

2025



Annual Comprehensive Financial report



For the year ended December 31, 2025

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Location
8101 Ralston Road, Arvada, CO 80002



**Arvada, Colorado
Annual Comprehensive Financial Report
For the year ended December 31, 2025**

CERTIFIED

Kristen R. Rush

CITY CLERK
CITY OF ARVADA

DATE: June 26, 2026

COPY

REPORT ISSUED BY:

DEPARTMENT OF FINANCE
BRYAN ARCHER, CHIEF FINANCIAL OFFICER

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Introductory Section

Letter of Transmittal

Government Finance Officers Association
Certificate of Achievement

City Officials

Organizational Chart



FINANCE DEPARTMENT

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June 26, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report for Arvada, Colorado for the fiscal year ended December 31, 2025. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of various funds and component units of the City in accordance with Generally Accepted Accounting Principles (GAAP). All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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

PROFILE OF THE CITY OF ARVADA

The City of Arvada is located approximately 20 miles to the northwest of the City of Denver, Colorado along Interstate 70. The City provides a full range of services, including police protection, physical parks, planning and zoning, transportation planning, street improvements and maintenance, a housing authority, two golf courses, municipal court services, water, wastewater, storm-water, solid waste and recycling services and facilities, along with various administrative functions. The area has separate governmental units that provide fire protection and recreational services. The population of the City is 121,873, down from the past few years.

8101 RALSTON ROAD ▲ ARVADA, COLORADO ▲ 80002

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THE ECONOMIC FACTORS OF 2025

The broader US economy finished the year with Gross Domestic Product (GDP) resting at 2.2%, unemployment creeping up to 4.4%, the Personal Consumption Expenditures (PCE) price index remaining steady at 2.9% and inflation, measured by the Consumer Price Index lowering to 2.7%. These are all signs of a healthy economy but there are still many areas of concern.

The US debt is increasing both as a total and as a percentage of GDP. This is not sustainable and will have a future, and in some cases current, effect on services offered by the Federal Government. The war with Iran seems to be nearing a close as both sides are in constant cease fire talks. However, every time an “agreement” is made, skirmishes quickly follow.

The Federal Reserve (Fed) choose not to make a rate cut in December, taking a “wait-and-see” approach. The Fed’s dual mandates of inflation and employment are currently at odds. Unemployment has remained steady, but inflation continues to be higher than 2%. The conflict in the Middle East has driven gas prices up, causing inflation to rise again. With rising inflation, there is a possibility that the Fed may now look to raise rates in 2026.

The State of Colorado continues to feel the impacts of the changes at the Federal level, reduced grant funds, and flat local revenues. The 2026-2027 budget needs to cut an estimated \$1.5 billion to balance. Fiscal year-end 2025-2026 is expected to remain relatively flat, with 2.9% GDP and 3.1% revenue growth. If budgeted expenditures remain constant, the State will dip below its reserve requirement, all but eliminating TABOR refunds along with many programs that were based upon the same.

Overall revenue for the General Fund, while ending the year up by 0.1% as compared to 2024, exceeded the 2025 budget by 2.23%. Sales tax ended the year positively, growing by 3.4% and exceeding the 2.0% budget. The top industries included: Electric Shopping and Mail-order, Merchant Wholesaler, Local Delivery, Utilities and Limited-Service Restaurants. The industries that have continued to struggle are Grocery Stores, Hardware Stores, Liquor Stores and Cable & Subscription Services. The consumer has started to slow down buying habits as the uncertainty in the US economy along with the international unrest has dampened spirits.

Auto Use tax, after starting the year red hot due to pre-tariff orders, ended the year flat, down 0.2% and missed budget by 1.2%. Uncertainty in the economy and increasing gas prices slowed down car purchases. A little different story for General Use as it has stayed elevated throughout the year increasing 21.2% over 2024 actuals and 25.6% over the 2025 budget. This demonstrates a higher level of reinvestment by local businesses.

Overall expenditures for the General Fund ended the year, down 10.1% as compared 2024 and 4.4% below the 2025 budget. If you remove the large one-time items in 2024 (AURA loan and building purchases), expenditures are up 5.52% over 2024. Personnel costs exceeded budget this year as vacancies continue to decline. Overtime, retention pay and increased job assignments outside of class pushed the actuals over the budget. As positions are filled, the need for these pay elements will be eliminated. Services and Charges, Contracts and Supplies & Expenses all ended up below budget as the managers did a good job maximizing the services provided within their budget.

The Streets Maintenance fund built upon its output in 2024, expending over \$14.7 million dollars in 2025 on much needed asphalt and concrete work. The City’s current PQI number sits at 42 with a goal of 70. To reach a PQI of 70, the City will need to identify an additional \$16 - \$19 million dollars in annual resources.

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The City closed 2025 in a good financial position. All major funds have healthy reserves, and the majority exceed the Council's fund balance reserve requirements in each of the years of the 10-year financial plan. Challenges still exist and the City Council will have some tough decisions to make as core services along with popular enhancements will be competing for limited resources. Whatever decisions are made, the City is well positioned to respond financially.

FUTURE ECONOMIC FACTORS

The US economy in the 1st quarter of 2026 started with a mixed bag, Gross Domestic Product (GDP) increased at an annualized rate of 2.0%, down a bit from 2025 with unemployment holding steady at 4.3%. Both are signs of a healthy economy. Unfortunately, the Personal Consumption Expenditures (PCE) price index rose sharply to 4.5%, up from 2.9% in the fourth quarter of 2025 and inflation measured by the Consumer Price Index (CPI) increased to 3.3%. These two categories are the ones that individuals feel more directly when making day-to-day purchases.

The Iran war continues to put pressure on oil prices with brent crude prices reaching \$138 per barrel. Currently prices sit between \$103-\$110 depending on the type and daily pressures. For comparison, in 2025, barrel prices ranged from \$63-\$79. The increased barrel prices are now being felt at the gas pump, in the grocery store, on the utility bill and travel. If the war continues, this will have a major impact on the global economy and the US economy.

The Federal Reserve (Fed) held rates at all 3 of its meetings so far in 2026. The Fed's dual mandates of inflation and employment continue to be at odds, with unemployment remaining steady and inflation starting to spike back up. Due to the recent rise in inflation, there has started to be talk about possible rate increases.

The State of Colorado projections for fiscal year 2025-2026 revenues have been revised down. Current fund balance usage is now projected at over \$1 billion dollars, cutting the reserve balance by over 40%. Reduced income tax receipts along with cuts to Federal funding have put tremendous pressure on the State's budget. The same pressures exist for the 2026-2027 budget as projections show a \$1.5 billion dollar deficit. Health care, in the form of Medicaid, is driving a large percentage of the increase along with school financing. Significant changes to both programs are being proposed. One-time fixes, like the sale of Pinnacol Assurance and 1-year reductions in grant funding, look to buy the State time to address the growing level of concern. TABOR (Taxpayer's Bill of Rights) refunds certainly seem to be a thing of the past, at least for the next couple of years.

The first quarter of 2026 started slow for the General Fund. Overall revenues are down 6.9% from 2025 with reductions in interest revenue, charges for services, permits and fees. These were offset by increases in sales tax, fines and forfeits. Sales tax collections are up sharply at 6.6% over 2025. Collections lag for one month so the first quarter results only include January and February. The top industry increases are: Electric Shopping and Mail-order, Grocery Stores, Merchant Wholesaler, Local Delivery and Limited-Service Restaurants. The industries that have struggled to start the year are Electric utilities, Liquor stores and Floor Covering stores.

Auto Use and General Use taxes are down compared to the prior year 15.1% and 30.2% respectively. Much of this was caused by the early spending in 2025 to avoid tariffs. Both revenue sources are in-line when compared to budget. Building Use is up 25.1% as compared to 2025 with a couple of large building permits pulled to start the year.

Expenditures for the first quarter of 2026 are up over \$12 million dollars as compared to 2025. Most of this increase is due to the budgeted \$10 million one-time transfer into the Street Maintenance fund. This was to fund the Council initiative to pave 75 lane miles in 2026. Removing this transfer, expenditures would be up

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8.3% with personnel and support transfers showing the largest increases. All expenditure categories are within budget.

Growth remains steady in two main areas of the City, west in the Candelas/Jefferson Center Metropolitan District (JCMD) project area and east in and around the Olde Town/Transit corridors. Expectations are that these areas will continue to expand and redevelop over the next five to ten years. As the City nears buildout (expected by 2035) reinvestment into aging and underutilized areas will become the focus.

The completion of the 470 beltway, named JPPHA, has remained at a standstill. Environmental concerns along with the identified location are now slowing progress. Further testing will need to be completed before any construction can begin. The completion of the beltway would be the last piece of a large transportation project that would finally connect I-25 to I-70 in the western part of the Denver Metro region. If the project is put on hold for much longer, additional work will need to be done on the north/south roads in Arvada that are not currently built to handle the growing traffic needs.

Continued uncertainty, the war in Iran and inflation have led to the slow start to 2026. The City remains in good financial health and will look to put its resources towards enhanced service levels. The 2027-2028 budget process will kick off later this summer and work continues in the three 4DX priority areas, Technology, Homelessness and Pavement. All these priority areas are in support of our Breakthrough measure: *Increasing community satisfaction with City services from 68% to 70%.*

FINANCIAL INFORMATION

Retirement Funds: The City offers two defined-contribution plans for different types of employees. These are the City of Arvada Retirement Plan (CARP) for its non-sworn employees and the Arvada Police Pension Plan (APPP) for its sworn police officers. The City deposits between 10% – 15% into an individual's account and the employee must contribute between 8% – 12%. The employee directs their own investments within available funds. In addition, the City offers voluntary 457 programs where employees can place additional dollars for retirement on a pre-tax or post-tax basis. All plans use Fidelity Investments as their record keeper. The City also has one defined-benefit plan that covers one fully vested participant who did not elect to participate in the Arvada Police Pension Plan that became effective in 1986. All retirement plans are fully funded.

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

Budgetary Controls: The City of Arvada maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City of Arvada's City Council, its governing body. All activities of the City are included in the annual appropriated budget except the City's self-insured health plan and retirement funds. The City's legal level of budgetary control is at the fund level, if a fund is expected to exceed its appropriation, management must obtain approval of the City Council. The City maintains an accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse on December 31, encumbrances outstanding are carried over and become a liability on the next year's budget. Appropriations for fiscal year 2026 will provide the authority to complete those transactions.

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Single Audit: As a recipient of federal and state financial assistance, the City is responsible for ensuring that adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. As part of the City's single audit, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied, in all material respects, with applicable laws and regulations. The results of the City's single audit for fiscal year 2025, including any reported instances of material weaknesses or significant deficiencies in the internal control structure or any violations of applicable laws and regulations, are available in the single audit section listed in the table of contents.

