <b>DEDUCTIONS</b>                          |                          |
| Program costs                              | <u>2,149</u>             |
| Total deductions                           | <u>2,149</u>             |
| <b>INCREASE IN FIDUCIARY NET POSTION</b>   | 298                      |
| <b>Fiduciary Net position, January 1</b>   | <u>1,521</u>             |
| <b>Fiduciary Net position, December 31</b> | <u><u>\$ 1,819</u></u>   |

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# **Financial Data Schedules**



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

Submission Type: Audited/Single Audit

Fiscal year End: 12/31/2023

|                                                                   | 14.879 Mainstream<br>Vouchers | 14.871 Housing<br>Choice Vouchers | Subtotal  | Total     |
|-------------------------------------------------------------------|-------------------------------|-----------------------------------|-----------|-----------|
| 111 Cash - Unrestricted                                           | \$0                           | \$0                               | \$0       | \$0       |
| 112 Cash - Restricted - Modernization and Development             | \$0                           | \$0                               | \$0       | \$0       |
| 113 Cash - Other Restricted                                       | \$0                           | \$0                               | \$0       | \$0       |
| 114 Cash - Tenant Security Deposits                               | \$0                           | \$0                               | \$0       | \$0       |
| 115 Cash - Restricted for Payment of Current Liabilities          | \$0                           | \$0                               | \$0       | \$0       |
| 100 Total Cash                                                    | \$0                           | \$0                               | \$0       | \$0       |
| 121 Accounts Receivable - PHA Projects                            | \$0                           | \$0                               | \$0       | \$0       |
| 122 Accounts Receivable - HUD Other Projects                      | \$0                           | \$0                               | \$0       | \$0       |
| 124 Accounts Receivable - Other Government                        | \$0                           | \$0                               | \$0       | \$0       |
| 125 Accounts Receivable - Miscellaneous                           | \$0                           | \$0                               | \$0       | \$0       |
| 126 Accounts Receivable - Tenants                                 | \$0                           | \$0                               | \$0       | \$0       |
| 126.1 Allowance for Doubtful Accounts - Tenants                   | \$0                           | \$0                               | \$0       | \$0       |
| 126.2 Allowance for Doubtful Accounts - Other                     | \$0                           | \$0                               | \$0       | \$0       |
| 127 Notes, Loans, & Mortgages Receivable - Current                | \$0                           | \$0                               | \$0       | \$0       |
| 128 Fraud Recovery                                                | \$0                           | \$61,203                          | \$61,203  | \$61,203  |
| 128.1 Allowance for Doubtful Accounts - Fraud                     | \$0                           | -\$3,524                          | -\$3,524  | -\$3,524  |
| 129 Accrued Interest Receivable                                   | \$0                           | \$0                               | \$0       | \$0       |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts    | \$0                           | \$57,679                          | \$57,679  | \$57,679  |
| 131 Investments - Unrestricted                                    | \$0                           | \$0                               | \$0       | \$0       |
| 132 Investments - Restricted                                      | \$55,872                      | \$273,902                         | \$329,774 | \$329,774 |
| 135 Investments - Restricted for Payment of Current Liability     | \$0                           | \$0                               | \$0       | \$0       |
| 142 Prepaid Expenses and Other Assets                             | \$0                           | \$0                               | \$0       | \$0       |
| 143 Inventories                                                   | \$0                           | \$0                               | \$0       | \$0       |
| 143.1 Allowance for Obsolete Inventories                          | \$0                           | \$0                               | \$0       | \$0       |
| 144 Inter Program Due From                                        | \$0                           | \$0                               | \$0       | \$0       |
| 145 Assets Held for Sale                                          | \$0                           | \$0                               | \$0       | \$0       |
| 150 Total Current Assets                                          | \$55,872                      | \$331,581                         | \$387,453 | \$387,453 |
| 161 Land                                                          | \$0                           | \$0                               | \$0       | \$0       |
| 162 Buildings                                                     | \$0                           | \$0                               | \$0       | \$0       |
| 163 Furniture, Equipment & Machinery - Dwellings                  | \$0                           | \$0                               | \$0       | \$0       |
| 164 Furniture, Equipment & Machinery - Administration             | \$0                           | \$0                               | \$0       | \$0       |
| 165 Leasehold Improvements                                        | \$0                           | \$0                               | \$0       | \$0       |
| 166 Accumulated Depreciation                                      | \$0                           | \$0                               | \$0       | \$0       |
| 167 Construction in Progress                                      | \$0                           | \$0                               | \$0       | \$0       |
| 168 Infrastructure                                                | \$0                           | \$0                               | \$0       | \$0       |
| 160 Total Capital Assets, Net of Accumulated Depreciation         | \$0                           | \$0                               | \$0       | \$0       |
| 171 Notes, Loans and Mortgages Receivable - Non-Current           | \$0                           | \$0                               | \$0       | \$0       |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0                           | \$0                               | \$0       | \$0       |
| 173 Grants Receivable - Non Current                               | \$0                           | \$0                               | \$0       | \$0       |
| 174 Other Assets                                                  | \$0                           | \$0                               | \$0       | \$0       |
| 176 Investments in Joint Ventures                                 | \$0                           | \$0                               | \$0       | \$0       |
| 180 Total Non-Current Assets                                      | \$0                           | \$0                               | \$0       | \$0       |

|                                                                           | 14.879 Main-stream Vouchers | 14.871 Housing Choice Vouchers | Subtotal  | Total     |
|---------------------------------------------------------------------------|-----------------------------|--------------------------------|-----------|-----------|
| 200 Deferred Outflow of Resources                                         | \$0                         | \$0                            | \$0       | \$0       |
| 290 Total Assets and Deferred Outflow of Resources                        | \$55,872                    | \$331,581                      | \$387,453 | \$387,453 |
| 311 Bank Overdraft                                                        | \$0                         | \$0                            | \$0       | \$0       |
| 312 Accounts Payable <= 90 Days                                           | \$0                         | \$2,926                        | \$2,926   | \$2,926   |
| 313 Accounts Payable >90 Days Past Due                                    | \$0                         | \$0                            | \$0       | \$0       |
| 321 Accrued Wage/Payroll Taxes Payable                                    | \$0                         | \$12,816                       | \$12,816  | \$12,816  |
| 322 Accrued Compensated Absences - Current Portion                        | \$0                         | \$0                            | \$0       | \$0       |
| 324 Accrued Contingency Liability                                         | \$0                         | \$0                            | \$0       | \$0       |
| 325 Accrued Interest Payable                                              | \$0                         | \$0                            | \$0       | \$0       |
| 331 Accounts Payable - HUD PHA Programs                                   | \$0                         | \$10,924                       | \$10,924  | \$10,924  |
| 332 Account Payable - PHA Projects                                        | \$0                         | \$0                            | \$0       | \$0       |
| 333 Accounts Payable - Other Government                                   | \$0                         | \$0                            | \$0       | \$0       |
| 341 Tenant Security Deposits                                              | \$0                         | \$0                            | \$0       | \$0       |
| 342 Unearned Revenue                                                      | \$0                         | \$43,640                       | \$43,640  | \$43,640  |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$0                         | \$0                            | \$0       | \$0       |
| 344 Current Portion of Long-term Debt - Operating Borrowings              | \$0                         | \$0                            | \$0       | \$0       |
| 345 Other Current Liabilities                                             | \$0                         | \$0                            | \$0       | \$0       |
| 346 Accrued Liabilities - Other                                           | \$0                         | \$0                            | \$0       | \$0       |
| 347 Inter Program - Due To                                                | \$0                         | \$0                            | \$0       | \$0       |
| 348 Loan Liability - Current                                              | \$0                         | \$0                            | \$0       | \$0       |
| 310 Total Current Liabilities                                             | \$0                         | \$70,306                       | \$70,306  | \$70,306  |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue    | \$0                         | \$0                            | \$0       | \$0       |
| 352 Long-term Debt, Net of Current - Operating Borrowings                 | \$0                         | \$0                            | \$0       | \$0       |
| 353 Non-current Liabilities - Other                                       | \$0                         | \$0                            | \$0       | \$0       |
| 354 Accrued Compensated Absences - Non Current                            | \$0                         | \$0                            | \$0       | \$0       |
| 355 Loan Liability - Non Current                                          | \$0                         | \$0                            | \$0       | \$0       |
| 356 FASB 5 Liabilities                                                    | \$0                         | \$0                            | \$0       | \$0       |
| 357 Accrued Pension and OPEB Liabilities                                  | \$0                         | \$0                            | \$0       | \$0       |
| 350 Total Non-Current Liabilities                                         | \$0                         | \$0                            | \$0       | \$0       |
| 300 Total Liabilities                                                     | \$0                         | \$70,306                       | \$70,306  | \$70,306  |
| 400 Deferred Inflow of Resources                                          | \$0                         |                                | \$0       | \$0       |
| 508.3 Nonspendable Fund Balance                                           | \$0                         | \$0                            | \$0       | \$0       |
| 509.3 Restricted Fund Balance                                             | \$55,872                    | \$261,275                      | \$317,147 | \$317,147 |
| 510.3 Committed Fund Balance                                              | \$0                         | \$0                            | \$0       | \$0       |
| 511.3 Assigned Fund Balance                                               | \$0                         | \$0                            | \$0       | \$0       |
| 512.3 Unassigned Fund Balance                                             | \$0                         | \$0                            | \$0       | \$0       |
| 513 Total Equity - Net Assets / Position                                  | \$55,872                    | \$261,275                      | \$317,147 | \$317,147 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net     | \$55,872                    | \$331,581                      | \$387,453 | \$387,453 |



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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

|                                                                 | 14.879 Mainstream Vouchers | 14.871 Housing Choice Vouchers | Subtotal    | Total       |
|-----------------------------------------------------------------|----------------------------|--------------------------------|-------------|-------------|
| 70300 Net Tenant Rental Revenue                                 | \$0                        | \$0                            | \$0         | \$0         |
| 70400 Tenant Revenue - Other                                    | \$0                        | \$0                            | \$0         | \$0         |
| 70500 Total Tenant Revenue                                      | \$0                        | \$0                            | \$0         | \$0         |
| 70600 HUD PHA Operating Grants                                  | \$675,411                  | \$7,043,357                    | \$7,718,768 | \$7,718,768 |
| 70610 Capital Grants                                            | \$0                        | \$0                            | \$0         | \$0         |
| 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                                   | \$0                        | \$0                            | \$0         | \$0         |
| 71100 Investment Income - Unrestricted                          | \$0                        | \$4,889                        | \$4,889     | \$4,889     |
| 71200 Mortgage Interest Income                                  | \$0                        | \$0                            | \$0         | \$0         |
| 71300 Proceeds from Disposition of Assets Held for Sale         | \$0                        | \$0                            | \$0         | \$0         |
| 71310 Cost of Sale of Assets                                    | \$0                        | \$0                            | \$0         | \$0         |
| 71400 Fraud Recovery                                            | \$0                        | \$30,024                       | \$30,024    | \$30,024    |
| 71500 Other Revenue                                             | \$0                        | \$0                            | \$0         | \$0         |
| 71600 Gain or Loss on Sale of Capital Assets                    | \$0                        | \$0                            | \$0         | \$0         |
| 72000 Investment Income - Restricted                            | \$0                        | \$0                            | \$0         | \$0         |
| 70000 Total Revenue                                             | \$675,411                  | \$7,078,270                    | \$7,753,681 | \$7,753,681 |
| 91100 Administrative Salaries                                   | \$28,414                   | \$246,827                      | \$275,241   | \$275,241   |
| 91200 Auditing Fees                                             | \$1,017                    | \$12,149                       | \$13,166    | \$13,166    |
| 91300 Management Fee                                            | \$0                        | \$0                            | \$0         | \$0         |
| 91310 Book-keeping Fee                                          | \$0                        | \$0                            | \$0         | \$0         |
| 91400 Advertising and Marketing                                 | \$0                        | \$0                            | \$0         | \$0         |
| 91500 Employee Benefit contributions - Administrative           | \$4,814                    | \$77,591                       | \$82,405    | \$82,405    |
| 91600 Office Expenses                                           | \$1,259                    | \$25,322                       | \$26,581    | \$26,581    |
| 91700 Legal Expense                                             | \$0                        | \$0                            | \$0         | \$0         |
| 91800 Travel                                                    | \$0                        | \$1,411                        | \$1,411     | \$1,411     |
| 91810 Allocated Overhead                                        | \$1,360                    | \$17,681                       | \$19,041    | \$19,041    |
| 91900 Other                                                     | \$0                        | \$0                            | \$0         | \$0         |
| 91000 Total Operating - Administrative                          | \$36,864                   | \$380,981                      | \$417,845   | \$417,845   |
| 92000 Asset Management Fee                                      | \$0                        | \$0                            | \$0         | \$0         |
| 92100 Tenant Services - Salaries                                | \$0                        | \$0                            | \$0         | \$0         |
| 92200 Relocation Costs                                          | \$0                        | \$0                            | \$0         | \$0         |
| 92300 Employee Benefit Contributions - Tenant Services          | \$0                        | \$0                            | \$0         | \$0         |
| 92400 Tenant Services - Other                                   | \$0                        | \$0                            | \$0         | \$0         |
| 92500 Total Tenant Services                                     | \$0                        | \$0                            | \$0         | \$0         |
| 93100 Water                                                     | \$0                        | \$0                            | \$0         | \$0         |
| 93200 Electricity                                               | \$0                        | \$0                            | \$0         | \$0         |
| 93300 Gas                                                       | \$0                        | \$0                            | \$0         | \$0         |
| 93400 Fuel                                                      | \$0                        | \$0                            | \$0         | \$0         |
| 93500 Labor                                                     | \$0                        | \$0                            | \$0         | \$0         |
| 93600 Sewer                                                     | \$0                        | \$0                            | \$0         | \$0         |
| 93700 Employee Benefit Contributions - Utilities                | \$0                        | \$0                            | \$0         | \$0         |
| 93800 Other Utilities Expense                                   | \$0                        | \$0                            | \$0         | \$0         |
| 93000 Total Utilities                                           | \$0                        | \$0                            | \$0         | \$0         |
| 94100 Ordinary Maintenance and Operations - Labor               | \$0                        | \$0                            | \$0         | \$0         |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$0                        | \$2,099                        | \$2,099     | \$2,099     |
| 94300 Ordinary Maintenance and Operations Contracts             | \$0                        | \$0                            | \$0         | \$0         |
| 94500 Employee Benefit Contributions - Ordinary Maintenance     | \$0                        | \$0                            | \$0         | \$0         |
| 94000 Total Maintenance                                         | \$0                        | \$2,099                        | \$2,099     | \$2,099     |

