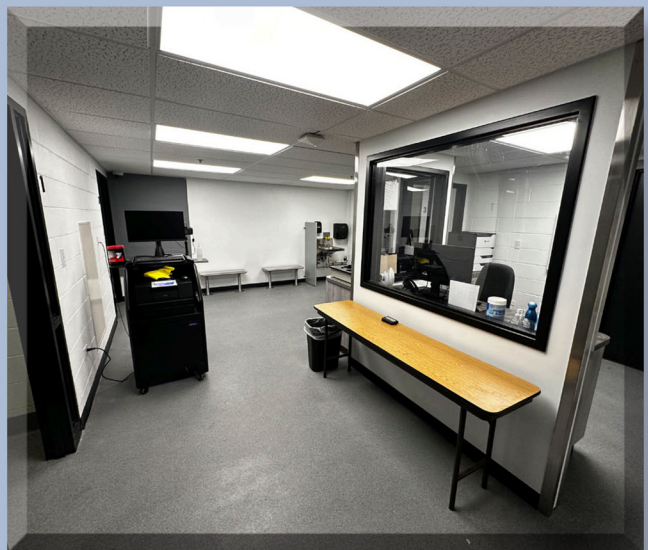
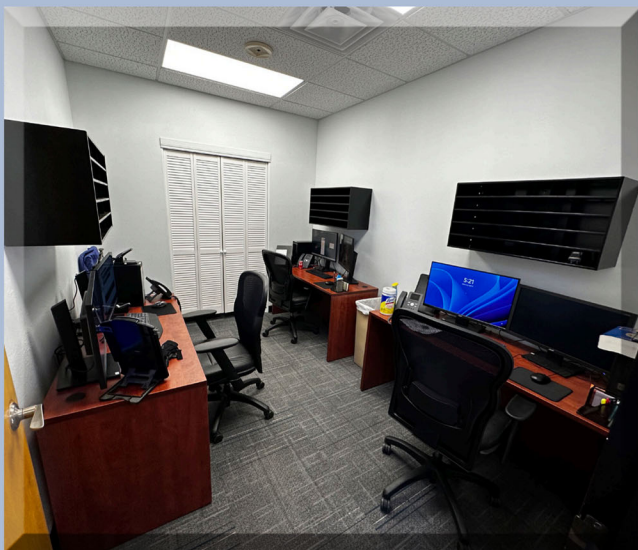


2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023



2023 POLICE DEPARTMENT READINESS AND SPACE MODERNIZATION PROJECT.

CITY OF FEDERAL HEIGHTS, COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2023

Prepared by the Finance Department

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INTRODUCTORY SECTION

DIRECTORY OF CITY OFFICIALS

ELECTED OFFICIALS

Linda S. Montoya	Mayor	At-Large
Doris Peterson	Mayor-Pro Tem	Ward II
Celeste Arner	Council Member	Ward I
Sarah Dawn Pearlstein	Council Member	Ward I
Bonnie Sellers	Council Member	Ward II
Sonia Jensen	Council Member	Ward III
Shari DeVries	Council Member	Ward III

MANAGEMENT AND APPOINTED OFFICIALS

Jacqueline Halburnt	City Manager
Bill Hayashi	City Attorney
Patti Lowell	City Clerk/Director of Admin Services
Ausmus Law Firm PC	City Prosecutor
Amanda Bailhache	Judge
Robert Grado	Chief of Police
Marc Mahoney	Fire Chief
Don Stahurski	Public Works Director
Tim Williams	Community Services Director
Tim Weitzman	Finance Director

FEDERAL HEIGHTS 2023 CITY COUNCIL MEMBERS



Linda S. Montoya
Mayor
lsmontoya@fedheights.org



Celeste Arner
Ward I
carner@fedheights.org



Doris Peterson
Mayor Pro Tem Ward II
dpeterson@fedheights.org



Shari DeVries
Ward III
sdevries@fedheights.org



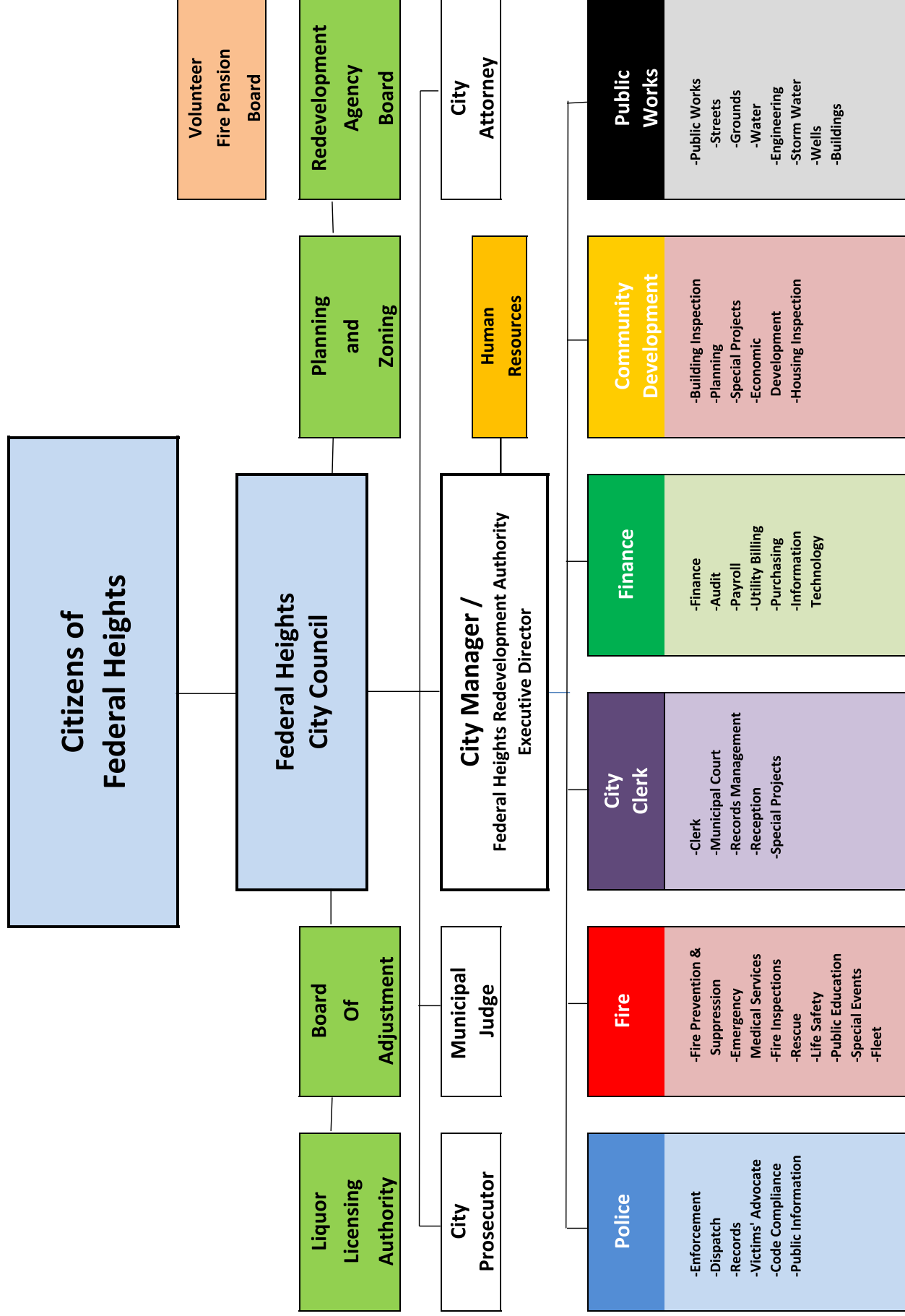
Sarah Dawn Pearlstein
Ward I
spearlstein@fedheights.org



Bonnie Sellers
Ward II
bsellers@fedheights.org



Sonia Jensen
Ward III
sjensen@fedheights.org





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Federal Heights
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO



The City of Federal Heights MISSION STATEMENT

Our mission is to provide a high quality of life for the citizens of Federal Heights, while preserving a close-knit atmosphere, through responsible and effective stewardship of all resources, prudent economic development, enhancement of our current services, and participation in public, private, and regional partnerships.

VISION STATEMENT

The City of Federal Heights:

- is comprised of distinct neighborhoods that are safe, secure and have convenient access to services and amenities;**
- has a sustainable and growing economic base that fosters diverse employment and business opportunities;**
- offers a community-focused system of recreational, educational, and cultural activities for people of all ages and income levels;**
- capitalized upon its strategic location within the Denver metro area and adapts to a changing environment; and**
- proudly enjoys a City government that is responsive and responsible to the needs of its citizens.**



June 4, 2024

City Hall
2380 W. 90th Avenue
Federal Heights, CO 80260
303-428-3526
303-412-3598 Fax

To the Citizens of Federal Heights:
To the Mayor and City Council:

City Charter and State law requires that an Annual Comprehensive Financial Report (ACFR) be published within six months of the close of each fiscal year. The report shall be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by independent certified public accountants. This report fulfills that requirement for the City of Federal Heights for the fiscal year ending December 31, 2023.

Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the City, based upon a comprehensive framework of internal control that it has established for this purpose. 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 fairly the financial position of the City and results of the operations of its various funds. As the cost of internal controls should not outweigh the benefits, the outcome is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

The ACFR is presented in conformity with Statement No. 34 of the Governmental Accounting Standards Board (GASB), titled Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for government-wide activities. This statement also requires that management 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 designed to complement and should be read in conjunction with the MD&A. The MD&A can be located in the financial section, immediately following the report of the independent auditor’s. The 2023 audit was performed by John Cutler and Associates. The independent auditor concluded that the City of Federal Heights’ financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

PROFILE OF THE CITY

The City of Federal Heights is a home rule charter city organized under the laws of the State of Colorado and governed by a Council/Manager form of government. The City Council is composed of seven members – a Mayor elected at large and six Council members elected on a non-partisan basis by their respective wards. There are three wards and two Council members who are elected from each ward. The Council appoints the City Manager, City Attorney, Municipal Judge and City Prosecutor. All other employees are hired by the City Manager. The city had 94 FTE personnel positions in 2023.

The City was established in 1940, currently has a population of approximately 14,382, and occupies 1.78 square miles (1140 acres). The city is fundamentally built-out with the remaining undeveloped acreage along the Federal Boulevard corridor and 92nd Avenue. Total undeveloped and unplanned areas are less than 75 acres.

The city is a full-service City providing police, fire and emergency medical services, a court system, public works, (parks, streets, drainage, water and wastewater service), community development (planning and building), and general administrative services. Treated water is mostly purchased from our neighbor, the City of Westminster, and the wastewater treatment service is provided by Metro Water Recovery through the City of Thornton. The city maintains the city water and wastewater lines, wells that typically produce approximately two percent of customer demand, and the billing of customer accounts. The citizens and business owners enjoy a low 0.68 millage rate for city real and personal property taxation. The city has a four percent rate for sales and use taxes, and a four percent admissions tax. The city has an additional five percent tax on recreational marijuana and on the first sale or transfer of recreational marijuana.

The City includes the blended component unit, the Federal Heights Redevelopment Agency, in the financial reporting. City Council members are the governing body of this urban renewal authority.

The budget serves as the foundation for the City's financial planning and control. The City Council formally adopts an annual budget for all funds and is required to include a capital plan. The city council must adopt the budget by resolution before the close of the prior fiscal year after a public hearing. The budget is prepared at the fund and department levels. Expenditures may not exceed appropriations at the fund level. Any budget revisions that change the total expenditures of any fund must be approved by the City Council.

Local Economy

Approximately 200 to 225 businesses operate within the city in any given year offering a variety of goods and services. The largest concentration of businesses is located at 84th and Pecos, 104th and Federal and along the Federal Boulevard corridor. With the City largely developed and landlocked, it does not have many current locations ripe for residential or commercial development.

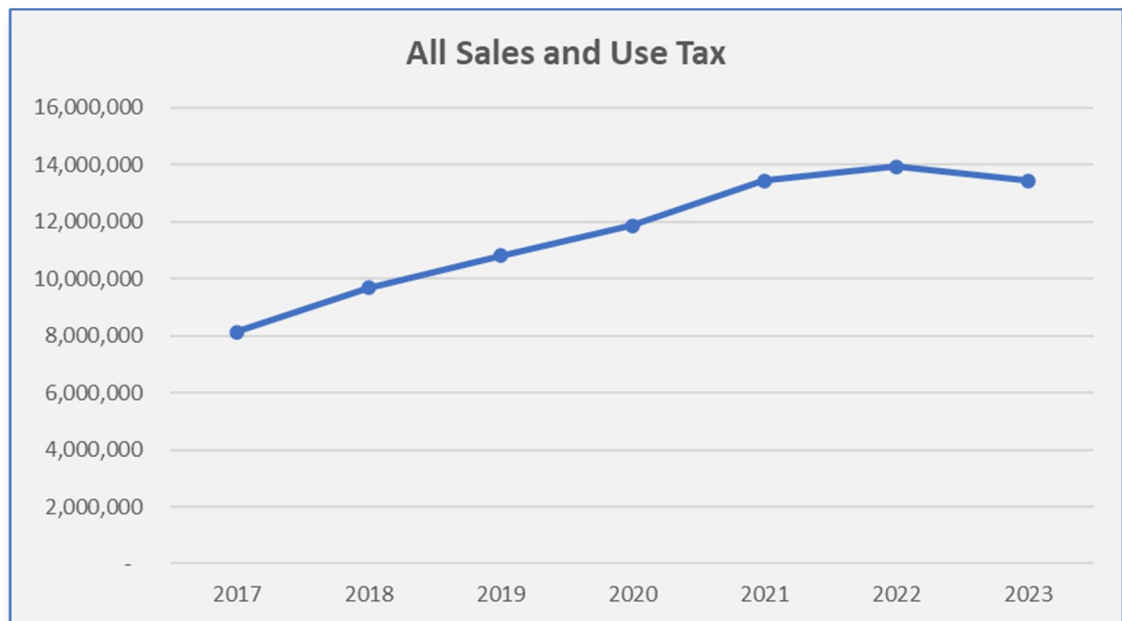
The overall economic environment appears to have been generally stable during 2023 as inflation moderated and labor shortages continued.

The Denver-Aurora-Lakewood Consumer Price Index grew by approximately 5.215 percent for 2023 following an 8.011 percent increase in 2022 and a 3.541 percent increase in 2021.

Adams County Colorado had an unemployment rate of 3.6% in December 2023 compared to 2.8% at the end of 2022. Local area unemployment at the end of 2023 was slightly above the state as whole which was approximately 3.3% at that time.

Overall, the City's local economy appeared steady in 2023, likely benefiting from the overall reduction in inflation compared to 2022 and a reduction in the potential risk for a recession. Overall sales and use tax decreased a modest 3.6% in 2023 as compared to a 3.7% increase in 2022 and 13.2% increase in 2021. On an overall statewide basis, Marijuana sales have decreased in the past two years after experiencing multiple years of double-digit growth since the introduction of marijuana sales in 2014. The decrease in sales is expected to continue in the near term with eventual future growth anticipated to be below that experienced during the initial years when the product was introduced as the market now appears to be maturing. It is expected that the City's revenue from marijuana sales will be generally be similar to these State expectations for the industry overall.

Since the introduction of recreational marijuana in 2017 the corresponding sales tax has become an significant component of overall city revenues and any changes to the market conditions for that industry likewise impacts those revenues for the City.



Looking Back

The city undertook several projects in 2023 with the purpose of improving public services and safety as well as facility upgrades:

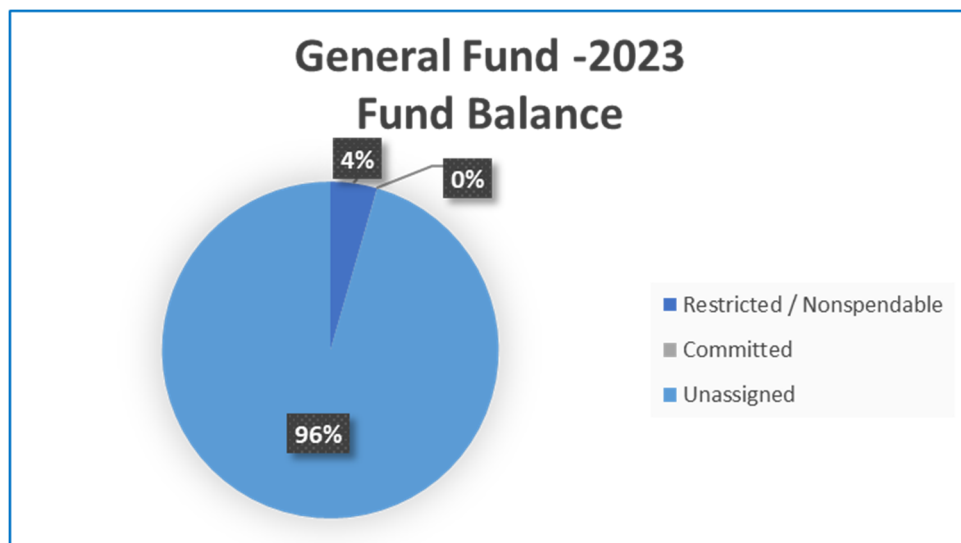
- The undergrounding of overhead utility lines along W. 92nd Avenue from Federal Boulevard to Pecos Street continued with completion expected in the latter half of 2024. A continuation of this project along Pecos Street from W. 84th Avenue to W. 85th Avenue is expected to commence in late 2024.
- The construction and renewal of Ruston Park officially opened on August 10, 2023. Construction commenced in 2021 and the investment has greatly enhanced the attractiveness of the park. The resulting amenity provides a location for groups and individuals to enjoy gatherings and outdoor activities. To help reach the goals of this project the city was awarded a \$1.8 million grant from Adams County Open Space in 2019 and Mile High Flood District has contributed approximately \$1.1 million to assist in financing the overall costs.
- Acquisition of 8961 Clay Street was completed.
- Water Main Replacement projects for 2023 consisted of replacement of the Monticello and Camenisch Way Water Mains.
- Street paving projects completed in 2023 consisted of the repaving of the west side of Huron Street from City Limits to 84th Avenue.
- The Northmoor Sewer line addition was completed.
- Signal Pole replacement at W 92nd Ave and Bryant Drive was completed.
- The water line replacement project along 90th Place from Elm to Clay Street was completed.
- The design phase for the reconfiguration of the police department for better space utilization and operational efficiencies was completed and the initial phases of the construction process were initiated. The final completion of this project is expected in the second quarter of 2024.
- The design phase for the reconfiguration of the Fire Department lobby to provide an increased level of safety and security for public interactions was completed and the initial phases of construction were initiated. Final completion of this project is expected in the second quarter of 2024.
- Planning and design for the upgrade to the chambers used for City Council meetings as well as Court hearings and procedures was completed. Actual construction was initiated and completed in early 2024.

Looking Forward

Long-term Financial Planning: The City's budget process includes the preparation of a 5-year capital improvement plan (CIP). The CIP identifies major construction and equipment needs that are on the horizon, as well as projections of those revenues dedicated for capital purchases. A one-percent sales tax was approved by voters during 2002. The citizen approved ballot item requires 60 percent of the additional revenue be restricted for capital needs. Thirty-five percent is transferred to the Road Improvement Fund, ten percent restricted for ambulance and fire equipment, and fifteen percent transferred into the City's Capital Improvement Fund.