Independent Audit: Section 10.9 of the City of Arvada's charter requires an annual audit of accounts and other evidence of financial transactions of the City and its departments by independent certified public accountants. The audit is performed by a firm chosen by a seven-member audit board consisting of the City Manager, Deputy City Manager, Chief Financial Officer, Deputy Director of Finance, Controller and two members of the Arvada City Council. This year Plante Moran, a firm of independent accountants, audited the financial statements for the year ended December 31, 2025.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Arvada for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. The City of Arvada has received this award for 41 consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Bryan Archer CPA
Chief Financial Officer

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Government Finance Officers Association

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

Presented to

**City of Arvada
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

City Officials

Lauren Simpson

Mayor
(Term expires 2027)

Michael Griffith

Council-member – At-Large
(Term expires 2029)

Sharon Davis

Council-member – At-Large
(Term expires 2027)

Mayor Pro Tem - Randy Moorman

Council-member – District 1
(Term expires 2029)

Shawna Ambrose

Council-member – District 2
(Term expires 2027)

Rebecka Lovisone

Council-member – District 3
(Term expires 2029)

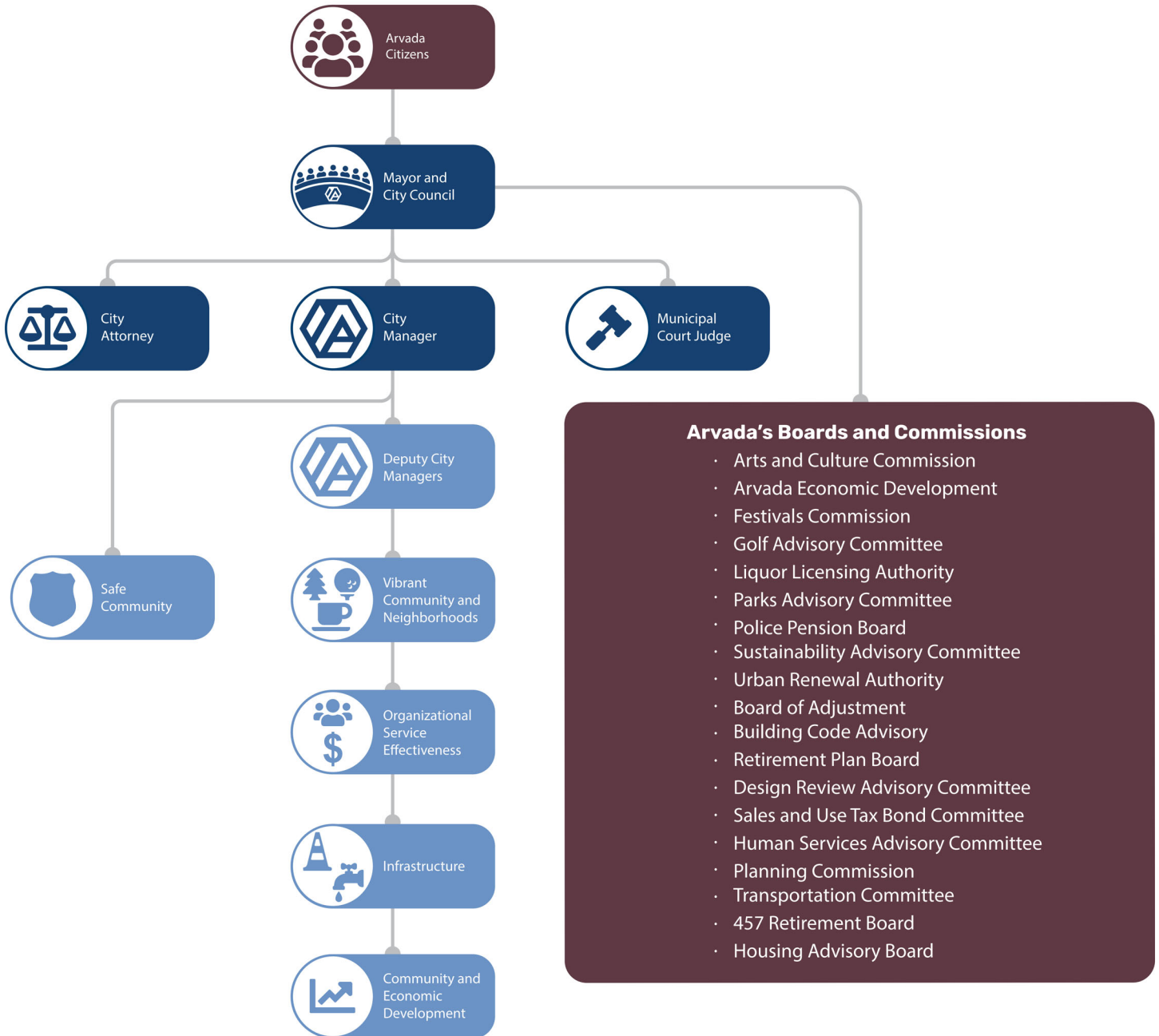
Bob Fifer

Council-member – District 4
(Term expires 2027)

City Manager and Key Staff

Don Wick	City Manager
Linda Haley	Deputy City Manager
Alli Scheck	Deputy City Manager
Kathryn Kurtz	Municipal Judge
Rachel Morris	City Attorney
Bryan Archer	Chief Financial Officer
Craig Poley	Chief Information Officer
Gabriella Bommer	Director of Human Resources
Rachel Kuroiwa	Director of Communications and Engagement
Carrie Briscoe	Executive Director of Arvada Urban Renewal Authority
Ryan Stevenson	Director of Vibrant Community and Neighborhoods
Kristen Rush	City Clerk
Jessica Garner	Director of Community and Economic Development
Ed Brady	Chief of Police
Jacqueline Rhoades	Director of Infrastructure

Organizational Chart



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Financial Section

Reports of Independent Certified Public Accountants

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Report of Independent Certified Public Accountants

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arvada, Colorado (the "City") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the City of Arvada, Colorado's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arvada, Colorado as of December 31, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof and the budgetary comparisons for the General Fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, 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, which 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.

To the Honorable Mayor and Members of City Council
City of Arvada

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Arvada, Colorado's basic financial statements. The supplementary information, including the nonmajor governmental fund combining statements and budget to actual schedules, the nonmajor enterprise fund and internal service fund combining statements, the enterprise fund and internal service fund budget to actual schedules (non-GAAP), the custodial fund statements, financial data schedules, the local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, including the nonmajor governmental fund combining statements and budget to actual schedules, the nonmajor enterprise fund and internal service fund combining statements, the enterprise fund and internal service fund budget to actual schedules (non-GAAP), the custodial fund statements, financial data schedules, the local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026 on our consideration of the City of Arvada, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Arvada, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Arvada, Colorado's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 26, 2026

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Management's Discussion and Analysis

This section of the City of Arvada's Annual Comprehensive Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2025. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City's basic financial statements and notes to the financial statements, to enhance their understanding of the activities and financial health of the City of Arvada.

Overview of Financial Statements

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

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

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

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and human service. The business-type activities of the City include water, wastewater, storm-water, golf and solid waste.

The government-wide financial statements also include the Arvada Urban Renewal Authority as a discretely presented component unit of the City.

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

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

5% of the corresponding total for all governmental and enterprise funds combined.

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

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

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

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

The basic governmental fund financial statements can be found on [pages 42-45](#) of this report.

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

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

The basic proprietary fund financial statements can be found on [pages 49-51](#) of this report.

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

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

The basic fiduciary fund financial statements can be found on [pages 52-53](#) of this report.

Notes to the Financial Statements The notes to the basic financial statements are considered an integral part of the financial statements since they provide additional information needed to gain a full understanding of the data provided in both the government-wide and fund financial statements. The notes to the financial statements can be found on [pages 55-94](#) of this report.

Required Supplementary Information In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Arvada's progress in funding its obligation to provide pension benefits and other post-employment benefits, which can be found on pages on [pages 95-104](#) of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government financial position. At the close of December 31, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,261,312,000. The following summaries of net position and changes in net position are presented for the current year and the previous year in comparison format.

Statement of Net Position

The following table reflects the condensed Statement of Net Position (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 274,308	\$ 252,794	\$ 97,167	\$ 88,821	\$ 371,475	\$ 341,615
Capital assets	506,074	510,279	600,735	501,650	1,106,809	1,011,929
Other non-current assets	50,258	49,686	101,772	63,055	152,030	112,741
Total assets	830,640	812,759	799,674	653,526	1,630,314	1,466,285
Deferred outflows of resources	115	121	25	27	140	148
Other liabilities	27,711	29,477	13,515	13,161	41,226	42,638
Long-term liabilities	1306,326	110,668	206,086	101,770	312,412	212,438
Total liabilities	134,037	140,145	219,601	114,931	353,638	255,076
Deferred inflows of resources	14,364	14,267	1,140	1,307	15,504	15,574
Net position:						
Net investment in capital assets	441,396	438,820	487,291	454,300	928,687	893,120
Restricted	84,221	34,684	3,682	1,839	87,903	36,523
Unrestricted	156,737	184,964	87,985	81,176	244,722	266,140
Total Net position	<u>\$ 682,354</u>	<u>\$ 658,468</u>	<u>\$ 578,958</u>	<u>\$ 537,315</u>	<u>\$ 1,261,312</u>	<u>\$ 1,195,783</u>

For more detailed information, see the Statement of Net Position on page 39 of this report.

Governmental activities reported an increase in net position of \$23,886,000 during the current fiscal year. By far the largest portion of the City's Governmental net position, \$441,396,000 (65%), reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, equipment, lease and subscription assets), less the outstanding portion of the debt that was issued to acquire and construct those assets. The City of Arvada uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's Governmental net position, \$84,221,000 (12%), represents resources that are subject to external restrictions on how they may be used. The remaining net position of \$156,737,000 (23%) is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

In governmental activities, total assets increased by \$17,881,000 compared to the prior year, primarily as a result of higher cash and investment balances and an increase in notes receivable. Governmental activities liabilities decreased by \$6,108,000 largely due to reductions in accounts payable, contracts payable, and bonds payable. The decrease in bonds payable reflects scheduled debt service principal payments made during the year.

In business-type activities, total assets increased by \$146,148,000 compared to the prior year. Capital and lease assets increased by \$99,085,000 reflecting the receipt of contributed water and sewer mains, ongoing investment in water, storm-water, and sewer infrastructure projects, and the acquisition of assets through a new golf cart lease. Cash and investments balances increased due to proceeds from newly issued debt. Correspondingly, liabilities increased by \$104,670,000, driven primarily by the issuance of \$105,677,000 in revenue bonds and the recognition of \$1,315,000 in new lease obligations.

Changes in Net Position

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

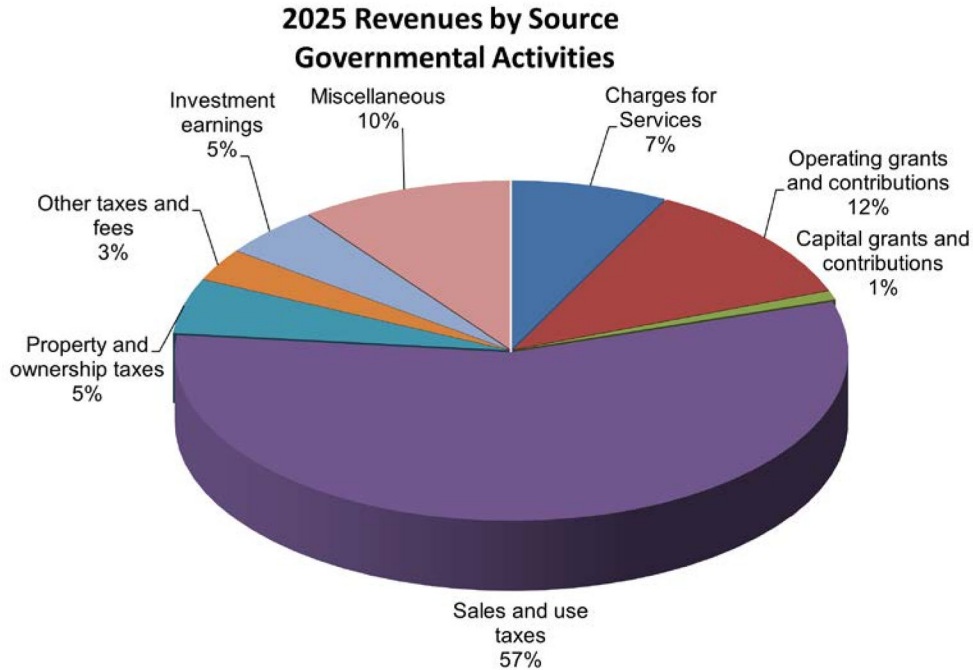
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 14,857	\$ 11,375	\$ 82,798	\$ 77,223	\$ 97,655	\$ 88,598
Operating grants and contributions	23,335	23,594	-	-	23,335	23,594
Capital grants and contributions	1,686	13,410	29,994	15,412	31,680	28,822
General revenues:						
Sales and use taxes	111,920	110,703	-	-	111,920	110,703
Property & ownership taxes	10,418	10,852	-	-	10,418	10,852
Other taxes and fees	6,096	6,080	-	-	6,096	6,080
Investment earnings (loss)	9,497	9,167	7,481	4,462	16,978	13,629
Other	20,416	32,566	-	-	20,416	32,566
Total revenues	<u>198,225</u>	<u>217,747</u>	<u>120,273</u>	<u>97,097</u>	<u>318,498</u>	<u>314,844</u>
Expenses						
General government	\$ 58,523	\$ 65,664	\$ -	\$ -	\$ 58,523	\$ 65,664
Public safety	47,442	42,606	-	-	47,442	42,606
Public works	37,017	35,455	-	-	37,017	35,455
Parks and recreation	14,553	14,269	-	-	14,553	14,269
Culture	-	-	-	-	-	-
Human service	14,993	9,446	-	-	14,993	9,446
Interest	3,329	3,543	-	-	3,329	3,543
Water	-	-	37,733	33,355	37,733	33,355
Wastewater	-	-	19,842	18,187	19,842	18,187
Storm-water	-	-	4,641	4,462	4,641	4,462
Golf	-	-	10,102	8,690	10,102	8,690
Solid Waste	-	-	4,794	4,195	4,794	4,195
Total expenses	<u>175,857</u>	<u>170,983</u>	<u>77,112</u>	<u>68,889</u>	<u>252,969</u>	<u>239,872</u>
Change in net position before transfers	22,368	46,764	43,161	28,208	65,529	74,972
Transfers	1,518	906	(1,518)	(906)	-	-
Increase in net position	23,886	47,670	41,643	27,302	65,529	74,972
Net Position, January 1	658,468	610,798	537,315	510,013	1,195,783	1,120,811
Net position, December 31	<u>\$ 682,354</u>	<u>\$ 658,468</u>	<u>\$ 578,958</u>	<u>\$ 537,315</u>	<u>\$ 1,261,312</u>	<u>\$ 1,195,783</u>

For more detailed information, see the Statement of Activities on pages 40-41 of this report.