|                                                                           | 14.879 Mainstream Vouchers | 14.871 Housing Choice Vouchers | Subtotal    | Total       |
|---------------------------------------------------------------------------|----------------------------|--------------------------------|-------------|-------------|
| 95100 Protective Services - Labor                                         | \$0                        | \$0                            | \$0         | \$0         |
| 95200 Protective Services - Other Contract Costs                          | \$0                        | \$0                            | \$0         | \$0         |
| 95300 Protective Services - Other                                         | \$0                        | \$0                            | \$0         | \$0         |
| 95500 Employee Benefit Contributions - Protective Services                | \$0                        | \$0                            | \$0         | \$0         |
| 95000 Total Protective Services                                           | \$0                        | \$0                            | \$0         | \$0         |
| 96110 Property Insurance                                                  | \$0                        | \$7,733                        | \$7,733     | \$7,733     |
| 96120 Liability Insurance                                                 | \$0                        | \$4,463                        | \$4,463     | \$4,463     |
| 96130 Workmen's Compensation                                              | \$0                        | \$7,156                        | \$7,156     | \$7,156     |
| 96140 All Other Insurance                                                 | \$93                       | \$12,615                       | \$12,708    | \$12,708    |
| 96100 Total Insurance Premiums                                            | \$93                       | \$31,967                       | \$32,060    | \$32,060    |
| 96200 Other General Expenses                                              | \$488                      | \$36,325                       | \$36,813    | \$36,813    |
| 96210 Compensated Absences                                                | \$0                        | \$0                            | \$0         | \$0         |
| 96300 Payments in Lieu of Taxes                                           | \$0                        | \$0                            | \$0         | \$0         |
| 96400 Bad debt - Tenant Rents                                             | \$0                        | \$0                            | \$0         | \$0         |
| 96500 Bad debt - Mortgages                                                | \$0                        | \$0                            | \$0         | \$0         |
| 96600 Bad debt - Other                                                    | \$0                        | \$0                            | \$0         | \$0         |
| 96800 Severance Expense                                                   | \$0                        | \$0                            | \$0         | \$0         |
| 96000 Total Other General Expenses                                        | \$488                      | \$36,325                       | \$36,813    | \$36,813    |
| 96710 Interest of Mortgage (or Bonds) Payable                             | \$0                        | \$0                            | \$0         | \$0         |
| 96720 Interest on Notes Payable (Short and Long Term)                     | \$0                        | \$0                            | \$0         | \$0         |
| 96730 Amortization of Bond Issue Costs                                    | \$0                        | \$0                            | \$0         | \$0         |
| 96700 Total Interest Expense and Amortization Cost                        | \$0                        | \$0                            | \$0         | \$0         |
| 96900 Total Operating Expenses                                            | \$37,445                   | \$451,372                      | \$488,817   | \$488,817   |
| 97000 Excess of Operating Revenue over Operating Expenses                 | \$637,966                  | \$6,626,898                    | \$7,264,864 | \$7,264,864 |
| 97100 Extraordinary Maintenance                                           | \$0                        | \$0                            | \$0         | \$0         |
| 97200 Casualty Losses - Non-capitalized                                   | \$0                        | \$0                            | \$0         | \$0         |
| 97300 Housing Assistance Payments                                         | \$633,495                  | \$6,666,389                    | \$7,299,884 | \$7,299,884 |
| 97350 HAP Portability-In                                                  | \$0                        | \$46,996                       | \$46,996    | \$46,996    |
| 97400 Depreciation Expense                                                | \$0                        | \$0                            | \$0         | \$0         |
| 97500 Fraud Losses                                                        | \$0                        | \$0                            | \$0         | \$0         |
| 97600 Capital Outlays - Governmental Funds                                | \$0                        | \$0                            | \$0         | \$0         |
| 97700 Debt Principal Payment - Governmental Funds                         | \$0                        | \$0                            | \$0         | \$0         |
| 97800 Dwelling Units Rent Expense                                         | \$0                        | \$0                            | \$0         | \$0         |
| 90000 Total Expenses                                                      | \$670,940                  | \$7,164,757                    | \$7,835,697 | \$7,835,697 |
| 10010 Operating Transfer In                                               | \$0                        | \$0                            | \$0         | \$0         |
| 10020 Operating transfer Out                                              | \$0                        | \$0                            | \$0         | \$0         |
| 10030 Operating Transfers from/to Primary Government                      | \$0                        | \$49,346                       | \$49,346    | \$49,346    |
| 10040 Operating Transfers from/to Component Unit                          | \$0                        | \$0                            | \$0         | \$0         |
| 10050 Proceeds from Notes, Loans and Bonds                                | \$0                        | \$0                            | \$0         | \$0         |
| 10060 Proceeds from Property Sales                                        | \$0                        | \$0                            | \$0         | \$0         |
| 10070 Extraordinary Items, Net Gain/Loss                                  | \$0                        | \$0                            | \$0         | \$0         |
| 10080 Special Items (Net Gain/Loss)                                       | \$0                        | \$0                            | \$0         | \$0         |
| 10091 Inter Project Excess Cash Transfer In                               |                            |                                |             |             |
| 10092 Inter Project Excess Cash Transfer Out                              |                            |                                |             |             |
| 10093 Transfers between Program and Project - In                          | \$0                        | \$0                            | \$0         | \$0         |
| 10094 Transfers between Project and Program - Out                         | \$0                        | \$0                            | \$0         | \$0         |
| 10100 Total Other financing Sources (Uses)                                | \$0                        | \$49,346                       | \$49,346    | \$49,346    |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | \$4,471                    | -\$37,141                      | -\$32,670   | -\$32,670   |
| 11020 Required Annual Debt Principal Payments                             | \$0                        | \$0                            | \$0         | \$0         |
| 11030 Beginning Equity                                                    | \$51,401                   | \$298,416                      | \$349,817   | \$349,817   |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0                        | \$0                            | \$0         | \$0         |
| 11050 Changes in Compensated Absence Balance                              | \$0                        | \$0                            | \$0         | \$0         |
| 11060 Changes in Contingent Liability Balance                             | \$0                        | \$0                            | \$0         | \$0         |
| 11070 Changes in Unrecognized Pension Transition Liability                | \$0                        | \$0                            | \$0         | \$0         |
| 11080 Changes in Special Term/Severance Benefits Liability                | \$0                        | \$0                            | \$0         | \$0         |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents         | \$0                        | \$0                            | \$0         | \$0         |
| 11100 Changes in Allowance for Doubtful Accounts - Other                  | \$0                        | \$0                            | \$0         | \$0         |
| 11170 Administrative Fee Equity                                           |                            | \$231,791                      | \$231,791   | \$231,791   |
| 11180 Housing Assistance Payments Equity                                  |                            | \$29,484                       | \$29,484    | \$29,484    |
| 11190 Unit Months Available                                               | 588                        | 6156                           | 6744        | 6744        |
| 11210 Number of Unit Months Leased                                        | 543                        | 5836                           | 6379        | 6379        |
| 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, 2023

The public report burden for this information collection is estimated to average 380 hours annually.

Financial Planning 02/01  
Form # 350-050-36

|                                                                                           |                      |                                 |                                                        |                                                  |                                                       |
|-------------------------------------------------------------------------------------------|----------------------|---------------------------------|--------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                                                       |                      |                                 |                                                        | City or County:<br>Arvada                        |                                                       |
|                                                                                           |                      |                                 |                                                        | YEAR ENDING :<br>December 2023                   |                                                       |
| This Information From The Records Of (example - City of _ or County of _):                |                      |                                 | Prepared By:<br>Debra Nielson                          |                                                  |                                                       |
|                                                                                           |                      |                                 | Phone:<br>720-898-7124                                 |                                                  |                                                       |
| <b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b> |                      |                                 |                                                        |                                                  |                                                       |
|                                                                                           |                      |                                 |                                                        |                                                  |                                                       |
| ITEM                                                                                      |                      | A. Local<br>Motor-Fuel<br>Taxes | B. Local<br>Motor-Vehicle<br>Taxes                     | C. Receipts from<br>State Highway-<br>User Taxes | D. Receipts from<br>Federal Highway<br>Administration |
| 1. Total receipts available                                                               |                      |                                 |                                                        |                                                  |                                                       |
| 2. Minus amount used for collection expenses                                              |                      |                                 |                                                        |                                                  |                                                       |
| 3. Minus amount used for nonhighway purposes                                              |                      |                                 |                                                        |                                                  |                                                       |
| 4. Minus amount used for mass transit                                                     |                      |                                 |                                                        |                                                  |                                                       |
| 5. Remainder used for highway purposes                                                    |                      |                                 |                                                        |                                                  |                                                       |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>                                          |                      |                                 | <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b> |                                                  |                                                       |
| ITEM                                                                                      |                      | AMOUNT                          | ITEM                                                   |                                                  | AMOUNT                                                |
| <b>A. Receipts from local sources:</b>                                                    |                      |                                 | <b>A. Local highway disbursements:</b>                 |                                                  |                                                       |
| 1. Local highway-user taxes                                                               |                      |                                 | 1. Capital outlay (from page 2)                        |                                                  | 32,497,640                                            |
| a. Motor Fuel (from Item I.A.5.)                                                          |                      |                                 | 2. Maintenance:                                        |                                                  | 7,889,103                                             |
| b. Motor Vehicle (from Item I.B.5.)                                                       |                      |                                 | 3. Road and street services:                           |                                                  |                                                       |
| c. Total (a.+b.)                                                                          |                      |                                 | a. Traffic control operations                          |                                                  | 4,116,328                                             |
| 2. General fund appropriations                                                            |                      | 40,892,853                      | b. Snow and ice removal                                |                                                  | 2,063,618                                             |
| 3. Other local imposts (from page 2)                                                      |                      | 1,675,512                       | c. Other                                               |                                                  |                                                       |
| 4. Miscellaneous local receipts (from page 2)                                             |                      | 0                               | d. Total (a. through c.)                               |                                                  | 6,179,946                                             |
| 5. Transfers from toll facilities                                                         |                      |                                 | 4. General administration & miscellaneous              |                                                  | 3,649,775                                             |
| 6. Proceeds of sale of bonds and notes:                                                   |                      |                                 | 5. Highway law enforcement and safety                  |                                                  | 16,765,409                                            |
| a. Bonds - Original Issues                                                                |                      | 7,230,000                       | 6. Total (1 through 5)                                 |                                                  | 66,981,873                                            |
| b. Bonds - Refunding Issues                                                               |                      |                                 | <b>B. Debt service on local obligations:</b>           |                                                  |                                                       |
| c. Notes                                                                                  |                      |                                 | 1. Bonds:                                              |                                                  |                                                       |
| d. Total (a. + b. + c.)                                                                   |                      | 7,230,000                       | a. Interest                                            |                                                  |                                                       |
| 7. Total (1 through 6)                                                                    |                      | 49,798,364                      | b. Redemption                                          |                                                  |                                                       |
| <b>B. Private Contributions</b>                                                           |                      |                                 | c. Total (a. + b.)                                     |                                                  | 0                                                     |
| <b>C. Receipts from State government</b><br>(from page 2)                                 |                      | 4,537,026                       | 2. Notes:                                              |                                                  |                                                       |
| <b>D. Receipts from Federal Government</b><br>(from page 2)                               |                      | 0                               | a. Interest                                            |                                                  |                                                       |
| <b>E. Total receipts (A.7 + B + C + D)</b>                                                |                      | 54,335,390                      | b. Redemption                                          |                                                  |                                                       |
|                                                                                           |                      |                                 | c. Total (a. + b.)                                     |                                                  | 0                                                     |
|                                                                                           |                      |                                 | 3. Total (1.c + 2.c)                                   |                                                  | 0                                                     |
|                                                                                           |                      |                                 | <b>C. Payments to State for highways</b>               |                                                  |                                                       |
|                                                                                           |                      |                                 | <b>D. Payments to toll facilities</b>                  |                                                  |                                                       |
|                                                                                           |                      |                                 | <b>E. Total disbursements (A.6 + B.3 + C + D)</b>      |                                                  | 66,981,873                                            |
| <b>IV. LOCAL HIGHWAY DEBT STATUS</b><br>(Show all entries at par)                         |                      |                                 |                                                        |                                                  |                                                       |
|                                                                                           | Opening Debt         | Amount Issued                   | Redemptions                                            | Closing Debt                                     |                                                       |
| <b>A. Bonds (Total)</b>                                                                   | 63,335,000           | 7,230,000                       | 3,020,000                                              | 67,545,000                                       |                                                       |
| 1. Bonds (Refunding Portion)                                                              |                      |                                 |                                                        |                                                  |                                                       |
| <b>B. Notes (Total)</b>                                                                   |                      |                                 |                                                        | 0                                                |                                                       |
| <b>V. LOCAL ROAD AND STREET FUND BALANCE</b>                                              |                      |                                 |                                                        |                                                  |                                                       |
|                                                                                           | A. Beginning Balance | B. Total Receipts               | C. Total Disbursements                                 | D. Ending Balance                                | E. Reconciliation                                     |
|                                                                                           | 231,593,366          | 54,335,390                      | 66,981,873                                             | 218,946,883                                      | 0                                                     |
| <b>Notes and Comments:</b>                                                                |                      |                                 |                                                        |                                                  |                                                       |