A key component of the CIP is the City's commitment to maintaining its current infrastructure - streets, curbs, gutters, sidewalks, parks, drainage, and the utility system- and dedicating resources to keep infrastructure at acceptable quality levels and to avoid more costly major repairs and reconstruction. While the 5-year planning tool is subject to change, it allows the city to prepare for major capital needs and match those needs with the appropriate projected revenue or available sources. The City does not plan to issue debt to finance needed projects. Presently, the Utility Fund and the Drainage Fund have adequate levels of available working capital to finance major system upgrades.

The General Fund currently maintains an unassigned and available fund balance of approximately \$20 million. This represents approximately 96 percent of the overall General Fund balance and approximately 109 percent of the budgeted expenditures for the General Fund in 2024. This unassigned fund balance is available to the City council for one-time expenditures, or to balance the annual budget on a current basis if needed.



Major Initiatives: Water- Sewer- Road Maintenance. For 2024, the city has appropriated approximately \$4.4 million for Water, Sewer and Drainage capital improvements including the continuation of water main replacements and the city-wide sewer manhole lining project. The Water Main Replacement project that began for Old Town in 2023 will continue with the 2024 phases expected to include the remainder of 90th Place from Federal Boulevard to Elm Court and Clay Street to Camenisch Way; Elm Court from 90th Place to 91st Avenue; and Clay Street from 90th Avenue to 91st Avenue. Manhole lining of approximately ten to fifteen manholes are also expected to be completed as part of the ongoing city-wide manhole lining project. Road projects for 2024 are expected to include Mill & Overlay repaving for sections of Pecos Street, Royal St., Mandel St., Rampart St., Orleans St., Orleans Lane and W. 91st Place. Full-depth reconstruction is expected to be completed for Camenisch Way from W. 90th Avenue to W. 92nd Avenue.

Also planned is a study along the 92nd Avenue Corridor in order to assess the current traffic volume as well as opportunities to improve overall roadway and pedestrian safety along with traffic efficiency through consideration of methods to reduce speeds to the allowable speed limits; general disability and pedestrian safety improvements; consideration of additional right turn lanes; and an evaluation and comparison of additional traffic signal installations versus other pedestrian crossing alternatives.

A separate study along Federal Boulevard commenced in 2023 in conjunction with surrounding communities to assess the status of public transportation along the corridor and develop recommendations for adding Bus Rapid Transit (BRT) to improve the effectiveness and efficiency in delivering those public transportation services. The study is expected to be completed in 2024.

In addition, the City recently commenced an update of its Comprehensive Plan intended to guide strategic planning and provide a vision for the City's future development. This is expected to be completed in the latter half of 2024.

Notable Revenue Sources: In November 2016, voters approved the sale of retail marijuana in the city. Current ordinance allows for five locations for medical and or retail marijuana sales. In addition to the city's standard 4 percent sales tax, retail marijuana is subject to an additional 5 percent sales tax. Thus far, the tax generated from recreational marijuana sales has had a significant positive impact on the city's overall sales tax revenue and will likely continue to be a significant source of ongoing sales tax revenue and growth in the near term. In 2017, the city also passed a five percent tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility based on the average market for unprocessed retail marijuana. There are currently no marijuana cultivation facilities in the city.

Relevant Financial Information and Policies

Revenue and Spending Limitations: The Colorado Constitutional Amendment passed in November 1992, commonly known as the Taxpayer Bill of Rights (TABOR), restricts growth in governmental spending and revenues, with those amounts adjusted annually for inflation and a local growth factor. In November 1996, Federal Heights' voters approved a referendum that allowed the city to retain revenues that might otherwise have been refundable to citizens under the TABOR limits. As a result, the city is able to retain any "excess" revenues and spend them for capital projects, basic municipal services, and other public purposes. The City continues to be subject to other provisions of TABOR, including maintaining an emergency reserve equal to three percent of annual spending and the requirement for any tax increase or debt issuance for general governmental purposes to be approved by elections.

Pension and Retirement Benefits: City Police and Fire sworn personnel participate in various state-wide pension plans sponsored by the Fire and Police Pension Association (FPPA). Since 2005, the City Police and Fire sworn personnel have had access to the state-wide defined benefit plan. Previously, uniform personnel participated in FPPA state-wide defined contribution/money purchase plans. The statewide FPPA hybrid money purchase component plan was utilized by employees of many cities throughout the state to reenter into the FPPA defined benefit program. Very few of our current police and fire sworn personnel participate in the money purchase plans.

The City's general non-sworn employees have money purchase defined contribution plans and participate in social security. For 2023 the city contributed at least 4.5 percent and up to 6.5 percent if the additional two percent was matched, by the employee.

The City's postretirement health insurance benefit is available to all full-time employees who have completed 10 years of continuous service and have reached 60 years of age for an amount not to exceed \$400 per month. This liability is included in the City's Statement of Activities and is addressed in Note No. 9 of the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Federal Heights, Colorado for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Oversight for the presentation of the Annual Comprehensive Financial Report on a timely basis was made possible by the Finance Department, and many other City staff members who contributed to its preparation. Each contributor has our sincere appreciation for the efforts made in the preparation of this report.

In closing, we wish to thank the members of the City Council for their interest, leadership, and support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Jacqueline Halburnt
City Manager

Tim Weitzman
Finance Director

FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of City Council
City of Federal Heights
Federal Heights, Colorado

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Federal Heights, Colorado (the “City”) 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, each major fund, and the aggregate remaining fund information of the City of Federal Heights, Colorado as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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). 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 of Federal Heights, Colorado, and to meet our 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 twelve 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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 on pages c-o; the budgetary comparison schedules and pension information on pages 44-50, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 supplementary information and other information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

John Cutler & Associates, LLC

May 24, 2024

As management of the City of Federal Heights (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the City.

A. FINANCIAL HIGHLIGHTS

- The net position of all governmental and business type activities totaled \$91.1 million at the end of 2023 on the Government – Wide Financial Statements. Of this amount, \$27.9 million or 30% is unrestricted and may be used to meet the City’s ongoing obligations.
- The fund balance for General Fund decreased by \$.4 million and totaled \$20.4 million. Unassigned fund balance was \$19.5 million or 114% of General Fund Revenues. The unassigned portion of fund balance is available for the City’s future spending needs at the Council’s discretion.
- Tax revenue in the General Fund decreased 3.6% to \$14.0 million. Overall, Sales and Use tax and admissions tax revenues decreased by \$.5 million to \$13.4 million. Decreases were primarily due to a reduction in sales tax revenues related to marijuana sales. These decreases, along with a \$2.9 million decrease in Intergovernmental Revenues, primarily due to the 2022 recognition of the remaining funding the city received under the American Rescue Plan, were partially offset by an increase of approximately \$1.1 million in Investment income and a \$.2 million increase for transfers, license fees and other service charges resulting in an overall revenue decrease of approximately \$2.1 million.
- The Redevelopment Agency Fund’s total fund balance totaled \$1.4 million at the end of 2023. Property and sales tax increment receipts received are being used to pay for projects in the redevelopment areas.
- The Road Improvement Fund restricted fund balance for street improvements increased \$1.1 million and totaled \$6.1 million. Capital outlay of \$.5 million was spent during the year for infrastructure improvements and repairs.
- The Capital Improvement Fund’s total fund balance totaled \$12.1 million at the end of 2023, an increase of approximately \$4.2 million as compared with the prior year.
- Other Governmental Funds reported combined restricted fund balance of \$2.2 million, an increase of \$.3 million in comparison with the prior year.
- The Utility Fund and Drainage Fund (proprietary/business type funds) net positions increased \$.5 million to \$21.3 million. However, on a budgetary basis including the cost of capital acquisitions, the Utility Fund spend was approximately \$.3 million more than current revenues, while the Drainage Fund spend was approximately \$.1 million less than current revenues.

- Utility Fund capital system investment totaled \$1.4 million and the Drainage Fund capital system improvement totaled approximately \$.03 million.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Federal Heights' finances in a manner similar to a private sector business.

The ***Statement of Net Position*** presents the financial condition of the City as a whole at the end of the fiscal year by presenting information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the City is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). The Governmental Activities of the City include general government, public safety (police, dispatch, victim advocate services, fire and ambulance), community services, parks and recreation, and community development. Business-type Activities include utility (water/sewer) and drainage. The Utility Enterprise and the Drainage Enterprise are the two major Business-type funds.

The Redevelopment Agency, for which the City is financially accountable, is included in the government-wide financial statements. Financial information for this blended component unit is reported separately from the financial information presented for the City itself.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, however, City Council establishes other funds to help control and manage spendable resources for particular purposes (i.e. Road Improvement Fund). The City's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

GASB 34 requires the designation and highlighting of Major Funds and establishes certain size thresholds that a fund must meet in relation to all the other governmental or business-type activity funds, or in relation to all city funds before a fund is classified as a major fund. The General Fund is always considered a major fund. In highlighting these funds, it is believed that readers will more carefully review the activity of the largest funds. Our major governmental funds are the General Fund, Redevelopment Agency Fund, Road Improvement Fund, and the Capital Improvements Fund. The non-major funds include the Open Space Fund, the E911 Fund, and the Special Investigation Fund.

Governmental funds – Most of the City’s basic services are reported in governmental funds, which focus on how spendable resources flow into and out of those funds and the balances left at year-end that are available for future years. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds – When the City charges customers for services it provides these services are generally reported in proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Fund and the Drainage Funds, which are considered to be major funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City’s own programs. The method of accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplemental Information

In addition to the basic financial statements and accompanying notes, this report includes Required Supplementary Budgetary comparisons for the General Fund and Redevelopment Agency. The Required Supplementary Information also includes schedules required under GASB 68 for the City’s Volunteer and Statewide Defined Benefit plans and schedules required under GASB 75 for the City’s OPEB Plan. These schedules are updated annually.

Combining and Individual Fund Schedules

This report presents the combining statements, individual statements and schedules of the non-major Governmental Funds and Enterprise Funds. Schedules of revenues, expenditures and change in net position – budget to actual of all proprietary funds, Road Improvement Fund and non-major governmental funds are also included.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the close of 2023, total net position was \$91.1 million. The largest portion of the net position was the investment in capital assets (net of related debt) of \$35.0 million (38%). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position totaling \$28.2 million (30%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$27.9 million (30%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The following table summarizes the City's governmental and business-type net position for 2023 and 2022.

Statement of Net Position (In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 50,130.5	\$ 46,856.1	\$ 7,583.1	\$ 7,939.0	\$ 57,713.6	\$ 54,795.1
Capital Assets	23,836.3	22,288.1	14,583.5	13,882.0	38,419.8	36,170.1
Total Assets	73,966.8	69,144.2	22,166.6	21,821.0	96,133.4	90,965.2
Deferred Outflow of Resources	2,171.2	1,094.8	-	-	2,171.2	1,094.8
Total Assets & Deferred Outflows	76,138.0	70,239.0	22,166.6	21,821.0	98,304.6	92,060.0
Current and Other Liabilities	4,308.9	2,170.9	840.1	1,028.2	5,148.9	3,199.1
Long-term Liabilities	1,362.0	1,322.5	75.7	83.4	1,437.7	1,405.9
Total Liabilities	5,670.8	3,493.4	915.8	1,111.6	6,586.6	4,605.1
Deferred Inflow of Resources	655.4	2,256.7	-	-	655.4	2,256.7
Total Liabilities & Deferred Inflows	6,326.2	5,750.2	915.8	1,111.6	7,242.0	6,861.8
Net Position						
Net Investment in Capital Assets	20,889.4	21,027.1	14,069.3	13,212.0	34,958.7	34,239.1
Restricted	28,216.0	23,677.9	0.0	-	28,216.0	23,677.9
Unrestricted	20,706.4	19,783.8	7,181.5	7,497.4	27,887.9	27,281.2
Total Net Position	69,811.8	64,488.8	21,250.8	20,709.4	91,062.6	85,198.2

The changes in net position from 2022 to 2023 are primarily due to lower than expected costs for ongoing operational activities and maintenance of the City's capital infrastructure. The positive change of net position is added to current working capital. Expenditures for business-type (water, wastewater, and drainage) infrastructure increased the net investment in capital assets as well.

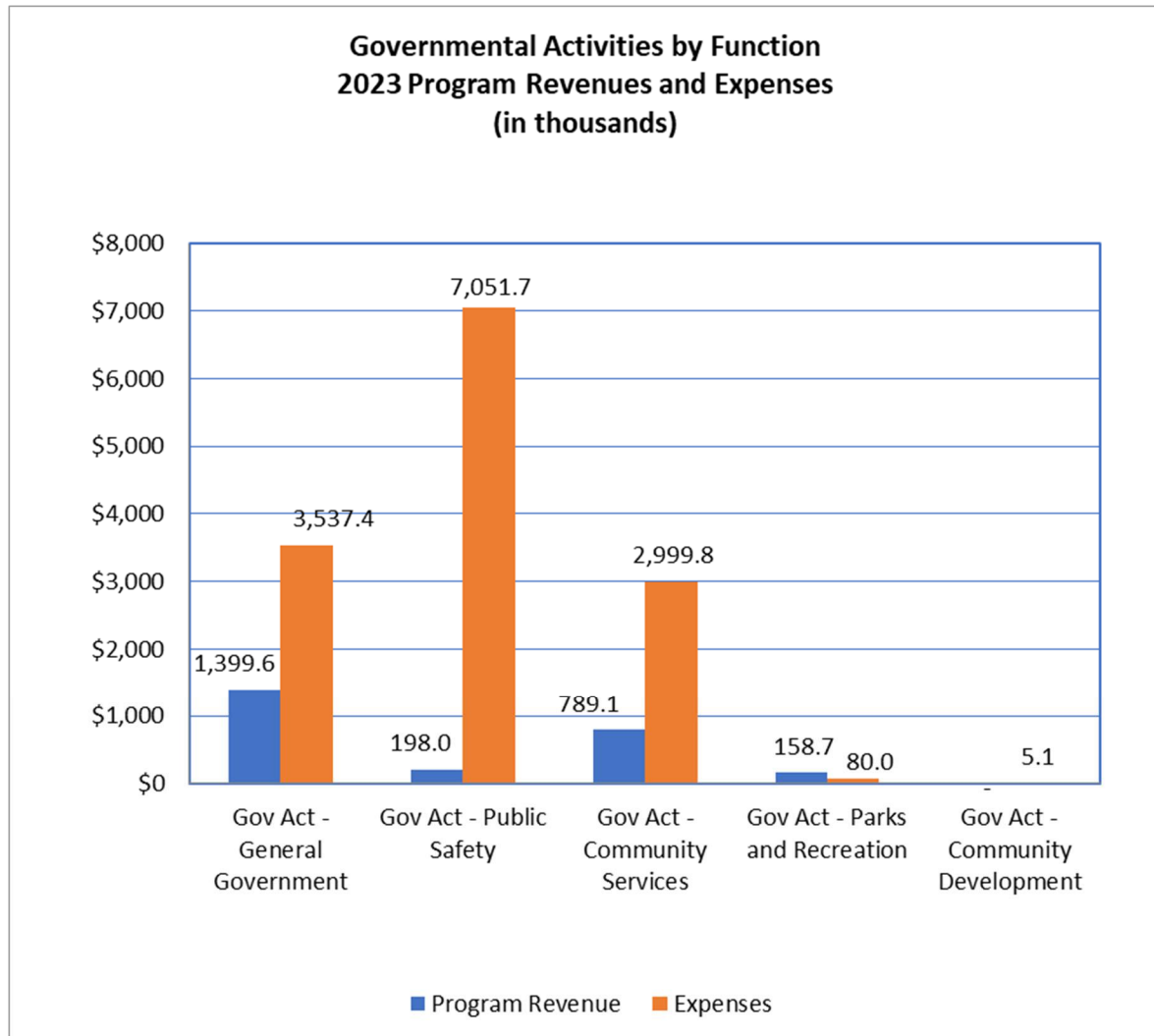
Changes in Net Position

The City's 2023 total revenues of \$25.6 million exceeded program expenses of \$19.7 million. The 2023 increase in net position after special items and transfers was \$5.9 million compared to the \$7.5 million during 2022.

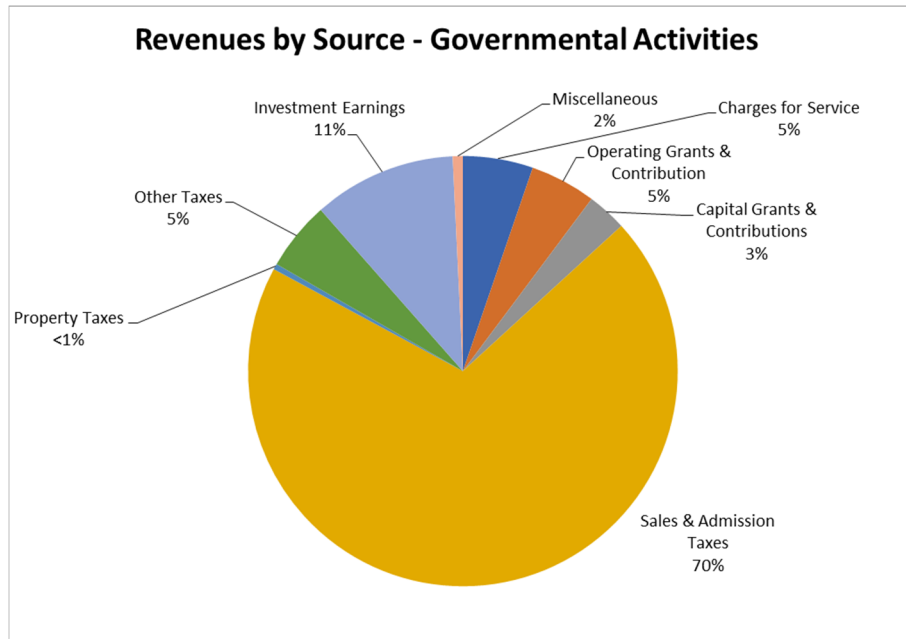
Changes in Net Position						
(in Thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Service	\$ 1,016.6	\$ 914.7	\$ 5,995.5	\$ 5,878.7	\$ 7,012.2	\$ 6,793.4
Operating Grants & Contribution	955.4	3,876.9	-	-	955.4	3,876.9
Capital Grants & Contributions	573.3	541.5	-	-	573.3	541.5
					-	-
General Revenues						
Sales & Admission Taxes	13,426.6	13,929.4	-	-	13,426.6	13,929.4
Property Taxes	82.7	84.1	-	-	82.7	84.1
Tax Increment Financing	-	-	-	-	-	-
Other Taxes	1,002.4	944.7	-	-	1,002.4	944.7
Investment Earnings	2,072.0	(172.9)	295.7	(36.7)	2,367.7	(209.5)
Miscellaneous	146.9	65.3	13.3	3.6	160.2	69.0
Total Revenues	19,275.9	20,183.8	6,304.5	5,845.7	25,580.5	26,029.5
Program Expenses						
General Government	3,537.4	3,365.2	-	-	\$ 3,537.4	\$ 3,365.2
Public Safety	7,840.7	6,829.3	-	-	7,840.7	6,829.3
Community Services	2,999.8	2,657.2	-	-	2,999.8	2,657.2
Parks and Recreation	80.0	47.1	-	-	80.0	47.1
Community Development	5.1	5.6	-	-	5.1	5.6
Interest on Long-Term Debt	-	-	-	-	-	-
Utility	-	-	4,946.2	5,341.6	4,946.2	5,341.6
Drainage	-	-	307.0	312.2	307.0	312.2
Total Expenses	14,462.9	12,904.4	5,253.1	5,653.8	19,716.1	18,558.2
Excess before Special Items & Transfers	4,813.0	7,279.3	1,051.4	191.9	\$ 5,864.4	\$ 7,471.2
Capital Contribution	-	-	-	-	-	-
Loss on Disposal of Assets	-	-	-	-	-	-
Change in Value of Asset	-	-	-	-	-	-
Transfers	510.0	463.0	(510.0)	(463.0)	-	-
Increase (decrease) in Net Position	5,323.0	7,742.3	541.4	(271.1)	5,864.4	7,471.2
Net Position, Beginning	64,488.8	56,746.5	20,709.4	20,980.5	85,198.2	77,727.0
Net Position, Ending	\$ 69,811.8	\$ 64,488.8	\$ 21,250.8	\$ 20,709.4	\$ 91,062.6	\$ 85,198.2