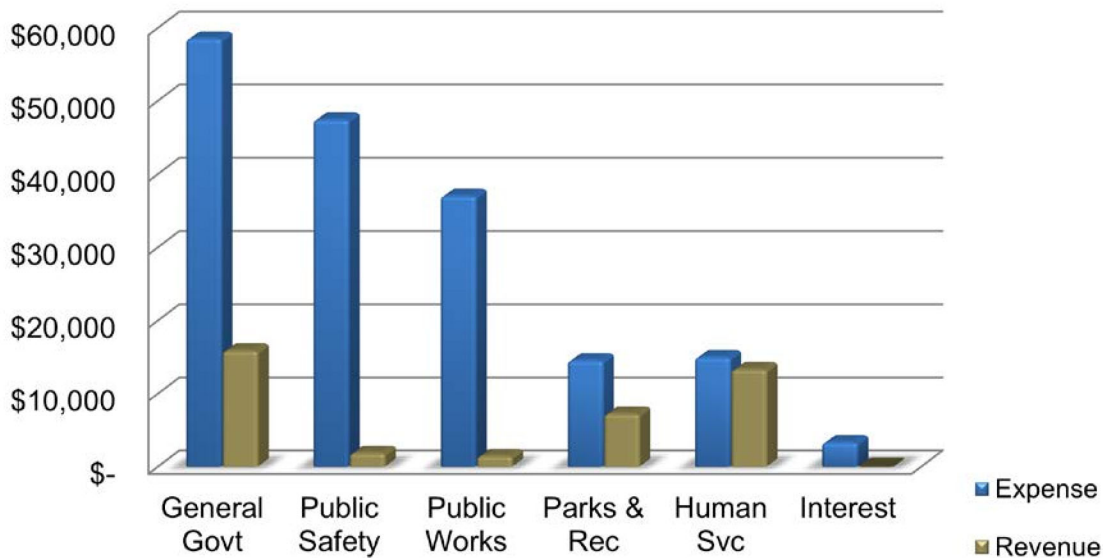
The above condensed summary of the City of Arvada's governmental and business-type activities for the year ended December 31, 2025, reflects net position increasing \$65,529,000. Revenues and expenses graphs are presented below to enhance the reader's understanding of the current year activities.

Governmental Activities

Governmental Activities increased Arvada's Net Position by \$23,886,000.

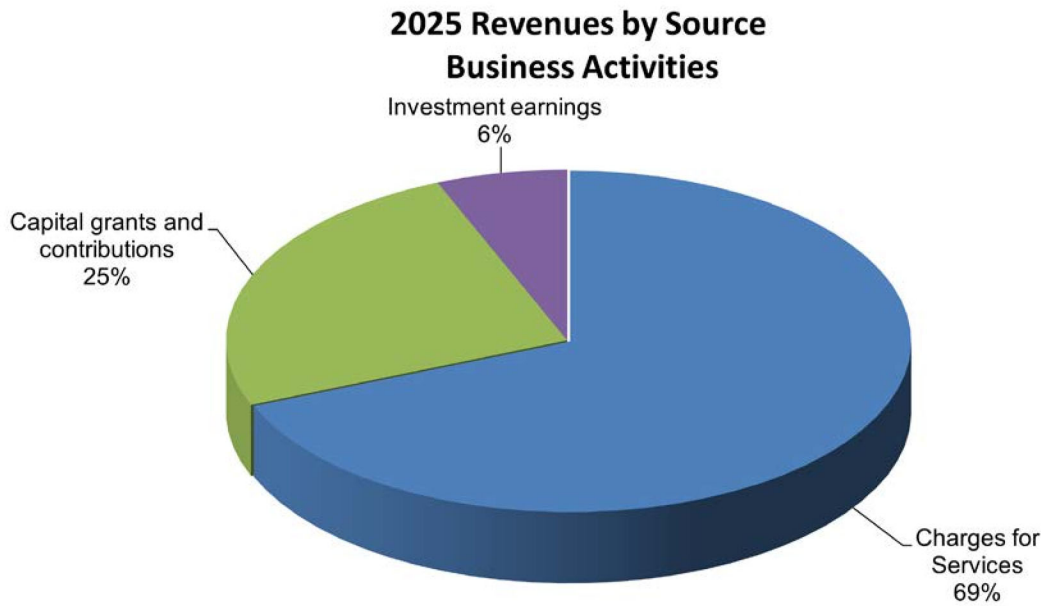


2025 Expenses and Program Revenues Governmental Activities

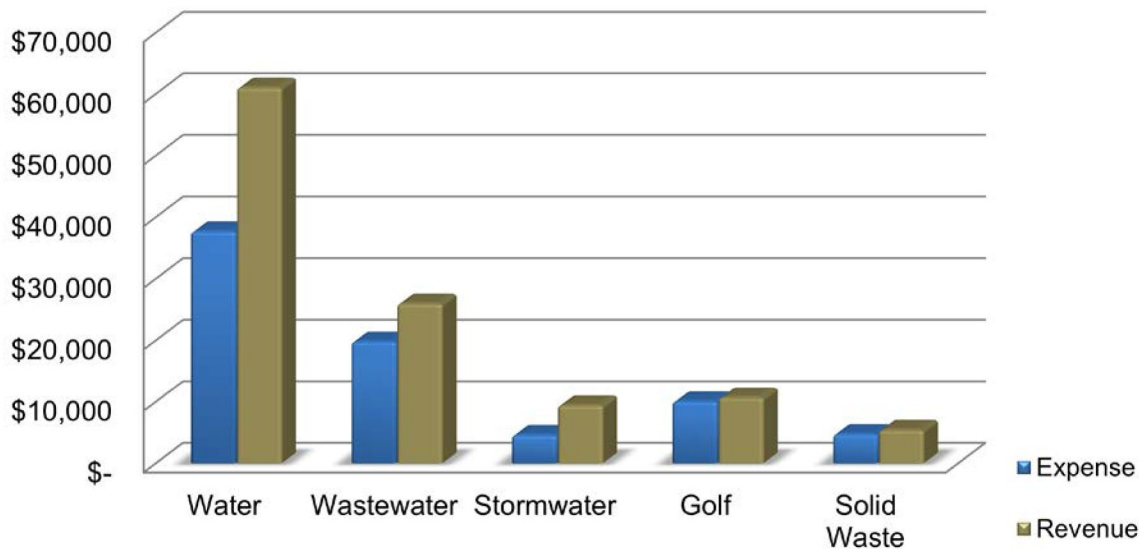


Business-type Activities

Business-type Activities increased Arvada's Net Position by \$41,643,000.



2025 Expenses and Program Revenues Business-Type Activities



Governmental activities Governmental activities increased the City's net position by \$23,886,000. Revenues decreased by \$19,522,000 (9.0%) from prior year. Expenses increased by \$4,874,000 (2.9%). Key elements of this change are due to the following:

- Capital grants and contributions decreased by \$11,724,000 (87.4%) due to decrease in non-cash contributions from developers in the form of donated roads, traffic signals and ADA ramps. Non-cash contributions fluctuate year over year depending on the amount of development in the city and the timing of project completions.
- Sales and use taxes remain the largest source of revenue at \$111,920,000 for the current fiscal year. This increased by \$1,217,000 (1.1%) over the prior year, primarily due to inflation on the purchase of consumer goods and food.
- Property taxes slightly decreased from prior year by 434,000 (4.0%) primarily due to temporary state-level legislative relief and property valuation caps enacted to protect homeowners from surging real estate values.
- Expenses increased primarily in the public safety function due to increased labor and benefits cost and human services function due to the general rental market cost increase.

Business-type activities Business-type activities increased the City's net position by \$41,643,000. Revenues increased by \$23,176,000 (23.9%). Expenses increased by \$8,223,000 (11.9%). Key elements of this change are due to the following:

- Charges for services revenue increased \$5,575,000 (7.2%) due to increased water, wastewater and solid waste rates charged to customers. Golf fund also saw an increase in green fees due to increase in golf rounds at both city golf courses.
- Capital grants and contributions increased by \$14,582,000 primarily due to the non-cash developer contributions in the form of donated water mains, sanitary sewer mains, and storm drains and irrigation.
- Investment earnings increased by \$3,019,000 (67.7%) due to unspent bond proceeds on water and wastewater bonds issued in 2025 contributing to the overall revenue increase.
- The most significant increase in expenses was in Water fund resulting in \$4,378,000 (13.1%) increase from prior year, mainly due to the progression of capital projects into the construction phase and construction cost associated with them.
- Golf fund expenses increased \$1,412,000 (16.2%) from prior year due to higher seasonal staff hirings and increased irrigation costs. They also had several capital projects completed in 2025 such as cart path improvements, tee expansion, restroom facility repair, and drainage replacements.

Financial Analysis of the City's Funds

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

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

December 31, 2025, fund balances of governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. The City had \$724,000 in non-spendable resources.

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantor's, contributors, or law and regulations of other governments; or through constitutional provisional or enabling legislations. The City had \$84,157,000 in restricted resources.

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions and ordinances approved by the City Council. The City had \$33,850,000 in committed resources.

Assigned – amounts that are for an intended use established by the City, but that are not considered restricted or committed. The purpose of the assignment must be narrower than the purpose of the General Fund. The City had \$35,973,000 in assigned resources.

Unassigned – represents the remaining balance for the City's General Fund. The City had \$74,347,000 in unassigned resources.

The General Fund is the main operating fund of the City. At December 31, 2025, the non-spendable fund balance was \$648,000 the restricted fund balance was \$3,872,000 and the unassigned fund balance was \$74,347,000. The total fund balance increased \$4,414,000 in 2025 to \$78,867,000. The increase in fund balance of the General Fund is a result of total revenues of \$128,490,000 as well as other financing sources of \$591,000 and total expenditures of \$110,814,000 as well as other financing uses of \$13,853,000. The increase in fund balance is primarily due to much lower capital outlay.

The Community Development Fund is a major fund of the City. At December 31, 2025, the restricted fund balance was \$984,000 and the assigned fund balance was \$4,121,000. Total fund balance decreased \$454,000 in 2025 to \$5,105,000. The decrease was primarily due to the \$850,000 loan issued to a developer for an affordable housing project.

The General Capital Projects Fund is another major fund of the City. It accounts for financial resources and activities used for the construction and acquisition of major capital projects. At December 31, 2025, \$18,039,000 was restricted for specific grant purposes as well as capital impact fees collected for open space development, transportation projects and public safety infrastructure. The committed fund balance was \$33,850,000, and the assigned fund balance was \$24,627,000. The total fund balance increased \$10,390,000 in 2025 to \$76,516,000. The increase was due to a \$3,106,000 increase in park development fees charged on new residential developments, investment earnings increase of \$495,000 and a significant decrease of \$9,431,000 in expenditures for projects related to fiber conduit installation, parks renovations and traffic improvements as many projects were still in design stage.

The Construction Fund is another major fund of the City. At December 31, 2025, the restricted fund balance was \$37,018,000. Total fund balance increased \$3,122,000 in 2025 to \$37,018,000. This fund accounts for the 2019 and 2023 Sales and Use Tax revenue bond issuance for two street improvement construction projects and 2021 COP issuance for the Meyers Pool Replacement project. The construction on 72nd Avenue was paused for most of the year due to design negotiations with the Railroad. The Meyers pool project and Ralston Road construction were largely completed in 2024. The fund balance increase is primarily due to investment earnings on the unspent bond proceeds, remaining contribution from the school district for the Meyers Pool project and low construction expenditures.