## Local Highway Finance Report Year Ended December 31, 2023

|                                                                 |                                         |                                            |                           |
|-----------------------------------------------------------------|-----------------------------------------|--------------------------------------------|---------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b>                             |                                         | STATE:<br>Colorado                         |                           |
|                                                                 |                                         | YEAR ENDING (mm/yy):<br>December 2023      |                           |
| <b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>       |                                         |                                            |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>A.3. Other local imposts:</b>                                |                                         | <b>A.4. Miscellaneous local receipts:</b>  |                           |
| a. Property Taxes and Assessments                               |                                         | a. Interest on investments                 |                           |
| b. Other local imposts:                                         |                                         | b. Traffic Fines & Penalties               |                           |
| 1. Sales Taxes                                                  | 1,036,713                               | 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                                | 638,799                                 | g. Other Misc. Receipts                    |                           |
| 6. Total (1. through 5.)                                        | 1,675,512                               | h. Other                                   |                           |
| c. Total (a. + b.)                                              | 1,675,512                               | i. Total (a. through h.)                   | 0                         |
|                                                                 | (Carry forward to page 1)               |                                            | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                            |                           |
| <b>ITEM</b>                                                     | <b>AMOUNT</b>                           | <b>ITEM</b>                                | <b>AMOUNT</b>             |
| <b>C. Receipts from State Government</b>                        |                                         | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                                           | 4,137,069                               | 1. FHWA (from Item I.D.5.)                 |                           |
| 2. State general funds                                          | 0                                       | 2. Other Federal agencies:                 |                           |
| 3. Other State funds:                                           |                                         | a. Forest Service                          |                           |
| a. State bond proceeds                                          |                                         | b. FEMA                                    |                           |
| b. Project Match                                                |                                         | c. HUD                                     |                           |
| c. Motor Vehicle Registrations                                  | 399,957                                 | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant                                 |                                         | e. U.S. Corps of Engineers                 |                           |
| e. Other (Specify)                                              |                                         | f. Other Federal                           |                           |
| f. Total (a. through e.)                                        | 399,957                                 | g. Total (a. through f.)                   | 0                         |
| 4. Total (1. + 2. + 3.f)                                        | 4,537,026                               | 3. Total (1. + 2.g)                        |                           |
|                                                                 |                                         |                                            | (Carry forward to page 1) |
| <b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b> |                                         |                                            |                           |
|                                                                 | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b)   | TOTAL<br><br>(c)          |
| <b>A.1. Capital outlay:</b>                                     |                                         |                                            |                           |
| a. Right-Of-Way Costs                                           |                                         | 281,143                                    | 281,143                   |
| b. Engineering Costs                                            |                                         |                                            | 0                         |
| c. Construction:                                                |                                         |                                            |                           |
| (1). New Facilities                                             |                                         |                                            | 0                         |
| (2). Capacity Improvements                                      | 0                                       | 15,701,211                                 | 15,701,211                |
| (3). System Preservation                                        |                                         | 10,624,322                                 | 10,624,322                |
| (4). System Enhancement & Operation                             |                                         | 5,890,964                                  | 5,890,964                 |
| (5). Total Construction (1) + (2) + (3) + (4)                   | 0                                       | 32,216,497                                 | 32,216,497                |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)             | 0                                       | 32,497,640                                 | 32,497,640                |
|                                                                 |                                         |                                            | (Carry forward to page 1) |
| <b>Notes and Comments:</b>                                      |                                         |                                            |                           |

**Statistical Section**  
**(Unaudited)**



## STATISTICAL SECTION

### 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                     | 130 |
| Changes in Net Position (Expenses)            | 131 |
| Changes in Net Position (Revenues)            | 132 |
| Fund Balances - Governmental Funds            | 133 |
| Changes in Fund Balances - Governmental Funds | 134 |

### Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax.

|                                              |     |
|----------------------------------------------|-----|
| Direct and Overlapping Sales Tax Rates       | 135 |
| Sales and Use Tax Revenue                    | 136 |
| Principal Property Tax Payers                | 138 |
| Property Tax Levies and Collections          | 140 |
| Assessed & Actual Values of Taxable Property | 141 |

### 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                                   | 142 |
| Ratios of General Bonded Debt Outstanding                            | 143 |
| Direct and Overlapping Governmental Activities Debt                  | 144 |
| Legal Debt Margin Information                                        | 145 |
| Pledged-Revenue Coverage                                             | 146 |
| Schedule of Debt Service Requirements - Governmental Type Activities | 147 |
| Schedule of Debt Service Requirements - Business Type Activities     | 149 |

### 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 | 151 |
| Principal Employers                 | 152 |

### 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 | 154 |
| Operating Indicators by Function/Program                           | 155 |
| Capital Assets Statistics by Function/Program                      | 156 |

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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       |                   |                   |                   |                   |                   |                   |                   |                     |                     |
|---------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|                                             | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022                | 2023                |
| <b>Governmental Activities</b>              |                   |                   |                   |                   |                   |                   |                   |                   |                     |                     |
| Net investment in capital assets            | \$ 292,888        | \$ 314,529        | \$ 346,609        | \$ 344,826        | \$ 354,428        | \$ 352,675        | \$ 362,678        | \$ 367,234        | \$ 375,681          | \$ 379,201          |
| Restricted                                  | 27,511            | 19,900            | 10,448            | 22,053            | 24,408            | 24,532            | 30,496            | 35,213            | 39,790              | 42,685              |
| Unrestricted                                | <u>82,945</u>     | <u>90,610</u>     | <u>90,156</u>     | <u>89,367</u>     | <u>89,866</u>     | <u>106,286</u>    | <u>109,809</u>    | <u>133,983</u>    | <u>156,094</u>      | <u>191,447</u>      |
| Total governmental activities net position  | <u>\$ 403,344</u> | <u>\$ 425,039</u> | <u>\$ 447,213</u> | <u>\$ 456,246</u> | <u>\$ 468,702</u> | <u>\$ 483,493</u> | <u>\$ 502,983</u> | <u>\$ 536,430</u> | <u>\$ 571,565</u>   | <u>\$ 613,333</u>   |
| <b>Business-type Activities</b>             |                   |                   |                   |                   |                   |                   |                   |                   |                     |                     |
| Net investment in capital assets            | \$ 252,606        | \$ 263,285        | \$ 265,019        | \$ 278,095        | \$ 294,032        | \$ 304,821        | \$ 319,340        | \$ 335,824        | \$ 368,453          | \$ 426,330          |
| Restricted                                  | 1,805             | 1,964             | 1,915             | 2,114             | 2,090             | 2,279             | -                 | -                 | 1,425               | 1,575               |
| Unrestricted                                | <u>95,699</u>     | <u>103,479</u>    | <u>122,107</u>    | <u>130,694</u>    | <u>129,871</u>    | <u>128,216</u>    | <u>129,422</u>    | <u>124,106</u>    | <u>109,252</u>      | <u>82,653</u>       |
| Total business-type activities net position | <u>\$ 350,110</u> | <u>\$ 368,728</u> | <u>\$ 389,041</u> | <u>\$ 410,903</u> | <u>\$ 425,993</u> | <u>\$ 435,316</u> | <u>\$ 448,762</u> | <u>\$ 459,930</u> | <u>\$ 479,130</u>   | <u>\$ 510,558</u>   |
| <b>Primary Government</b>                   |                   |                   |                   |                   |                   |                   |                   |                   |                     |                     |
| Net investment in capital assets            | \$ 545,494        | \$ 577,814        | \$ 611,628        | \$ 622,921        | \$ 648,460        | \$ 657,496        | \$ 682,018        | \$ 703,058        | \$ 744,134          | \$ 805,531          |
| Restricted                                  | 29,316            | 21,864            | 12,363            | 24,167            | 26,498            | 26,811            | 30,496            | 35,213            | 41,215              | 44,260              |
| Unrestricted                                | <u>178,644</u>    | <u>194,089</u>    | <u>212,263</u>    | <u>220,061</u>    | <u>219,737</u>    | <u>234,502</u>    | <u>239,231</u>    | <u>258,089</u>    | <u>265,346</u>      | <u>274,100</u>      |
| Total primary government net position       | <u>\$ 753,454</u> | <u>\$ 793,767</u> | <u>\$ 836,254</u> | <u>\$ 867,149</u> | <u>\$ 894,695</u> | <u>\$ 918,809</u> | <u>\$ 951,745</u> | <u>\$ 996,360</u> | <u>\$ 1,050,695</u> | <u>\$ 1,123,891</u> |

**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 (Expenses)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands)**

| Functions/Program Activities                    | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|-------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                 | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              |
| <b>Expenses</b>                                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                              | \$ 17,485         | \$ 20,939         | \$ 25,627         | \$ 27,429         | \$ 28,941         | \$ 35,055         | \$ 43,114         | \$ 33,451         | \$ 52,303         | \$ 52,196         |
| Public safety                                   | 27,154            | 28,030            | 29,263            | 31,893            | 31,347            | 35,852            | 35,035            | 36,031            | 36,199            | 37,788            |
| Public works                                    | 30,460            | 31,124            | 32,126            | 38,974            | 38,521            | 31,981            | 39,787            | 35,420            | 32,771            | 30,770            |
| Parks and recreation                            | 8,173             | 8,279             | 8,543             | 9,130             | 9,161             | 9,413             | 9,663             | 10,474            | 11,582            | 13,117            |
| Culture                                         | 10,507            | 10,068            | 5,545             | 169               | 107               | 277               | 326               | 437               | -                 | -                 |
| Human services                                  | 4,876             | 4,665             | 4,781             | 5,177             | 5,467             | 5,853             | 6,139             | 7,948             | 7,294             | 9,527             |
| Interest                                        | 1,107             | 659               | 821               | 954               | 804               | 3,217             | 3,560             | 3,414             | 3,619             | 3,640             |
| Total governmental activities expenses          | <u>99,762</u>     | <u>103,764</u>    | <u>106,706</u>    | <u>113,726</u>    | <u>114,348</u>    | <u>121,648</u>    | <u>137,624</u>    | <u>127,175</u>    | <u>143,768</u>    | <u>147,038</u>    |
| <b>Business-type activities:</b>                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Water                                           | 21,071            | 21,632            | 22,688            | 22,662            | 23,794            | 25,235            | 26,126            | 27,202            | 30,017            | 31,068            |
| Wastewater                                      | 11,677            | 12,620            | 12,127            | 13,049            | 12,489            | 13,470            | 12,954            | 13,154            | 15,940            | 16,872            |
| Other                                           | 7,939             | 8,648             | 9,412             | 8,752             | 11,789            | 11,131            | 9,782             | 15,115            | 14,413            | 16,152            |
| Total business-type activities expenses         | <u>40,687</u>     | <u>42,900</u>     | <u>44,227</u>     | <u>44,463</u>     | <u>48,072</u>     | <u>49,836</u>     | <u>48,862</u>     | <u>55,471</u>     | <u>60,370</u>     | <u>64,092</u>     |
| Total primary government expenses               | <u>\$ 140,449</u> | <u>\$ 146,664</u> | <u>\$ 150,933</u> | <u>\$ 158,189</u> | <u>\$ 162,420</u> | <u>\$ 171,484</u> | <u>\$ 186,486</u> | <u>\$ 182,646</u> | <u>\$ 204,138</u> | <u>\$ 211,130</u> |
| <b>Program Revenues</b>                         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Governmental activities:</b>                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Charges for services:</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General government                              | 6,212             | 5,397             | 5,694             | 5,495             | 5,515             | 5,206             | 4,806             | 5,499             | 7,086             | 6,871             |
| Public works                                    | 4,761             | 5,170             | 6,094             | 6,383             | 3,794             | 2,552             | 3,784             | 4,235             | 4,927             | 3,210             |
| Parks & recreation                              | 967               | 958               | 965               | 46                | 1,035             | 1,000             | -                 | 760               | 1,048             | 80                |
| Other activities                                | 4,690             | 4,660             | 1,655             | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Operating grants and contributions              | 11,330            | 12,529            | 12,066            | 12,317            | 12,453            | 14,035            | 22,554            | 17,179            | 21,308            | 23,083            |
| Capital grants and contributions                | 22,287            | 10,206            | 8,936             | 7,850             | 3,917             | 3,710             | 8,108             | 8,881             | 18,051            | 2,986             |
| Total governmental activities program revenues  | <u>50,247</u>     | <u>38,920</u>     | <u>35,410</u>     | <u>32,091</u>     | <u>26,714</u>     | <u>26,503</u>     | <u>39,252</u>     | <u>36,554</u>     | <u>52,420</u>     | <u>36,230</u>     |
| <b>Business-type activities:</b>                |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Charges for services:</b>                    |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Water                                           | 19,215            | 20,565            | 23,120            | 22,573            | 24,425            | 23,459            | 29,748            | 26,311            | 35,534            | 29,887            |
| Wastewater                                      | 11,334            | 11,721            | 11,516            | 12,361            | 11,938            | 12,601            | 12,801            | 16,684            | 15,209            | 15,231            |
| Other                                           | 9,239             | 9,324             | 9,295             | 8,252             | 10,128            | 10,847            | 9,196             | 13,376            | 15,677            | 17,239            |
| Capital grants and contributions                | 21,326            | 20,578            | 20,912            | 14,922            | 14,177            | 10,823            | 7,624             | 10,671            | 17,935            | 26,272            |
| Total business-type activities program revenues | <u>61,114</u>     | <u>62,188</u>     | <u>64,843</u>     | <u>58,108</u>     | <u>60,668</u>     | <u>57,730</u>     | <u>59,369</u>     | <u>67,042</u>     | <u>84,355</u>     | <u>88,629</u>     |
| Total primary government program revenues       | <u>\$ 111,361</u> | <u>\$ 101,108</u> | <u>\$ 100,253</u> | <u>\$ 90,199</u>  | <u>\$ 87,382</u>  | <u>\$ 84,233</u>  | <u>\$ 98,621</u>  | <u>\$ 103,596</u> | <u>\$ 136,775</u> | <u>\$ 124,859</u> |