Governmental Activities

Total program expenses of \$14.5 million exceeded program revenue of \$2.5 million by \$11.9 million for 2023 compared to \$7.6 million during 2022. The 2023 increase in net position was \$5.8 million and was \$7.5 million in 2022. The following illustrates the governmental activities program revenues and expenses by function:

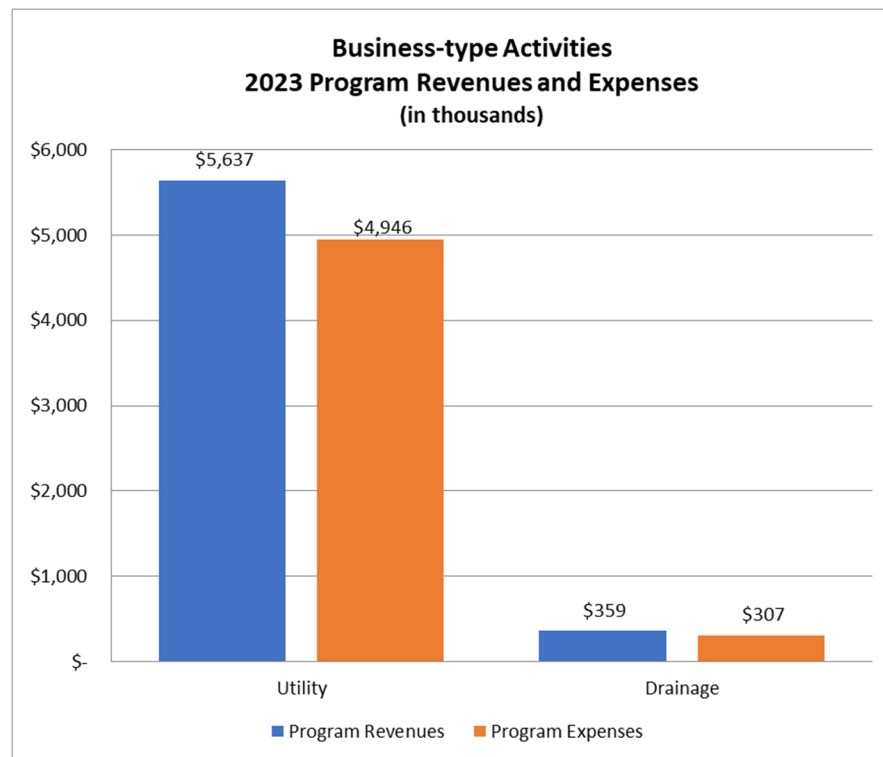


Sales and admission taxes decreased 3.6% in 2023, from \$13.9 million to \$13.5 million. This decrease was offset by increases in investment earnings, miscellaneous income and other tax revenues. All sources of Governmental activities revenues decreased by approximately \$.9 million or 4.5% and totaled \$19.3 million in 2023.

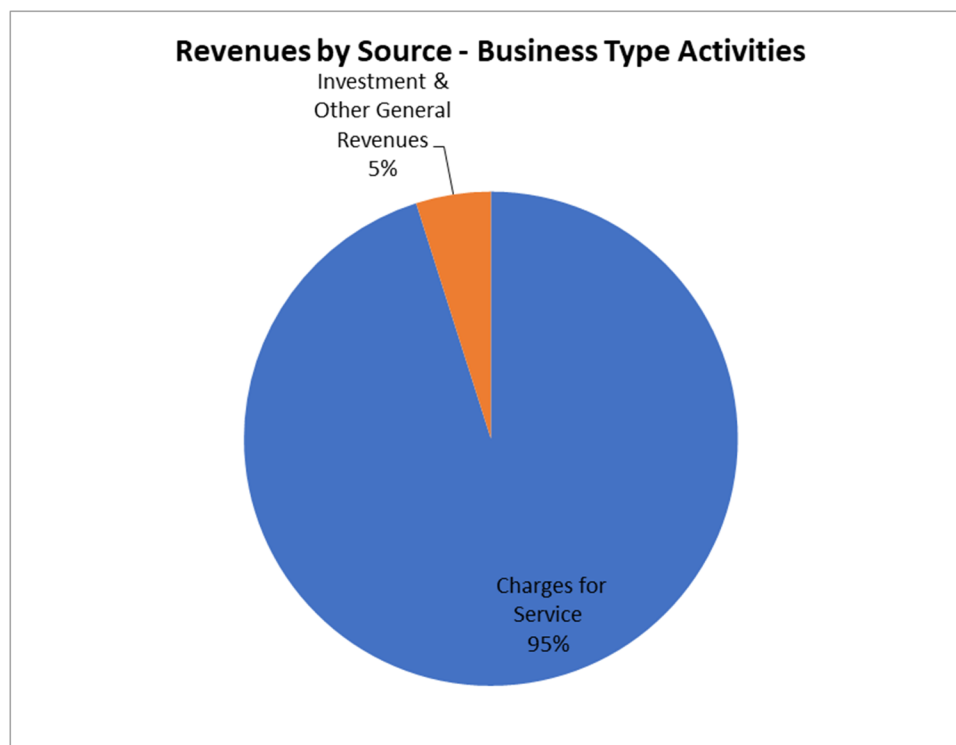


Business-type Activities

Business-type activities including Utilities (water and sewer) and Drainage, for the year resulted in an increase of approximately \$.5 million in net position. Charges for services in 2023 totaled \$6.0 million for an approximate \$.1 million increase compared with 2022. The following chart illustrates the business-type activities program revenues and expenses:



The 2023 water and sewer customer rates increased 4.0% and 13.1% respectively from 2022. Total 2023 business type revenues totaling \$6.3 million increased approximately \$.5 million when compared to 2022.



D. THE CITY'S FUNDS

Governmental funds – The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The budgets for these funds are prepared on the same basis. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2023, the City's governmental funds reported combined ending fund balances of \$42.2 million, an increase of \$3.8 million. The fluctuations in fund balances primarily consisted of a Capital Improvement fund increase of \$4.2 million, a Road Fund which increase of \$1.1 million, and an Open Space fund increase of \$.2 million, offset by a decrease in the General Fund of (\$\$.4) million and a decrease of (\$1.3) in the Redevelopment Agency Fund in comparison with the prior year. The Redevelopment Agency is a component unit that is blended into the City's financial statements. The General Fund change was the result of higher revenues and lower spending than amounts appropriated. The Redevelopment Agency fund balance decreases as property tax increment revenues collected in prior years are expended for qualifying redevelopment activities. Committed, restricted, and non-spendable fund balances in all governmental funds amounted to \$22.7 million. The General Fund's unassigned fund balance that is available for subsequent years' spending totaled \$19.5 million.

Balance Sheet - Governmental Funds	
General Fund:	
Unassigned	19,500,412
Committed	2,754
Restricted	916,352
NonSpendable	-
	20,419,518
Redevelopment Agency Fund:	
Restricted	1,422,983
Road Improvement Fund:	
Restricted	6,076,050
Capital Improvement Fund:	
Restricted	12,077,517
Other Government Funds:	
NonSpendable	-
Restricted	2,176,810
	2,176,810
	42,172,878
Committed, restricted, nonspendable	
	22,672,466
Unassigned	
	19,500,412
	42,172,878

Proprietary funds – The focus of proprietary funds is economic resources (net position) and economic gain or loss (change in net position). These funds report on the accrual basis of accounting like the government-wide business-type activities only in more detail. The unrestricted portions of net position are resources that are available at the end of the year. The Utility Fund (water and wastewater) and the Drainage Fund (storm water) are the City’s two major proprietary funds. The unrestricted net positions of the Utility Fund and Drainage Fund decreased by approximately 4.2% from \$7.5 million at the end of 2022 to approximately \$7.2 million as of the end of 2023. This high level of unrestricted net position is expected to be reduced in the future and utilized for costly system capital upgrades and major maintenance. The total net position of the proprietary funds increased \$.6 million compared to 2022 to \$21.3 million as of the end of 2023.

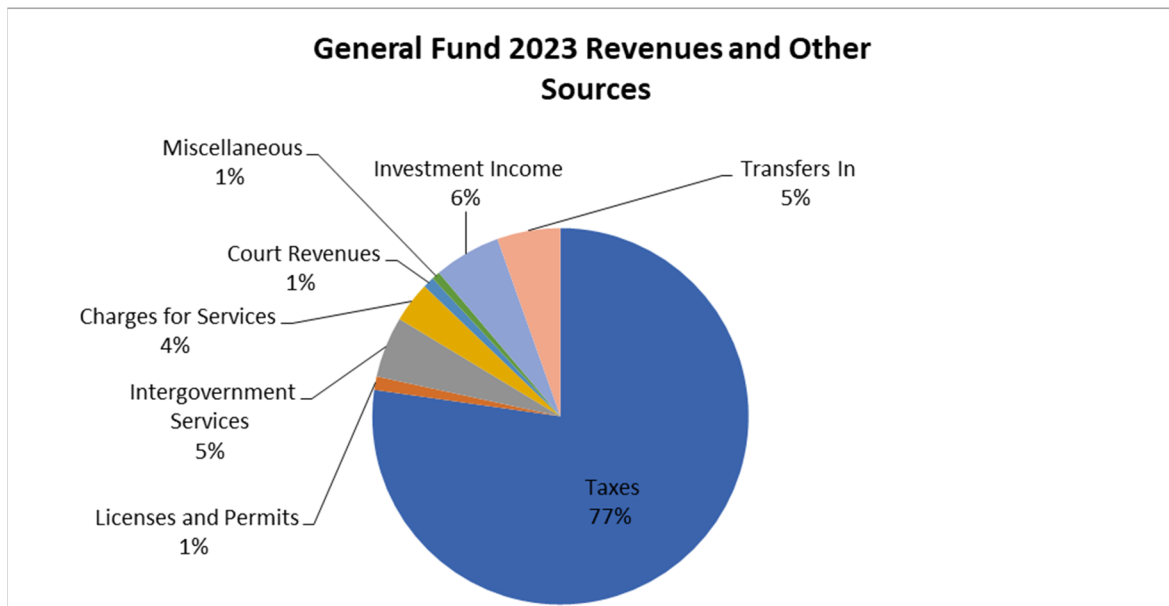
General Fund Budgetary Highlights

The General Fund accounts for all of the general services provided by the City. The General Fund 2023 Amended Final Budget included \$17.7 million of revenues/inflows, and \$20.9 million of expenditures/outflows. Fund balance was anticipated to be \$17.7 million at the end of 2023 compared to the \$20.4 million actual ending balance.

Revenues and transfers into the General Fund were \$.4 million favorable to the \$17.7 million anticipated in the final budget. This favorability was primarily due to higher than anticipated investment income.

**General Fund Revenues and Other Sources
Compared to 2023 Adopted Budget
(In Thousands)**

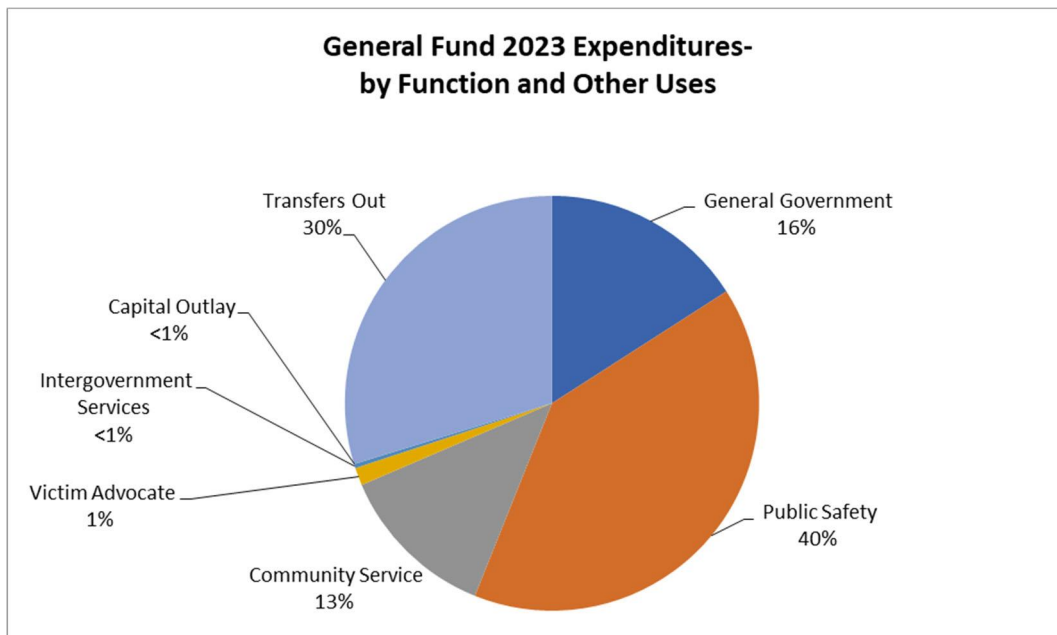
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Taxes	\$ 14,075	\$ 13,980	\$ (95)
Licenses and Permits	176	209	33
Intergovernmental Services	962	949	(13)
Charges for Services	513	631	118
Court Revenues	189	176	(13)
Miscellaneous	92	128	36
Investment Income	700	1,040	340
Transfers In	990	984	(6)
Total	<u>\$ 17,697</u>	<u>\$ 18,097</u>	<u>\$ 400</u>



General Fund expenditures and transfers out totaling \$18.5 million were \$2.4 million favorable to the \$20.9 million appropriation.

**General Fund Expenditures by Function
and Other Uses (In Thousands)
Compared to 2023 Adopted Budget**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government	\$ 3,737	\$ 2,948	\$ 789
Public Safety	8,719	7,426	1,293
Community Service	2,495	2,309	186
Victim Advocate	338	256	82
Intergovernmental Services	80	60	20
Capital Outlay	3	1	2
Transfers Out	5,500	5,500	-
Total	<u>\$ 20,872</u>	<u>\$ 18,500</u>	<u>\$ 2,372</u>



E. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets net of depreciation for its governmental and business-type activities as of December 31, 2023, amounts to \$38.4 compared to \$36.1 million at the end of 2022. The City invests in a broad range of capital assets, including streets, water and wastewater lines, storm drainage, and other infrastructure improvements; municipal facilities; park and trail improvements; and various equipment and vehicles.

The following table provides a comparative summary of total capital assets as of December 31, 2023 and 2022:

Capital Assets (Net of Depreciation, In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 429.5	\$ 356.5	\$ 60.1	\$ 60.1	\$ 489.6	\$ 416.6
Construction in Progress	2,876.2	1,165.5	-	-	2,876.2	1,165.5
Buildings	690.4	735.7	35.7	41.5	726.1	777.2
Improvements	17,566.0	17,547.9			17,566.0	17,547.9
Machinery, Equipment, and Furniture	2,274.2	2,482.5	270.0	279.6	2,544.2	2,762.1
Sewer Lines	-	-	2,925.4	2,598.4	2,925.4	2,598.4
Water Plant, Tanks, and Wells	-	-	8,029.0	7,498.3	8,029.0	7,498.3
Drainage System	-	-	3,263.3	3,404.1	3,263.3	3,404.1
Total Net Capital Assets	\$ 23,836.3	\$ 22,288.1	\$14,583.5	\$ 13,882.0	\$ 38,419.8	\$ 36,170.1

Major expenditures added to capital assets during 2023 included:

Road Improvements	565,840
Water and Sewer System Improvements	1,431,446
Drainage Improvements	26,308
Communications, Fire, Police, Other City Equipment and Vehicles	424,488

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about capital assets is presented in notes one and five to the financial statements.

Long Term Debt - At the end of 2023, the City did not have any bonded debt or certificate of participations outstanding.

F. FACTORS EFFECTING THE FUTURE OF THE CITY

At the start of 2024 and currently the City continues to maintain a strong financial position. Unassigned fund balances and net position exceed levels acceptable by the City Council. In preparing the 2024 budget, the City was conservatively optimistic in projecting revenue increases for sales and use taxes. The City will continue to be cautious with its spending by delaying discretionary purchases as necessary and monitoring revenues to continually assess the City's financial position. The 2024 budget reflects the City's continued commitment to capital replacement with maintenance of City infrastructure as a top priority.

Sales tax revenues decreased modestly in 2023 due in part to a reduction in sales tax revenues derived from marijuana sales. The 2024 budget anticipates combined sales and admissions tax revenues to remain consistent with the 2023 budget and through March 2024, receipts for total sales and admissions revenue are down approximately 1% when compared to the same time period in 2023.

The Utility Fund water and wastewater rates have been historically increased to adjust for supplier cost increases. For 2024, water rates have increased 4.5% and wastewater rates have increased 3.8%. Our supplier of water resources has enough water rights to continue to serve our citizens and customers into the foreseeable future. Any future rate increases for water and wastewater as required to offset operating costs and capital needs will be reviewed in detail and approved by council. Water and sewer tap fees are adjusted for the change in consumer price index each year. Drainage Fund stormwater rates have remained constant for many years and no increase is anticipated or needed at this time.

The City continues to seek opportunities for economic growth while improving the quality of services offered and maintaining its financial sustainability.

G. REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and customers a general overview of the City's finances and describe the City's accountability for the money it receives. If you have any questions about this report, or need additional financial information, please contact the Finance Director at the following address:

City of Federal Heights
2380 W. 90th Ave.
Federal Heights, CO 80260

BASIC FINANCIAL STATEMENTS

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 43,990,821	\$ 7,070,013	\$ 51,060,834
Receivables			
Property Taxes	93,146	-	93,146
Accounts	1,873,296	513,063	2,386,359
Accrued Interest Receivable	232,753	-	232,753
Net Pension Asset - Volunteer Pension	3,940,482	-	3,940,482
Capital Assets, Not Depreciated	3,305,685	60,073	3,365,758
Capital Assets, Depreciated			
Net of Accumulated Depreciation	20,530,619	14,523,468	35,054,087
TOTAL ASSETS	<u>73,966,802</u>	<u>22,166,617</u>	<u>96,133,419</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Volunteer Pension	238,679	-	238,679
Related to SWDB Pension	1,874,649	-	1,874,649
Related to OPEB	57,887	-	57,887
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,171,215</u>	<u>-</u>	<u>2,171,215</u>
LIABILITIES			
Accounts Payable	3,178,689	767,400	3,946,089
Accrued Expenses	718,360	14,252	732,612
Deposits	26,943	50,000	76,943
Net Pension Liability - SWDB Pension	277,830	-	277,830
Compensated Absences - Due within One Year	107,041	8,414	115,455
Due in More Than One Year			
Compensated Absences	963,371	75,723	1,039,094
Net OPEB Liability	398,591	-	398,591
TOTAL LIABILITIES	<u>5,670,825</u>	<u>915,789</u>	<u>6,586,614</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Property Tax Revenue	93,146	-	93,146
Related to Volunteer Pension Plan	25,038	-	25,038
Related to SWDB Pension Plan	204,659	-	204,659
Related to OPEB Plan	332,568	-	332,568
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>655,411</u>	<u>-</u>	<u>655,411</u>
NET POSITION			
Investment in Capital Assets	20,889,406	14,069,330	34,958,736
Restricted for Emergencies	560,000	-	560,000
Restricted for Capital Expenditures	13,811,826	-	13,811,826
Restricted for Highways and Streets	6,076,050	-	6,076,050
Restricted for Parks and Recreation	687,516	-	687,516
Restricted for Youth Activity Programs	73,814	-	73,814
Restricted for Open Space	1,460,506	-	1,460,506
Restricted for Pension	5,546,283	-	5,546,283
Unrestricted	20,706,380	7,181,498	27,887,878
TOTAL NET POSITION	<u>\$ 69,811,781</u>	<u>\$ 21,250,828</u>	<u>\$ 91,062,609</u>

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

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,537,430	\$ 630,911	\$ 768,672	\$ -
Public Safety	7,840,733	176,323	21,654	-
Community Services	2,999,754	209,414	90,634	489,037
Parks and Recreation	79,956		74,474	84,269
Community Development	5,068			
Total Governmental Activities	14,462,941	1,016,648	955,434	573,306
Business-Type Activities				
Utility	4,946,156	5,636,796	-	-
Drainage	306,955	358,725	-	-
Total Business-Type Activities	5,253,111	5,995,521	-	-
Total Primary Government	\$ 19,716,052	\$ 7,012,169	\$ 955,434	\$ 573,306

GENERAL REVENUES

Property Taxes
Sales and Admission Taxes
Other Taxes
Investment Income
Miscellaneous
Transfers

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION Beginning

NET POSITION Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (2,137,847)	\$ -	\$ (2,137,847)
(7,642,756)	-	(7,642,756)
(2,210,669)	-	(2,210,669)
78,787	-	78,787
(5,068)	-	(5,068)
(11,917,553)	-	(11,917,553)
-	690,640	690,640
-	51,770	51,770
-	742,410	742,410
(11,917,553)	742,410	(11,175,143)
82,698		82,698
13,426,623		13,426,623
1,002,397		1,002,397
2,071,966	295,712	2,367,678
146,859	13,306	160,165
510,000	(510,000)	-
17,240,543	(200,982)	17,039,561
5,322,990	541,428	5,864,418
64,488,791	20,709,400	85,198,191
<u>\$ 69,811,781</u>	<u>\$ 21,250,828</u>	<u>\$ 91,062,609</u>

CITY OF FEDERAL HEIGHTS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

		SPECIAL REVENUE REDEVELOPMENT	CAP. PROJECT	
	GENERAL	AGENCY	ROAD	CAPITAL
	FUND	FUND	IMPROVEMENT	IMPROVEMENT
	FUND	FUND	FUND	FUND
ASSETS				
Cash and Investments	\$ 19,463,821	\$ 4,142,431	\$ 6,146,841	\$ 12,152,026
Property Taxes Receivable	93,146	-	-	-
Accounts Receivable	1,657,145	-	81,406	-
Accrued Interest Receivable	232,753	-	-	-
Due From Other Funds	43,637	-	-	-
TOTAL ASSETS	<u>\$ 21,490,502</u>	<u>\$ 4,142,431</u>	<u>\$ 6,228,247</u>	<u>\$ 12,152,026</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 232,535	\$ 2,719,448	\$ 152,197	\$ 74,509
Accrued Liabilities	718,360	-	-	-
Due To Other Funds	-	-	-	-
Deposits	26,943	-	-	-
TOTAL LIABILITIES	<u>977,838</u>	<u>2,719,448</u>	<u>152,197</u>	<u>74,509</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue Other	-	-	-	-
Deferred Property Tax Revenue	93,146	-	-	-
	<u>93,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted for Emergencies	560,000	-	-	-
Restricted for Capital Expenditures	282,538	1,422,983	-	12,077,517
Restricted for Highways and Streets	-	-	6,076,050	-
Restricted for Parks and Recreation	-	-	-	-
Restricted for Open Space	-	-	-	-
Restricted for E911	-	-	-	-
Restricted for Youth Activity Programs	73,814	-	-	-
Committed for Victims Advocate	-	-	-	-
Committed for Graffiti	2,754	-	-	-
Unassigned	19,500,411	-	-	-
TOTAL FUND BALANCE	<u>20,419,518</u>	<u>1,422,983</u>	<u>6,076,050</u>	<u>12,077,517</u>
TOTAL LIABILITIES, DEFERRED INFLOWS INFLOWS, AND FUND BALANCE	<u>\$ 21,490,502</u>	<u>\$ 4,142,431</u>	<u>\$ 6,228,247</u>	<u>\$ 12,152,026</u>

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds.

These include OPEB liability (\$398,591), deferred outflow related to OPEB to Plan \$57,887, deferred inflows related to OPEB Plan (\$332,568), accrued compensated absences \$(1,070,412), net pension assets of \$3,940,482, net pension liability of (\$277,830), deferred outflows related to pensions of \$2,113,328, and deferred inflows related to pensions of (\$229,697).

Net position of governmental activities

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
	2023	2022
\$ 2,085,702	\$ 43,990,821	\$ 38,480,266
-	93,146	82,801
134,745	1,873,296	2,026,898
-	232,753	98,580
-	43,637	8,450
<u>\$ 2,220,447</u>	<u>\$ 46,233,653</u>	<u>\$ 40,699,430</u>

\$ -	\$ 3,178,689	\$ 1,428,652
-	718,360	619,293
43,637	43,637	8,450
-	26,943	26,662
<u>43,637</u>	<u>3,967,629</u>	<u>2,083,057</u>

-	-	125,134
-	93,146	82,801
<u>-</u>	<u>93,146</u>	<u>207,935</u>

-	-	2,435
-	560,000	500,000
28,788	13,811,826	10,731,180
-	6,076,050	5,018,770
687,516	687,516	646,813
1,460,506	1,460,506	1,235,600
-	-	28,852
-	73,814	125,124
-	-	85,746
-	2,754	4,942
-	19,500,411	20,028,976
<u>2,176,810</u>	<u>42,172,878</u>	<u>38,408,438</u>

\$ 2,220,447

23,836,304 22,288,144

3,802,599 3,792,209

\$ 69,811,781 \$ 64,488,791

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
As of December 31, 2023

	GENERAL	SPECIAL REVENUE REDEVELOPMENT	CAP. PROJECT	
	FUND	AGENCY FUND	ROAD IMPROVEMENT FUND	CAPITAL IMPROVEMENT FUND
REVENUES				
Taxes	\$ 13,979,872	\$ -	\$ -	\$ -
Licenses and Permits	209,414	-	-	-
Intergovernmental	948,844	-	489,037	-
Charges for Services	630,911	-	-	-
Court Revenues	176,323	-	-	-
Miscellaneous	127,701	-	-	17,100
Investment Income	1,039,753	212,472	288,256	433,274
TOTAL REVENUES	17,112,818	212,472	777,293	450,374
EXPENDITURES				
Current				
General Government	2,948,511	-	-	-
Public Safety	7,426,218	-	-	-
Community Services	2,308,593	-	114,519	-
Victim Advocate	255,952	-	-	-
Parks and Recreation	-	-	-	-
Community Development	-	902	-	-
Intergovernmental Services	59,939	-	-	-
Capital Outlay	642	1,554,933	510,494	747,683
TOTAL EXPENDITURES	12,999,855	1,555,835	625,013	747,683
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,112,963	(1,343,363)	152,280	(297,309)
OTHER FINANCING SOURCES (USES)				
Transfers In	983,668	-	1,000,000	4,500,000
Transfers Out	(5,500,000)	-	(95,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,516,332)	-	905,000	4,500,000
NET CHANGE IN FUND BALANCES	(403,369)	(1,343,363)	1,057,280	4,202,691
FUND BALANCES, Beginning	20,822,887	2,766,346	5,018,770	7,874,826
FUND BALANCES, Ending	\$ 20,419,518	\$ 1,422,983	\$ 6,076,050	\$ 12,077,517

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
	2023	2022
\$ 531,847	\$ 14,511,719	\$ 14,958,244
-	209,414	148,559
90,858	1,528,739	4,418,395
-	630,911	566,168
-	176,323	199,951
3,684	148,485	75,392
98,211	2,071,966	(172,895)
<u>724,600</u>	<u>19,277,557</u>	<u>20,193,814</u>
2,310	2,950,821	2,743,767
-	7,426,218	6,876,236
-	2,423,112	2,095,165
-	255,952	260,741
7,500	7,500	7,500
-	902	1,425
-	59,939	51,770
84,921	2,898,673	1,963,512
<u>94,731</u>	<u>16,023,117</u>	<u>14,000,116</u>
<u>629,869</u>	<u>3,254,440</u>	<u>6,193,698</u>
-	6,483,668	7,189,535
<u>(378,668)</u>	<u>(5,973,668)</u>	<u>(6,726,535)</u>
<u>(378,668)</u>	<u>510,000</u>	<u>463,000</u>
251,201	3,764,440	6,656,698
<u>1,925,609</u>	<u>38,408,438</u>	<u>31,751,740</u>
<u>\$ 2,176,810</u>	<u>\$ 42,172,878</u>	<u>\$ 38,408,438</u>

CITY OF FEDERAL HEIGHTS, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 3,764,440
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay \$2,876,052 exceeded depreciation expense (\$1,326,266) in the current period and loss of assets (\$1,626) in the current period.	1,548,160
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include a change in OPEB liability (\$36,921) and a change in accrued compensated absences of (\$107,420)	(144,341)
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Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>154,731</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 5,322,990</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2023

	UTILITY FUND	DRAINAGE FUND	TOTALS	
			2023	2022
ASSETS				
Current Assets				
Cash and Investments	\$ 6,503,597	\$ 566,416	\$ 7,070,013	\$ 7,446,313
Accounts Receivable	487,092	25,971	513,063	492,711
Total Current Assets	6,990,689	592,387	7,583,076	7,939,024
Noncurrent Assets				
Capital Assets, Not Depreciated	60,073		60,073	60,073
Capital Assets, Net of Accumulated Depreciation	11,260,097	3,263,371	14,523,468	13,821,932
Total Noncurrent Assets	11,320,170	3,263,371	14,583,541	13,882,005
TOTAL ASSETS	18,310,859	3,855,758	22,166,617	21,821,029
LIABILITIES				
Current Liabilities				
Accounts Payable	740,778	26,622	767,400	943,281
Accrued Liabilities	10,072	4,180	14,252	26,223
Current Portion - Compensated Absence	6,809	1,605	8,414	8,726
Total Current Liabilities	757,659	32,407	790,066	978,230
Noncurrent Liabilities				
Escrow Deposits	50,000	-	50,000	50,000
Compensated Absences	61,283	14,440	75,723	83,399
Total Noncurrent Liabilities	111,283	14,440	125,723	133,399
TOTAL LIABILITIES	868,942	46,847	915,789	1,111,629
NET POSITION				
Investment in Capital Assets	10,832,268	3,237,063	14,069,330	13,212,044
Unrestricted	6,609,649	571,848	7,181,498	7,497,356
TOTAL NET POSITION	\$ 17,441,917	\$ 3,808,911	\$ 21,250,828	\$ 20,709,400

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

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2023

	UTILITY FUND	DRAINAGE FUND	TOTALS	
			2023	2022
OPERATING REVENUES				
Water Sales	\$ 3,795,504	\$ -	\$ 3,795,504	\$ 3,849,479
Sewer Fees	1,841,292	-	1,841,292	1,669,239
Drainage Fees	-	358,725	358,725	359,971
Other Income	12,135	1,171	13,306	3,638
TOTAL OPERATING REVENUES	5,648,931	359,896	6,008,827	5,882,327
OPERATING EXPENSES				
Water Supply	2,862,527	-	2,862,527	3,172,254
Water Distribution	333,226	-	333,226	321,266
Sewer Collection and Treatment	1,098,634	-	1,098,634	1,220,527
General and Administrative	62,650	139,856	202,506	230,351
Depreciation	589,119	167,099	756,218	709,401
TOTAL OPERATING EXPENSES	4,946,156	306,955	5,253,111	5,653,799
OPERATING INCOME	702,775	52,941	755,716	228,528
NON-OPERATING REVENUES				
Investment Income	271,022	24,690	295,712	(36,650)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	973,797	77,631	1,051,428	191,878
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers Out	(420,000)	(90,000)	(510,000)	(463,000)
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	(420,000)	(90,000)	(510,000)	(463,000)
CHANGE IN NET POSITION	553,797	(12,369)	541,428	(271,122)
NET POSITION Beginning	16,888,120	3,821,280	20,709,400	20,980,522
NET POSITION, Ending	<u>\$ 17,441,917</u>	<u>\$ 3,808,911</u>	<u>\$ 21,250,828</u>	<u>\$ 20,709,400</u>

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

CITY OF FEDERAL HEIGHTS, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE

Year Ended December 31, 2023

Increase (Decrease) in Cash and Cash Equivalents

	UTILITY FUND	DRAINAGE FUND	TOTALS	
			2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 5,625,994	\$ 362,481	\$ 5,988,475	\$ 5,795,770
Cash Paid to Suppliers	(4,569,511)	(123,222)	(4,692,733)	(4,243,817)
Net Cash Provided by Operating Activities	1,056,483	239,259	1,295,742	1,551,953
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Payments (To) From Other Funds	(420,000)	(90,000)	(510,000)	(463,000)
Net Cash Used by NonCapital and Related Financing Activities	(420,000)	(90,000)	(510,000)	(463,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Property and Equipment	(1,431,446)	(26,308)	(1,457,754)	(929,583)
Net Cash Used by Capital and Related Financing Activities	(1,431,446)	(26,308)	(1,457,754)	(929,583)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	271,022	24,690	295,712	(36,650)
Net Increase (Decrease) in Cash and Cash Equivalents	(523,941)	147,641	(376,300)	122,720
CASH AND CASH EQUIVALENTS, Beginning	7,027,538	\$ 418,775	7,446,313	7,323,593
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 6,503,597</u>	<u>\$ 566,416</u>	<u>7,070,013</u>	<u>\$ 7,446,313</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 702,775	\$ 52,941	755,716	\$ 228,528
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	589,119	167,099	756,218	709,401
Changes in Assets and Liabilities				
Accounts Receivable	(22,937)	2,585	(20,352)	(86,557)
Accounts Payable	(190,493)	14,612	(175,881)	701,156
Accrued Expenses	(16,151)	4,180	(11,971)	(5,550)
Escrow Deposits	-	-	-	-
Accrued Compensated Absences	(5,830)	(2,158)	(7,988)	4,975
Total Adjustments	353,708	186,318	540,026	1,323,425
Net Cash Provided by Operating Activities	<u>\$ 1,056,483</u>	<u>\$ 239,259</u>	<u>\$ 1,295,742</u>	<u>\$ 1,551,953</u>

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

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Federal Heights, Colorado (the “City”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the City of Federal Heights has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following organization is included in the City’s reporting entity.

Federal Heights Redevelopment Agency

The Federal Heights Redevelopment Agency (the “Agency”) was established by the City Council to redevelop blighted areas within the City limits. The Agency is blended into the City’s financial statements as a special revenue fund. City Council acts as the Board of the Agency and has significant operational responsibility of the component unit.

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 of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equal to the services provided. *Governmental activities*, which normally are 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.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *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 collected 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.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund 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 City, except those required to be accounted for in another fund. This fund would typically be used to liquidate pension and OPEB liabilities if required.

The *Redevelopment Agency Fund*, a special revenue fund, accounts for the activity related to the Federal Heights Redevelopment Agency, a component unit established to redevelop blighted areas within the City limits. The major source of revenue for this fund was through property tax increment financing.

The *Road Improvement Fund*, a capital projects fund, accounts for the activity related to the funding and related maintenance and upgrades of the City's road infrastructure. The major sources of revenue for this fund are a portion of the 1% sales tax as approved by voters and road tax received from the County.

The *Capital Improvement Fund*, a capital projects fund, accounts for the activity related to the acquisition and/or construction of major capital projects of the City.

The City reports the following major proprietary fund:

The *Utility (Water/Sewer) Fund* accounts for the financial activities associated with the provision of utility services.

The *Drainage Fund* accounts for the financial activities associated with the City's drainage system.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payable are classified on the balance sheet as “due from other funds” and “due to other funds”, because they are short-term in nature.

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financials statements as “Internal Activity”.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City has recorded current year infrastructure additions, but infrastructure assets purchased or donated prior to January 1, 2003, will be capitalized in the future, as allowed by generally accepted accounting principles.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Property and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 years
Machinery and Equipment	5-10 years
Distribution System	40 years
Water Plant	40 years
Wells	10 years

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenues

Unearned revenues include grant funds that have been collected but the corresponding expenditures have not been incurred.

Compensated Absences

Accumulated unpaid vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. Employees may accrue up to 480 hours (720 hours for full-time firefighters and ambulance personnel) of vacation time and up to 960 hours of sick time (1,440 hours for full-time firefighters and ambulance personnel). When an employee leaves the City, they are paid 100% of their accumulated vacation time and 50% of their accumulated sick time.

These compensated absences are recognized when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Post-Employment Benefits

The City offers post-employment health and dental insurance to its retired employees that have 10 years of continuous service and have reached age 60 and who retire absent termination. The City may pay up to 50% of the benefit offered to regular full-time employees with a limit of \$400 per month. The City expenses this benefit to the funds as it is paid, the long-term obligation related to this benefit is shown as a governmental activity liability. During 2011, the City revised the benefit to only extend until the retired employee is eligible for Medicare.