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

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

	Unrestricted Net Position for Year ended 12/31/25	Unrestricted Net Position for Year ended 12/31/24
Major Enterprise Funds		
Water	\$ 62,743	\$ 60,714
Wastewater	12,319	9,842
Storm-water	1,901	1,710
Subtotal of major enterprise funds	76,963	72,266
Non-Major Enterprise Funds		
Golf	2,341	1,359
Solid Waste	1,131	438
Subtotal of non-major enterprise funds	3,472	1,797
Total enterprise funds	80,434	74,062
Internal service funds	44,443	33,506
Total proprietary funds	<u>\$ 124,877</u>	<u>\$ 107,568</u>

Component units The Arvada Urban Renewal Authority (AURA) was created by Ordinance No. 1717 under the Colorado Urban Renewal Law and approved by voters on March 3, 1981. AURA's purpose is to develop, redevelop or rehabilitate blighted areas of the City. The governing body of AURA is a commission of seven members, appointed by the Mayor and approved by City Council. AURA's annual budget is approved by the City Council and the City provides administrative support to AURA. The statement of net position reflects \$831,000 of restricted net position balance and \$7,858,000 of unrestricted net position balance. The total change in net position for AURA was an increase of \$7,208,000.

Budgetary Highlights

General Fund

Overall General Fund revenue ended the year flat, growing only by \$129,000 as compared to 2024, and exceeding the budget by \$2,942,000 (2.23%). Investment earnings exceeded the budget by \$2,932,000 due to the yields remaining higher than expected. Intergovernmental revenues ended the year greater than budgeted by \$709,000. These include the city's share of the Highway User Tax Fund and the Road and Bridge share of property tax collected by Jefferson and Adams counties. Licenses and permits came in under budget by \$601,000 primarily due to lower collections in cable TV fees and fewer building permits issued in 2025.

General Fund expenditures ended the year under budget by \$5,401,000 (4.4%). Personnel costs exceeded budget by 754,000 due to overtime paid in 2025. Services and charges came in \$3,114,000 under budget due to lower-than-expected expenditures in Public Works for snow and ice materials and contract services. Contracts and leases category ended the year in the positive with savings of \$2,748,000 due to fewer charges in professional services, specifically legal services.

Final budgeted expenditures and transfers out increased by \$11,302,000 from the original budget of \$128,449,000 to \$139,637,000. The increase included \$2,427,000 related to projects carried forward from 2024 and \$5,987,000 in one-time funding, which included \$2,400,000 for the pavement program, \$1,400,000 for replacement of permitting system, and \$1,625,000 for additional contribution to the Arvada Center. The remaining increase included various operational expenses in the General Fund and grants received after the budget was approved.

Capital, Lease and Subscription Assets and Debt Administration

Capital, Lease and Subscription Assets The City's investment in capital, lease and subscription assets for its governmental and business-type activities as of December 31, 2025, amounted to \$1,106,809,000 (net of accumulated depreciation and amortization). This investment in capital assets includes land, water rights, buildings and improvements, equipment and infrastructure, and lease and subscription assets.

The city's capital assets (net of depreciation) are reflected in the following table (in thousands):

	Governmental Activities	Business-type Activities	Total Primary Government
Land and water rights	\$ 58,773	\$ 39,773	\$ 98,546
Infrastructure	151,728	27,303	179,031
Construction in progress	76,514	210,422	286,936
Buildings	88,796	16,111	104,907
Improvements other than buildings	102,080	304,348	406,428
Lease assets	419	1,143	1,562
Subscription assets	5,739	-	5,739
Equipment & vehicles	22,025	1,635	23,660
Total capital assets	<u>\$ 506,074</u>	<u>\$ 600,735</u>	<u>\$ 1,106,809</u>

Major capital improvements during this fiscal year include the following:

Governmental Activities

- Replacement of the City's Enterprise Resource Planning (ERP) system (Phase II)
- Improvements to the Olde Town parking garage
- Fiber and conduit throughout the City
- 86th Parkway Signal Connect
- Kipling Pkwy & Allendale intersection improvement
- Danny Kendrick East Playground
- Gold Strike Park
- Marge Roberts Park
- Various pedestrian improvements

Proprietary Activities

- On-going maintenance and replacement of water, sewer and storm-water lines
- Denver Moffat water project
- North Trunk Line Replacement
- Central Trunk Line
- Arvada Water Treatment Plant Replacement
- Zephyr tank (zone 5) construction

Additional information of the City's capital assets can be found in Note 3.B on [page 74](#) of this report.

Long-term debt At the end of December 31, 2025, the City had total debt outstanding of \$298,360,000. Of this amount, \$268,066,000 represents bonds secured by specified revenue sources (i.e., sales tax revenue bonds). \$23,597,000 represents Certificates of Participation, \$6,560,000 is leased and subscription assets, and \$137,000 is direct placement debt.

The city's total outstanding debt is reflected in the following table (in thousands):

	Governmental Activities	Business-type Activities	Total Primary Government
Revenue bonds	\$ 67,352	\$ 200,714	\$ 268,066
2016 Certificates of Participation	8,300	-	8,300
2021 Certificates of Participation	15,297	-	15,297
Lease liability	352	1,038	1,390
Subscription liability	5,170	-	5,170
Equipment purchase-direct placement	137	-	137
	<u> </u>	<u> </u>	<u> </u>
Total outstanding debt	<u>\$ 96,608</u>	<u>\$ 201,752</u>	<u>\$ 298,360</u>

Additional information on the City's long-term obligations can be found in Note 3.E on [pages 77-82](#) of this report.

Financial Contact

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

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

Basic Financial Statements

STATEMENT OF NET POSITION

December 31, 2025

(in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	AURA
ASSETS				
Cash and investments	\$ 244,737	\$ 68,025	\$ 312,762	\$ 13,919
Restricted cash and investments	848	-	848	-
Cash with fiscal agent	-	9,005	9,005	-
Taxes receivable	24,894	-	24,894	35,976
Accounts receivable, net of allowance for uncollectibles	5,522	10,112	15,634	1,337
Accrued interest	1,493	694	2,187	-
Lease receivable	2,560	129	2,689	-
Internal balances	(7,551)	7,551	-	-
Inventories	774	1,409	2,183	-
Prepaid costs	967	242	1,209	-
Net pension asset	64	-	64	-
Restricted cash and investments - non-current	33,021	99,024	132,045	-
Lease receivable - non-current	1,186	957	2,143	-
Notes receivable - non-current	16,051	1,791	17,842	8,715
Land held for resale	-	-	-	37
Capital and lease assets				
Lease assets, net	419	1,143	1,562	-
Subscriptions assets, net	5,739	-	5,739	-
Land, water rights and construction in progress	135,287	250,195	385,482	235
Other capital assets, net	364,629	349,397	714,026	1,150
Total capital, lease and subscription assets	506,074	600,735	1,106,809	1,385
Total assets	830,640	799,674	1,630,314	61,369
DEFERRED OUTFLOWS OF RESOURCES				
Items related to OPEB	115	25	140	-
Total deferred outflows of resources	115	25	140	-
LIABILITIES				
Accounts payable	22,896	12,571	35,467	1,072
Contracts and claims payable	4,333	763	5,096	-
Accrued interest payable	322	29	351	-
Unearned revenue	160	152	312	-
Long-term liabilities				
Due within one year:				
Bonds, Notes, Certificates of Participation, leases & subscriptions	6,611	3,926	10,537	4,796
Total OPEB liability	700	149	849	-
Compensated absences	2,646	537	3,183	16
Due more than one year:				
Bonds, Notes, Certificates of Participation, leases & subscriptions	89,997	197,825	287,822	9,368
Total OPEB Liability	700	150	850	-
Compensated absences	5,672	1,009	6,681	67
Other liabilities	-	2,490	2,490	-
Total liabilities	134,037	219,601	353,638	15,319
DEFERRED INFLOWS OF RESOURCES				
Items related to pension plan	17	-	17	-
Items related to OPEB	684	147	831	-
Leases	3,371	993	4,364	-
Property taxes	10,292	-	10,292	35,976
Total deferred inflows of resources	14,364	1,140	15,504	35,976
NET POSITION				
Net Investment in capital assets	441,396	487,291	928,687	1,385
Restricted for:				
Capital Projects	49,119	-	49,119	831
Conversation Trust	2,974	-	2,974	-
Law Enforcement/Seizure	18,710	-	18,710	-
Emergencies	5,412	-	5,412	-
Housing	356	-	356	-
CDGB	1,488	-	1,488	-
Debt Service	600	3,682	4,282	-
Net pension asset	64	-	64	-
Lands Dedicated	2,213	-	2,213	-
Adams County Open Space	432	-	432	-
Adams County Transportation	903	-	903	-
Park Development	1,950	-	1,950	-
Unrestricted	156,737	87,985	244,722	7,858
Total Net Position	\$ 682,354	\$ 578,958	\$ 1,261,312	\$ 10,074

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

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025
(in thousands)

		Program Revenues			
		Charges for	Operating	Capital	
Expenses		Services	Grants and	Grants and	Total
			Contributions	Contributions	
FUNCTIONS/PROGRAM ACTIVITIES:					
Primary Government:					
Governmental activities:					
General government	\$ 58,523	\$ 13,704	\$ 879	\$ 1,320	\$ 15,903
Public safety	47,442	-	1,889	-	1,889
Public works	37,017	1,116	-	366	1,482
Parks and recreation	14,553	37	7,215	-	7,252
Human services	14,993	-	13,352	-	13,352
Interest expense	3,329	-	-	-	-
Total governmental activities	175,857	14,857	23,335	1,686	39,878
Business-type activities:					
Water	37,733	42,607	-	18,478	61,085
Wastewater	19,842	19,496	-	6,524	26,020
Storm-water	4,641	4,473	-	4,992	9,465
Golf	10,102	10,745	-	-	10,745
Solid waste	4,794	5,477	-	-	5,477
Total business-type activities	77,112	82,798	-	29,994	112,792
Total primary government	\$ 252,969	\$ 97,655	\$ 23,335	\$ 31,680	\$ 152,670
Component Units:					
AURA	\$ 32,581	\$ 28	\$ -	\$ -	\$ 28
Total component units	\$ 32,581	\$ 28	\$ -	\$ -	\$ 28

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

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025
(in thousands)

Net (Expense) Revenue and Changes in Net Position			
Primary Government - City of Arvada			Component
Govern- mental Activities	Business-type Activities	Total	Unit AURA
\$ (42,620)	\$ -	\$ (42,620)	\$ -
(45,553)	-	(45,553)	-
(35,535)	-	(35,535)	-
(7,301)	-	(7,301)	-
(1,641)	-	(1,641)	-
(3,329)	-	(3,329)	-
<u>(135,979)</u>	<u>-</u>	<u>(135,979)</u>	<u>-</u>
-	23,352	23,352	-
-	6,178	6,178	-
-	4,824	4,824	-
-	643	643	-
-	683	683	-
<u>-</u>	<u>35,680</u>	<u>35,680</u>	<u>-</u>
<u>(135,979)</u>	<u>35,680</u>	<u>(100,299)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (32,553)
-	-	-	(32,553)

General Revenues

Taxes:

Property	10,418	-	10,418	33,381
Sales and use	111,920	-	111,920	5,261
Transportation tax	6,096	-	6,096	-
Investment earnings	9,497	7,481	16,978	213
Miscellaneous	20,416	-	20,416	906
Transfers in (out)	1,518	(1,518)	-	-
Total general revenues	<u>159,865</u>	<u>5,963</u>	<u>165,828</u>	<u>39,761</u>
Change in net position	23,886	41,643	65,529	7,208
Net position, January 1	658,468	537,315	1,195,783	2,866
Net position, December 31	<u>\$ 682,354</u>	<u>\$ 578,958</u>	<u>\$ 1,261,312</u>	<u>\$ 10,074</u>