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

| Functions/Program Activities                              | Fiscal Year        |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                                           | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               | 2021               | 2022               | 2023               |
| <b>Net (Expense)/Revenue</b>                              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                                   | (49,515)           | (64,844)           | (71,296)           | (81,635)           | (87,634)           | (95,145)           | (98,372)           | (90,621)           | (91,348)           | (110,808)          |
| Business-type activities                                  | 20,427             | 19,288             | 20,616             | 13,645             | 12,596             | 7,894              | 10,507             | 11,571             | 23,985             | 24,537             |
| Total primary government net expense                      | <u>(\$ 29,088)</u> | <u>(\$ 45,556)</u> | <u>(\$ 50,680)</u> | <u>(\$ 67,990)</u> | <u>(\$ 75,038)</u> | <u>(\$ 87,251)</u> | <u>(\$ 87,865)</u> | <u>(\$ 79,050)</u> | <u>(\$ 67,363)</u> | <u>(\$ 86,271)</u> |
|                                                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>General Revenues and Other Changes In Net Position</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities:                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Taxes                                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property taxes                                            | \$ 4,977           | \$ 5,074           | \$ 6,056           | \$ 6,235           | \$ 7,215           | \$ 6,584           | \$ 8,100           | \$ 8,172           | \$ 8,909           | \$ 8,827           |
| Sales and use taxes                                       | 64,429             | 69,744             | 74,083             | 78,564             | 76,357             | 76,062             | 83,026             | 96,063             | 107,697            | 109,080            |
| Transportation taxes                                      | 4,757              | 5,400              | 4,923              | 5,061              | 6,108              | 5,162              | 4,704              | 5,061              | 5,606              | 5,174              |
| Investment earnings (loss)                                | 944                | 823                | 1,003              | 1,397              | 2,025              | 6,403              | 6,421              | (600)              | (6,814)            | 10,544             |
| Miscellaneous                                             | 3,353              | 4,219              | 6,435              | 6,425              | 7,390              | 13,018             | 14,524             | 15,508             | 9,144              | 17,072             |
| Transfers                                                 | 1,161              | 1,412              | 957                | (7,014)            | (556)              | 2,707              | 374                | (136)              | 1,941              | 1,879              |
| Total governmental activities                             | <u>79,621</u>      | <u>86,672</u>      | <u>93,457</u>      | <u>90,668</u>      | <u>98,539</u>      | <u>109,936</u>     | <u>117,149</u>     | <u>124,068</u>     | <u>126,483</u>     | <u>152,576</u>     |
| Business-type activities                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Investment earnings                                       | 680                | 507                | 550                | 1,099              | 2,203              | 4,032              | 3,313              | (539)              | (2,844)            | 8,770              |
| Miscellaneous                                             | 104                | 104                | 104                | 104                | 104                | 104                | -                  | -                  | -                  | -                  |
| Transfers                                                 | (1,161)            | (1,412)            | (957)              | 7,014              | 556                | (2,707)            | (374)              | 136                | (1,941)            | (1,879)            |
| Total business-type activities                            | <u>(377)</u>       | <u>(801)</u>       | <u>(303)</u>       | <u>8,217</u>       | <u>2,863</u>       | <u>1,429</u>       | <u>2,939</u>       | <u>(403)</u>       | <u>(4,785)</u>     | <u>6,891</u>       |
| Total primary government                                  | <u>\$ 79,244</u>   | <u>\$ 85,871</u>   | <u>\$ 93,154</u>   | <u>\$ 98,885</u>   | <u>\$ 101,402</u>  | <u>\$ 111,365</u>  | <u>\$ 120,088</u>  | <u>\$ 123,665</u>  | <u>\$ 121,698</u>  | <u>\$ 159,467</u>  |
|                                                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Change in Net Position                                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental activities                                   | 30,106             | 21,828             | 22,161             | 9,033              | 10,905             | 14,791             | 18,777             | 33,447             | 35,135             | 41,768             |
| Business-type activities                                  | 20,050             | 18,487             | 20,313             | 21,862             | 15,459             | 9,323              | 13,446             | 11,168             | 19,200             | 31,428             |
| Total primary government                                  | <u>\$ 50,156</u>   | <u>\$ 40,315</u>   | <u>\$ 42,474</u>   | <u>\$ 30,895</u>   | <u>\$ 26,364</u>   | <u>\$ 24,114</u>   | <u>\$ 32,223</u>   | <u>\$ 44,615</u>   | <u>\$ 54,335</u>   | <u>\$ 73,196</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      |                  |                  |                  |                  |                   |                   |                   |                   |                   |
|-------------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                           | 2014             | 2015             | 2016             | 2017             | 2018             | 2019              | 2020              | 2021              | 2022              | 2023              |
| <b>General Fund</b>                       |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Nonspendable                              | \$ 705           | \$ 664           | \$ 589           | \$ 570           | \$ 518           | \$ 423            | \$ 563            | \$ 578            | \$ 558            | \$ 575            |
| Restricted                                | 2,248            | 2,447            | 2,589            | 2,856            | 2,836            | 2,844             | 3,273             | 3,311             | 3,602             | 3,903             |
| Assigned                                  | 2,598            | 1,468            | 15,143           | -                | 11               | 2,295             | 2,698             | 1,312             | -                 | -                 |
| Unassigned                                | 25,296           | 32,951           | 23,076           | 43,264           | 41,496           | 40,221            | 41,077            | 57,388            | 65,818            | 81,244            |
| Total general fund                        | <u>30,847</u>    | <u>37,530</u>    | <u>41,397</u>    | <u>46,690</u>    | <u>44,861</u>    | <u>45,783</u>     | <u>47,611</u>     | <u>62,589</u>     | <u>69,978</u>     | <u>85,722</u>     |
| <b>All Other Governmental Funds</b>       |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Nonspendable                              | 193              | 110              | 46               | 43               | 39               | 51                | 36                | 35                | 33                | 50                |
| Restricted                                | 16,937           | 17,453           | 19,796           | 19,189           | 21,572           | 100,636           | 100,003           | 119,339           | 110,813           | 86,480            |
| Committed                                 | 22,764           | 17,330           | 7,693            | 11,393           | 14,842           | 23,192            | 24,752            | 17,654            | 18,054            | 39,968            |
| Assigned                                  | 23,474           | 20,172           | 25,783           | 21,264           | 16,259           | 17,164            | 11,855            | 23,897            | 24,884            | 24,174            |
| <b>Subtotal All Other</b>                 | <u>63,368</u>    | <u>55,065</u>    | <u>53,318</u>    | <u>51,889</u>    | <u>52,712</u>    | <u>141,043</u>    | <u>136,646</u>    | <u>160,925</u>    | <u>153,784</u>    | <u>150,672</u>    |
| <b>Governmental Funds</b>                 | <u>94,215</u>    | <u>92,595</u>    | <u>94,715</u>    | <u>98,579</u>    | <u>97,573</u>    | <u>186,826</u>    | <u>184,257</u>    | <u>223,514</u>    | <u>223,762</u>    | <u>236,394</u>    |
| <b>Total Governmental Funds</b>           |                  |                  |                  |                  |                  |                   |                   |                   |                   |                   |
| Nonspendable                              | 898              | 774              | 635              | 613              | 557              | 474               | 599               | 613               | 591               | 625               |
| Restricted                                | 19,185           | 19,900           | 22,385           | 22,045           | 24,408           | 103,480           | 103,276           | 122,650           | 114,415           | 90,383            |
| Committed                                 | 22,764           | 17,330           | 7,693            | 11,393           | 14,842           | 23,192            | 24,752            | 17,654            | 18,054            | 39,968            |
| Assigned                                  | 26,072           | 21,640           | 40,926           | 21,264           | 16,270           | 19,459            | 14,553            | 25,209            | 24,884            | 24,174            |
| Unassigned                                | 25,296           | 32,951           | 23,076           | 43,264           | 41,496           | 40,221            | 41,077            | 57,388            | 65,818            | 81,244            |
| <b>Total all other governmental funds</b> | <u>\$ 94,215</u> | <u>\$ 92,595</u> | <u>\$ 94,715</u> | <u>\$ 98,579</u> | <u>\$ 97,573</u> | <u>\$ 186,826</u> | <u>\$ 184,257</u> | <u>\$ 223,514</u> | <u>\$ 223,762</u> | <u>\$ 236,394</u> |

**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 53 of the Notes to the Financial Statements section of the ACFR.



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

|                                        | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              | 2021              | 2022              | 2023              |
| <b>Revenues:</b>                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Taxes                                  | \$ 73,917         | \$ 79,169         | \$ 84,443         | \$ 89,199         | \$ 88,004         | \$ 88,808         | \$ 95,538         | \$ 109,022        | \$ 121,975        | \$ 123,219        |
| Licenses and Permits                   | 4,881             | 5,197             | 6,041             | 6,508             | 4,164             | 3,322             | 3,492             | 4,215             | 4,652             | 3,945             |
| Intergovernmental                      | 15,261            | 17,849            | 18,172            | 15,751            | 18,170            | 18,759            | 28,545            | 23,071            | 27,315            | 28,795            |
| Charges for Services                   | 5,546             | 5,684             | 2,878             | 1,063             | 841               | 1,019             | 783               | 957               | 1,150             | 1,033             |
| Fines and Forfeits                     | 1,609             | 1,846             | 1,732             | 4,317             | 1,558             | 1,282             | 961               | 1,089             | 854               | 1,016             |
| Interest                               | 684               | 635               | 801               | 1,187             | 1,668             | 5,506             | 5,391             | (600)             | (6,814)           | 10,544            |
| Memberships and Donations              | 1,414             | 942               | 758               | 1,332             | 505               | 5,404             | 2,879             | 8,246             | 3,008             | 8,228             |
| Miscellaneous                          | 3,019             | 3,881             | 2,893             | 6,949             | 8,167             | 5,860             | 9,278             | 9,068             | 8,369             | 8,592             |
| <b>Total revenues</b>                  | <u>\$ 106,331</u> | <u>\$ 115,203</u> | <u>\$ 117,718</u> | <u>\$ 126,306</u> | <u>\$ 123,077</u> | <u>\$ 129,960</u> | <u>\$ 146,867</u> | <u>\$ 155,068</u> | <u>\$ 160,509</u> | <u>\$ 185,372</u> |
| <b>Expenditures:</b>                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General Government                     | \$ 13,251         | \$ 15,759         | \$ 18,642         | \$ 21,835         | \$ 23,296         | \$ 26,853         | \$ 35,232         | \$ 26,321         | \$ 31,732         | \$ 36,086         |
| Public Safety                          | 27,200            | 28,166            | 28,731            | 31,139            | 32,186            | 36,129            | 36,008            | 35,993            | 37,200            | 39,196            |
| Public Works                           | 21,443            | 22,577            | 23,174            | 29,958            | 29,887            | 23,104            | 31,020            | 26,430            | 32,932            | 31,052            |
| Program Costs                          | 22,683            | 22,460            | 17,623            | 13,899            | 14,463            | 15,115            | 15,491            | 17,921            | 18,989            | 22,811            |
| Capital Outlay                         | 18,428            | 23,305            | 34,949            | 12,162            | 15,740            | 15,126            | 24,761            | 17,798            | 28,417            | 46,321            |
| Debt Service                           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Principal                              | 4,185             | 4,510             | 4,670             | 5,085             | 5,400             | 3,295             | 3,960             | 4,125             | 4,316             | 5,487             |
| Interest                               | 1,120             | 721               | 718               | 946               | 771               | 2,924             | 3,522             | 3,362             | 3,590             | 3,579             |
| Bond Issuance costs                    | -                 | -                 | 162               | -                 | -                 | 350               | -                 | 101               | -                 | 146               |
| <b>Total Expenditures</b>              | <u>\$ 108,310</u> | <u>\$ 117,498</u> | <u>\$ 128,669</u> | <u>\$ 115,024</u> | <u>\$ 121,743</u> | <u>\$ 122,896</u> | <u>\$ 149,994</u> | <u>\$ 132,051</u> | <u>\$ 157,176</u> | <u>\$ 184,678</u> |
| <b>Excess (Deficiency) of Revenues</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Over (Under) Expenditures</b>       | <u>(1,979)</u>    | <u>(2,295)</u>    | <u>(10,951)</u>   | <u>11,282</u>     | <u>1,334</u>      | <u>7,413</u>      | <u>(3,127)</u>    | <u>23,017</u>     | <u>3,333</u>      | <u>694</u>        |
| <b>Other Financing Sources (Uses)</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Proceeds from borrowing                | -                 | 11,820            | 13,083            | -                 | -                 | 80,171            | -                 | 17,605            | -                 | 8,166             |
| Payments to escrow agent               | -                 | (11,816)          | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Sale of Assets                         | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Transfers in                           | 16,812            | 18,410            | 21,735            | 18,477            | 17,994            | 21,102            | 14,035            | 15,504            | 18,201            | 27,342            |
| Transfers out                          | (15,911)          | (17,738)          | (21,747)          | (25,895)          | (20,334)          | (19,083)          | (14,190)          | (16,869)          | (21,286)          | (23,570)          |
| <b>Total Other Financing</b>           |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Sources (Uses)</b>                  | <u>901</u>        | <u>676</u>        | <u>13,071</u>     | <u>(7,418)</u>    | <u>(2,340)</u>    | <u>82,190</u>     | <u>(155)</u>      | <u>16,240</u>     | <u>(3,085)</u>    | <u>11,938</u>     |
| <b>Net Change in Fund Balances</b>     | <u>\$ (1,078)</u> | <u>\$ (1,619)</u> | <u>\$ 2,120</u>   | <u>\$ 3,864</u>   | <u>\$ (1,006)</u> | <u>\$ 89,603</u>  | <u>\$ (3,282)</u> | <u>\$ 39,257</u>  | <u>\$ 248</u>     | <u>\$ 12,632</u>  |
| <b>Debt service as a % of</b>          |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Noncapital Expenditures</b>         | <u>6%</u>         | <u>6%</u>         | <u>6%</u>         | <u>6%</u>         | <u>6%</u>         | <u>6%</u>         | <u>6%</u>         | <u>7%</u>         | <u>6%</u>         | <u>7%</u>         |

Source: City of Arvada, Finance Department

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

| City<br>Direct<br>Rates |               | Overlapping Rates    |                     |                 |                                     |                                    |                                             |
|-------------------------|---------------|----------------------|---------------------|-----------------|-------------------------------------|------------------------------------|---------------------------------------------|
| Fiscal<br>Year          | Basic<br>Rate | State<br>of Colorado | Jefferson<br>County | Adams<br>County | Rapid<br>Transit<br>District<br>RTD | Cultural<br>Facilities<br>District | Baseball<br>Football<br>Stadium<br>District |
| 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%                                       |
| 2019                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2020                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2021                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2022                    | 3.46%         | 2.90%                | 0.50%               | 0.75%           | 1.00%                               | 0.10%                              | 0.00%                                       |
| 2023                    | 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>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            |
| 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               |
| 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>\$ 63,761,123</u> | <u>\$ 69,744,366</u> | <u>\$ 74,082,694</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%                |

**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 2023 increased by 4.28% over 2022. The Fast Foods Restaurants category showed the largest increase with a 7.06% increase compared to 2022. 2023 total use tax collections were down 3.60% compared to 2022. Building Use Tax was significantly down, 36.63%, compared to 2022.