Contraband Forfeiture

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These proceeds are not subject to appropriation in the budget process. Cash proceeds are recorded in the Special Investigation Special Revenue Fund. Property and equipment seized are recorded as capital assets.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. At December 31, 2023, the City does not have any nonspendable fund balance.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. At December 31, 2023, the City has classified the following amounts as restricted:

General Fund – Emergency Reserves (TABOR)	\$ 560,000
General Fund – Other Capital Expenses 1% Sales Tax	282,538
General Fund – Youth Activity Programs	73,814
Redevelopment Agency Fund – Capital Projects	1,422,983
Road Improvement Fund – Highways and Streets	6,076,050
Capital Improvement Fund – Capital Projects	12,077,517
Open Space Fund – Parks and Recreation	2,148,020
Special Investigations Fund	<u>28,788</u>
Total	<u>\$ 22,669,710</u>

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. As of December 31, 2023, the City has classified the following amounts as committed:

General Fund - Graffiti	<u><u>\$ 2,754</u></u>
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CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

Assigned – This classification includes amounts that are constrained by the City Council intent to be used for specific purposes but are neither restricted nor committed. As of December 31, 2023, the City did not have any assigned fund balance.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 16, the budget is legally enacted through passage of a resolution.
- Revisions of budgeted amounts that alter the total expenditures of any fund must be approved by the City Council. Budgetary control is at the fund level as prescribed by City Council and state statute.
- All appropriations lapse at the end of each fiscal year.
- Budgets are legally adopted for all funds of the City except the Special Investigation Special Revenue Fund. Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2023 follows:

Petty Cash	\$ 2,862
Cash Deposits	990,132
Investments	<u>50,067,840</u>
Total	<u>\$ 51,060,834</u>

Cash and investments are reported in the financial statements as follows:

Governmental Activities	\$ 43,990,821
Business-type Activities	<u>7,070,013</u>
Total	<u>\$ 51,060,834</u>

Custodial Credit Risk – Deposits

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 Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The City has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the City had deposits with financial institutions with a carrying amount of \$990,132. The bank balances with the financial institutions were \$1,075,746. Of these balances, \$250,000 was covered by federal depository insurance and \$825,746 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments

At December 31, 2023 the City had the following investments:

<u>Investment Type</u>	<u>Investment Maturity (Years)</u>		
	Fair Value	Less Than One Year	One to Five Years
Money Market Funds	\$ 93,370	\$ 93,370	\$ -
Local Government Pools	14,704,664	14,704,664	-
U.S. Agency Securities	<u>35,269,806</u>	<u>9,578,872</u>	<u>25,690,934</u>
Total	<u>\$ 50,067,840</u>	<u>\$ 24,422,731</u>	<u>\$ 25,690,934</u>

Interest Rate Risk

Colorado statutes require that no investment may have a maturity in excess of five years from the date of purchase. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The City's investment portfolio does not contain any investments that exceed that limitation. Historically, the City has held its investments to maturity or until they are called at par. The City does not routinely trade securities.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The City's investment policy controls credit risk by limiting its investments to those allowed by Colorado statutes. Historically, however, the City has only invested in US Treasuries and Instrumentalities. As of December 31, 2023, the City had investments in US Treasury Notes, Federal Home Loan Bank ("FHLB") securities, Federal National Mortgage Association securities ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") securities, and Federal Farm Credit Bank securities which were all rated AA+ by Standard and Poor's and Aaa by Moody's Investor Services.

Local Government Investment Pool

The City had invested \$14,178,640 in the Colorado Surplus Asset Fund Trust CORE Fund ("Colorado Core") an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. Colorado Core is an ultra-short duration enhanced cash fund seeking to maintain a constant share price of \$2.00 with an emphasis placed on limiting the risk of negative fair market valuations while maintaining high credit quality and adequate liquidity. The fund operates under GASB Statements 31 and 72 methodology for calculating fair market values and maintains a weighted average maturity of 180 days or less and a weighted average life of 365 days or less.

Colorado Core is rated AA+/-/S1 by Fitch Ratings. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Colorado Core investments primarily included, highly rated commercial paper, Colorado depositories in which the deposits are collateralized at 102% of market value under the provisions of the Public Depository Protection Act, and other Colorado LGIP funds inclusive of other funds offered by the Trust as allowed for by C.R.S 24-75-601.1(1)(i). Redemption requests must be made at least one day in advance and are limited to three per month

The City had invested \$526,024 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool (Continued)

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and 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 pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2023, the City held investments in U.S. Agency Securities in the amount of \$35,269,806 with maturity dates of less than five years. Given the low risk of this type of investment, the City has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The City invested \$93,370 in a Money Market Mutual Fund. Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The fair value of investments in money market funds is based on the published net asset values per share of those funds. Money market securities are valued using amortized cost, in accordance with Rule 2a-7 under the 1940 Act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities held by Prime Series and Government Series are categorized as Level 2.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. More than 5% of the City's investments are in U.S. Treasury Notes and Securities. The relative percentages of all investments are as follows:

U.S. Treasury Notes	47.70%
Federal Home Loan Bank	10.55%
Federal National Mortgage Association	0.96%
Federal Farm Credit Bank	11.23%
Money Market Funds	0.19%
Local Government Pools	29.37%

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the City's US instrumentality securities were held in safekeeping by US Bank in the name of the City.

NOTE 4: INTERFUND BALANCES

Below is a schedule of interfund transfers made during the year ended December 31, 2023.

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Drainage Fund	\$ 90,000
General Fund	Road Improvement	95,000
General Fund	E911 Fund	378,668
General Fund	Utility Fund	420,000
Road Improvement Fund	General Fund	1,000,000
Capital Improvement Fund	General Fund	<u>4,500,000</u>
Total		<u>\$ 6,483,668</u>

All transfers to the General Fund are budgeted annually to subsidize operating costs paid from the General Fund. Transfers to the General Fund from the E911 Fund are used for costs incurred in support of E911 services. The transfers from the General Fund to the Road Improvement and Capital Improvement Funds are used to allocate sales taxes collected as required following the November 2002 election and Ordinance 02-12 and for routine operating subsidies.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 is summarized below:

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 356,526	\$ 72,920	\$ -	\$ 429,446
Construction in Progress	<u>1,165,450</u>	<u>1,710,789</u>	<u>-</u>	<u>2,876,239</u>
Total Capital Assets, not depreciated	<u>1,521,976</u>	<u>1,783,709</u>	<u>-</u>	<u>3,305,685</u>
Capital Assets, depreciated				
Buildings	2,920,039	12,423	-	2,242,038
Improvements	27,708,601	655,032	-	28,363,633
Machinery and Equipment	<u>7,109,742</u>	<u>424,888</u>	<u>158,577</u>	<u>7,376,053</u>
Total Capital Assets, depreciated	<u>37,738,382</u>	<u>1,092,343</u>	<u>158,877</u>	<u>38,672,148</u>
Less Accumulated Depreciation				
Buildings	2,184,323	57,715	-	2,242,038
Improvements	10,160,678	636,994	-	10,797,672
Machinery and Equipment	<u>4,627,213</u>	<u>631,556</u>	<u>156,950</u>	<u>5,101,819</u>
Total Accumulated Depreciation	<u>16,972,214</u>	<u>1,326,265</u>	<u>156,950</u>	<u>18,141,529</u>
Total Capital Assets, depreciated, Net	<u>20,766,168</u>	<u>(233,922)</u>	<u>1,627</u>	<u>20,530,619</u>
Governmental Activities, Capital Assets, Net	<u>\$ 22,288,144</u>	<u>\$ 1,549,787</u>	<u>\$ 1,627</u>	<u>\$ 23,836,304</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 60,073	\$ -	\$ 140,170	\$ 60,073
Total Capital Assets, not depreciated	<u>60,073</u>	<u>-</u>	<u>140,170</u>	<u>60,073</u>
Capital Assets, depreciated				
Sewer Lines	\$ 5,273,681	\$ 485,122	\$ -	\$ 5,758,803
Water Plant, Tanks, and Wells	12,493,257	898,901	-	13,392,158
Drainage System	4,893,023	26,308	-	4,919,331
Buildings	254,310	-	-	254,310
Furniture and Equipment	<u>911,155</u>	<u>47,423</u>	<u>19,431</u>	<u>939,147</u>
Total Capital Assets, depreciated	<u>23,825,426</u>	<u>1,457,754</u>	<u>19,431</u>	<u>25,263,749</u>
Less: Accumulated Depreciation				
Sewer Lines	2,675,258	158,078	-	2,833,336
Water Plant, Tanks, and Wells	4,994,935	368,216	-	5,363,151
Drainage System	1,488,859	167,098	-	1,655,957
Buildings	212,854	5,733	-	218,587
Furniture and Equipment	<u>631,588</u>	<u>57,093</u>	<u>19,431</u>	<u>669,250</u>
Total Accumulated Depreciation	<u>10,003,494</u>	<u>756,218</u>	<u>19,431</u>	<u>10,740,281</u>
Total Capital Assets, depreciated, Net	<u>13,821,932</u>	<u>701,536</u>	<u>-</u>	<u>14,523,468</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 13,882,005</u>	<u>\$ 701,536</u>	<u>\$ -</u>	<u>\$ 14,583,541</u>

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 5: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities

General Government	\$ 103,756
Public Safety	569,246
Community Services	576,641
Parks and Recreation	72,456
Community Development	<u>4,166</u>
Total	<u>\$ 1,326,265</u>

Business-Type Activities

Water and Sewer Utility	\$ 589,119
Drainage Utility	<u>167,099</u>
Total	<u>\$ 756,218</u>

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance <u>12/31/2022</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/2023</u>	Due In <u>One Year</u>
Governmental Activities					
Compensated Absences	<u>\$ 962,992</u>	<u>\$ 622,451</u>	<u>\$ 515,031</u>	<u>\$ 1,070,412</u>	<u>\$ 107,041</u>
Business-Type Activities					
Compensated Absences	<u>\$ 92,125</u>	<u>\$ 49,123</u>	<u>\$ 57,111</u>	<u>\$ 84,137</u>	<u>\$ 8,414</u>

The Compensated Absences are expected to be liquidated with resources of the General and Utility Funds. The City currently estimates that 10% of the accrued compensated absences shown above will be liquidated currently.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan

Summary of Significant Accounting Policies

The City has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Funding Policy. An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the City's monthly benefit amount is over \$450, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. If required by the actuarial study, the City would make an additional contribution to support the plan.

The actuarial study as of January 1, 2023, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan, therefore the City did not make contributions to this plan for 2023.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Employees Covered by Benefit Terms

A summary of the current eligible active employees and retirees currently receiving benefit payments is outlined below:

Retirees and Beneficiaries	5
Inactive, Nonretired Members	5
Active Members	<u>2</u>
Total	<u><u>12</u></u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the City reported asset of \$3,940,482. The net pension asset was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

For the year ended December 31, 2023 the City recognized pension income of \$285,845. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$25,038
Net difference between projected and actual earnings on pension plan investments	\$236,995	N/A
Change in assumptions and other inputs	\$1,684	N/A
Total	\$238,679	\$25,038

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year ended December 31,	
2023	(\$28,200)
2024	\$23,419
2025	\$74,628
2026	\$143,794
2027	0

Actuarial assumptions: Method, and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar Open*
Remaining Amortization Period:	20 years*
Asset Valuation Method:	5-Year smoothed fair value
Inflation	2.5%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.

Mortality **Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	1.00%	3.92%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Long Short	6.00%	7.47%
Global Equity	35.00%	8.93%
Private Markets	34.00%	10.31%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Volunteer Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

Changes in the Net Pension Liability

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) – (b)
Balances at 1/1/2023	\$ 444,102	\$ 4,782,599	(\$ 4,338,497)
Changes for the year:			
Service Cost	552	-	552
Interest on the total pension liability	30,472	-	30,472
Benefit Changes	-	-	-
Difference between expected and actual experience	(32,460)	-	(32,460)
Changes of assumptions	10,949	-	10,949
Net investment income	-	(384,948)	384,948
Benefit Payments	(18,430)	(18,430)	-
Pension plan administrative expense	-	(3,554)	3,554
Net Changes	(8,917)	(406,932)	(398,015)
Balances at 12/31/2023	\$ 435,185	\$ 4,375,667	(\$ 3,940,482)

Sensitivity of the City's net pension asset to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset	(\$3,876,606)	(\$3,940,482)	(\$3,992,177)

FPPA System Description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The pension plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available annual comprehensive financial report that can be obtained at <http://www.fppaco.org>

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The City contributes to the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2023, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2023 to a total of 12 percent of pensionable earnings. . Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the City reported a liability in the amount of \$277,830 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The City's proportion of the net pension liability was based on the City's contributions to the SWDB Plan for the calendar year 2022 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2022, the City's proportion was 0.31301%, which was an increase of 0.00741% from its proportion measured as of December 31, 2021.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2023**NOTE 7: DEFINED BENEFIT PENSION PLANS** (Continued)**Statewide Defined Benefit Pension Plan** (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the year ended December 31, 2023, the City recognized a pension expense of \$369,974. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$601,406	\$34,102
Net difference between projected and actual earnings on pension plan investments	\$628,721	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$49,274	\$170,557
Change in assumptions and other inputs	\$355,938	N/A
Contributions subsequent to the measurement date	\$238,860	N/A
Total	\$1,874,649	\$204,659

\$238,860 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2022	\$131,852
2023	\$250,601
2024	\$357,502
2025	\$502,534
2026	\$95,282
Thereafter	\$93,359

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected to projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projections scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At least every five years, the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$1,915,323	\$277,830	(\$1,078,545)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's annual comprehensive financial report which can be obtained at <http://www.fppaco.org>.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

The following table summarized each of the City's FPPA plans and the respective pension activity recorded in the financials.

	Net Pension Asset (Liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
Volunteer Firefighter	\$ 3,940,482	\$ 238,679	\$ 25,038	\$ (285,845)
FPPA - SWDB	<u>(277,830)</u>	<u>1,874,649</u>	<u>204,659</u>	<u>369,974</u>
Total	<u>\$ 3,662,652</u>	<u>\$ 2,113,328</u>	<u>\$ 229,697</u>	<u>\$ 84,129</u>

NOTE 8: DEFINED CONTRIBUTION PENSION PLANS

General Employees Money Purchase Pension Plan

The City contributes to a single employer defined contribution money purchase pension plan on behalf of all full-time employees not covered by the Fire and Police Money Purchase Pension Plan. The General Employees Money Purchase Pension Plan was established and is managed by the City under the authority granted by CRS 24-54-108.

For 2023, both the City and the employee contribute 4.5% of the employee's base salary as established by City Council. The City will also match up to the 2% of additional employee contributions up to a maximum contribution of 6.5% per employee. The employees are also eligible to make additional contributions to the extent allowed by the Internal Revenue Service.

The five-year vesting schedule is as follows: 0% before one-year full-time service; 20% at 1 year; 40% at 2 years; 60% at 3 years; 80% at 4 years; and 100% at 5 years. During the years ended December 31, 2023, 2022, and 2021, the City made contributions of \$206,740, \$177,692, and \$162,889, and the employees made contributions of \$197,015, \$169,749, and \$151,745 to the Plan, respectively. The Plan investments are managed by Mission Square.

City Manager Money Purchase Pension Plan

The City contributes to a single employer defined contribution money purchase pension plan on behalf of the City Manager. For 2023, both the City and the employee contribute 8.5% of the employee's base salary as established by City Council. The employee is fully vested in all contributions immediately. During the years ended December 31, 2023, 2022, and 2021, the City and employee each made contributions of \$15,271, \$13,444, and \$12,029 to the Plan, respectively. The Plan investments are managed by Mission Square.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 8: DEFINED CONTRIBUTION PENSION PLANS (Continued)

City Council Money Purchase Plan

The City contributes to a single employer defined contribution money purchase pension plan on behalf of the mayor and members of City Council. For 2023, the members are required to contribute 11.5% of their base salary. The City matches this contribution at a maximum of 11.0%. The employee is fully vested in all contributions immediately. During the years ended December 31, 2023, 2022, and 2021, the City and plan members each made contributions of \$10,137, \$9,131, and \$8,708 to the Plan, respectively. The Plan investments are managed by Mission Square.

NOTE 9: POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description

The City of Federal Heights Retiree Health Care Plan (the “Retiree Health Care Plan”) is a single employer defined benefit plan. The Retiree Health Care Plan provides a retiree health care benefit by policy to retired employees. The City provides a benefit to regular employees that have 10 years of continuous service and have reached age 60 and who retire absent termination. During the year ended December 31, 2011, the City made modifications to the plan to only allow coverage until a retiree is Medicare eligible. During the year ended December 31, 2022, the City increased the maximum benefit to \$400 per month. This plan is a substantive plan as it is not formalized into a formal plan document. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Benefits Provided

The City provides a subsidy to offset the retiree contributions. The City provides a subsidy of 50% of the monthly contribution for the retiree only tier, 40% for the retiree and spouse tier, and 33% for the retiree and family tier. In all instances, the City does not pay more than \$400 per month for both medical and dental benefits.

Funding Policy

The plan is funded on a pay-as-you-go basis with payments made by the City’s General Fund.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 9: POST-EMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

A summary of the current eligible active employees and retirees currently receiving benefit payments is outlined below:

Not Fully Eligible Active Employees	89
Eligible Active Employees	<u>5</u>
Total	<u><u>94</u></u>

Total OPEB Liability

The Net OPEB liability measured by an actuarial valuation dated December 31, 2023.

Actuarial Methods and Assumptions

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	December 31, 2023
Discount Rate	3.72% per annum
Salary Increase Rate	3.50% per annum
Census Data	The census was provided by the City as of December 15, 2023.
Marriage Rate	The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.
Spouse Age	Where the information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	<i>Experience/ Assumptions:</i> gains and losses are amortized over a closed period of 21.9 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 9: POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

Changes in Actuarial Assumptions

Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 70% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

Balance at January 1, 2022	\$ 455,850
Service Cost	40,149
Interest Cost	18,451
Difference between expected and actual experience	(135,086)
Changes in Assumptions or Other Inputs	19,227
Benefit Payments	<u>-</u>
Balance at December 31, 2022	<u>\$ 398,591</u>

Assumption Changes: Changes of assumptions and other inputs, which will be observed in the January 1, 2023 actuarial valuations, are as follows:

Discount Rate	Updated from 3.72% to 3.26%
Spouse Age	Where this information is missing, male spouses are assumed to be three years older than female spouses.
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 9: POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Proportionate share of the net pension liability (asset)	\$435,000	\$398,591,	\$366,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00% decreasing to 3.00%) or 1-percentage-point higher (8.00% decreasing to 5.00%) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.00%)	Current Health Care Cost Trend (7.00% decreasing to 4.00)	1% Increase (8.00% decreasing to 5.0%)
Proportionate share of the net pension liability (asset)	\$360,000	\$398,591	\$445,000

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of resources Related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of \$36,921, which includes the City's current year contribution expense of \$0.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$275,461
Change in assumptions and other inputs	\$57,887	\$57,107
Total	\$57,887	\$332,568

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 9: POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

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

Year ended December 31	
2022	(\$ 17,563)
2023	(\$ 17,110)
2024	(\$ 9,897)
2025	(\$ 13,199)
2026	(\$ 13,199)
Thereafter	(\$ 203,324)

NOTE 10: RISK RELATED ACTIVITIES

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for workers' compensation claims. Settlements have not exceeded insurance coverage in the past three years.

For other risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers' compensation coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 10: RISK RELATED ACTIVITIES (Continued)

The City self-insures for an employee short-term disability plan. Claims paid during the years ended December 31, 2023, 2022, and 2021 were \$5,777, \$3,642, and \$3,642, respectively. All transactions of the Plan are recorded in the General Fund.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in various lawsuits. The outcome of this litigation cannot be determined at this time.

Grants

Grants from governmental entities are governed by various rules and regulations of the grantor agencies. Under the term of the grants, costs charged to the grant programs are subject to audit and adjustment by the grantor agency.

Such audit could lead to reimbursement to the grantor agency. Management believes there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants the City has received. Therefore, no provision has been recorded in the accompanying financing statements for such contingencies.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 5, 1996, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1996 and subsequent years for street improvement projects, capital projects, basic municipal services and/or lawful municipal purposes, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$560,000 was recorded in the General Fund.