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2025
(in thousands)**

	Primary Government					
	General Fund	Community Development Fund	General Capital Projects Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 81,678	\$ 4,329	\$ 76,638	\$ 4,343	\$ 29,442	\$ 196,430
Restricted cash and investments	-	848	-	-	-	848
Taxes receivable	21,861	-	128	-	2,905	24,894
Accounts receivable, net of allowance for uncollectibles	3,527	423	267	-	570	4,787
Accrued interest	510	17	511	-	188	1,226
Lease receivable	1,663	-	-	-	745	2,408
Inventories	308	-	-	-	15	323
Prepaid costs	340	-	-	-	61	401
Non-current restricted cash and investments	-	-	-	33,021	-	33,021
Non-current notes receivable, net of allowance for uncollectibles	13,185	2,866	-	-	-	16,051
Total assets	<u>\$ 123,072</u>	<u>\$ 8,483</u>	<u>\$ 77,544</u>	<u>\$ 37,364</u>	<u>\$ 33,926</u>	<u>\$ 280,389</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	18,985	116	758	346	1,299	21,504
Unearned revenue	23	2	3	-	132	160
Total liabilities	<u>19,008</u>	<u>118</u>	<u>761</u>	<u>346</u>	<u>1,431</u>	<u>21,664</u>
DEFERRED INFLOW OF RESOURCES						
Property taxes	10,292	-	-	-	-	10,292
Grants	-	1,570	267	-	285	2,122
Leases	1,499	-	-	-	665	2,164
Accounts Receivable	221	-	-	-	-	221
Notes Receivable	13,185	1,690	-	-	-	14,875
Total deferred inflows of resources	25,197	3,260	267	-	950	29,674
FUND BALANCES						
Non-spendable	648	-	-	-	76	724
Restricted	3,872	984	18,039	37,018	24,244	84,157
Committed	-	-	33,850	-	-	33,850
Assigned	-	4,121	24,627	-	7,225	35,973
Unassigned	74,347	-	-	-	-	74,347
Total fund balances	<u>78,867</u>	<u>5,105</u>	<u>76,516</u>	<u>37,018</u>	<u>31,545</u>	<u>229,051</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 123,072</u>	<u>\$ 8,483</u>	<u>\$ 77,544</u>	<u>\$ 37,364</u>	<u>\$ 33,926</u>	<u>\$ 280,389</u>

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



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

December 31, 2025

(in thousands)

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

Total fund balances - governmental funds		\$ 229,051
Capital, lease and subscription assets net of accumulated depreciation and amortization used in governmental activities are not current financial resources. Therefore, they are not reported in the funds financial statements.		486,397
Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.		52,458
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds.		110
Certain deferred inflow of resources are not financial resources, and therefore are not reported in the funds.		
Deferred inflow of resources related to pension plans		(17)
Deferred inflow of resources related to other post employment benefits		(655)
Certain assets are not available to provide current year financial resources and therefore are deferred in the fund statements		
CDBG Notes Receivable - non-current	2,502	
Opioid Accounts Receivable	221	
Grants Receivable - non-current	2,122	
AURA Notes Receivable - non-current	12,373	
Subtotal		17,218
Long-term liabilities and assets are not due and payable or available in the current period and accordingly are not reported in the fund financial statements		
Balances at December 31, 2025 are:		
Lease and subscription payable	(1,548)	
Bonds payable, including bond premium	(67,352)	
Obligation under certificates of participation, including premiums	(23,597)	
Accrued interest	(248)	
Net pension asset	64	
Total OPEB liability	(1,347)	
Compensated absences	(8,180)	
Subtotal		(102,208)
Net position of governmental activities		\$ 682,354

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



**CITY OF
ARVADA**
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2025
(in thousands)

	Primary Government					
	General Fund	Community Development Fund	Formerly Major-Parks Fund	General Capital Projects Fund	Construction Fund	Total Governmental Funds
REVENUES						
Property and ownership taxes	\$ 10,418	\$ -		\$ -	\$ -	\$ 10,418
Sales and use taxes	90,999	-		-	-	111,920
Franchise fees	5,023	-		61	-	5,084
Licenses & permits	3,339	-		-	-	3,376
Intergovernmental	6,236	3,483		366	-	28,935
Charges for services	791	-		-	-	791
Recovered costs	5,548	-		335	-	5,883
Fines & forfeitures	1,112	-		-	-	1,112
Investment earnings	4,772	296		3,553	1,490	11,632
Memberships, donations & dedications	-	-		1,002	3,500	4,502
Miscellaneous	252	754		4,076	-	13,041
Total Revenues	<u>128,490</u>	<u>4,533</u>		<u>9,393</u>	<u>4,990</u>	<u>196,694</u>
EXPENDITURES						
General government	38,984	-		165	3	39,297
Public safety	33,720	-		-	-	49,463
Public works	37,476	-		-	-	37,476
Parks and recreation	-	-		-	-	14,774
Human services	-	5,087		-	-	15,020
Debt service						
Principal	-	-		-	-	4,426
Interest	-	-		-	-	3,346
Capital outlay	634	-		10,372	3,766	15,038
Total Expenditures	<u>110,814</u>	<u>5,087</u>		<u>10,537</u>	<u>3,769</u>	<u>178,840</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,676	(554)		(1,144)	1,221	17,854
OTHER FINANCING SOURCES (USES)						
Issuance of lease debt	185	-		-	-	185
Issuance of subscription debt	404	-		288	-	692
Transfers in	2	100		13,304	1,901	17,341
Transfers out	(13,853)	-		(2,058)	-	(18,647)
Total other financing sources (uses)	<u>(13,262)</u>	<u>100</u>		<u>11,534</u>	<u>1,901</u>	<u>(429)</u>
NET CHANGE IN FUND BALANCES	4,414	(454)		10,390	3,122	17,425
FUND BALANCES, BEGINNING AS PREVIOUSLY REPORTED	74,453	5,559	7,670	66,126	33,896	211,626
Change within financial reporting entity (Note H)	-	-	(7,670)	-	-	-
FUND BALANCES, BEGINNING AS ADJUSTED	<u>74,453</u>	<u>5,559</u>	<u>-</u>	<u>66,126</u>	<u>33,896</u>	<u>211,626</u>
FUND BALANCES ENDING	<u>\$ 78,867</u>	<u>\$ 5,105</u>	<u>\$ -</u>	<u>\$ 76,516</u>	<u>\$ 37,018</u>	<u>\$ 229,051</u>

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



RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2025

(in thousands)

Net change in fund balances - total government funds	\$ 17,425
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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 useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization expense in the current period.

Capital outlay	15,038	
Disposal and disposal adjustments of Capital, Lease and Subscription Assets, net of internal service funds	767	
Depreciation and amortization expense	(19,585)	
Excess of capital outlay over depreciation and amortization expense		(3,780)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Issuing debt increases long-term liabilities and does not affect the statement of activities.

Lease and subscription activity	(299)	
Direct placement activity	134	
Repayment of principal	4,427	
Subtotal		4,262

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

Developer Contributions	1,320	
Grants/notes receivable - current net of allowance	1,469	
Subtotal		2,789

Internal service funds are used by management to charge the costs of certain activities, such as risk management, vehicle replacement and maintenance, information technology replacement and the print shop services. A portion of the revenue (expense) of certain internal service funds is reported with governmental activities.

3,306

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of revenue bond and certificates of participation premium	506	
Pension	26	
OPEB	15	
Interest expense	16	
Compensated absences	(679)	
Subtotal		(116)

Change in net position of governmental activities	<u>\$ 23,886</u>
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The accompanying notes are an integral part of these financial statements.



GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
REVENUES				
Property and ownership taxes	\$ 10,474	\$ 10,474	\$ 10,418	\$ (56)
Sales and use taxes	90,361	90,361	90,999	638
Franchise fees	4,961	4,961	5,023	62
Licenses and permits	3,940	3,940	3,339	(601)
Intergovernmental	5,527	5,527	6,236	709
Charges for services	570	570	791	221
Recovered costs	6,654	6,654	5,548	(1,106)
Fines and forfeitures	906	906	1,112	206
Investment earnings (loss)	1,840	1,840	4,772	2,932
Administrative services	6,693	6,693	6,481	(212)
Miscellaneous	63	103	252	149
Total revenues	<u>131,989</u>	<u>132,029</u>	<u>134,971</u>	<u>2,942</u>
EXPENDITURES				
Current expenditures:				
Community and Economic Development	5,767	6,507	5,414	1,093
Judicial	2,018	2,015	1,975	40
Management	6,930	7,329	6,096	1,233
Legal	3,095	3,102	2,997	105
Finance	9,522	16,916	18,290	(1,374)
Human resources	2,176	2,551	2,360	191
Public safety	33,168	33,704	33,720	(16)
Public works	37,016	41,277	37,476	3,801
Planning	195	195	56	139
Information technology	8,363	8,986	8,277	709
Total current expenditures	<u>108,250</u>	<u>122,582</u>	<u>116,661</u>	<u>5,921</u>
Capital outlay	<u>3</u>	<u>114</u>	<u>634</u>	<u>(520)</u>
Total expenditures	<u>108,253</u>	<u>122,696</u>	<u>117,295</u>	<u>5,401</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>23,736</u>	<u>9,333</u>	<u>17,676</u>	<u>8,343</u>
OTHER FINANCING SOURCES (USES)				
Issuance of lease debt	-	-	185	185
Issuance of subscription debt	-	-	404	404
Transfer in	197	197	2	(195)
Transfers out	(20,196)	(17,055)	(13,853)	3,202
Total other financing sources (uses)	<u>(19,999)</u>	<u>(16,858)</u>	<u>(13,262)</u>	<u>3,596</u>
NET CHANGE IN FUND BALANCE	<u>3,737</u>	<u>(7,525)</u>	<u>4,414</u>	<u>11,939</u>
FUND BALANCE, BEGINNING	<u>74,453</u>	<u>74,453</u>	<u>74,453</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 78,190</u>	<u>\$ 66,928</u>	<u>\$ 78,867</u>	<u>\$ 11,939</u>
Total expenditures as presented on budgetary basis			117,295	
less allocation of internal transfers			(6,481)	
Total expenditures as presented on GAAP basis			<u>110,814</u>	

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



CITY OF
ARVADA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Budgeted Amounts		Actual Amount	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 479	\$ 2,479	\$ 3,483	\$ 1,004
Investment earnings	34	34	296	262
Miscellaneous	157	157	754	597
Total revenues	<u>670</u>	<u>2,670</u>	<u>4,533</u>	<u>1,863</u>
EXPENDITURES				
Current expenditures:				
Program costs	944	8,266	5,087	3,179
Total expenditures	<u>944</u>	<u>8,266</u>	<u>5,087</u>	<u>3,179</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(274)</u>	<u>(5,596)</u>	<u>(554)</u>	<u>5,042</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	45	45	100	55
Transfers out	(197)	(507)	-	507
Total other financing sources (uses)	<u>(152)</u>	<u>(462)</u>	<u>100</u>	<u>562</u>
NET CHANGE IN FUND BALANCE	(426)	(6,058)	(454)	5,604
FUND BALANCE, BEGINNING	5,559	5,559	5,559	-
FUND BALANCE, ENDING	<u>\$ 5,133</u>	<u>\$ (499)</u>	<u>\$ 5,105</u>	<u>\$ 5,604</u>

Note: The final budget reflects a deficit because the City amends expenditure appropriations through City Council action but does not formally amend revenue budgets during the year. Management was aware of and anticipated additional funding sources that exceeded the original revenue budget; therefore, the budgeted deficit shown in the final budget does not represent an actual funding shortfall.

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

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PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2025
(in thousands)