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

|                                | <u>2019</u>              | <u>2020</u>              | <u>2021</u>              | <u>2022</u>               | <u>2023</u>               |
|--------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Sales Tax:                     |                          |                          |                          |                           |                           |
| Grocery Chain Stores           | \$ 11,655,160            | \$ 13,275,562            | \$ 12,838,119            | \$ 13,475,763             | \$ 14,056,988             |
| Fast Food Restaurants          | 2,061,043                | 3,532,779                | 4,023,549                | 4,154,271                 | 4,447,433                 |
| General Dept Stores            | 11,325,604               | 10,618,820               | 12,248,352               | 13,773,837                | 14,040,138                |
| Public Utilities               | 4,278,532                | 3,206,587                | 3,612,865                | 4,360,304                 | 4,379,936                 |
| Restaurant & Lounges           | 3,799,181                | 2,806,889                | 3,576,298                | 4,372,236                 | 4,640,097                 |
| Telephone Equipment & Service  | 1,952,427                | 1,048,674                | 1,100,251                | 1,188,858                 | 1,096,228                 |
| Misc. - Other                  | <u>26,424,700</u>        | <u>32,577,797</u>        | <u>40,150,384</u>        | <u>43,652,204</u>         | <u>45,952,222</u>         |
| <br>Total Sales Tax            | <br>61,496,646           | <br>67,067,108           | <br>77,549,818           | <br>84,977,473            | <br>88,613,041            |
| <br>Use Tax:                   |                          |                          |                          |                           |                           |
| Grocery Chain Stores           | 15,557                   | 11,796                   | 12,783                   | 22,995                    | 11,681                    |
| Fast Food Restaurants          | 16,393                   | 23,720                   | 29,041                   | 38,265                    | 22,726                    |
| General Dept Stores            | 47,779                   | 44,406                   | 52,075                   | 74,010                    | 49,838                    |
| Public Utilities               | 110,992                  | 111,375                  | 194,880                  | 277,453                   | 232,324                   |
| Restaurant & Lounges           | 22,342                   | 9,251                    | 12,004                   | 19,873                    | 8,049                     |
| Telephone Equipment & Service  | 64,684                   | 11,305                   | 18,843                   | 22,705                    | 15,104                    |
| Misc. - Other                  | <u>975,975</u>           | <u>743,626</u>           | <u>899,635</u>           | <u>762,109</u>            | <u>833,885</u>            |
| <br>Total Use Tax              | <br>1,253,722            | <br>955,479              | <br>1,219,261            | <br>1,217,410             | <br>1,173,608             |
| <br>Auto Use                   | <br>9,375,906            | <br>9,864,747            | <br>11,527,196           | <br>11,723,633            | <br>9,872,688             |
| <br>Building Use               | <br>3,839,795            | <br>4,353,953            | <br>4,467,398            | <br>8,239,667             | <br>5,221,114             |
| <br>Total                      | <br><u>\$ 75,966,069</u> | <br><u>\$ 82,241,287</u> | <br><u>\$ 94,763,673</u> | <br><u>\$ 106,158,183</u> | <br><u>\$ 104,880,451</u> |
| <br>City Direct Sales Tax Rate | <br>3.46%                | <br>3.46%                | <br>3.46%                | <br>3.46%                 | <br>3.46%                 |



**City of Arvada**  
**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 |
| 5458 Lee CO LLC                    |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| 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%                                           |
| Bpaz Holdings 16 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%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Dillon Companies LLC               |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Gateway at Arvada Ridge LLC        |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| 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%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Lee Street Owner LLC               |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| 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%                                           |
| 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%                                           |
| Seagate Panorama Assoc LLC         |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 | 4,277                  | 6    | 0.38%                                           | 4,277                  | 6    | 0.38%                                           |
| Solana Olde Town Station LLC       |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 | 4,277                  | 7    | 0.38%                                           |
| Sorin 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%                                           |
| Walmart Real Estate Business Trust |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| <b>Total</b>                       | <b>\$ 18,572</b>       |      | <b>7.20%</b>                                    | <b>\$ 82,009</b>       |      | <b>7.24%</b>                                    | <b>\$ 83,869</b>       |      | <b>7.40%</b>                                    | <b>\$ 95,433</b>       |      | <b>8.42%</b>                                    | <b>\$ 95,352</b>       |      | <b>8.41%</b>                                    |

Source: Jefferson and Adams County Assessors Offices  
Note: The top ten taxpayers represent roughly 10% of the total assessed valuation for the City of Arvada.  
The remaining 90% represents smaller business and residential customers.



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

| Tax Remitter                       | 2019                   |      |                                                 | 2020                   |      |                                                 | 2021                   |      |                                                 | 2022                   |      |                                                 | 2023                   |      |                                                 |
|------------------------------------|------------------------|------|-------------------------------------------------|------------------------|------|-------------------------------------------------|------------------------|------|-------------------------------------------------|------------------------|------|-------------------------------------------------|------------------------|------|-------------------------------------------------|
|                                    | 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 |
| 5458 Lee CO LLC                    |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 | 5,978                  | 5    | 0.53%                                           | 7,064                  | 4    | 0.62%                                           |
| ADLP 80th LLC                      |                        |      |                                                 |                        |      |                                                 | 6,293                  | 6    | 0.56%                                           | 5,552                  | 6    | 0.49%                                           | 5,511                  | 9    | 0.49%                                           |
| Arvada Hotel Investors LLC         | 4,021                  | 10   | 0.35%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Bpaz Holdings 16 LLC               |                        |      |                                                 |                        |      |                                                 | 5,027                  | 10   | 0.44%                                           | 5,027                  | 9    | 0.44%                                           | 5,596                  | 8    | 0.49%                                           |
| Comcast of Colorado                | 4,450                  | 9    | 0.39%                                           |                        |      |                                                 |                        |      |                                                 | 4,099                  | 10   | .36%                                            |                        |      |                                                 |
| Costco Wholesale Corp.             |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Cub Square Centre LLC              |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Dillon Companies LLC               | 5,763                  | 6    | 0.51%                                           | 5,763                  | 5    | 0.51%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Gateway at Arvada Ridge LLC        |                        |      |                                                 | 5,714                  | 6    | 0.50%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| GP Retail I LLC                    |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Inland Western Arvada LLC          |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Lee Street Owner LLC               |                        |      |                                                 |                        |      |                                                 | 6,286                  | 7    | 0.55%                                           |                        |      |                                                 |                        |      |                                                 |
| Livanova Inc                       | 5,320                  | 7    | 0.47%                                           | 5,320                  | 7    | 0.47%                                           | 5,550                  | 8    | 0.49%                                           | 5,550                  | 7    | 0.49%                                           | 6,007                  | 6    | 0.53%                                           |
| Lowes HIW Inc                      |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Neodyne Industries                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Northridge Center 1703 LLC         |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Panorama AR LLP                    |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Plains End LLC                     |                        |      |                                                 |                        |      |                                                 | 15,776                 | 2    | 1.39%                                           |                        |      |                                                 |                        |      |                                                 |
| Public Service Co of Colorado      | 50,380                 | 1    | 4.45%                                           | 58,581                 | 1    | 5.17%                                           | 59,657                 | 1    | 5.26%                                           | 67,613                 | 1    | 5.97%                                           | 73,247                 | 1    | 6.46%                                           |
| Qwest Corp.                        | 6,218                  | 5    | 0.55%                                           | 6,455                  | 4    | 0.57%                                           | 6,518                  | 5    | 0.58%                                           | 6,221                  | 4    | 0.55%                                           | 5,881                  | 7    | 0.52%                                           |
| Seagate Panorama Assoc LLC         | 7,862                  | 2    | 0.69%                                           | 4,908                  | 9    | 0.43%                                           | 5,361                  | 9    | 0.47%                                           | 5,099                  | 8    | 0.45%                                           | 6,301                  | 5    | 0.56%                                           |
| Solana Olde Town Station LLC       | 6,795                  | 4    | 0.60%                                           | 6,795                  | 3    | 0.60%                                           | 7,475                  | 4    | 0.66%                                           | 7,109                  | 3    | 0.00%                                           | 8,402                  | 3    | 0.00%                                           |
| Sorin Group (Cobe Laboratories)    |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Sundyne Corp.                      |                        |      |                                                 | 4,472                  | 10   | 0.39%                                           |                        |      |                                                 |                        |      |                                                 | 5,065                  | 10   | 1.07%                                           |
| Target Corp.                       |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Union Pacific Railroad Co          |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| W PT Arvada VII LLC                | 7,514                  | 3    | 0.66%                                           | 7,514                  | 2    | 0.66%                                           | 15,403                 | 3    | 1.36%                                           | 12,151                 | 2    | 1.07%                                           | 12,134                 | 2    | 1.07%                                           |
| Walmart Real Estate Business Trust | 4,925                  | 8    | 0.43%                                           | 4,925                  | 8    | 0.43%                                           |                        |      |                                                 |                        |      |                                                 |                        |      |                                                 |
| Total                              | \$ 103,248             |      | 9.11%                                           | \$ 110,447             |      | 9.75%                                           | \$ 133,346             |      | 11.77%                                          | \$ 124,399             |      | 9.82%                                           | \$ 135,208             |      | 11.19%                                          |



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

| Levy/<br>Collection<br>Year | Taxes Levied<br>for the<br>Fiscal Year (1) | Collection within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to<br>Date |                       |
|-----------------------------|--------------------------------------------|--------------------------------------------------|-----------------------|---------------------------------------|------------------------------|-----------------------|
|                             |                                            | Amount                                           | Percentage<br>of Levy |                                       | Amount                       | Percentage<br>of Levy |
| 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%                |
| 2018/2019                   | 6,662,940                                  | 6,583,728                                        | 98.81%                | 14,736                                | 6,598,464                    | 99.03%                |
| 2019/2020                   | 7,516,948                                  | 7,495,926                                        | 99.72%                | 7,524                                 | 7,503,450                    | 99.82%                |
| 2020/2021                   | 7,598,342                                  | 7,543,438                                        | 99.28%                | 17,850                                | 7,561,288                    | 99.51%                |
| 2021/2022                   | 8,360,970                                  | 8,290,609                                        | 99.16%                | 19,553                                | 8,310,162                    | 99.39%                |
| 2022/2023                   | 8,207,927                                  | 8,188,412                                        | 99.76%                | 9,255                                 | 8,197,667                    | 99.87%                |

**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 2023 is 4.31.



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

|                                                             | Levy/Collection<br>Year |                         |                         |                         |                         |
|-------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                             | 2014                    | 2015                    | 2016                    | 2017                    | 2018                    |
| Vacant property                                             | \$ 24,280,248           | \$ 52,087,362           | \$ 39,879,257           | \$ 52,814,910           | \$ 32,807,309           |
| Residential property                                        | \$ 762,800,495          | \$ 944,952,123          | \$ 971,097,836          | \$ 1,112,005,105        | \$ 1,146,929,524        |
| Commercial property                                         | \$ 219,417,048          | \$ 233,245,944          | \$ 277,903,562          | \$ 351,310,400          | \$ 354,064,947          |
| Industrial property                                         | \$ 63,700,131           | \$ 69,176,989           | \$ 23,620,892           | \$ 33,189,278           | \$ 32,388,439           |
| Agricultural property                                       | \$ 1,946,455            | \$ 1,651,435            | \$ 1,593,393            | \$ 1,967,531            | \$ 2,033,147            |
| Natural Resources                                           | \$ 494                  | \$ 496                  | \$ 495                  | \$ 502                  | \$ 516                  |
| State assessed property                                     | \$ 57,966,461           | \$ 62,662,700           | \$ 62,171,458           | \$ 66,236,214           | \$ 64,238,210           |
| Personal property                                           | \$ 3,066,830            | \$ 3,429,310            | \$ 3,648,980            | \$ 3,995,640            | \$ 3,953,280            |
| Total taxable assessed value                                | <u>\$ 1,133,178,162</u> | <u>\$ 1,367,206,359</u> | <u>\$ 1,379,915,873</u> | <u>\$ 1,621,519,580</u> | <u>\$ 1,636,415,372</u> |
| Total direct tax rate                                       | 4.31                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    |
| <b>Estimated actual taxable value<br/>(in thousands)</b>    | \$ 10,714,249           | \$ 13,187,691           | \$ 14,465,213           | \$ 18,072,919           | \$ 17,435,897           |
| Assessed value as a percentage<br>of estimated actual value | 10.6%                   | 10.4%                   | 9.5%                    | 9.0%                    | 9.4%                    |
|                                                             | 2019                    | 2020                    | 2021                    | 2022                    | 2023                    |
| Vacant property                                             | \$ 34,095,406           | \$ 34,095,406           | \$ 32,138,917           | \$ 33,873,992           | \$ 43,153,762           |
| Residential property                                        | \$ 1,324,987,688        | \$ 1,324,988,638        | \$ 1,478,385,954        | \$ 1,445,137,713        | \$ 1,764,555,154        |
| Commercial property                                         | \$ 343,468,354          | \$ 343,394,594          | \$ 392,501,187          | \$ 389,417,624          | \$ 441,073,220          |
| Industrial property                                         | \$ 34,073,436           | \$ 33,647,026           | \$ 46,012,166           | \$ 45,397,830           | \$ 53,561,967           |
| Agricultural property                                       | \$ 2,389,402            | \$ 2,389,402            | \$ 2,128,489            | \$ 1,767,957            | \$ 1,754,078            |
| Natural Resources                                           | \$ 557                  | \$ 557                  | \$ 535                  | \$ 535                  | \$ 517                  |
| State assessed property                                     | \$ 8,655,208            | \$ 8,574,968            | \$ 10,850,471           | \$ 10,247,715           | \$ 11,642,208           |
| Personal property                                           | \$ 129,527,210          | \$ 129,339,130          | \$ 133,292,874          | \$ 149,161,632          | \$ 168,004,186          |
| Total taxable assessed value                                | <u>\$ 1,877,197,261</u> | <u>\$ 1,876,429,721</u> | <u>\$ 2,095,310,593</u> | <u>\$ 2,075,004,998</u> | <u>\$ 2,483,745,092</u> |
| Total direct tax rate                                       | 4.31                    | 4.31                    | 4.31                    | 4.31                    | 4.31                    |
| <b>Estimated actual taxable value<br/>(in thousands)</b>    | \$ 20,235,588           | \$ 20,493,984           | \$ 22,577,041           | \$ 22,726,178           | \$ 28,327,059           |
| Assessed value as a percentage<br>of estimated actual value | 9.3%                    | 9.2%                    | 9.3%                    | 9.1%                    | 8.8%                    |

Assessed values, as reported in this schedule, include certain tax-exempt properties

Assessed values included in this schedule include tax increment financing districts located within the City



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

| Fiscal Year | Governmental Activities  |                           |                 |                        |                               | Business-Type Activities |                  |                 |                        | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|---------------------------|-----------------|------------------------|-------------------------------|--------------------------|------------------|-----------------|------------------------|--------------------------|-------------------------------|------------|
|             | General Obligation Bonds | Sales Tax Increment Bonds | Lease Liability | Subscription Liability | Certificates of Participation | Water Bonds              | Wastewater Bonds | Lease Liability | Subscription Liability |                          |                               |            |
| 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                     | -               | -                      | 22,556                        | 8,606                    | -                | -               | -                      | 38,999                   | 0.97%                         | 0.34       |
| 2017        | -                        | 3,976                     | -               | -                      | 20,992                        | 6,587                    | -                | -               | -                      | 31,555                   | 0.74%                         | 0.27       |
| 2018        | -                        | -                         | -               | -                      | 19,383                        | 4,473                    | -                | -               | -                      | 23,856                   | 0.50%                         | 0.20       |
| 2019        | -                        | 78,107                    | -               | -                      | 17,739                        | 2,279                    | -                | -               | -                      | 98,125                   | 1.89%                         | 0.79       |
| 2020        | -                        | 75,368                    | -               | -                      | 16,060                        | -                        | -                | -               | -                      | 91,428                   | 1.66%                         | 0.73       |
| 2021        | -                        | 72,509                    | -               | -                      | 31,941                        | -                        | -                | -               | -                      | 104,450                  | 1.91%                         | 0.87       |
| 2022        | -                        | 69,525                    | 363             | -                      | 30,177                        | 50,482                   | 50,402           | 375             | -                      | 201,324                  | 3.43%                         | 1.63       |
| 2023        | -                        | 74,281                    | 277             | 6,054                  | 27,616                        | 49,689                   | 49,608           | 191             | 41                     | 207,757                  | 3.19%                         | 1.69       |