CITY OF FEDERAL HEIGHTS, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 12: CONSERVATION TRUST FUND

The City annually receives funds through the State of Colorado that are restricted for use pursuant to Colorado Revised Statutes Article 21 of Title 29. Funds are to be utilized primarily for parks and recreation purposes. The following is a summary of the City's Conversation Trust activity for the year ended December 31, 2023:

	<u>General Fund</u>	<u>Open Space</u>	<u>Total</u>
Balance 12/31/2022	\$ 7,847	\$ 626,706	\$ 634,553
Receipts	74,474	24,825	99,299
Interest Earned	-	35,985	35,985
Unrealized gain/(loss)	-	(1,940)	(1,940)
Expenditures	<u>(93,709)</u>	<u>-</u>	<u>(93,709)</u>
Balance 12/31/2023	<u>\$ (11,388)</u>	<u>\$ 685,576</u>	<u>\$ 674,188</u>
Less: Unrealized gain/(loss)	<u>-</u>	<u>(1,940)</u>	<u>(1,940)</u>
Balance per CTF Report 12/31/2023	<u>\$ (11,388)</u>	<u>\$ 687,516</u>	<u>\$ 676,128</u>

NOTE 13: SUBSEQUENT EVENTS

Potential subsequent events were considered through May 24, 2024. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FEDERAL HEIGHTS, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Taxes	\$ 14,397,611	\$ 14,074,611	\$ 13,979,872	\$ (94,739)	\$ 14,499,033
Licenses and Permits	155,700	175,700	209,414	33,714	148,559
Intergovernmental	791,179	962,215	948,844	(13,371)	3,864,526
Charges for Services	611,000	513,000	630,911	117,911	566,168
Court Revenues	231,150	189,150	176,323	(12,827)	199,951
Miscellaneous	17,000	92,000	127,701	35,701	73,192
Investment Income	212,000	700,000	1,039,753	339,753	(19,670)
TOTAL REVENUES	16,415,640	16,706,676	17,112,818	406,142	19,331,759
EXPENDITURES					
Current					
General Government	3,736,905	3,736,905	2,948,511	788,394	2,740,302
Public Safety	8,718,904	8,718,904	7,426,218	1,292,686	6,876,236
Community Services	2,494,636	2,494,636	2,308,593	186,043	2,049,409
Victim Advocate	338,574	338,574	255,952	82,622	260,741
Intergovernmental Services	80,230	80,230	59,939	20,291	51,770
Capital Outlay	3,000	3,000	642	2,358	7,072
TOTAL EXPENDITURES	15,372,249	15,372,249	12,999,855	2,372,394	11,985,530
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,043,391	1,334,427	4,112,963	2,778,536	7,346,229
OTHER FINANCING SOURCES(USES)					
Transfers In	930,000	990,000	983,668	(6,332)	889,535
Transfers Out	(1,950,000)	(5,500,000)	(5,500,000)	-	(6,300,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,020,000)	(4,510,000)	(4,516,332)	(6,332)	(5,410,465)
NET CHANGE IN FUND BALANCE	23,391	(3,175,573)	(403,369)	2,772,204	1,935,764
FUND BALANCE, Beginning	20,822,887	20,822,887	20,822,887	-	18,887,123
FUND BALANCE, Ending	\$ 20,846,278	\$ 17,647,314	\$ 20,419,518	\$ 2,772,204	\$ 20,822,887

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

REDEVELOPMENT AGENCY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Investment Income	\$ -	\$ 306,432	\$ 212,472	\$ (93,960)	\$ (22,481)
TOTAL REVENUES	-	306,432	212,472	(93,960)	(22,481)
EXPENDITURES					
Community Development	-	-	902	(902)	1,425
Capital Outlay	1,822,278	3,072,778	1,554,933	1,517,845	1,165,450
TOTAL EXPENDITURES	1,822,278	3,072,778	1,555,835	1,516,943	1,166,875
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,822,278)	(2,766,346)	(1,343,363)	1,422,983	(1,189,356)
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(90,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(90,000)
NET CHANGE IN FUND BALANCE	(1,822,278)	(2,766,346)	(1,343,363)	1,422,983	(1,279,356)
FUND BALANC, Beginning	1,822,278	2,766,346	2,766,346	-	4,045,702
FUND BALANCE (DEFICIT), Ending	\$ -	\$ -	\$ 1,422,983	\$ 1,422,983	\$ 2,766,346

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

SCHEDULE OF CONTRIBUTIONS

December 31, 2023

<u>FY Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A

*Includes both employer and State of Colorado Supplementary Discretionary Payment

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

VOLUNTEER FIREFIGHTERS' PENSION PLAN

Measurement Period Ending December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 8,261	\$ 9,684	\$ 9,684	\$ 4,459	\$ 4,459	\$ 11,453	\$ 11,453	\$ 552	\$ 552
Interest on the Total Pension Liability	18,016	19,258	20,578	18,754	19,351	30,134	31,625	29,710	30,472
Benefit Changes	-	-	-	-	112,551	-	-	-	-
Difference Between Expected and Actual Experience	930	-	(42,807)	-	27,056	-	(44,807)	-	(32,460)
Assumption Changes	-	-	2,120	-	25,411	-	-	-	10,949
Benefit Payments	(11,340)	(11,340)	(11,340)	(11,340)	(19,305)	(20,280)	(20,280)	(20,280)	(18,430)
Net Change in Total Pension Liability	15,867	17,602	(21,765)	11,873	169,523	21,307	(22,009)	9,982	(8,917)
Total Pension Liability - Beginning	241,722	257,589	275,191	253,426	265,299	434,822	456,129	434,120	444,102
Total Pension Liability - Ending	\$ 257,589	\$ 275,191	\$ 253,426	\$ 265,299	\$ 434,822	\$ 456,129	\$ 434,120	\$ 444,102	\$ 435,185
Plan Fiduciary Net Position									
Employer Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pension Plan Net Investment Income	175,814	48,972	149,764	425,111	(63)	469,836	491,893	620,361	(384,948)
Benefit Payments	(11,340)	(11,340)	(11,340)	(11,340)	(19,305)	(20,280)	(20,280)	(20,230)	(18,430)
Pension Plan Administrative Expenses	(4,992)	(5,673)	(5,274)	(5,907)	(5,104)	(6,143)	(2,856)	(3,845)	(3,554)
Net Change in Plan Fiduciary Net Position	159,482	31,959	133,150	407,864	(24,472)	443,413	468,757	596,286	(406,932)
Plan Fiduciary Net Position - Beginning	2,566,210	2,725,692	2,757,651	2,890,801	3,298,665	3,274,193	3,717,606	4,186,363	4,782,599
Plan Fiduciary Net Position - Ending	2,725,692	2,757,651	2,890,801	3,298,665	3,274,193	3,717,606	4,186,363	4,782,649	4,375,667
Net Pension Liability/(Asset)	\$ (2,468,103)	\$ (2,482,460)	\$ (2,637,375)	\$ (3,033,366)	\$ (2,839,371)	\$ (3,261,477)	\$ (3,752,243)	\$ (4,338,547)	\$ (3,940,482)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	1058.16%	1002.09%	1140.69%	1243.38%	753.00%	815.03%	964.33%	1076.93%	1005.47%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's proportionate share of the Net Pension Liability (Asset)	0.562%	0.502%	0.525%	0.498%	0.411%	0.408%	0.376%	0.321%	0.370%	0.313%
City's proportionate share of the Net Pension Liability (Asset)	\$ (502,336)	\$ (566,954)	\$ (9,256)	\$ 179,887	\$ (591,851)	\$ 515,431	\$ (212,415)	\$ (696,608)	\$ (1,826,581)	\$ 277,830
City's covered payroll	\$ 2,198,747	\$ 2,080,599	\$ 2,345,907	\$ 2,328,554	\$ 2,303,527	\$ 2,303,527	\$ 2,666,409	\$ 2,843,571	\$ 2,711,988	\$ 2,843,571
City's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-22.8%	-27.2%	-0.4%	7.7%	-25.7%	22.4%	-8.0%	-24.5%	-67.4%	9.8%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%	97.6%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO
SCHEDULE OF THE CITY'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contributions	\$ 180,731	\$ 203,697	\$ 203,826	\$ 192,308	\$ 218,475	\$ 221,454	\$ 206,180	\$ 227,807	\$ 190,465	\$ 238,860
Contributions in relation to the statutorily required contributions	180,731	203,697	203,826	192,308	218,475	221,454	206,180	227,807	190,465	238,860
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,080,599	\$ 2,345,907	\$ 2,328,554	\$ 2,303,527	\$ 2,556,939	\$ 2,666,409	\$ 2,464,281	\$ 2,711,988	\$ 2,267,440	\$ 2,843,571
Contributions as a percentage of covered payroll	8.69%	8.68%	8.75%	8.35%	8.54%	8.31%	8.37%	8.40%	8.40%	8.40%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH CARE PLAN

Years Ended December 31,

Measurement Period Ending December 31,	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 16,613	\$ 16,613	\$ 16,334	\$ 11,543	\$ 13,438	\$ 39,506	\$ 40,149
Interest	20,238	24,942	23,385	14,086	11,612	10,513	18,451
Benefit Changes	-	-	-	-	30,952	-	(135,086)
Difference Between Expected and Actual Experience	-	-	(116,192)	-	-	-	-
Assumption Changes	18,468	15,185	58,074	25,322	(131,980)	(62,625)	19,227
Benefit Payments	(34,141)	(34,141)	(30,625)	(38,378)	14,867	(4,724)	-
Employer Contributions	-	(12,900)	(10,800)	-	-	-	-
Other OPEB Expense	-	-	(37,986)	-	-	-	-
Net Change in Total OPEB Liability	21,178	9,699	(97,810)	12,573	(61,111)	(17,330)	(57,259)
Total OPEB Liability - Beginning	588,651	609,829	619,528	521,718	534,291	473,180	455,850
Total OPEB Liability - Ending	<u>\$ 609,829</u>	<u>\$ 619,528</u>	<u>\$ 521,718</u>	<u>\$ 534,291</u>	<u>\$ 473,180</u>	<u>\$ 455,850</u>	<u>\$ 398,591</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Changes of assumptions and other inputs reflect a change in the discount rate which is 3.26% as of December 31, 2023.
2. No assets accumulate in a trust that meets the criteria of GASB codification to pay.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF FEDERAL HEIGHTS, COLORADO

ROAD IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES				
Licenses and Permits	\$ 1,000	\$ -	\$ (1,000)	\$ -
Intergovernmental	350,000	489,037	139,037	490,773
Investment Income	55,000	288,256	233,256	(30,329)
Other	-	-	-	-
TOTAL REVENUES	406,000	777,293	371,293	460,444
EXPENDITURES				
Community Services	508,750	114,519	394,231	45,756
Capital Outlay	1,449,500	510,494	939,006	652,666
TOTAL EXPENDITURES	1,958,250	625,013	1,333,237	698,422
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,552,250)	152,280	1,704,530	(237,978)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,000,000	1,000,000	-	950,000
Transfers Out	(95,000)	(95,000)	-	(90,000)
TOTAL OTHER FINANCING SOURCES (USES)	905,000	905,000	-	860,000
NET CHANGE IN FUND BALANCE	(647,250)	1,057,280	1,704,530	622,022
FUND BALANCE, Beginning	5,018,770	5,018,770	-	4,396,748
FUND BALANCE, Ending	\$ 4,371,520	\$ 6,076,050	\$ 1,704,530	\$ 5,018,770

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	50,000	17,100	(32,900)	2,200
Investment Income	-	433,274	433,274	(87,617)
TOTAL REVENUES	50,000	450,374	400,374	(85,417)
EXPENDITURES				
Capital Outlay	3,451,349	747,683	2,703,666	138,324
TOTAL EXPENDITURES	3,451,349	747,683	2,703,666	138,324
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,401,349)	(297,309)	3,104,040	(223,741)
OTHER FINANCING SOURCES (USES)				
Transfers In	950,000	4,500,000	3,550,000	5,350,000
NET CHANGE IN FUND BALANCE	(2,451,349)	4,202,691	6,654,040	5,126,259
FUND BALANCE, Beginning	7,874,826	7,874,826	-	2,748,567
FUND BALANCE, Ending	\$ 5,423,477	\$ 12,077,517	\$ 6,654,040	\$ 7,874,826

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
As of December 31, 2023

	SPECIAL REVENUE			TOTALS	
	SPECIAL	E911	OPEN SPACE		
	INVESTIGATIONS	FUND	FUND	2023	2022
	FUND	FUND	FUND		
ASSETS					
Cash and Investments	\$ 28,788	\$ -	\$ 2,056,914	\$ 2,085,702	\$ 1,771,386
Accounts Receivable	-	43,637	91,108	134,745	162,673
TOTAL ASSETS	<u>\$ 28,788</u>	<u>\$ 43,637</u>	<u>\$ 2,148,022</u>	<u>\$ 2,220,447</u>	<u>\$ 1,934,059</u>
LIABILITIES AND FUND					
BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	43,637	-	43,637	8,450
TOTAL LIABILITIES	<u>-</u>	<u>43,637</u>	<u>-</u>	<u>43,637</u>	<u>8,450</u>
FUND BALANCES					
Restricted	<u>28,788</u>	<u>-</u>	<u>2,148,022</u>	<u>2,176,810</u>	<u>1,925,609</u>
TOTAL FUND BALANCES	<u>28,788</u>	<u>-</u>	<u>2,148,022</u>	<u>2,176,810</u>	<u>1,925,609</u>
TOTAL LIABILITIES					
AND FUND BALANCES	<u>\$ 28,788</u>	<u>\$ 43,637</u>	<u>\$ 2,148,022</u>	<u>\$ 2,220,447</u>	<u>\$ 1,934,059</u>

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2023

	SPECIAL REVENUE				
	SPECIAL	E911	OPEN SPACE	TOTALS	
	INVESTIGATIONS			2023	2022
	FUND	FUND	FUND		
REVENUES					
Taxes	\$ -	\$ 352,126	\$ 179,721	\$ 531,847	\$ 459,211
Intergovernmental	6,589	-	84,269	90,858	63,096
Miscellaneous	-	-	3,684	3,684	-
Investment Income	8	-	98,203	98,211	(12,798)
TOTAL REVENUES	6,597	352,126	365,877	724,600	509,509
EXPENDITURES					
General Government	-	2,310		2,310	3,465
Parks and Recreation	-	-	7,500	7,500	7,500
Capital Outlay	-	-	84,921	84,921	-
TOTAL EXPENDITURES	-	2,310	92,421	94,731	10,965
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,597	349,816	273,456	629,869	498,544
OTHER FINANCING SOURCES					
Transfers Out	-	(378,668)	-	(378,668)	(246,535)
CHANGE IN FUND BALANCES	6,597	(28,852)	273,456	251,201	252,009
FUND BALANCES, Beginning	22,191	28,852	1,874,566	1,925,609	1,673,600
FUND BALANCES, Ending	\$ 28,788	\$ -	\$ 2,148,022	\$ 2,176,810	\$ 1,925,609

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

E911 FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			VARIANCE	2022
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Surcharges	\$ 325,000	\$ 385,000	\$ 352,126	\$ (32,874)	\$ 278,852
TOTAL REVENUES	<u>325,000</u>	<u>385,000</u>	<u>352,126</u>	<u>(32,874)</u>	<u>278,852</u>
EXPENDITURES					
General and Administrative			2,310	(2,310)	3,465
Capital Outlay		-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>2,310</u>	<u>(2,310)</u>	<u>3,465</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>325,000</u>	<u>385,000</u>	<u>349,816</u>	<u>(30,564)</u>	<u>275,387</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(325,000)	(385,000)	(378,668)	6,332	(246,535)
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(28,852)</u>	<u>(24,232)</u>	<u>28,852</u>
FUND BALANCE, Beginning	<u>-</u>	<u>28,852</u>	<u>28,852</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 28,852</u>	<u>\$ -</u>	<u>\$ (28,852)</u>	<u>\$ 28,852</u>

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES				
Taxes	\$ 86,500	\$ 179,721	\$ 93,221	\$ 180,359
Intergovernmental	121,970	84,269	(37,701)	50,704
Other Income		3,684		
Investment Income	20,000	98,203	78,203	(12,799)
TOTAL REVENUES	228,470	365,877	133,723	218,264
EXPENDITURES				
Parks and Recreation	7,500	7,500	-	7,500
Capital Outlay	205,000	84,921	120,079	-
TOTAL EXPENDITURES	212,500	92,421	120,079	7,500
NET CHANGE IN FUND BALANCE	15,970	273,456	257,486	210,764
FUND BALANCE, Beginning	1,874,566	1,874,566	-	1,663,802
FUND BALANCE, Ending	<u>\$ 1,890,536</u>	<u>\$ 2,148,022</u>	<u>\$ 257,486</u>	<u>\$ 1,874,566</u>

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -

BUDGET TO ACTUAL

Year Ended December 31, 2023

	2023			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES				
Water Sales	\$ 4,164,079	\$ 3,795,504	\$ (368,575)	\$ 3,849,479
Sewer Fees	2,184,885	1,841,292	(343,593)	1,669,239
Other Income		12,135	12,135	1,844
Investment Income	50,000	271,022	221,022	(34,177)
TOTAL REVENUES	6,398,964	5,919,953	(479,011)	5,486,385
EXPENDITURES				
Water Supply	3,372,223	2,862,527	509,696	3,172,254
Water Distribution	483,509	333,226	150,283	321,266
Sewer Collection and Treatment	1,650,040	1,098,634	551,406	1,220,527
General and Administrative	94,461	62,650	31,811	83,776
Capital Outlay	2,957,250	1,431,446	1,525,804	880,390
Transfer Out	420,000	420,000	-	378,000
TOTAL EXPENDITURES	8,977,483	6,208,483	2,769,000	6,056,213
NET INCOME, Budget Basis	<u>\$ (2,578,519)</u>	(288,530)	<u>\$ 2,289,989</u>	(569,828)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		1,431,446		880,390
Depreciation Expense		(589,119)		(543,741)
NET INCOME, GAAP Basis		553,797		(233,179)
NET POSITION, Beginning		16,888,120		17,121,299
NET POSITION, Ending		<u>\$ 17,441,917</u>		<u>\$ 16,888,120</u>

See the accompanying independent auditors' report.

CITY OF FEDERAL HEIGHTS, COLORADO

DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -
BUDGET TO ACTUAL
Year Ended December 31, 2023

	2023			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2022 ACTUAL
REVENUES					
Drainage Fees	\$ 357,000	\$ 357,000	\$ 358,725	\$ 1,725	\$ 359,971
Other Income	1,200	1,200	1,171	(29)	1,794
Investment Income	5,000	5,000	24,690	19,690	(2,473)
TOTAL REVENUES	363,200	363,200	384,586	21,386	359,292
	-				
EXPENDITURES					
General and Administrative	179,741	179,741	139,856	39,885	146,575
Capital Outlay	201,250	201,250	26,308	174,942	60,025
Transfers Out	90,000	90,000	90,000	-	85,000
TOTAL EXPENDITURES	470,991	470,991	256,164	214,827	291,600
NET INCOME, Budget Basis	<u>(107,791)</u>	<u>\$ (107,791)</u>	128,422	<u>\$ 236,213</u>	67,692
GAAP BASIS ADJUSTMENTS					
Capital Outlay			26,308		60,025
Depreciation Expense			<u>(167,099)</u>		<u>(165,660)</u>
NET INCOME, GAAP Basis			(12,369)		(37,943)
NET POSITION, Beginning			<u>3,821,280</u>		<u>3,859,223</u>
NET POSITION, Ending			<u>\$ 3,808,911</u>		<u>\$ 3,821,280</u>

See the accompanying independent auditors' report.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Federal Heights' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends	59
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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity	63
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These schedules contain information to help the reader assess the government's most significant local revenue sources – sales taxes and property taxes.