December 31, 2023 (in thousands)							Govern- mental Activities
Business-Type Activities					Total Business Type Activities	Internal Service Funds	
Major Funds							
	Water Fund	Waste-water fund	Storm-water Fund	Non- Major Funds			
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 52,972	\$ 9,358	\$ 1,296	\$ 4,399	\$ 68,025	\$ 48,307	
Cash with fiscal agent	9,005	-	-	-	9,005	-	
Accounts receivable, net of allowance for uncollectibles	4,859	3,486	730	1,037	10,112	735	
Accrued interest	599	79	10	6	694	267	
Inventories	1,211	-	-	198	1,409	451	
Prepaid costs	210	24	-	8	242	566	
Interfund receivable	-	138	-	-	138	-	
Lease Receivable	129	-	-	-	129	152	
Total current assets	<u>68,985</u>	<u>13,085</u>	<u>2,036</u>	<u>5,648</u>	<u>89,754</u>	<u>50,478</u>	
NONCURRENT ASSETS							
Advance to Golf Fund	-	902	-	-	902	-	
Lease receivable	957	-	-	-	957	1,186	
Non-current restricted cash and investments	68,436	30,588	-	-	99,024	-	
Non-current notes receivable, net of allowance for uncollectibles	-	1,792	-	-	1,792	-	
Subscription assets net of amortization	-	-	-	-	-	4,499	
Leased assets net of amortization	-	-	-	1,143	1,143	-	
Land, water rights & construction in progress	213,683	30,081	2,070	4,361	250,195	-	
Property and equipment, net of accumulated depreciation	<u>190,068</u>	<u>82,342</u>	<u>66,939</u>	<u>10,048</u>	<u>349,397</u>	<u>15,178</u>	
Total non-current assets	<u>473,144</u>	<u>145,705</u>	<u>69,009</u>	<u>15,552</u>	<u>703,410</u>	<u>20,863</u>	
Total assets	<u>542,129</u>	<u>158,790</u>	<u>71,045</u>	<u>21,200</u>	<u>793,164</u>	<u>71,341</u>	
DEFERRED OUTFLOWS OF RESOURCES							
Items related to OPEB	<u>14</u>	<u>4</u>	<u>2</u>	<u>5</u>	<u>25</u>	<u>5</u>	
LIABILITIES CURRENT LIABILITIES							
Accounts payable	9,006	2,948	227	390	12,571	1,392	
Contracts payable	157	606	-	-	763	-	
Accrued compensated absences	324	86	20	107	537	44	
Total OPEB liability	83	24	14	28	149	26	
Serial bonds payable	2,472	1,210	-	-	3,682	-	
Claims payable	-	-	-	-	-	4,333	
Interfund payable	-	-	-	138	138	-	
Accrued interest	-	-	-	29	29	74	
Lease payable	-	-	-	244	244	-	
Subscription payable	-	-	-	-	-	702	
Unearned revenue	8	3	-	141	152	-	
Total current liabilities	<u>12,050</u>	<u>4,877</u>	<u>261</u>	<u>1,077</u>	<u>18,265</u>	<u>6,571</u>	
NONCURRENT LIABILITIES							
Accrued compensated absences	499	91	30	389	1,009	94	
Total OPEB liability	83	24	14	29	150	27	
Serial bonds payable	135,198	61,834	-	-	197,032	-	
Lease payable	-	-	-	794	794	-	
Subscription payable	-	-	-	-	-	3,409	
Advance from Wastewater Fund	-	-	-	902	902	-	
Other liabilities	1,225	1,265	-	-	2,490	-	
Total non-current liabilities	<u>137,005</u>	<u>63,214</u>	<u>44</u>	<u>2,114</u>	<u>202,377</u>	<u>3,530</u>	
Total liabilities	<u>149,055</u>	<u>68,091</u>	<u>305</u>	<u>3,191</u>	<u>220,642</u>	<u>10,101</u>	
DEFERRED INFLOWS OF RESOURCES							
Items related to lease receivable	993	-	-	-	993	1,207	
Items related to total OPEB liability	80	24	15	28	147	29	
Total deferred inflows of resources	<u>1,073</u>	<u>24</u>	<u>15</u>	<u>28</u>	<u>1,140</u>	<u>1,236</u>	
NET POSITION							
Net investment in capital, lease and subscription assets	326,800	77,151	68,826	14,514	487,291	15,566	
Restricted - debt service	2,472	1,210	-	-	3,682	-	
Unrestricted	62,743	12,319	1,901	3,472	80,434	44,443	
Total net position	<u>\$ 392,015</u>	<u>\$ 90,680</u>	<u>\$ 70,727</u>	<u>\$ 17,986</u>	<u>\$ 571,407</u>	<u>\$ 60,009</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					7,551		
Net position of business-type activities (page 39)					<u>\$ 578,958</u>		

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

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
Year Ended December 31, 2025
(in thousands)

	Business-Type Activities				Govern- mental Activities
	Major Funds			Total Business Type Activities	Internal Service Funds
	Water Fund	Waste-water fund	Storm-water Fund		
OPERATING REVENUES					
Sales	\$ 36,909	\$ -	\$ -	\$ 8,991	\$ 45,900
Service charges & fees	731	19,494	4,639	7,227	32,091
Recovered costs	-	-	-	-	-
Contributions					
Employer	-	-	-	-	-
Employee	-	-	-	-	-
Retirees and continued benefit individuals	-	-	-	-	-
Miscellaneous	6,126	104	93	4	6,327
Total revenues	<u>43,766</u>	<u>19,598</u>	<u>4,732</u>	<u>16,222</u>	<u>84,318</u>
EXPENSES					
Operating, maintenance and administration	28,556	15,542	3,148	14,100	61,346
Insurance premiums	-	-	-	-	-
Uninsured damages & claims	-	-	-	-	-
Depreciation and amortization	5,694	2,010	1,521	817	10,042
Total expenses	<u>34,250</u>	<u>17,552</u>	<u>4,669</u>	<u>14,917</u>	<u>71,388</u>
OPERATING INCOME (LOSS)	<u>9,516</u>	<u>2,046</u>	<u>63</u>	<u>1,305</u>	<u>12,930</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment earnings	4,789	2,420	81	191	7,481
Loss on sale of assets	(1,159)	(102)	(259)	-	(1,520)
Interest expense	(3,735)	(2,357)	-	(69)	(6,161)
Total non-operating revenues (expenses)	<u>(105)</u>	<u>(39)</u>	<u>(178)</u>	<u>122</u>	<u>(200)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANS- FERS	<u>9,411</u>	<u>2,007</u>	<u>(115)</u>	<u>1,427</u>	<u>12,730</u>
CAPITAL CONTRIBUTIONS	18,478	6,524	4,992	-	29,994
TRANSFERS IN	-	6	-	300	306
TRANSFERS OUT	<u>(579)</u>	<u>(485)</u>	<u>(320)</u>	<u>(440)</u>	<u>(1,824)</u>
CHANGE IN NET POSITION	<u>27,310</u>	<u>8,052</u>	<u>4,557</u>	<u>1,287</u>	<u>41,205</u>
NET POSITION, BEGINNING	364,705	82,628	66,170	16,699	530,201
NET POSITION, ENDING	<u>\$ 392,015</u>	<u>\$ 90,680</u>	<u>\$ 70,727</u>	<u>\$ 17,986</u>	<u>\$ 571,407</u>

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

Change in net position of business-type activities ([page 41](#))

437
\$ 41,643

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



PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025
(in thousands)

	Business-Type Activities					Governmental Activities
	Major Funds					Internal Service Funds
	Water Fund	Waste-water fund	Storm-water Fund	Non-Major Funds	Total Non-Major Proprietary	
Cash flows from operating activities						
Cash received from external customers	\$ 43,718	\$ 19,566	\$ 4,865	\$ 16,169	\$ 84,318	\$ 2,655
Cash received from internal customers	-	-	-	-	-	32,986
Cash payments to external suppliers	(16,672)	(11,286)	(1,762)	(7,862)	(37,582)	(26,876)
Cash payments to internal suppliers	(2,887)	(1,016)	(222)	(1,014)	(5,139)	(2,430)
Cash payments to employees for services	(8,894)	(2,760)	(1,272)	(5,367)	(18,293)	(2,729)
Net cash provided by operating activities	<u>15,265</u>	<u>4,504</u>	<u>1,609</u>	<u>1,926</u>	<u>23,304</u>	<u>3,606</u>
Cash flows from non-capital financing activities						
Transfers to other funds	(579)	(485)	(320)	(440)	(1,824)	(195)
Transfers from other funds	-	6	-	300	306	3,019
Net cash provided by non-capital financing activities	<u>(579)</u>	<u>(479)</u>	<u>(320)</u>	<u>(140)</u>	<u>(1,518)</u>	<u>2,824</u>
Cash flows from capital & related financing activities						
Capital contributions	9,617	1,821	-	-	11,438	-
Purchase of capital assets	(59,909)	(29,354)	(1,155)	(133)	(90,551)	(3,858)
Proceeds from sale of assets	-	-	-	-	-	401
Proceeds from bonds payable	90,209	15,219	-	-	105,428	-
Principle paid on lease and subscription payable	-	-	-	(297)	(297)	(130)
Interest paid on lease and subscription payable	-	-	-	(33)	(33)	-
Principal paid on serial bond payable	(1,360)	(915)	-	-	(2,275)	-
Interest paid on serial bond payable	(3,735)	(2,357)	-	-	(6,092)	-
Principal paid on interfund payable	-	-	-	(503)	(503)	-
Interest paid on interfund payable	-	-	-	(36)	(36)	-
Net cash provided (used) by capital and related financing activities	<u>34,822</u>	<u>(15,586)</u>	<u>(1,155)</u>	<u>(1,002)</u>	<u>17,079</u>	<u>(3,587)</u>
Cash flows from investing activities						
Investment earnings	4,047	2,872	74	169	7,162	1,809
Change in pooled investments	<u>142</u>	<u>30</u>	<u>4</u>	<u>15</u>	<u>191</u>	<u>98</u>
Net cash provided by investing activities	<u>4,189</u>	<u>2,902</u>	<u>78</u>	<u>184</u>	<u>7,353</u>	<u>1,907</u>
Net increase (decrease) in cash and cash equivalents	<u>53,697</u>	<u>(8,659)</u>	<u>212</u>	<u>968</u>	<u>46,218</u>	<u>4,750</u>
Cash and cash equivalents, January 1, 2025	60,883	48,605	1,084	3,431	114,003	43,557
Cash with fiscal agent January 1, 2025	15,833	-	-	-	15,833	-
Total cash, cash equivalents, and cash with fiscal agent, January 1, 2025	76,716	48,605	1,084	3,431	129,836	43,557
Cash and cash equivalents, December 31, 2025	52,972	9,358	1,296	4,399	68,025	48,307
Restricted cash and cash equivalents, December 31, 2025	68,436	30,588	-	-	99,024	-
Cash with fiscal agent December 31, 2025	9,005	-	-	-	9,005	-
Total cash, restricted cash, cash equivalents, and cash with fiscal agent, December 31, 2025	<u>130,413</u>	<u>39,946</u>	<u>1,296</u>	<u>4,399</u>	<u>176,054</u>	<u>48,307</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:						
Operating income (loss)	9,516	2,046	63	1,305	12,930	(1,412)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization	5,694	2,010	1,521	817	10,042	5,519
(Increase) decrease in account receivable	26	(160)	132	(54)	(56)	(335)
(Increase) decrease in lease receivable	134	-	-	-	134	144
(Increase) decrease in notes receivable	368	135	-	-	503	-
(Increase) decrease in inventories	(385)	-	-	15	(370)	(10)
(Increase) decrease in prepaid costs	(192)	(7)	1	2	(196)	(171)
(Decrease) increase deferred inflow leases	(156)	-	-	-	(156)	(179)
(Decrease) increase in accrued payroll	162	(31)	128	(56)	203	-
(Decrease) increase in accounts payable	1,335	(61)	(131)	(304)	839	(986)
(Decrease) increase in contracts payable	(1,233)	606	(66)	-	(693)	-
(Decrease) increase in claims payable	-	-	-	-	-	1,093
(Decrease) increase in total OPEB liability	(16)	(7)	2	(1)	(22)	(5)
(Decrease) increase in unearned revenue	(8)	(5)	(26)	10	(29)	-
(Decrease) increase in other liabilities	-	-	-	-	-	-
(Decrease) increase in compensated absences	20	(22)	(15)	192	175	(52)
Net cash provided by operating activities	<u>\$ 15,265</u>	<u>\$ 4,504</u>	<u>\$ 1,609</u>	<u>\$ 1,926</u>	<u>\$ 23,304</u>	<u>\$ 3,606</u>
Non-cash investing, capital and financing activities						
Developer contributions	\$ 2,844	\$ 1,192	\$ 4,992	\$ -	\$ 9,028	\$ -
Change in fair value of non-cash pooled investment	\$ 142	\$ 30	\$ 4	\$ 15	\$ 191	\$ 98
Capital assets accounts payable and contract payable outstanding	\$ 7,717	\$ 2,816	\$ 183	\$ -	\$ 10,716	\$ -
Proceeds from lease and subscription assets	\$ -	\$ -	\$ -	\$ 1,315	\$ 1,315	\$ 966
Amortization of deferred inflows - leases	\$ 146	\$ -	\$ -	\$ -	\$ 146	\$ 179
Amortization of lease and subscription assets	\$ -	\$ -	\$ -	\$ 243	\$ 243	\$ 1,099

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



FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2025
(in thousands)

	Defined Benefit Police Pension	Custodial Fund
Assets		
Pooled cash and investments	\$ 390	\$ 2,838
Money market	8	-
Accrued interest	3	15
Accounts receivable, net of allowance for uncollectibles	-	146
Non-current notes receivable, net of allowance for uncollectables	-	235
Total current assets	<u>401</u>	<u>3,234</u>
 Total Assets	 <u><u>401</u></u>	 <u><u>3,234</u></u>
Liabilities		
Current Liabilities		
Accounts payable	-	36
Due to employees	-	242
Total current liabilities	<u>-</u>	<u>278</u>
 Total liabilities	 <u>-</u>	 <u>278</u>
 NET POSITION RESTRICTED FOR		
Pensions	401	-
Individuals, organizations, and other governments	-	2,956
Total fiduciary net position	<u><u>\$ 401</u></u>	<u><u>\$ 2,956</u></u>

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



FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2025
(in thousands)

	Defined Benefit Police Pension	Custodial Fund
	<u> </u>	<u> </u>
ADDITIONS		
Investment earnings	\$ 20	\$ 125
Contributions	<u>15</u>	<u>3,128</u>
Total additions	<u>35</u>	<u>3,253</u>
 DEDUCTIONS		
Program costs	-	2,856
Benefits paid	<u>29</u>	<u>-</u>
Total deductions	<u>29</u>	<u>2,856</u>
 INCREASE IN FIDUCIARY NET POSITION	 6	 397
 Fiduciary Net position, January 1 as previously reported	 395	 2,531
Correction of prior-period error (Note I)	-	28
Fiduciary Net position, January 1 as restated	<u>395</u>	<u>2,559</u>
 Fiduciary net position, December 31	 <u>\$ 401</u>	 <u>\$ 2,956</u>

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

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Notes to the Financial Statements

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1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The City of Arvada is a political subdivision of the State of Colorado, located in Jefferson and Adams Counties in the northwest quadrant of the greater Denver, Colorado, metropolitan area. The population of the City is approximately 121,873. The City, incorporated in 1904, provides general government; police services; water; sewer, storm-water; solid waste, golf; park maintenance; and various trust and custodial functions in a fiduciary capacity. The City does not provide fire protection, or public education.