**Source:** City of Arvada Finance Department

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

**General Bonded Debt Outstanding**

| <b>Fiscal Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Redevelopment<br/>Bonds</b> | <b>Total</b> | <b>Percentage of<br/>Actual Taxable<br/>Value of<br/>Property</b> | <b>Per Capita</b> |
|--------------------|-----------------------------------------|--------------------------------|--------------|-------------------------------------------------------------------|-------------------|
| 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           |
| 2019               | \$ 0                                    | \$ 0                           | \$ 0         | 0.00%                                                             | \$ 0.00           |
| 2020               | \$ 0                                    | \$ 0                           | \$ 0         | 0.00%                                                             | \$ 0.00           |
| 2021               | \$ 0                                    | \$ 0                           | \$ 0         | 0.00%                                                             | \$ 0.00           |
| 2022               | \$ 0                                    | \$ 0                           | \$ 0         | 0.00%                                                             | \$ 0.00           |
| 2023               | \$ 0                                    | \$ 0                           | \$ 0         | 0.00%                                                             | \$ 0.00           |

**Source:** City of Arvada Comprehensive Annual Financial Report (2014-2023), Jefferson and Adams County Assessors Offices, Denver Regional Council of Governments



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

| <b>Jurisdiction</b>                                            | <b>Debt<br/>Outstanding</b> | <b>2023<br/>Percents<br/>Applicable To<br/>City of Arvada</b> | <b>Estimated<br/>Share of<br/>Overlapping<br/>Debt</b> |
|----------------------------------------------------------------|-----------------------------|---------------------------------------------------------------|--------------------------------------------------------|
| <b>Direct</b>                                                  |                             |                                                               |                                                        |
| City of Arvada                                                 | \$ 108,629,000              | 100.00%                                                       | \$ 108,629,000                                         |
| <b>Overlapping</b>                                             |                             |                                                               |                                                        |
| Adams County Fire Protection District                          | \$ -                        | 5.29%                                                         | \$ -                                                   |
| APEX (North Jeffco Park & Recreation)                          | 19,095,000                  | 84.38%                                                        | 16,111,514                                             |
| Arvada West Town Center Business Improvement District          | 1,890,000                   | 100.00%                                                       | 1,890,000                                              |
| Boyd Ponds Metropolitan District No. 2                         | 2,365,000                   | 100.00%                                                       | 2,365,000                                              |
| Cimarron Metropolitan District                                 | -                           | 100.00%                                                       | -                                                      |
| Fairmount Fire Protection District                             | -                           | 0.02%                                                         | -                                                      |
| Hometown Metropolitan District No. 2                           | 580,000                     | 100.00%                                                       | 580,000                                                |
| Hyland Hills Park & Recreation District                        | -                           | 4.47%                                                         | -                                                      |
| Jefferson Center Metropolitan Dist. No. 1                      | 120,565,000                 | 37.59%                                                        | 45,320,384                                             |
| Jefferson County School District R-1                           | 710,280,000                 | 16.48%                                                        | 117,074,176                                            |
| Mountain Shadows Metropolitan District                         | 15,570,000                  | 100.00%                                                       | 15,570,000                                             |
| Ralston Valley Water and Sanitation Dist.                      |                             | 20.84%                                                        | -                                                      |
| Richards Farm Metropolitan Dist. No. 2                         | 30,906,000                  | 100.00%                                                       | 30,906,000                                             |
| Spring Mesa Metropolitan District                              | 6,100,000                   | 100.00%                                                       | 6,100,000                                              |
| Vauxmont Metropolitan District                                 | 115,062,000                 | 98.92%                                                        | 113,819,330                                            |
| West Point Metropolitan District                               | 3,225,000                   | 100.00%                                                       | 3,225,000                                              |
| Westminster Public Schools FKA Adams County School District 50 | 24,690,000                  | 7.29%                                                         | 1,798,687                                              |
| Subtotal, overlapping debt                                     |                             |                                                               | <u>\$ 354,760,090</u>                                  |
| Total, direct and overlapping debt                             |                             |                                                               | <u><u>\$ 463,389,090</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**

## Legal Debt Margin Calculation for Fiscal Year 2023

|                                                                       |                  |
|-----------------------------------------------------------------------|------------------|
| Actual value                                                          | \$28,661,693,330 |
| Debt limit (3% of actual value)                                       | 859,850,800      |
| Debt applicable to limit:                                             |                  |
| General obligation bonds                                              | -                |
| Less: Amount set aside for<br>repayment of general<br>obligation debt | -                |
| Total net debt applicable to limit                                    | -                |
| Legal debt margin                                                     | 859,850,800      |

|                                                                         | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           |
|-------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt Limit                                                              | 325,802,555    | 399,819,207    | 408,283,168    | 516,043,854    | 528,523,769    | 613,064,018    | 612,984,918    | 684,121,589    | 688,977,154    | 859,850,800    |
| Total net debt applicable to limit                                      | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Legal debt margin                                                       | \$ 325,802,555 | \$ 399,819,207 | \$ 408,283,168 | \$ 516,043,854 | \$ 528,523,769 | \$ 613,064,018 | \$ 612,984,918 | \$ 684,121,589 | \$ 688,977,154 | \$ 859,850,800 |
| Total net debt applicable to the limit<br>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**

**Sales and Use Tax Bonds**

| <b>Year</b> | <b>Sales<br/>&amp; Use Tax<br/>Increment</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|-------------|----------------------------------------------|---------------------|-----------------|-----------------|
|             |                                              | <b>Principal</b>    | <b>Interest</b> |                 |
| 2014        | 55,159,045.36                                | 3,275,000.00        | 631,075.00      | 14.12           |
| 2015        | 59,690,396.82                                | 3,375,000.00        | 542,500.00      | 15.24           |
| 2016        | 63,386,029.26                                | 3,485,000.00        | 427,400.00      | 16.20           |
| 2017        | 68,346,419.26                                | 3,615,000.00        | 294,050.00      | 17.48           |
| 2018        | 65,224,908.00                                | 3,885,000.00        | 155,400.00      | 16.14           |
| 2019        | 65,496,204.97                                | 1,745,000.00        | 2,347,072.47    | 16.01           |
| 2020        | 70,926,289.00                                | 2,375,000.00        | 2,985,281.25    | 13.23           |
| 2021        | 82,053,039.00                                | 2,495,000.00        | 2,866,531.25    | 15.30           |
| 2022        | 91,923,766.00                                | 2,620,000.00        | 2,741,781.25    | 17.14           |
| 2023        | 92,632,576.00                                | 3,020,000.00        | 2,777,472.91    | 15.98           |

**Water Revenue Bonds Series 2022**

| <b>Year</b> | <b>Utility<br/>Service<br/>Charges</b> | <b>Less:<br/>Operating<br/>Expenses</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|-------------|----------------------------------------|-----------------------------------------|--------------------------------------|---------------------|-----------------|-----------------|
|             |                                        |                                         |                                      | <b>Principal</b>    | <b>Interest</b> |                 |
| 2022        | 41,940,843                             | 25,178,000                              | 16,762,843                           | -                   | -               | 5.82            |
| 2023        | 47,308,000                             | 24,078,000                              | 23,230,000                           | 715,000             | 2,008,395       | 8.07            |

**Wastewater Revenue Bonds Series 2022**

| <b>Year</b> | <b>Utility<br/>Service<br/>Charges</b> | <b>Less:<br/>Operating<br/>Expenses</b> | <b>Net<br/>Available<br/>Revenue</b> | <b>Debt Service</b> |                 | <b>Coverage</b> |
|-------------|----------------------------------------|-----------------------------------------|--------------------------------------|---------------------|-----------------|-----------------|
|             |                                        |                                         |                                      | <b>Principal</b>    | <b>Interest</b> |                 |
| 2022        | 15,803,956                             | 13,738,000                              | 2,065,956                            | -                   | -               | 0.71            |
| 2023        | 19,864,000                             | 13,250,000                              | 6,614,000                            | 710,000             | 2,031,277       | 2.12            |

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

**Note:** Sales and Use Tax Revenue Bond Series 2023 was issued in 2023.  
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.

**Note:** Water and Wastewater Revenue bonds were issued in 2022.  
Service charges include water or wastewater 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.



**Schedule of Debt Service Requirements  
Governmental-Type Activities  
December 31, 2023**

**Sales & Use Tax Revenue Bonds - Series 2019**

| <u>Year</u>   | <u>Principal</u>     | <u>Interest</u>      | <u>Total<br/>Payment</u> | <u>Principal<br/>Balance</u> |
|---------------|----------------------|----------------------|--------------------------|------------------------------|
|               |                      |                      |                          | 63,335,000                   |
| 2023          | 2,750,000            | 2,610,781            | 5,360,781                | 60,585,000                   |
| 2024          | 2,885,000            | 2,473,281            | 5,358,281                | 57,700,000                   |
| 2025          | 3,030,000            | 2,329,031            | 5,359,031                | 54,670,000                   |
| 2026          | 3,180,000            | 2,177,531            | 5,357,531                | 51,490,000                   |
| 2027          | 3,340,000            | 2,018,531            | 5,358,531                | 48,150,000                   |
| 2028          | 3,510,000            | 1,851,531            | 5,361,531                | 44,640,000                   |
| 2029          | 3,685,000            | 1,676,031            | 5,361,031                | 40,955,000                   |
| 2030          | 3,865,000            | 1,491,781            | 5,356,781                | 37,090,000                   |
| 2031          | 4,060,000            | 1,298,531            | 5,358,531                | 33,030,000                   |
| 2032          | 4,265,000            | 1,095,531            | 5,360,531                | 28,765,000                   |
| 2033          | 4,435,000            | 924,931              | 5,359,931                | 24,330,000                   |
| 2034          | 4,565,000            | 791,881              | 5,356,881                | 19,765,000                   |
| 2035          | 4,710,000            | 649,225              | 5,359,225                | 15,055,000                   |
| 2036          | 4,855,000            | 502,038              | 5,357,038                | 10,200,000                   |
| 2037          | 5,015,000            | 344,250              | 5,359,250                | 5,185,000                    |
| 2038          | 5,185,000            | 174,994              | 5,359,994                | \$ 0                         |
| <b>TOTALS</b> | <u>\$ 63,335,000</u> | <u>\$ 22,409,881</u> | <u>\$ 85,744,881</u>     |                              |



**Schedule of Debt Service Requirements  
Governmental-Type Activities  
December 31, 2023**

**Sales & Use Tax Revenue Bonds - Series 2023**

| <u>Year</u>   | <u>Principal</u>          | <u>Interest</u>           | <u>Total<br/>Payment</u>   | <u>Principal<br/>Balance</u> |
|---------------|---------------------------|---------------------------|----------------------------|------------------------------|
|               |                           |                           |                            | 7,230,000                    |
| 2023          | 270,000                   | 166,692                   | 436,692                    | 6,960,000                    |
| 2024          | 95,000                    | 348,000                   | 443,000                    | 6,865,000                    |
| 2025          | 95,000                    | 343,250                   | 438,250                    | 6,770,000                    |
| 2026          | 105,000                   | 338,500                   | 443,500                    | 6,665,000                    |
| 2027          | 110,000                   | 333,250                   | 443,250                    | 6,555,000                    |
| 2028          | 110,000                   | 327,750                   | 437,750                    | 6,445,000                    |
| 2029          | 115,000                   | 322,250                   | 437,250                    | 6,330,000                    |
| 2030          | 125,000                   | 316,500                   | 441,500                    | 6,205,000                    |
| 2031          | 130,000                   | 310,250                   | 440,250                    | 6,075,000                    |
| 2032          | 135,000                   | 303,750                   | 438,750                    | 5,940,000                    |
| 2033          | 140,000                   | 297,000                   | 437,000                    | 5,800,000                    |
| 2034          | 150,000                   | 290,000                   | 440,000                    | 5,650,000                    |
| 2035          | 155,000                   | 282,500                   | 437,500                    | 5,495,000                    |
| 2036          | 165,000                   | 274,750                   | 439,750                    | 5,330,000                    |
| 2037          | 175,000                   | 266,500                   | 441,500                    | 5,155,000                    |
| 2038          | 180,000                   | 257,750                   | 437,750                    | 4,975,000                    |
| 2039          | 1,155,000                 | 248,750                   | 1,403,750                  | 3,820,000                    |
| 2040          | 1,210,000                 | 191,000                   | 1,401,000                  | 2,610,000                    |
| 2041          | 1,275,000                 | 130,500                   | 1,405,500                  | 1,335,000                    |
| 2042          | 1,335,000                 | 66,750                    | 1,401,750                  | \$0                          |
| <b>TOTALS</b> | <u><u>\$7,230,000</u></u> | <u><u>\$5,415,692</u></u> | <u><u>\$12,645,692</u></u> |                              |