Debt Capacity	69
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information	74
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information	77
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Federal Heights
Net Position By Component
Fiscal Years 2014 - 2023
(*accrual basis of accounting*)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 11,713,411	\$ 12,018,995	\$ 12,963,928	\$ 14,082,864	\$ 15,544,134	\$ 17,704,072	\$ 21,366,876	\$ 21,797,837	\$ 21,027,071	\$ 20,889,406
Restricted	4,990,859	5,015,859	6,103,682	9,726,902	10,545,466	12,887,540	11,326,461	13,583,198	18,286,339	28,215,995
Unrestricted	4,557,394	10,392,172	11,711,916	10,791,780	12,888,748	14,904,157	17,917,667	21,365,433	25,175,381	20,706,380
Total governmental activities net position	21,261,664	27,427,026	30,779,526	34,601,546	38,978,348	45,495,769	50,611,004	56,746,468	64,488,791	69,811,781
Business Type Activities										
Net investment in capital assets	9,737,609	10,274,485	11,002,153	12,036,135	12,848,139	13,313,649	13,564,931	13,661,823	13,212,044	14,069,330
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,111,694	7,836,777	7,719,835	7,359,734	7,033,520	7,079,761	6,821,826	7,318,699	7,497,356	7,181,498
Total business-type activities net position	17,849,303	18,111,262	18,721,988	19,395,869	19,881,659	20,393,410	20,386,757	20,980,522	20,709,400	21,250,828
Primary government										
Net investment in capital assets	21,451,020	22,293,480	23,966,081	26,118,999	28,392,273	31,017,721	34,931,807	35,459,660	34,239,115	34,958,736
Restricted	4,990,859	5,015,859	6,103,682	9,726,902	10,545,466	12,887,540	11,326,461	13,583,198	18,286,339	28,215,995
Unrestricted	12,669,088	18,228,949	19,431,751	18,151,514	19,922,268	21,983,918	24,739,493	28,684,132	32,672,737	27,887,878
Total primary government net position	\$ 39,110,967	\$ 45,538,288	\$ 49,501,514	\$ 53,997,415	\$ 58,860,007	\$ 65,889,179	\$ 70,997,761	\$ 77,726,990	\$ 85,198,191	\$ 91,062,609

Source: City of Federal Heights Financial Statements.

City of Federal Heights
Changes in Net Position
Fiscal Years 2014-2023
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 2,195,756	\$ 2,690,058	\$ 2,760,615	\$ 2,958,274	\$ 5,862,730	\$887,296	\$2,947,900	\$2,981,622	\$3,365,245	\$3,537,430
Public Safety	4,894,313	4,419,375	4,862,109	5,236,063	5,388,329	6,043,652	6,582,022	6,633,150	6,829,344	7,840,733
Community Services	1,737,252	1,820,951	1,870,024	1,864,885	2,103,951	2,361,761	2,319,298	2,634,495	2,657,165	2,999,754
Parks and Recreation	62,961	44,243	30,147	29,733	32,751	479,914	22,872	17,279	47,100	79,956
Community Development	351,074	132,285	151,832	154,598	158,807	1,385,318	174,295	15,907	5,591	5,068
Interest on Long-Term Debt	117,767	75,482	74,956	63,999	38,463	-	-	-	-	-
Total governmental activities expenses	9,359,123	9,182,394	9,749,683	10,307,552	13,585,031	11,157,941	12,046,387	12,282,453	12,904,445	14,462,941
Business-type activities:										
Utility	3,341,407	3,585,736	3,803,002	4,064,922	4,296,976	4,537,850	4,715,391	4,622,497	5,341,564	4,946,156
Drainage	121,595	157,072	180,448	195,581	203,923	239,047	266,624	290,513	312,235	306,955
Fire Academy	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	3,463,002	3,742,808	3,983,450	4,260,503	4,500,899	4,776,897	4,982,015	4,913,010	5,653,799	5,253,111
Total primary government expenses	12,822,125	12,925,202	13,733,133	14,568,055	18,085,930	15,934,838	17,028,402	17,195,463	18,558,244	19,716,052
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	696,936	511,420	550,302	496,656	541,927	597,843	439,260	515,711	566,168	630,911
Public Safety	476,099	479,961	406,745	399,701	559,711	727,256	285,320	296,432	199,951	176,323
Community Services	137,945	206,367	200,161	204,649	249,089	247,627	206,062	177,057	148,559	209,414
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	555,306	680,833	688,239	585,028	654,344	725,645	1,772,222	646,201	3,876,917	955,434
Capital grants	304,919	385,488	973,385	1,196,142	3,604,030	509,624	636,530	1,952,078	541,477	573,306
Total governmental activities program revenues	2,171,205	2,264,069	2,818,832	2,882,176	5,609,101	2,807,995	3,339,394	3,587,479	5,333,072	2,545,388
Business-type activities:										
Charges for services										
Utility	3,542,121	3,803,009	4,369,993	4,345,729	4,810,892	5,069,104	4,936,981	5,553,956	5,518,718	5,636,796
Drainage	372,657	378,926	379,773	397,591	378,465	357,162	358,233	360,133	359,971	358,725
Capital grants and contributions	-	-	-	380,199	-	59,461	29,671	-	-	-
Total business-type activities program revenues	3,914,778	4,181,935	4,749,766	5,123,519	5,189,357	5,485,727	5,324,885	5,914,089	5,878,689	5,995,521
Total primary government program revenues	6,085,983	6,446,004	7,568,598	8,005,695	10,798,458	8,293,722	8,664,279	9,501,568	11,211,761	8,540,909
Net (Expense)/Revenue										
Government activities	(7,187,918)	(6,918,325)	(6,930,851)	(7,425,376)	(7,975,930)	(8,349,946)	(8,706,993)	(8,694,974)	(7,571,373)	(11,917,553)
Business-type activities	451,776	439,127	766,316	863,016	688,458	708,830	342,870	1,001,079	224,890	742,410
Total primary government net expense	(6,736,142)	(6,479,198)	(6,164,535)	(6,562,360)	(7,287,472)	(7,641,116)	(8,364,123)	(7,693,895)	(7,346,483)	(11,175,143)
General Revenues										
Governmental activities:										
Taxes										
Property Taxes	30,170	31,596	39,128	39,489	45,666	45,636	76,137	75,706	84,117	82,698
Sales & Admissions Taxes	6,660,358	7,110,293	7,547,332	8,159,783	9,633,214	10,811,303	11,862,384	13,433,003	13,929,390	13,426,623
Property Tax Increment Financing	1,637,035	1,779,492	1,882,640	1,846,624	2,146,533	2,492,626	3,829	1,333	-	-
Other Taxes	501,502	739,941	465,724	507,374	504,883	513,920	693,802	811,020	944,738	1,002,397
Investment Income	125,751	120,863	184,833	188,896	386,094	632,481	403,316	(42,789)	(172,895)	2,071,966
Miscellaneous	131,564	50,930	170,127	117,035	53,142	16,401	343,760	94,165	65,346	146,859
Transfers	252,597	255,000	255,000	280,000	340,000	355,000	439,000	458,000	463,000	510,000
Loss On Disposal of Assets -Special Item	(174,628)	(11,983)	-	(7,792)	-	-	-	-	-	-
Capital Contributions - Special Item	-	-	-	-	-	-	-	-	-	-
Special Item - Change in Value of Asset	-	-	(261,433)	-	(756,800)	-	-	-	-	-
Total governmental activities	9,164,349	10,076,132	10,283,351	11,131,409	12,352,732	14,867,367	13,822,228	14,830,438	15,313,696	17,240,543
Business-type activities:										
Investment Income	105,836	69,502	87,988	80,409	117,237	138,659	81,189	(12,469)	(36,650)	295,712
Miscellaneous	10,343	8,330	11,422	10,456	20,095	19,262	8,288	63,155	3,638	13,306
Transfers	(252,597)	(255,000)	(255,000)	(280,000)	(340,000)	(355,000)	(439,000)	(458,000)	(463,000)	(510,000)
Capital Contributions - Special Item	306,115	-	-	-	-	-	-	-	-	-
Total business-type activities	169,697	(177,168)	(155,590)	(189,135)	(202,668)	(197,079)	(349,523)	(407,314)	(496,012)	(200,982)
Total primary government	9,334,046	9,898,964	10,127,761	10,942,274	12,150,064	14,670,288	13,472,705	14,423,124	14,817,684	17,039,561
Change in Net Position										
Governmental activities	1,976,431	3,157,807	3,352,500	3,706,033	4,376,802	6,517,421	5,115,235	6,135,464	7,742,323	5,322,990
Business-type activities	621,473	261,959	610,726	673,881	485,790	511,751	(6,653)	593,765	(271,122)	541,428
Total Change in Net Position	\$ 2,597,904	\$ 3,419,766	\$ 3,963,226	\$ 4,379,914	\$ 4,862,592	\$ 7,029,172	\$ 5,108,582	\$ 6,729,229	\$ 7,471,201	\$ 5,864,418

Source: City of Federal Heights Financial Statements.

City of Federal Heights
Fund Balance, Governmental Funds
Fiscal Years 2014 - 2023
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,256,806	\$ 866,309	\$ 912,356	\$ 962,268	\$ 695,730	\$ 117,049	\$ 547,250	\$ 18,123	\$ 2,435	\$ -
Restricted	531,641	524,463	700,575	755,723	571,771	556,586	169,111	718,581	700,788	916,353
Committed	329,526	316,542	295,290	282,703	258,798	228,092	169,111	98,411	90,688	2,754
Unassigned	4,215,706	5,681,649	5,937,499	7,246,375	9,090,395	11,787,664	14,825,959	18,052,008	20,028,976	19,500,411
Total General Fund	6,333,679	7,388,963	7,845,720	9,247,069	10,616,694	12,689,391	15,542,320	18,887,123	20,822,887	20,419,518
All Other Governmental Funds										
Nonspendable	1,568,233	1,568,233	1,306,800	-	113,784	-	-	-	-	-
Restricted	4,620,699	4,567,589	5,403,107	8,971,179	9,973,695	12,330,954	10,779,211	12,864,617	17,585,551	21,753,360
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(1,743,648)	(154,567)	1,032,011	-	-	-	-	-	-	-
Total all other governmental funds	4,445,284	5,981,255	7,741,918	8,971,179	10,087,479	12,330,954	10,779,211	12,864,617	17,585,551	21,753,360
Total Fund Equity	\$ 10,778,963	\$ 13,370,218	\$ 15,587,638	\$ 18,218,248	\$ 20,704,173	\$ 25,020,345	\$ 26,321,531	\$ 31,751,740	\$ 38,408,438	\$ 42,172,878

Source: City of Federal Heights Financial Statements

City of Federal Heights
Changes in Fund Balances, Governmental Funds
Fiscal Years 2014 - 2023
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 8,829,065	\$ 9,661,322	\$ 9,934,824	\$ 10,511,067	\$ 12,372,499	\$ 13,863,485	\$ 12,636,152	\$ 14,321,062	\$ 14,958,244	\$ 14,511,719
Licenses and Permits	137,945	206,367	200,161	204,649	249,089	247,627	206,062	177,057	148,559	209,414
Intergovernmental	860,225	1,066,321	1,661,624	1,781,170	4,258,374	1,235,269	2,408,752	2,598,279	4,418,395	1,528,739
Charges for Services	696,936	511,420	550,302	496,656	541,927	597,843	439,260	515,711	566,168	630,911
Court revenues	476,099	479,961	406,745	399,701	559,711	727,256	285,320	296,432	199,951	176,323
Investment Income	125,751	120,863	184,833	188,896	386,094	632,481	403,316	(42,789)	(172,895)	2,071,966
Miscellaneous	131,564	50,930	170,127	117,035	(703,658)	27,357	344,816	128,225	75,392	148,485
Change in Value of Asset	-	-	(261,433)	-	-	-	-	-	-	-
Total revenues	11,257,585	12,097,184	12,847,183	13,699,174	17,664,036	17,331,318	16,723,678	17,993,977	20,193,814	19,277,557
Expenditures										
General Government	2,040,551	2,096,601	2,086,425	1,993,027	2,131,264	2,229,560	2,660,797	2,467,229	2,743,767	2,950,821
Public Safety	4,706,213	4,541,834	4,835,191	4,944,336	5,527,909	5,758,072	6,152,348	6,298,216	6,876,236	7,426,218
Community Services	1,373,876	1,441,761	1,462,362	1,453,998	1,675,826	1,895,945	1,806,708	2,082,357	2,095,165	2,423,112
Victim Advocate	99,215	95,214	110,063	76,905	124,255	142,409	146,579	158,048	260,741	255,952
Parks and Recreation	5,145	6,304	7,101	7,006	10,024	457,187	6,797	7,168	7,500	7,500
Community Development	70,167	121,030	141,576	143,964	147,436	1,374,318	166,712	11,742	1,425	902
Intergovernmental Services	39,244	49,244	72,713	70,910	58,354	44,968	36,970	63,511	51,770	59,939
Capital outlay	1,040,021	1,333,459	2,094,376	2,594,419	5,804,580	1,467,687	4,884,581	1,933,497	1,963,512	2,898,673
Debt service	117,767	75,482	74,956	63,999	38,463	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Total expenditures	9,492,199	9,760,929	10,884,763	11,348,564	15,518,111	13,370,146	15,861,492	13,021,768	14,000,116	16,023,117
Excess of revenues over (under) expenditures	1,765,386	2,336,255	1,962,420	2,350,610	2,145,925	3,961,172	862,186	4,972,209	6,193,698	3,254,440
Other Financing Sources (Uses)										
Transfers in	1,171,202	1,138,000	2,232,829	1,491,917	3,165,642	2,855,000	3,660,277	3,069,800	7,189,535	6,483,668
Transfers out	(918,605)	(883,000)	(1,977,829)	(1,211,917)	(2,825,642)	(2,500,000)	(3,221,277)	(2,611,800)	(6,726,535)	(5,973,668)
Total other financing sources (uses)	252,597	255,000	255,000	280,000	340,000	355,000	439,000	458,000	463,000	510,000
Net changes in fund balances	2,017,983	2,591,255	2,217,420	2,630,610	2,485,925	4,316,172	1,301,186	5,430,209	6,656,698	3,764,440
Debt services as a percentage of noncapital expenditures (a)	1.4%	0.9%	0.8%	0.7%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: City of Federal Heights Financial Statements.

(a) Debt service as a percentage of noncapital expenditures is calculated using interest expense divided by total expenditures adjusted for the amount of capitalized assets as shown on the *Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities*. Interest expense for 2013 - 2018 is interfund interest from the Redevelopment Fund to the Utility Fund and General Fund.

(b) In 2016 and 2018, the fair market value of land held for sale was adjusted and reduced by \$261,433 and \$756,800 respectively.

City of Federal Heights
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

City of Federal Heights Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
2014	23,411,400	23,006,870	581,690	79,780	-	47,079,740	0.68	375,728,031	13%
2015	33,515,490	24,052,810	575,260	77,190	-	58,220,750	0.68	506,239,421	12%
2016	34,309,890	23,621,780	494,110	68,240	-	58,494,020	0.68	514,422,321	11%
2017	39,682,870	26,430,400	642,640	67,280	-	66,823,190	0.68	644,738,283	10%
2018	39,932,090	26,587,420	619,150	58,710	-	67,197,370	0.68	648,630,568	10%
2019	59,232,710	51,790,860	1,381,000	82,500	-	112,487,070	0.68	1,012,065,235	11%
2020	57,836,730	46,227,520	1,532,490	6,133,100	-	111,729,840	0.68	994,743,625	11%
2021	66,123,450	48,900,500	1,378,160	7,138,660	-	123,540,770	0.68	1,122,794,255	11%
2022	63,210,210	49,659,400	1,410,330	7,486,640	-	121,766,580	0.68	1,111,417,942	11%
2023	66,688,110	59,980,070	1,466,800	8,845,330	-	136,980,310	0.68	1,247,288,295	11%

Redevelopment Agency Fiscal Year Ended December 31	Residential Property	Commercial & Industrial Property	Vacant & Agricultural Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
2014	4,205,750	12,678,560	381,480	2,640	-	17,268,430	na	97,879,779	18%
2015	5,244,820	13,500,030	376,910	2,450	-	19,124,210	na	113,749,664	17%
2016	5,334,030	12,675,080	304,880	2,260	-	18,316,250	na	111,776,703	16%
2017	7,225,830	14,209,110	395,170	2,370	-	21,832,480	na	150,726,509	14%
2018	7,531,570	14,886,620	388,680	30,160	-	22,837,030	na	158,114,092	14%
2019	-	-	-	-	-	-	na	-	na
2020	-	-	-	-	-	-	na	-	na
2021	-	-	-	-	-	-	na	-	na
2022	-	-	-	-	-	-	na	-	na
2023	-	-	-	-	-	-	na	-	na

Source: Adams County Assessors Office.

- (a) Property in Federal Heights is reassessed every two years by Adams County. For 2023, the county assessed property at approximately 6.7% of actual for residential properties, at 87.5% for oil and gas, and at 27.9% for all others. The city does not have oil and gas property. Estimated actual value is calculated by dividing assessed value by those percentages.
- (b) For years ending 2021 and after, Oil and Gas Personal Property is reported in State Assessed to be consistent with Adams County Assessment Reporting. Prior year's Oil and Gas Personal Property was reported by Adams County in the category - Industrial Property.
- (c) Tax rates are per \$1,000 of assessed value. Source documents from the Assessor's Office do not include assessed values for tax exempt properties.
- (d) The Redevelopment Agency is a component unit within the City of Federal Heights Financial Statements. The property values are separately identified as a large source of property tax revenues. Revenues are determined by an incremental formula based on an amount of tax generated over a base rather than a direct tax rate. December 31, 2018 was the final year for the Redevelopment Agency. Taxes assessed for 2018 were paid in 2019.

City of Federal Heights
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Overlapping Rates

Fiscal Year	City Direct Rate	Total Direct Rate	Adams County					Urban Drainage District		School District 12		School District 50		Westminster Public Schools FKA #50		Hyland Hills Recreation District		Rangeview Library District	
2014	0.680	0.680	27.042					0.700		68.781		59.695		na		5.565		3.659	
2015	0.680	0.680	26.817					0.611		66.017		56.994		na		5.372		3.659	
2016	0.680	0.680	27.055					0.559		65.922		na		56.896		5.359		3.659	
2017	0.680	0.680	26.929					0.557		63.259		na		51.807		5.079		3.669	
2018	0.680	0.680	26.864					0.820		73.510		na		66.514		5.413		3.666	
2019	0.680	0.680	26.917					0.997		69.984		na		65.984		5.105		3.677	
2020	0.680	0.680	26.897					1.000		69.785		na		66.180		5.116		3.670	
2021	0.680	0.680	27.069					1.000		68.677		na		64.800		5.123		3.689	
2022	0.680	0.680	26.967					1.000		68.366		na		64.777		5.124		3.615	
2023	0.680	0.680	26.835					1.000		61.760		na		59.445		5.099		3.653	

Source: Adams County Assessors Office.

Overlapping Rates are those of local and county governments that apply to property owners within the City of Federal Heights. Not all overlapping rates apply to all Federal Heights property owners; for example although the county property tax rate applies to all city property owners, the Adams County School District 12 rate applies only to city property owners whose property is located within that district's geographic boundaries.

In 2016, Adams County School District 50 reorganized. Westminster Public Schools FKA #50 includes portions of Federal Heights.

The city's basic property tax rate may be increased only by a majority vote of the city's residents.

The city's basic property tax rate is assessed per \$1,000 of assessed valuation. As of 12/31/23 there are no direct debt service mills.