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

Blended Component Units

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

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

Fiduciary Component Unit

Police Defined Benefit Pension Plan (Fiduciary Fund) – The single employer defined benefit pension plan covers the uniformed police officers who did not elect to participate in the Defined Contribution Police Plan that became effective January 1, 1986. One fully vested participant remains in the Defined Benefit Plan as of December 31, 2025. Funding for the plan consists of contributions from the City and investment earnings. The City also has operational responsibility for the Plan. Separate audited financial statements for the Police Defined Benefit Pension Plan are not prepared.

Discrete Component Unit

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and defined benefit police pension fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

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

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

C. Financial Statement Presentation

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

The City reports the following major governmental funds:

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

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

The General Capital Projects Fund accounts for all major capital projects of the City. Appropriations are not restricted to a fiscal year. Sources of revenue to this fund are transfers from the General and other funds, interest earned, transfers from Jefferson County Open Space funds and contributions by developers and government grants.

The Construction Fund accounts for proceeds from the Sales and Use Tax Revenue Bonds Series 2019 as well as the Sales and Use Tax Revenue Bonds Series 2023. The fund will be used for reconstruction and widening of Ralston Road from Yukon Street to Garrison Street and the reconstruction and railroad underpass on West 72nd Avenue from Kipling Street to Simms Street.

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

The City reports the following major proprietary funds:

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

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

The Storm-water Fund accounts for all activities necessary to maintain a storm-water management plan. It includes administration, operations, capital maintenance and billing and collection.

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

The City reports the following fiduciary funds:

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

Custodial Funds are used to account for monies held for the Ralston House, a local 503(c)(3) not-for-profit agency to which the City of Arvada provides accounting and investing services, and for the Jefferson Parkway Public Highway Authority (JPPHA), established in 2008 to complete the last unbuilt portion of the Denver metropolitan beltway through a public-private partnership.

The Fiduciary funds are reported on the accrual basis of accounting.

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

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position**1) Deposits and Investments**

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

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

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

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

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

2) Receivables and Payables

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

All receivables are shown net of an allowance for uncollectible accounts when applicable. The citizen invoice receivable allowance in the General Fund as of December 31, 2025, was \$49,114. The loans receivable allowance in the Community Development Fund as of December 31, 2025, was \$228,010. The loans receivable allowance in the Housing Fund as of December 31, 2025, was \$3,524. The customer account receivable allowance in the Water Fund as of December 31, 2025, was \$6,782.

Property taxes attach an enforceable lien on the property as of January 1 and are levied on the following January 1. Taxes are payable the following year in one installment made on or before April 30, or in two installments made on or before February 28 and June 15. The assessments and collections are made by Jefferson County and Adams County and are remitted monthly to the City. City property tax revenues certified in December are recorded as a receivable and an offsetting deferred inflow of resources.

The City records non-current receivables for interfund and other long-term notes on the Statement of Net Position of its Proprietary Fund Types. Within the governmental funds, all non-current receivables are fully offset by deferred inflow of resources. Non-current notes receivable in the governmental funds include loans to the Arvada Urban Renewal Authority and Arvada Center \$12,372,847 and \$812,000 respectively, and notes receivable to various customers in the Community Development Fund \$2,866,367. Non-current receivables and other long-term notes are shown on the statement of net position of the government-wide statements, net of allowance.

3) Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The consumption method is used to recognize expense in the period service is provided.

4) Restricted Assets

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. Certain assets of the Community Development special revenue fund are restricted because their use is completely restricted by grant agreements. Certain assets of the Construction Fund are restricted because their use is restricted due to Bond and Certificates of Participation (COP) rules. Restricted assets reported in the Water and Wastewater Funds consist primarily of unspent bond proceeds whose use is restricted by bond covenants and related financing agreements.

5) Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Assets are assessed for impairment annually; there were no impaired assets during 2025.

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

<u>Assets and Lease Assets</u>	<u>Years</u>
Buildings	50
Road System Infrastructure	25
Other Improvements	20
Other Infrastructure	8-50
Equipment	5-10
Vehicles	3-5

6) Leases

Lessor Leases

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

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. All leases are fixed payment leases; there are no variable payment leases. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as miscellaneous revenue in the fund financial statements. For the year ended December 31, 2025 miscellaneous revenue in the Governmental Funds is \$403,210, and Enterprise Funds \$146,308.

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

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

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

Lessee Leases

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

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

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

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

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

Subscription-Based Information Technology Arrangements

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

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

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

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

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

7) Compensated Absences

Vacation Leave:

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Compensatory Time:

An exempt employee who works in any work week more than 40 hours are permitted to accrue compensatory time at the rate of one hour for each hour worked in excess of 40 hours in a work week. An exempt employee can accrue no more than 40 hours of compensatory time at any given time.

Sick Leave:

Per the City's policy employees are permitted to accumulate sick leave up to 640 hours. Unused sick leave is not typically paid out upon termination, but the City recognizes a liability for sick leave based on an estimate of

how much is likely to be used for time off. The liability for sick leave is measured based on the employee's pay rate at the end of the fiscal year using the last-in-first-out (LIFO) calculation method.

Vacation, compensatory time and sick leave pay are accrued when earned in the government-wide and proprietary fund financial statements. The compensated absences are only reported in governmental funds if they are due. Leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

8) Long-Term Obligations

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

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

9) Deferred Inflows and Outflows of Resources

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

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

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

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

A deferred inflow of resources is an acquisition of net assets that is applicable to future reporting periods. Governmental funds report unavailable revenues as deferred inflows of resources in connection with

receivables for revenues not considered available to liquidate liabilities of the current period. The City considers all funds received within 60 days of the end of the fiscal year to be available. Resources received in advance of all eligibility requirements being met, other than time restrictions, are reported as unearned revenue. Property tax receivables are reported as a deferred inflow of resources when levied in both the government-wide and fund statements.

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

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

10) Fund Balance

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

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

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

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

Fund Balances:	General Fund	Community Development Fund	Capital Projects Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventories	\$ 308	\$ -	\$ -	\$ -	\$ 15	\$ 323
Prepaid	340	-	-	-	61	401
Total Nonspendable	648	-	-	-	76	724
Restricted:						
Conservation Trust	-	-	-	-	2,974	2,974
Voter restricted sales tax - police	-	-	-	-	18,046	18,046
Seizure Funds	-	-	-	-	664	664
Emergencies - Tabor	3,872	136	290	150	964	5,412
Community Development	-	848	-	-	640	1,488
Housing	-	-	-	-	356	356
Debt service	-	-	-	-	600	600
Lands Dedicated	-	-	2,213	-	-	2,213
Adams County Open Space	-	-	432	-	-	432
Adams County Transportation	-	-	903	-	-	903
Park Development Fees	-	-	1,950	-	-	1,950
Capital - General	-	-	1,800	-	-	1,800
Capital - Parks	-	-	1,248	-	-	1,248
Capital - Streets	-	-	3,615	36,868	-	40,483
Capital - Traffic	-	-	5,588	-	-	5,588
Total Restricted	3,872	984	18,039	37,018	24,244	84,157
Committed						
Capital - General	-	-	13,216	-	-	13,216
Capital - Parks	-	-	3,858	-	-	3,858
Capital - Streets	-	-	11,332	-	-	11,332
Capital - Traffic	-	-	5,444	-	-	5,444
Total Committed	-	-	33,850	-	-	33,850
Assigned						
Capital - General	-	-	5,999	-	-	5,999
Capital - Parks	-	-	3,034	-	-	3,034
Capital - Streets	-	-	8,354	-	-	8,354
Capital - Traffic	-	-	7,240	-	-	7,240
Community Development	-	4,121	-	-	-	4,121
Parks	-	-	-	-	7,225	7,225
Total Assigned	-	4,121	24,627	-	7,225	35,973
Unassigned	74,347	-	-	-	-	74,347
Total Fund Balances	\$ 78,867	\$ 5,105	\$ 76,516	\$ 37,018	\$ 31,545	\$ 229,051

11) Net Position

Net position represents the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital, lease and subscription assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any

borrowing used for the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantor's, laws, or regulations of other governments.

In November 1992, Colorado voters passed Article X, Section 20 to the State Constitution, described in Note 2C. The Amendment requires that a percentage of fiscal year spending, excluding bonded debt service, be legally restricted to be used for declared emergencies only. This amount is reflected on the government-wide statement of net position as net position – restricted for emergencies. The amendment requires a three percent emergency reserve at December 31, 1995, and thereafter. An emergency is defined in the Amendment as an event which excludes economic conditions, revenue shortfalls, salary or fringe benefit increases.

12) Estimates

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

2. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. State Constitutional Amendment

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

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

The initial revenue base is 1992 fiscal year spending. Future revenue limits are determined based upon the prior year's fiscal year spending adjusted for a growth factor based upon inflation and changes in the actual

value of real property within its boundaries. Excluded revenues such as gifts and federal funds are not used to calculate the limit. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

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

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

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

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

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

3. Detailed Notes on Funds and Account Balances

A. Deposits and Investments

As of December 31, 2025, the City's cash deposits had a carrying value of \$8,184,217. The bank balances were \$14,796,555 of which \$499,576 was covered by federal deposit insurance and \$14,296,979 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Cash with fiscal agent had a balance of \$9,005,305, all of which are held in escrow for the Gross Reservoir Enlargement project with Denver Water. These funds are invested in instruments which follow the City's investment policies and procedures.

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

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

- Repurchase agreements.
- Commercial paper and certificates of deposits.
- AAA-rated money market funds.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

As a means of limiting its exposure, the City's total investment in any specific money market or mutual fund shall not exceed 10% of the total assets of such fund class. At December 31, 2025, the City's investments in Federal Home Loan Bank (FHLB) are 14.66% of total investments.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment policy requires commercial banks and savings and loan associations to be eligible public depositories within the meaning of the Colorado Revised Statutes of PDPA and S&L PDPA. The depositories will also have to possess overall financial strength, capitalization, and liquidity to ensure the safety and availability of such monies. The assessment of this overall financial strength shall be made applying generally accepted industry standards (i.e., capital requirements, asset quality, earnings, and liquidity) using available public agency and private rating services as appropriate.

Local Government Investment Pools

The City utilizes three local government investment pools for investment, when a high degree of liquidity is prudent. The three pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST), The Colorado Surplus Asset Fund Trust cash fund (CSAFE), and the Colorado Statewide Investment Program Trust (CSIP), collectively, the Trusts. COLOTRUST and CSIP are local government investment pools with a stable net asset value (NAV) and its NAV is measured at fair value per share. CSAF is considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and its NAV is measured at amortized cost per share. As of December 31, 2025 the balance in CSAF was \$21,939. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as custodian of the Trusts' portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

Cash and Investments reported on the financial statements as of December 31, 2025 (in thousands):

Cash and Investments	\$ 312,762
Restricted Cash	141,898
Total per Statement of Net Position	<u>\$ 454,660</u>
Custodial Funds	2,838
Defined Benefit Police Pension	398
Total Financial Statement Cash & Investments	<u>\$ 457,896</u>
Carrying value of cash	\$ 8,185
Cash with Fiscal Agent	9,005
Fair market value of investments	440,706
Total value cash and investments	<u>\$ 457,896</u>

AURA Investment Policy

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

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

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

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

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

Credit Risk – State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a nationally recognized organization that regularly rates such obligations. At December 31, 2025, AURA invested \$1,679,429 in a Vectra Bank Public Funds money market which is held at cost.