**Schedule of Debt Service Requirements  
Business Type Activities  
December 31, 2023**

**Water Enterprise Revenue Bonds - Series 2022**

| <b>Year</b>   | <b>Principal</b>     | <b>Interest</b>      | <b>Total<br/>Payment</b> | <b>Principal<br/>Balance</b> |
|---------------|----------------------|----------------------|--------------------------|------------------------------|
|               |                      |                      |                          | 48,150,000                   |
| 2023          | 715,000              | 2,008,395            | 2,723,395                | 47,435,000                   |
| 2024          | 790,000              | 2,084,550            | 2,874,550                | 47,360,000                   |
| 2025          | 830,000              | 2,045,050            | 2,875,050                | 46,530,000                   |
| 2026          | 875,000              | 2,003,550            | 2,878,550                | 45,655,000                   |
| 2027          | 915,000              | 1,959,800            | 2,874,800                | 44,740,000                   |
| 2028          | 960,000              | 1,914,050            | 2,874,050                | 43,780,000                   |
| 2029          | 1,010,000            | 1,866,050            | 2,876,050                | 42,770,000                   |
| 2030          | 1,060,000            | 1,815,550            | 2,875,550                | 41,710,000                   |
| 2031          | 1,115,000            | 1,762,550            | 2,877,550                | 40,595,000                   |
| 2032          | 1,170,000            | 1,706,800            | 2,876,800                | 39,425,000                   |
| 2033          | 1,225,000            | 1,648,300            | 2,873,300                | 38,200,000                   |
| 2034          | 1,290,000            | 1,587,050            | 2,877,050                | 36,910,000                   |
| 2035          | 1,355,000            | 1,522,550            | 2,877,550                | 35,555,000                   |
| 2036          | 1,420,000            | 1,454,800            | 2,874,800                | 34,135,000                   |
| 2037          | 1,490,000            | 1,383,800            | 2,873,800                | 32,645,000                   |
| 2038          | 1,565,000            | 1,309,300            | 2,874,300                | 31,080,000                   |
| 2039          | 1,645,000            | 1,231,050            | 2,876,050                | 29,435,000                   |
| 2040          | 1,725,000            | 1,148,800            | 2,873,800                | 27,710,000                   |
| 2041          | 1,795,000            | 1,079,800            | 2,874,800                | 25,915,000                   |
| 2042          | 1,870,000            | 1,008,000            | 2,878,000                | 24,045,000                   |
| 2043          | 1,945,000            | 933,200              | 2,878,200                | 22,100,000                   |
| 2044          | 2,020,000            | 855,400              | 2,875,400                | 20,080,000                   |
| 2045          | 2,100,000            | 774,600              | 2,874,600                | 17,980,000                   |
| 2046          | 2,185,000            | 690,600              | 2,875,600                | 15,795,000                   |
| 2047          | 2,275,000            | 603,200              | 2,878,200                | 13,520,000                   |
| 2048          | 2,365,000            | 512,200              | 2,877,200                | 11,155,000                   |
| 2049          | 2,460,000            | 417,600              | 2,877,600                | 8,695,000                    |
| 2050          | 2,555,000            | 319,200              | 2,874,200                | 6,140,000                    |
| 2051          | 2,660,000            | 217,000              | 2,877,000                | 3,480,000                    |
| 2052          | 2,765,000            | 110,600              | 2,875,600                | \$ 0                         |
| <b>TOTALS</b> | <b>\$ 48,150,000</b> | <b>\$ 37,973,394</b> | <b>\$ 86,123,394</b>     |                              |



**Schedule of Debt Service Requirements  
Business Type Activities  
December 31, 2023**

**Wastewater Enterprise Revenue Bonds - Series 2022**

| <b>Year</b>   | <b>Principal</b>     | <b>Interest</b>      | <b>Total<br/>Payment</b> | <b>Principal<br/>Balance</b> |
|---------------|----------------------|----------------------|--------------------------|------------------------------|
|               |                      |                      |                          | 47,855,000                   |
| 2023          | 710,000              | 2,031,277            | 2,741,277                | 47,145,000                   |
| 2024          | 785,000              | 2,108,956            | 2,893,956                | 47,070,000                   |
| 2025          | 825,000              | 2,069,706            | 2,894,706                | 46,245,000                   |
| 2026          | 865,000              | 2,028,456            | 2,893,456                | 45,380,000                   |
| 2027          | 910,000              | 1,985,206            | 2,895,206                | 44,470,000                   |
| 2028          | 955,000              | 1,939,706            | 2,894,706                | 43,515,000                   |
| 2029          | 1,000,000            | 1,891,956            | 2,891,956                | 42,515,000                   |
| 2030          | 1,050,000            | 1,841,956            | 2,891,956                | 41,465,000                   |
| 2031          | 1,105,000            | 1,789,456            | 2,894,456                | 40,360,000                   |
| 2032          | 1,160,000            | 1,734,206            | 2,894,206                | 39,200,000                   |
| 2033          | 1,215,000            | 1,676,206            | 2,891,206                | 37,985,000                   |
| 2034          | 1,280,000            | 1,615,456            | 2,895,456                | 36,705,000                   |
| 2035          | 1,340,000            | 1,551,456            | 2,891,456                | 35,365,000                   |
| 2036          | 1,410,000            | 1,484,456            | 2,894,456                | 33,955,000                   |
| 2037          | 1,480,000            | 1,413,956            | 2,893,956                | 32,475,000                   |
| 2038          | 1,555,000            | 1,339,956            | 2,894,956                | 30,920,000                   |
| 2039          | 1,630,000            | 1,262,206            | 2,892,206                | 29,290,000                   |
| 2040          | 1,715,000            | 1,180,706            | 2,895,706                | 27,575,000                   |
| 2041          | 1,780,000            | 1,112,106            | 2,892,106                | 25,795,000                   |
| 2042          | 1,855,000            | 1,040,906            | 2,895,906                | 23,940,000                   |
| 2043          | 1,925,000            | 966,706              | 2,891,706                | 22,015,000                   |
| 2044          | 2,005,000            | 889,706              | 2,894,706                | 20,010,000                   |
| 2045          | 2,085,000            | 809,506              | 2,894,506                | 17,925,000                   |
| 2046          | 2,170,000            | 726,106              | 2,896,106                | 15,755,000                   |
| 2047          | 2,255,000            | 636,594              | 2,891,594                | 13,500,000                   |
| 2048          | 2,350,000            | 543,575              | 2,893,575                | 11,150,000                   |
| 2049          | 2,450,000            | 443,700              | 2,893,700                | 8,700,000                    |
| 2050          | 2,555,000            | 339,575              | 2,894,575                | 6,145,000                    |
| 2051          | 2,660,000            | 230,988              | 2,890,988                | 3,485,000                    |
| 2052          | 2,775,000            | 117,938              | 2,892,938                | \$ 0                         |
| <b>TOTALS</b> | <b>\$ 47,855,000</b> | <b>\$ 38,802,689</b> | <b>\$ 86,657,689</b>     |                              |



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

| <b>Year</b> | <b>Population</b> | <b>Personal<br/>Income<br/>(in thousands<br/>of dollars)</b> | <b>Per<br/>Capita<br/>Income</b> | <b>Median<br/>Age</b> | <b>School<br/>Enrollment</b> | <b>Unemployment<br/>Rate</b> |
|-------------|-------------------|--------------------------------------------------------------|----------------------------------|-----------------------|------------------------------|------------------------------|
| 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                           | 40.9                  | 19,020                       | 3.72%                        |
| 2019        | 123,502           | 5,198,940                                                    | 42,096                           | 42.3                  | 18,619                       | 2.60%                        |
| 2020        | 124,785           | 5,498,401                                                    | 44,063                           | 42.3                  | 17,689                       | 2.60%                        |
| 2021        | 120,492           | 5,454,673                                                    | 45,270                           | 40.0                  | 16,994                       | 3.40%                        |
| 2022        | 123,170           | 5,864,616                                                    | 47,614                           | 39.9                  | 16,658                       | 2.70%                        |
| 2023        | 123,066           | 6,514,130                                                    | 52,932                           | 40.2                  | 16,284                       | 3.20%                        |

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



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

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

**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                              | 2018      |      |                            | 2019      |      |                            | 2020      |      |                            | 2021      |      |                            | 2022      |      |                            |
|---------------------------------------|-----------|------|----------------------------|-----------|------|----------------------------|-----------|------|----------------------------|-----------|------|----------------------------|-----------|------|----------------------------|
|                                       | 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        | 263       | 6    | 0.40%                      | 273       | 5    | 0.40%                      | 225       | 8    | 0.35%                      | 262       | 7    | 0.39%                      | 468       | 4    | 0.68%                      |
| LivaNova (formerly Sorin Group USA)   | 250       | 8    | 0.38%                      | 250       | 7    | 0.37%                      | 320       | 6    | 0.49%                      | 320       | 5    | 0.48%                      | 320       | 7    | 0.46%                      |
| City of Arvada                        | 665       | 2    | 1.00%                      | 665       | 2    | 0.98%                      | 695       | 2    | 1.07%                      | 703       | 2    | 1.05%                      | 730       | 2    | 1.06%                      |
| Sundyne Corporation                   | 325       | 4    | 0.49%                      | 200       | 10   | 0.29%                      | 328       | 5    | 0.51%                      | 328       | 4    | 0.49%                      | 328       | 6    | 0.47%                      |
| Target (All locatons)                 | 300       | 5    | 0.45%                      | 300       | 4    | 0.44%                      | 300       | 7    | 0.46%                      | 300       | 6    | 0.45%                      | 300       | 8    | 0.43%                      |
| Pridemark Paramedic Serv. Inc.        |           |      |                            |           |      |                            |           |      |                            |           |      |                            |           |      |                            |
| Home Depot                            | 221       | 9    | 0.33%                      | 221       | 8    | 0.33%                      | 221       | 10   | 0.34%                      | 221       | 8    | 0.33%                      | 221       | 9    | 0.32%                      |
| Costco                                | 210       | 10   | 0.32%                      | 210       | 9    | 0.31%                      | 450       | 3    | 0.69%                      | 210       | 9    | 0.31%                      | 210       | 10   | 0.30%                      |
| Sam's Club                            |           |      |                            |           |      |                            |           |      |                            |           |      | 0.00%                      |           |      |                            |
| King Soopers (All locations)          | 1109      | 1    | 1.67%                      | 1109      | 1    | 1.63%                      | 1109      | 1    | 1.71%                      | 1109      | 1    | 1.65%                      | 1109      | 1    | 1.61%                      |
| Mark VII Equipment                    |           |      |                            |           |      |                            |           |      |                            |           |      |                            |           |      |                            |
| Xcel Energy                           |           |      |                            |           |      |                            |           |      |                            |           |      |                            |           |      |                            |
| Wanco Inc                             |           |      |                            |           |      |                            |           |      |                            | 180       | 10   | 0.27%                      |           |      |                            |
| Mc Donalds (all locations)            | 252       | 7    | 0.38%                      | 252       | 6    | 0.37%                      | 222       | 9    | 0.34%                      |           |      |                            | 495       | 3    | 0.72%                      |
| Walmart                               | 350       | 3    | 0.53%                      | 404       | 3    | 0.60%                      | 350       | 4    | 0.54%                      | 350       | 3    | 0.52%                      | 350       | 5    | 0.51%                      |
| Total Employed by Principal Employers | 3,945     |      | 5.96%                      | 3,884     |      | 5.72%                      | 4,220     |      | 6.51%                      | 3,983     |      | 5.93%                      | 4,531     |      | 6.56%                      |
| Total Employed by Other Employers     | 62,275    |      | 94.04%                     | 63,986    |      | 94.28%                     | 60,628    |      | 93.49%                     | 63,221    |      | 94.07%                     | 64,527    |      | 93.44%                     |
| Total Employees                       | 66,220    |      | 100.00%                    | 67,870    |      | 100.00%                    | 64,848    |      | 100.00%                    | 67,204    |      | 100.00%                    | 69,058    |      | 100.00%                    |

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

| Function/program                 | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City Manager's/Clerk's Office    | 21.95         | 20.95         | 20.95         | 22.10         | 21.10         | 20.10         | 20.10         | 22.10         | 23.00         | 24.00         |
| Community Development            | 25.00         | 26.00         | 27.00         | 21.00         | 27.00         | 21.00         | 8.00          | 8.00          | 10.00         | 8.00          |
| Cultural Services                | 39.25         | 39.25         | 41.25         | 0*            | 0*            | 0*            | 0*            | 0*            | 0*            | 0*            |
| Economic Development             | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 0**           | 0**           | 0**           | 0**           |
| Parks, Golf, and Hospitality     | 73.00         | 73.00         | 75.00         | 80.64         | 77.64         | 82.64         | 83.64         | 84.25         | 79.34         | 86.00         |
| Finance/ Risk Management         | 35.00         | 33.70         | 33.70         | 33.06         | 33.06         | 32.36         | 32.36         | 32.75         | 32.66         | 35.00         |
| Judicial/Legal                   | 22.00         | 24.00         | 24.00         | 25.00         | 25.00         | 25.00         | 25.00         | 26.00         | 28.00         | 29.00         |
| Information Technology           | 27.00         | 29.00         | 29.00         | 27.00         | 27.00         | 29.00         | 29.00         | 27.00         | 29.00         | 31.00         |
| Human Resources                  | 9.00          | 9.00          | 9.00          | 10.00         | 10.00         | 11.00         | 11.00         | 11.00         | 11.00         | 13.00         |
| Public Works                     | 205.25        | 212.25        | 213.25        | 201.25        | 216.25        | 222.25        | 207.25        | 211.25        | 227.25        | 252.25        |
| Public Safety                    | 233.50        | 235.50        | 241.50        | 268.00        | 248.00        | 235.00        | 238.00        | 242.00        | 252.00        | 256.00        |
| Community & Economic Development |               |               |               |               |               |               | 36.00         | 39.00         | 39.00         | 35.00         |
| <b>Total</b>                     | <b>694.95</b> | <b>706.65</b> | <b>718.65</b> | <b>692.05</b> | <b>689.05</b> | <b>682.35</b> | <b>690.35</b> | <b>703.35</b> | <b>731.25</b> | <b>769.25</b> |

**Source:** City of Arvada 2023 -2024 Revised 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.

\*\* In 2020 the City of Arvada had some restructuring in the departments. Economic Development, which was a part of the Community Development and a part of Public Works, formed a new department called Community & Economic Development.



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

| Function Program              | Fiscal Year |            |            |            |            |            |            |            |            |            |
|-------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                               | 2014        | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |
| General government            |             |            |            |            |            |            |            |            |            |            |
| Building permits issued       | 9,002       | 9,957      | 8,695      | 13,669     | 7,704      | 6,119      | 6,603      | 7,332      | 6,886      | 7,941      |
| Police                        |             |            |            |            |            |            |            |            |            |            |
| Physical arrests              | 2,245       | 2,638      | 2,456      | 2,523      | 2,764      | 2,918      | 1,782      | 2,025      | 1,846      | 2,254      |
| Parking violations            | 1,209       | 1,473      | 2,131      | 3,779      | 3,818      | 3,881      | 1,474      | 5,249      | 5,508      | 7,849      |
| Traffic violations            | 11,222      | 12,215     | 11,484     | 11,689     | 9,018      | 8,396      | 6,144      | 5,820      | 5,223      | 6,294      |
| Other public works            |             |            |            |            |            |            |            |            |            |            |
| Street resurfacing (miles)    | 32          | 23         | 23         | 137        | 40         | 29         | 50         | 47         | 52         | 51         |
| Potholes repaired             | 4,931       | 9,404      | 6,337      | 5,911      | 4,768      | 8,409      | 4,709      | 4,249      | 3,732      | 4,662      |
| Parks and recreation          |             |            |            |            |            |            |            |            |            |            |
| Athletic field permits issued | 22,841      | 22,905     | 22,447     | 19,012     | 6,312      | 61         | 51         | 7,264      | 7,427      | 7,400      |
| Water                         |             |            |            |            |            |            |            |            |            |            |
| Consumers (Tap)               | 35,537      | 36,193     | 37,067     | 38,010     | 38,464     | 38,829     | 39,162     | 39,441     | 39,770     | 36,583     |
| New connections               | 530         | 705        | 966        | 638        | 457        | 362        | 286        | 246        | 383        | 269        |
| Leaks                         | 49          | 25         | 29         | 47         | 43         | 43         | 26         | 47         | 47         | 30         |
| Average daily consumption     | 12,773,725  | 13,080,428 | 14,440,172 | 13,359,897 | 14,294,415 | 13,256,739 | 15,043,088 | 13,776,756 | 16,312,413 | 12,160,178 |

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

**Note:** In 2019 the City switched to a new permitting system and the number of athletic field permits issued in 2019 is down. A permit is now considered any single organizational contract or event held at a City of Arvada Park.