**City of Federal Heights
Principal Property Tax Payers
Current Year and Ten Years Ago**

	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
MAR Legacy Heights LLC	\$ 7,090,990	1	5%	\$ 3,181,170	2	7%
CR Tuscan Heights Communities LLC	6,754,550	2	5%	-	-	-
Lodge on 84th LLC	4,741,910	3	3%	-	-	-
Public Service Co of Colorado	4,659,750	4	3%	3,954,600	1	8%
Dean Ventures LLC	4,016,660	5	3%	-	-	-
MHC Holiday Hills Village LLC	3,722,500	6	3%	1,187,270	10	3%
GKT Market Square	3,465,180	7	3%	-	-	-
AT&T Mobility	3,436,070	8	3%	-	-	-
WH-Denver LLC	3,312,750	9	2%	-	-	-
Comcast or Colorado IX LLC	2,622,780	10	2%	1,290,190	8	3%
West 85th Avenue Apartments LLC	-	-	-	2,427,790	3	5%
Buckingham West - Federal Plaza LLC	-	-	-	1,542,790	4	3%
ADLP - 84th LLC	-	-	-	1,428,740	5	3%
ROC II CO Lodge on 84th LLC	-	-	-	1,399,030	6	3%
Carmax Auto Superstores West Coast Inc	-	-	-	1,351,400	7	3%
FG and JG LLC	-	-	-	1,225,840	9	3%
Total	<u>\$ 43,823,140</u>		<u>32%</u>	<u>\$ 18,988,820</u>		<u>40%</u>

Source: Adams County Assessor's Office.

City of Federal Heights
Taxable Sales & Admissions and Sales & Admissions Taxes Collections By Category
Fiscal Years 2014 - 2023

Taxable Sales	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$ 14,124,025	\$ 14,045,325	\$ 14,794,200	2E+07	\$ 15,281,309	\$ 14,336,892	14,761,067	17,358,333	17,635,876	18,091,169
Utility	39,442,600	40,305,125	41,706,475	3E+07	42,557,544	42,856,901	49,053,716	46,451,807	51,243,593	52,334,884
Grocery	22,434,300	24,965,850	26,103,850	2E+07	34,190,351	47,281,593	71,386,531	84,921,080	85,200,566	83,107,708
Retail	14,645,175	15,483,425	15,215,375		14,459,841	14,034,132	938,437	18,139,584	18,758,859	17,370,252
Entertainment	23,114,750	25,228,725	25,029,900		28,086,243	30,373,766	32,938,589	35,918,697	36,941,560	38,530,735
Eating and drinking establishments	34,497,025	46,844,500	41,254,075		42,730,211	44,116,647	43,477,405	52,988,356	55,990,385	52,381,957
Auto sales, dealers and auto supplies (a)	7,751,225	8,313,550	8,889,750		9,368,293	9,887,106	10,020,039	11,044,379	11,655,787	11,452,595
Liquor stores	4,055,325	453,825	6,384,700		7,193,462	4,077,075	3,399,208	3,518,976	3,782,260	3,917,120
Building materials (b)	6,444,525	6,789,825	8,304,975		9,192,834	16,610,325	16,464,473	6,917,108	12,229,648	10,708,270
All other outlets										
Total	\$ 166,508,950	\$ 182,430,150	\$ 188,683,300	\$ 203,059,888	\$ 223,374,437	\$ 237,670,375	\$ 242,439,465	\$ 277,258,318	\$ 293,438,534	\$ 287,894,689

Sales and Admission Tax Collected	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$ 564,961	\$ 561,813	\$ 591,768	\$ 611,252	\$ 573,476	\$ 547,379	\$ 590,443	\$ 694,333	\$ 705,435	\$ 723,647
Utility	1,577,704	1,612,205	1,668,259	1,702,302	1,706,276	1,738,254	1,962,149	1,858,072	2,049,744	2,093,395
Grocery	897,372	998,634	1,044,154	1,405,002	2,589,500	3,628,819	5,020,266	5,739,514	5,599,871	5,235,144
Retail	585,807	619,337	608,615	578,386	561,365	577,593	37,537	725,583	750,354	694,810
Entertainment	924,590	1,009,149	1,041,196	1,123,450	1,214,951	1,319,102	1,317,544	1,436,748	1,477,662	1,541,229
Eating and drinking establishments	1,379,881	1,873,780	1,650,163	1,709,208	1,764,666	1,810,830	1,739,096	2,119,534	2,239,615	2,095,278
Auto sales, dealers and auto supplies (a)	310,049	332,542	355,590	374,732	395,484	359,302	400,802	441,775	466,231	458,104
Liquor stores	162,213	18,153	255,388	287,738	163,083	340,018	135,968	140,759	151,290	156,685
Building materials (b)	257,781	271,593	332,199	367,713	684,413	490,006	658,579	276,684	489,187	428,331
All other outlets										
Total	\$ 6,660,358	\$ 7,297,206	\$ 7,547,332	\$ 8,159,783	\$ 9,633,214	\$ 10,811,303	\$ 11,862,384	\$ 13,433,003	\$ 13,929,390	\$ 13,426,623

(a) Auto revenues include sales on motorized vehicles garaged in the city at the time the

(b) Building materials includes revenues from construction projects in the city. Building Use Tax of \$186.813 is included in Other Taxes in the Statement of Activities in 2015.

(c) In November 2014, the citizens of Federal Heights passed a 4% sales tax on medical marijuana sales to take effect January 1, 2015.

In November 2016, the citizens of Federal Heights passed a 4% sales tax and 5% excise tax on the sale of retail marijuana to take effect January 1 2017.

Marijuana sales tax and excise taxes are categorized and included in Retail Sales.

(d) Revenues and sales taxes are reported by category. Publication of revenues and sales taxes paid by specific individual business is prohibited (Municipal Code 54-40).

Source: City of Federal Heights Finance Department.

**City of Federal Heights
Direct and Overlapping Sales Tax Rates
Last Ten Years**

Fiscal Year	City Direct Rate	Adams County	State of Colorado	Regional Transportation District	Scientific Cultural Facilities District	Stadium District	Total
2014	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2015	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2016	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2017	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2018	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2019	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2020	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2021	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2022	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%
2023	4.00%	0.75%	2.90%	1.00%	0.10%	-	8.75%

Source: State of Colorado, City of Federal Heights

**City of Federal Heights
Property Tax Levies and Collections
Fiscal Years 2014 - 2023**

Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year (a)	Collected in the Fiscal Year of the Levy		Collections in Subsequent Years (b)	Total Collections to Date	
		Amount (b)	Percentage of Levy		Amount	Percentage of Levy (c)
2014	1,839,187	-	-	1,811,088	1,811,088	98.5%
2015	1,980,153	-	-	1,921,768	1,921,768	97.1%
2016	1,899,688	-	-	1,886,113	1,886,113	99.3%
2017	2,187,076	-	-	2,192,199	2,192,199	100.2%
2018	2,549,736	-	-	2,538,262	2,538,262	99.5%
2019	76,899	-	-	76,137	76,137	99.0%
2020	75,976	-	-	75,706	75,706	99.6%
2021	84,008	-	-	84,117	84,117	100.1%
2022	82,801	-	-	82,698	82,698	99.9%
2023	93,146	-	-			-

Sources: Adams County Assessors Office, Finance Department City of Federal Heights

(a) Property tax collections are presented for the City of Federal Heights and the Federal Heights Redevelopment Agency. The Redevelopment Agency receives a percentage of the Adams County mill levy within which the properties are located. The Redevelopment Agency has no specific mill . Property tax levied for December 31, 2018 was the final year for the Redevelopment Agency.

(b) Property taxes are levied in year x1 and are paid the following year x2.

(c) Percentage of levy is based on current year collections received for prior year assessments. Receipts in any given year may include arrear assessments which may predate the immediately prior year. Percentage of levy calculation may exceed 100% in some years due to this variation in timing.

City of Federal Heights
Ratios of Outstanding Debt By Type
Fiscal Years 2014 - 2023

Fiscal Year	Governmental Activities		Business - Type Activities	Total Primary Government	Percentage of Personal Income	Outstanding Debt Per Capita
	Sales and Use Tax Revenue Bonds	Capital Leases	Capital Leases			
2014	-	-	-	-	na	na
2015	-	-	-	-	na	na
2016	-	-	-	-	na	na
2017	-	-	-	-	na	na
2018	-	-	-	-	na	na
2019	-	-	-	-	na	na
2020	-	-	-	-	na	na
2021	-	-	-	-	na	na
2022	-	-	-	-	na	na
2023	-	-	-	-	na	na

Source: Details regarding the city's outstanding debt can be found in the city's financial statements.

City of Federal Heights
Ratios of General Obligation Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	General Obligation Debt Outstanding
2014	(1)
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	

(1) No general obligation debt is outstanding for the years presented.

City of Federal Heights
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<u>Governmental Unit</u>			
Adams County School District 12	\$ 372,244,532	3%	\$ 11,167,336
Westminster Public School District 50	\$ 140,286,834	3%	\$ 4,208,605
Adams County	\$ 136,855,377	1%	\$ 1,368,554
Rangeview Library District	\$ 59,998,911	2%	\$ 1,199,978
Hyland Hills Recreation District	\$ 18,700,246	8%	\$ 1,496,020
Urban Drainage	\$ -	na	\$ -
Subtotal Overlapping Debt	<u>\$ 728,085,900</u>		<u>\$ 19,440,493</u>
City Direct Debt	\$ -	-	\$ -
Total Direct and Overlapping Debt	<u><u>\$ 728,085,900</u></u>		<u><u>\$ 19,440,493</u></u>

Sources:

Adams County Assessors Office
Adams County Finance Office
Adams County School District 12
Hyland Hills Recreation District
City of Federal Heights
Rangeview Library District

Overlapping debt is determined by multiplying the debt outstanding as provided by the local governments by the percentage applicable to the residents of Federal Heights. Overlapping debt percentage is calculated using the portion of Federal Heights assessed value applicable to the local government divided by the local government's assessed value as provided by Adams County.

**City of Federal Heights
Legal Debt Margin Information
Fiscal Years 2014- 2023**

<u>Legal Debt Margin Computation for Fiscal Year</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Maximum Debt Allowed:										
Actual value	473,607,810	619,989,085	626,199,024	795,464,791	806,744,660	1,012,065,235	994,743,625	1,122,794,255	1,111,417,942	1,247,288,295
Debt limit (3% of valuation)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Legal debt limit	\$ 14,208,234	\$ 18,599,673	\$ 18,785,971	\$ 23,863,944	\$ 24,202,340	\$ 30,361,957	\$ 29,842,309	\$ 33,683,828	\$ 33,342,538	\$ 37,418,649
Debt Applicable to Limit:										
Total bonds outstanding	-	-	-	-	-	-	-	-	-	-
Less: Sales and Use Tax Revenue Bonds	-	-	-	-	-	-	-	-	-	-
Debt subject to limitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 14,208,234	\$ 18,599,673	\$ 18,785,971	\$ 23,863,944	\$ 24,202,340	\$ 30,361,957	\$ 29,842,309	\$ 33,683,828	\$ 33,342,538	\$ 37,418,649
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 14,208,234	\$ 18,599,673	\$ 18,785,971	\$ 23,863,944	\$ 24,202,340	\$ 30,361,957	\$ 29,842,309	\$ 33,683,828	\$ 33,342,538	\$ 37,418,649
Total net debt applicable to the limit as a percentage of debt limit	na	na	na	na	na	na	na	na	na	na

Note 1: Colorado statutes limit legal debt margin to 3% of valuation, excepting general obligation debt serviced by enterprise funds and revenue bonds.

Note 2: The City of Federal Heights has no outstanding bonds or capital leases.

Source: Adams County Assessor's Office and City of Federal Heights Financial Statements.

**City of Federal Heights
Pledged Revenue Coverage
Fiscal Years 2014 - 2023**

Sales and Use Tax						
Fiscal Year	Sales and Use Tax Revenue (1)	Debt Service		Interest		Coverage
		Principal				
2014	\$ 6,660,358	\$ -	\$ -	-		na
2015	\$ 7,297,206	\$ -	\$ -	-		na
2016	\$ 7,547,332	\$ -	\$ -	-		na
2017	\$ 8,159,783	\$ -	\$ -	-		na
2018	\$ 9,633,214	\$ -	\$ -	-		na
2019	\$ 10,811,303	\$ -	\$ -	-		na
2020	\$ 11,862,384	\$ -	\$ -	-		na
2021	\$ 13,433,003	\$ -	\$ -	-		na
2022	\$ 13,929,390	\$ -	\$ -	-		na
2023	\$ 13,426,623	\$ -	\$ -	-		na

Source: City of Federal Heights Financial Statements

Note: The City has no outstanding debt.

**City of Federal Heights
Demographic and Economic Statistics
Last Ten Years**

Year	Population (a)	Personal Income (a)	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (b)	Unemployment Rate (c)
2014	11,467	201,429,322	17,566	31.2	2,783	5%
2015	11,467	201,429,322	17,566	31.2	2,614	4%
2016	11,467	201,429,322	17,566	31.2	2,660	4%
2017	11,467	201,429,322	17,566	31.2	2,493	3%
2018	11,467	201,429,322	17,566	31.2	2,550	4%
2019	11,467	201,429,322	17,566	31.2	2,845	3%
2020	14,382	326,514,546	22,703	29.6	2,596	9%
2021	14,382	326,514,546	22,703	29.6	2,628	4%
2022	14,382	326,514,546	22,703	29.6	2,539	3%
2023	14,382	326,514,546	22,703	29.6	2,354	4%

Source:

(a) Table Data based on US Census 2010 and 2020.

(b) City surveys

(c) State of Colorado Department of Labor and Employment

Unemployment rate is for Adams County. A separate unemployment rate is not readily available for Federal Heights.

**City of Federal Heights
Principal Employers
Current and Ten Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Waterworld (seasonal employer)	1,096	1	<i>Note 1</i>	1,056	1	<i>Note 1</i>
Pinnacle Learning Center	201	2		230	2	
Comcast	165	3		200	3	
King Soopers	100	4		150	4	
City of Federal Heights	95	5		86	6	
McDonalds	90	6		75	7	
Miller International	71	7		118	5	
Federal Heights Elementary	66	8		70	8	
Safeway	60	9		60	9	
Walgreens	44	10		44	10	
Total	<u>1,988</u>			<u>2,089</u>		

Source: Number of Employees estimated from City Surveys
Adams County Employment from State of Colorado Department of Labor and Employment.

Note 1: Information not readily available. Adams County employment as of December 31, 2023 is 272,097. Adams County employment as of December 31, 2014 was 232,033.

City of Federal Heights
Full-time Equivalent City Government Employees by Function/Program
Fiscal Years 2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	13	13	18	18	17	18	18	18	18	18
Public Safety										
Police	37	37	38	38	39	42	41	41	42	42
Fire /Ambulance	18	18	18	18	18	18	18	18	18	18
Public Works/Parks	12	12	8	9	9	9	10	10	10	10
Utility - Water/Sewer/Drainage	6	6	6	5	5	5	5	7	7	7
Total	86	86	87	88	88	92	92	94	95	95

Source: Various City of Federal Heights Departments.

Note: Full time equivalents are for budgeted positions as of December 31.
In 2016 Community Development was reclassified into General Government.

City of Federal Heights
Operating Indicators by Function/Program
Fiscal Years 2014 - 2023

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Physical arrests	798	1,303	1,260	1,111	1,146	913	434	526	493	543
Traffic violations	3,106	2,924	2,385	3,181	5,312	5,035	1,393	1,655	1,424	1,075
Fire/Ambulance										
Ambulance responses	1,465	1,383	1,497	2,065	1,886	1,965	1,854	2,088	2,473	2,173
Fire responses	372	416	449	439	478	643	629	558	602	441
Ambulance transports	986	974	1,162	1,370	1,327	1,342	1,474	1,616	1,840	1,571
Fire inspections	529	637	522	520	781	505	355	452	593	707
Water										
Water gallons billed to customers	411,853,000	433,308,000	451,173,000	445,638,000	473,808,000	466,203,000	436,373,000	428,405,000	449,207,000	403,877,000
Average daily consumption in gallons per person per day	98	104	108	106	113	111	83	82	86	77
Public Works										
Street resurfacing (miles)	0.60	1.20	4.25	0.39	2.6	1.47	4.12	1.00	0.99	0.61
Resurfacing as a percentage of total street miles	3%	7%	24%	2%	14%	8%	23%	6%	6%	3%
Administration										
Business licenses	222	219	219	213	222	223	224	222	222	215

Source: Various City of Federal Heights Departments.

City of Federal Heights
Capital Asset Indicators by Function/Program
Fiscal Years 2014 - 2023

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	7
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Street miles	18 miles	18 miles	18 miles	18 miles	18 miles	18 miles	18 miles	18 miles	18 miles	18 miles
Streetslights	310	310	310	310	310	310	310	310	310	310
Traffic signals	3	3	3	3	3	3	3	3	3	3
Total City incorporated area	1.775	1.775	1.775	1.775	1.775	1.775	1.775	1.775	1.775	1.775
Parks and Recreation										
Number of parks	1	1	1	1	1	1	1	1	1	1
Total acreage	18 acres	18 acres	18 acres	18 acres	18 acres	18 acres	18 acres	18 acres	18 acres	18 acres
Hyland Hills Recreation District acres	180 acres	180 acres	180 acres	180 acres	180 acres	180 acres	180 acres	180 acres	180 acres	180 acres
Utility										
Water main miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles
Sanitary system miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles	27 miles
Storm system miles	8 miles	8 miles	8 miles	8 miles	8 miles	8 miles	8 miles	8 miles	8 miles	8 miles

Source: Various City of Federal Heights Departments.

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/23
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This Information From The Records Of: City of Federal Heights	Prepared By: Tim Weitzman
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purpose				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 1,163,289.32
3. Other local imposts (from page 2)	\$ 1,577,418.00
4. Miscellaneous local receipts (from page 2)	\$ 325,748.22
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 3,066,455.54
C. Private Contributions	
C. Receipts from State government (from page 2)	\$ 341,497.00
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 3,407,952.54

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ 373,602.00
2. Maintenance:	\$ 49,730.00
3. Road and street services:	
a. Traffic control operations	\$ 14,164.44
b. Snow and ice removal	\$ 149,719.23
c. Other	\$ 94,362.00
d. Total (a. through c.)	\$ 258,245.67
4. General administration & miscellaneous	\$ 181,914.07
5. Highway law enforcement and safety	\$ 1,487,182.80
6. Total (1 through 5)	\$ 2,350,674.54
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
3. Total (1.c + 2.c)	\$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,350,674.54

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 5,018,772.00	\$ 3,407,952.54	\$ 2,350,674.54	\$ 6,076,050.00	\$ 0.00

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
		YEAR ENDING (mm/yy): 12/23	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 82,698.00	a. Interest on investments	\$ 207,827.22
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 117,921.00
1. Sales Taxes	\$ 1,000,000.00	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	\$ 494,720.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,494,720.00	h. Other	
c. Total (a. + b.)	\$ 1,577,418.00	i. Total (a. through h.)	\$ 325,748.22
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 279,488.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 62,009.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 62,009.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 341,497.00	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 9,190.00	\$ 9,190.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 364,412.00	\$ 364,412.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 364,412.00	\$ 364,412.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 373,602.00	\$ 373,602.00
(Carry forward to page 1)			
Notes and Comments:			