**Note:** During 2021 the City of Arvada has transitioned athletic fields operations from APEX to the City. A new reporting system counts a single event as a permit.

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

| Function/Program                         | Fiscal Year |       |       |       |       |       |       |       |       |       |
|------------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                          | 2014        | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
| Police                                   |             |       |       |       |       |       |       |       |       |       |
| Stations                                 | 3           | 3     | 3     | 3     | 3     | 4     | 4     | 4     | 4     | 4     |
| Patrol units                             | 100         | 99    | 83    | 93    | 81    | 61    | 64    | 73    | 82    | 59    |
| Fire Protection Districts                | 3           | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Other public works                       |             |       |       |       |       |       |       |       |       |       |
| Streets (miles)                          | 450         | 481   | 467   | 467   | 478   | 478   | 480   | 474   | 478   | 479   |
| Parks and recreation                     |             |       |       |       |       |       |       |       |       |       |
| Square Miles (City of Arvada)            | 39          | 39    | 39    | 39    | 40    | 40    | 40    | 40    | 40    | 40    |
| Playgrounds                              | 58          | 60    | 67    | 67    | 67    | 67    | 71    | 75    | 70    | 69    |
| Tennis/basketball Courts                 | 77          | 77    | 72    | 72    | 72    | 72    | 84    | 87    | 86    | 84    |
| Baseball/softball diamonds               | 43          | 43    | 31    | 31    | 33    | 33    | 46    | 46    | 46    | 50    |
| Soccer/football fields                   | 32          | 35    | 27    | 28    | 30    | 30    | 40    | 40    | 40    | 49    |
| Community centers/Sport complexes        | 19          | 19    | 18    | 18    | 18    | 18    | 18    | 21    | 19    | 15    |
| Water                                    |             |       |       |       |       |       |       |       |       |       |
| Water mains (miles)                      | 616         | 621   | 624   | 632   | 633   | 624   | 620   | 627   | 629   | 634   |
| Fire hydrants                            | 5,212       | 5,392 | 5,489 | 5,592 | 5,741 | 5,504 | 5,525 | 5,637 | 5,865 | 5,929 |
| Wastewater                               |             |       |       |       |       |       |       |       |       |       |
| Sanitary sewers (miles)                  | 440         | 456   | 458   | 461   | 463   | 460   | 461   | 462   | 464   | 466   |
| Storm sewers (miles)                     | 166         | 169   | 178   | 174   | 179   | 221   | 221   | 178   | 178   | 180   |
| Treatment capacity (millions of gallons) | 3,640       | 3,760 | 3,474 | 3,200 | 3,047 | 3,081 | 3,114 | 3,202 | 3,759 | 3,759 |

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

## **Compliance Section**





**CITY OF ARVADA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

| Federal Grantor/Pass-Through Grantor/Program Title                      | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|-------------------------------------------------------------------------|-----------------------------------|----------------------------------------|---------------------------------|----------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                 |                                   |                                        |                                 |                            |
| Direct Award                                                            |                                   |                                        |                                 |                            |
| Community Development Block Grants/Entitlement Grants Cluster:          |                                   |                                        |                                 |                            |
| Community Development Block Grants/Entitlement Grants:                  | 14.218                            | N/A                                    | \$ 72,000                       | \$ 157,943                 |
| COVID-19 - Community Development Block Grants (CARES Act - CDBG-CV)     | 14.218                            | N/A                                    | -                               | 113,389                    |
| Total for Community Development Block Grants/Entitlement Grants Cluster |                                   |                                        | 72,000                          | 271,332                    |
| Housing Voucher Cluster:                                                |                                   |                                        |                                 |                            |
| Section 8 Housing Choice Vouchers                                       | 14.871                            | N/A                                    | -                               | 7,043,357                  |
| Mainstream Vouchers                                                     | 14.879                            | N/A                                    | -                               | 675,411                    |
| Total Housing Voucher Cluster                                           |                                   |                                        | -                               | 7,718,768                  |
| <b>Total U.S. Department of Housing and Urban Development</b>           |                                   |                                        | 72,000                          | 7,990,100                  |
| <b>U.S. DEPARTMENT OF JUSTICE</b>                                       |                                   |                                        |                                 |                            |
| Direct Award                                                            |                                   |                                        |                                 |                            |
| Bulletproof Vest Partnership Program                                    | 16.607                            | N/A                                    | -                               | 10,639                     |
| Public Safety Partnership and Community Policing Grants                 | 16.710                            | N/A                                    | -                               | 119,378                    |
| Edward Byrne Memorial Justice Assistance Grant Program                  | 16.738                            | N/A                                    | -                               | 25,152                     |
| Equitable Sharing Program                                               | 16.922                            | N/A                                    | -                               | 97,798                     |
| Department of Public Safety, Division of Criminal Justice               |                                   |                                        |                                 |                            |
| Edward Byrne Memorial Justice Assistance Grant Program                  | 16.738                            | 2021-FJ-23-01-6-1                      | -                               | 10,437                     |
| <b>Total U.S. Department of Justice</b>                                 |                                   |                                        | -                               | 263,404                    |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>                                |                                   |                                        |                                 |                            |
| Passed through Colorado Department of Transportation                    |                                   |                                        |                                 |                            |
| Highway Planning and Construction Cluster:                              |                                   |                                        |                                 |                            |
| Highway Planning and Construction                                       | 20.205                            | SAR M040-038 (24677)                   | -                               | 36,804                     |
| Highway Planning and Construction                                       | 20.205                            | SHE M040-033 (22275)                   | -                               | 113,130                    |
| Highway Planning and Construction                                       | 20.205                            | SHO M040-034 (22278)                   | -                               | 135,307                    |
| Highway Planning and Construction                                       | 20.205                            | 23-HTD-ZL-00272/491002971              | -                               | 46,680                     |
| Total Highway Planning and Construction                                 |                                   |                                        | -                               | 331,921                    |
| Highway Safety Cluster                                                  |                                   |                                        |                                 |                            |
| Passed through Colorado Department of Transportation                    |                                   |                                        |                                 |                            |
| National Priority Safety Programs                                       | 20.616                            | PO 421086486                           | -                               | 3,000                      |



**CITY OF ARVADA**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

| Federal Grantor/Pass-Through Grantor/Program Title                           | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|------------------------------------------------------------------------------|-----------------------------------|----------------------------------------|---------------------------------|----------------------------|
| Passed through Colorado Department of Transportation                         |                                   |                                        |                                 |                            |
| National Priority Safety Programs                                            | 20.616                            | None provided                          | -                               | 1,429                      |
| Total for Highway Safety Cluster                                             |                                   |                                        | -                               | 4,429                      |
| <b>Total U.S. Department of Transportation</b>                               |                                   |                                        | -                               | 336,350                    |
| <b>U.S. TREASURY DEPARTMENT</b>                                              |                                   |                                        |                                 |                            |
| Passed through Colorado Department of Local Affairs                          |                                   |                                        |                                 |                            |
| COVID-19 Emergency Rental Assistance                                         | 21.023                            | N/A                                    | -                               | 233                        |
| Direct Award                                                                 |                                   |                                        |                                 |                            |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                   | 21.027                            | N/A                                    | -                               | 5,623,719                  |
| Passed through Colorado Department of Local Affairs                          |                                   |                                        |                                 |                            |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                   | 21.027                            | SLFRP0126                              | -                               | 54,460                     |
| <b>Total U.S. Treasury Department</b>                                        |                                   |                                        | -                               | 5,678,412                  |
| <b>EXECUTIVE OFFICE OF THE PRESIDENT</b>                                     |                                   |                                        |                                 |                            |
| Passed through City of Aurora                                                |                                   |                                        |                                 |                            |
| High Intensity Drug Trafficking Areas Program                                | 95.001                            | RAVEN                                  | -                               | 6,268                      |
| <b>Total Executive Office of the President</b>                               |                                   |                                        | -                               | 6,268                      |
| <b>DEPARTMENT OF HOMELAND SECURITY</b>                                       |                                   |                                        |                                 |                            |
| Passed through Colorado Division of Homeland Security & Emergency Management |                                   |                                        |                                 |                            |
| Hazard Mitigation Grant                                                      | 97.039                            | DR-451-03                              | -                               | 24,134                     |
| <b>Total Department of Homeland Security</b>                                 |                                   |                                        | -                               | 24,134                     |
| <b>Total Federal Financial Assistance</b>                                    |                                   |                                        | \$ 114,852                      | \$ 14,298,668              |

See accompanying notes to the Schedule of Federal Awards

**City of Arvada**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

**Note 1.       Basis of Presentation**

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.

**Note 2.       Summary of Significant Accounting Policies**

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.

**Note 3.       Indirect Cost Rate**

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4.       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 Cluster (Assistance Listing 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, 2023 is \$1,565,861.

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

### **Independent Auditor's Report**

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and related notes as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Arvada's (the City) basic financial statements, and have issued our report thereon dated July 16, 2024, which contained an emphasis of matter paragraph regarding a change in accounting principle.

### ***Report on 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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

*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. We consider the deficiency described in the accompanying schedule of findings and questions costs as item 2023-001 to be a material weakness.

*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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### ***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.

**Forvis Mazars, LLP**

Denver, Colorado  
July 16, 2024

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Arvada's (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2023. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on 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 a 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

**Forvis Mazars, LLP**

Denver, Colorado  
July 16, 2024

City of Arvada  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

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**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified      Qualified      Adverse      Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified? ☒ Yes   None   Reported

Material weakness(es) identified? ☒ Yes   No

3. Noncompliance considered material to the financial statements noted?

Yes   ☒ No

*Federal Awards*

4. Internal control over federal awards programs:

Significant deficiency(ies) identified? Yes   ☒ None Reported

Material weakness(es) identified? Yes   ☒ No

5. The type of auditor’s report issued on compliance for major federal program(s):

☒ Unmodified      Qualified      Adverse      Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

Yes   ☒ No

City of Arvada  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

(Continued)

7. Identification of major federal programs:

**Assistance Listing Number**

21.027

**Name of Federal Program or Cluster**

COVID-19 – Coronavirus State and Local  
Fiscal Recovery Funds

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

9. The City qualified as low-risk auditee?

☒ Yes ☐ No

Section II – Financial Statement Findings

| <u>Reference Number</u> | <u>Finding</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2023-001                | <p data-bbox="573 426 987 457"><b>Finding: Accounts Receivable</b></p> <p data-bbox="573 499 1529 636"><b>Criteria or specific requirement:</b> Under the modified accrual basis of accounting, revenue should be recognized when measurable and available. Receivables recognized in an exchange transaction should be recognized when the transaction takes place.</p> <p data-bbox="573 678 1529 1098"><b>Condition:</b> The City simultaneously records accounts receivable and a related unearned revenue in the Parks Fund when facilities are reserved for future uses. The City does not collect payment at the time of reservation nor is there a true commitment from the customer, and as such the City should not have recorded a receivable or unearned revenue. Additionally, unearned revenue and deferred inflows of resources were improperly reported on the financial statements. Opioid Settlement Funds were properly recorded as a receivable, but were improperly recorded as unearned revenue. Forvis Mazars noted additional immaterial changes to the unearned revenue reconciliation as well. Other unearned revenue balances are recorded throughout the year and manually adjusted at year-end to ensure proper presentation for financial reporting purposes.</p> <p data-bbox="573 1129 1529 1371"><b>Effect:</b> The City incorrectly recorded reservations for events that do not meet the measurable and available criteria. As a result, accounts receivable and unearned revenue are overstated. An audit adjusting entry of \$410,000 was recorded in the Parks Fund to reduce accounts receivable and unearned revenue to zero. An audit adjusting entry of \$729,537 was recorded in the General Fund to reclassify the unearned revenue to a deferred inflow of resources.</p> <p data-bbox="573 1413 1529 1581"><b>Cause:</b> The City recognizes these transactions due to the system utilized to reserve facilities, as otherwise the City would lose ability to track the reservations. The year-end unearned revenue elimination evaluation is prepared only at year-end and is completed manually. This evaluation is not reviewed by someone other than the preparer.</p> <p data-bbox="573 1623 1529 1896"><b>Recommendation:</b> We recommend the City perform a year-end reconciliation to identify balances which should be recorded to the current year and to eliminate balances which do not meet the recognition criteria. As the City begins implementation of a new accounting system, we also recommend formally creating a deferred inflow of resources account so that items are reported in the proper category. This will allow the City to ensure items are recorded appropriately at the time as opposed to reviewing and reclassifying all items at year-end.</p> <p data-bbox="573 1938 1529 1997"><b>Views of responsible officials:</b> Agree. See separate report for planned corrective actions.</p> |

| <u>Reference Number</u> | <u>Finding</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2023-002                | <p><b>Finding: Accounts Payable</b></p> <p><b>Criteria or specific requirement:</b> Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls help to ensure transactions are recorded timely and in the proper reporting period. The City should have controls in place to ensure accounts payable invoices are recorded in the proper period.</p> <p><b>Condition:</b> Accounts payable invoices for services related to the year ending December 31, 2023 were improperly excluded from the financial statements.</p> <p><b>Effect:</b> Two invoices totaling approximately \$695,000 were not identified during the City's year-end accrual process. The City recorded an adjusting entry to accounts payable.</p> <p><b>Cause:</b> The invoices were overlooked by the City during the year-end closing process as project personnel did not inform accounting personnel of the outstanding invoices.</p> <p><b>Recommendation:</b> We recommend the City increase training over year-end closing to individuals throughout the City, including project managers. Additionally, we recommend the City update their report parameters to ensure all necessary information is captured for evaluation of year-end accruals.</p> <p><b>Views of responsible officials:</b> Agree. See separate report for planned corrective actions.</p> |

City of Arvada  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

(Continued)

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Section III – Federal Award Findings and Questioned Costs

| <u>Reference Number</u> | <u>Finding</u> | <u>Questioned Costs</u> |
|-------------------------|----------------|-------------------------|
|-------------------------|----------------|-------------------------|

No matters are reportable.

City of Arvada  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2023

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| <u>Reference Number</u> | <u>Summary of Findings</u> | <u>Status</u> |
|-------------------------|----------------------------|---------------|
|-------------------------|----------------------------|---------------|

No matters are reportable.



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