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

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

At December 31, 2025, the Authority held \$1,133,149 in CSIP's Term Portfolio, an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes to pool surplus funds for investment purposes. CSIP operates similarly to a money market fund, measured at amortized cost where each share is equal to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. The Authority's investment in CSIP is rated AAAM by S&P Global Ratings. CSIP is routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At December 31, 2025, the Authority held a total of \$5,802,962 in money market mutual fund investments. This balance consisted of two government money market mutual funds, including the Invesco Premier U.S. Government Institutional fund and the Goldman Sachs Financial Square Government Institutional fund. The money market mutual funds are measured at amortized cost, where each share is equal to \$1.00. As of December 31, 2025, both money market mutual funds were rated AAAM by S&P Global Ratings, indicating very strong credit quality. At December 31, 2025, there were no restricted cash or investments reflected on the statement of net position.

At December 31, 2025, the Authority had bank deposits with a carrying balance of \$6,983,175. The bank balances were \$7,042,551, of which \$750,000 was covered by the federal deposit insurance and the uninsured portion of \$6,292,551 was collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Fair Value of Investments

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

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

- Level 1: Quoted (unadjusted) prices in active markets for an identical asset or liability at the measurement date.
- Level 2: The market approach technique is utilized using quoted prices of securities with similar characteristics or independent asset pricing services.
- Level 3: Unobservable inputs for an asset or liability

The City has the following fair value measurements as of December 31, 2025:

Investment by fair value level	Fair Value Measurements			
	Carrying Value	Level 1	Level 2	Level 3
US Treasuries	\$ 70,554,587	\$ 70,554,587	\$ -	\$ -
US Agency Securities	119,464,226	-	119,464,226	-
Corporate Bonds	70,716,809	-	70,716,809	-
Municipal Bonds	2,755,840	-	2,755,840	-
Negotiable Certificates of Deposit	399,969	-	399,969	-
Supranational	6,129,716	-	6,129,716	-
Total Investments by fair value level	270,021,147	70,554,587	199,466,561	-
Local Government Investment Pool - CSIP	154,602,718			
Local Government Investment Pool - COLOTRUST	16,060,292			
	170,663,010			
	<u>\$ 440,684,157</u>			

As of December 31, 2025, the City had the following investments and maturities:

Asset Category	S&P Credit Rating	Investment Maturities						% of total
		Carrying Value	<= 1 year	>1 yr and <= 2 yrs.	>2 yrs and <= 3 yrs.	>3 yrs and <= 4 yrs.	>4 yrs and <= 5 yrs.	
Local Government Investment Pool Trust Funds	AAA	\$ 170,663,010	\$170,663,010	\$ -	\$ -	\$ -	\$ -	38.73%
U.S. Treasuries	AA+	70,554,587	26,798,287	24,732,781	8,735,437	3,142,182	7,145,900	16.01%
U.S. Agencies								
FFCB	AA+	16,883,830	8,935,140	7,948,690	-	-	-	3.83%
FHLB	AA+	64,605,106	24,665,690	13,393,301	1,999,840	8,018,040	16,528,235	14.66%
FHLMC	AA+	16,453,167	289,236	7,537,631	5,834,796	2,410,541	380,963	3.73%
FNMA	AA+	18,515,372	475,172	-	9,039,391	3,998,640	5,002,170	4.20%
FAMC	AA+	3,006,750	-	-	3,006,750	-	-	0.68%
Subtotal for U.S. Agencies		119,464,226	34,365,238	28,879,622	19,880,776	14,427,221	21,911,368	
Supranationals	AAA	6,129,716	1,011,316	-	-	5,118,400	-	1.39%
Corporate Bonds	AA	70,716,809	9,278,246	6,512,832	22,238,959	11,820,304	20,866,469	16.05%
Municipal Bonds	AA+	2,755,840	568,899	-	137,541	2,049,400	-	0.63%
Corporate CDs	A	399,969	399,969	-	-	-	-	0.09%
Total for all Asset Categories		<u>\$ 440,684,157</u>	<u>\$243,084,965</u>	<u>\$60,125,236</u>	<u>\$50,992,713</u>	<u>\$ 36,557,507</u>	<u>\$49,923,736</u>	
			55.16%	13.64%	11.57%	8.30%	11.33%	

B. Capital, Lease, and Subscription Assets

A summary of changes in capital, lease and subscription assets activity for the year ended December 31, 2025, follows (in thousands):

	Balance January 1, 2025	Additions/ Adjust- ments	Retirements	Transfers To (From) CIP	Balance December 31, 2025
Primary Government:					
Governmental activities					
Capital, lease and subscription assets not being depreciated/amortized:					
Land	\$ 58,773	\$ -	\$ -	-	\$ 58,773
Lease land	237	-	-	-	237
Construction in progress	138,617	15,467	(673)	(76,897)	76,514
Total capital, lease and subscription assets, not being depreciated/amortized	<u>197,627</u>	<u>15,467</u>	<u>(673)</u>	<u>(76,897)</u>	<u>135,524</u>
Capital, lease and subscription assets, being depreciated/amortized:					
Buildings	72,956	-	(1,820)	46,046	117,182
Improvements other than buildings	183,023	158	-	11,758	194,939
Equipment & vehicles	58,274	3,198	(2,014)	5,127	64,585
Subscriptions	7,417	1,658	(454)	-	8,621
Lease equipment & vehicles	215	185	(215)	-	185
Infrastructure	<u>501,520</u>	<u>1,267</u>	<u>-</u>	<u>13,966</u>	<u>516,753</u>
Total capital, lease and subscription assets being depreciated/amortized	<u>823,405</u>	<u>6,466</u>	<u>(4,503)</u>	<u>76,897</u>	<u>902,265</u>
Less accumulated depreciation/amortization for:					
Buildings	(28,646)	(1,478)	1,738	-	(28,386)
Improvements other than buildings	(85,044)	(7,815)	-	-	(92,859)
Equipment & vehicles	(39,104)	(5,191)	1,735	-	(42,560)
Subscriptions	(1,866)	(1,470)	454	-	(2,882)
Lease equipment & vehicles	(151)	(67)	215	-	(3)
Infrastructure	<u>(355,942)</u>	<u>(9,083)</u>	<u>-</u>	<u>-</u>	<u>(365,025)</u>
Total accumulated depreciation/amortization	<u>(510,753)</u>	<u>(25,104)</u>	<u>4,142</u>	<u>-</u>	<u>(531,715)</u>
Total capital, lease and subscription assets, being depreciated/amortized, net	<u>312,652</u>	<u>(18,638)</u>	<u>(361)</u>	<u>76,897</u>	<u>370,550</u>
Governmental activities capital, lease and subscription assets, net	<u>\$ 510,279</u>	<u>\$ (3,171)</u>	<u>\$ (1,034)</u>	<u>\$ -</u>	<u>\$ 506,074</u>
Business-type activities					
Capital assets not being depreciated/amortized:					
Water rights	\$ 31,605	\$ -	\$ -	\$ -	\$ 31,605
Land	8,168	-	-	-	8,168
Construction in progress	159,468	92,068	(1,334)	(39,780)	210,422
Total capital assets, not being depreciated/amortized	<u>199,241</u>	<u>92,068</u>	<u>(1,334)</u>	<u>(39,780)</u>	<u>250,195</u>
Capital, lease and subscription assets, being depreciated/amortized:					
Buildings	20,213	-	-	7,327	27,540
Improvements other than buildings	432,306	18,556	(3,637)	10,516	457,741
Equipment & vehicles	3,940	40	-	1,061	5,041
Subscriptions	62	-	(62)	-	-
Lease equipment & vehicles	565	1,315	(565)	-	1,315
Infrastructure	<u>8,802</u>	<u>-</u>	<u>-</u>	<u>20,876</u>	<u>29,678</u>
Total capital, lease and subscription assets being depreciated/amortized	<u>465,888</u>	<u>19,911</u>	<u>(4,264)</u>	<u>39,780</u>	<u>521,315</u>
Less accumulated depreciation/ amortization for:					
Buildings	(11,027)	(402)	-	-	(11,429)
Improvements other than buildings	(146,573)	(8,938)	2,118	-	(153,393)
Equipment & vehicles	(3,258)	(148)	-	-	(3,406)
Subscriptions	(48)	(14)	62	-	-
Lease equipment & vehicles	(509)	(228)	565	-	(172)
Infrastructure	<u>(2,063)</u>	<u>(312)</u>	<u>-</u>	<u>-</u>	<u>(2,375)</u>
Total accumulated depreciation/amortization	<u>(163,478)</u>	<u>(10,042)</u>	<u>2,745</u>	<u>-</u>	<u>(170,775)</u>
Total capital, lease and subscription assets, being depreciated/amortized, net	<u>302,410</u>	<u>9,870</u>	<u>(1,520)</u>	<u>39,780</u>	<u>350,540</u>
Business-type activities capital, lease and subscription assets, net	<u>\$ 501,651</u>	<u>\$ 101,938</u>	<u>\$ (2,854)</u>	<u>\$ -</u>	<u>\$ 600,735</u>

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

	Governmental Activities	Business-Type Activities
General Government	\$ 16,871	\$ -
Public Safety- police and judicial	465	-
Public Works	1,386	-
Parks	863	-
Culture	-	-
Internal Service	5,519	-
Water	-	5,694
Wastewater	-	2,010
Storm-water	-	1,521
Golf	-	817
Total	<u>\$ 25,104</u>	<u>\$ 10,042</u>

C. Construction Commitments

The City has active construction projects as of December 31, 2025. The projects include streets, general construction and water, and storm-water system projects. At year end the City's commitments with contractors are as follows (in thousands):

	Project Spent-to-Date	Remaining Commitment
Streets construction	\$ 38,724	\$ 6,197
General Construction	1,281	72
Water system	9,729	3,041
Storm-water system	821	43
Wastewater system	26,174	9,063
Total	<u>\$ 76,729</u>	<u>\$ 18,416</u>

D. Interfund Transactions

There was one "advance to" and "advance from" as of December 31, 2025. The Wastewater Fund loaned the Golf Fund \$2,000,000 for the construction of an irrigation system at Westwoods Golf Course. The loan is for 15 years at 2.5% interest with semi-annual interest and principal payments beginning in June 2018. The balance as of December 31, 2025, was \$1,040,433. This transaction has been eliminated in the presentation of the Government-Wide financial statements but appears in the proprietary funds' financial statements.

Transfers to/from other funds for the year ended December 31, 2025, were as follows (in thousands):

Fund	Trans In	Trans Out
General Fund	2	13,853
Community Development	100	-
Capital Projects Fund	13,304	2,058
Construction	1,901	-
Non-Major Governmental Funds	2,034	2,736
Water Fund	-	579
Wastewater Fund	6	485
Storm-water	-	320
Non-Major Proprietary Funds	300	440
Internal Service Fund	3,019	195
Total	20,666	20,666

The General Fund transfer in is from the Insurance fund for the safety program. The transfers out include support transfers to Parks, Community Development, Golf Course, and Buildings Fund, as well as debt transfers to the COP Fund, to the Vehicles internal service fund for the purchase of vehicles, and to the Technology Fund for the ERP post-implementation support and workstation replacements.

The Capital Project Fund transfers in included transfers from the General fund, Police Tax Increment (TI) funds, Water, and Grants fund for various capital projects, as well as transfers from the Insurance fund for the Grandview bridge repair.

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

The Non-Major Governmental Parks Fund transfer in is from the General Fund and Insurance fund to support operations and safety.

The Non-Major Governmental Police Tax Increment (TI) funds made transfers into the Capital Projects Fund for various capital projects and to the Technology fund for the workstation replacement project.

The Water Fund transfer out was to the Capital Projects Fund for water projects and to the Vehicles fund for the purchase of vehicles.

The Wastewater Fund transfers out are also to Capital Projects Fund for a park improvement project and to the Vehicles fund for the purchase of vehicles. The transfer in is from the Insurance fund to support safety program.

The Storm-water Fund transfers out are to the Vehicle fund for vehicle purchase.

The Non-Major Proprietary Golf Course Fund transfers in are from the General Fund to support operation. The transfers out are to the Technology Fund for the workstation replacement project and the Debt Service Fund for payment of the 2015 Certificates of Participation.

The Internal Service Funds transfers in are in support of vehicle purchases, computer replacements, and support for building maintenance in the Buildings Fund. The transfers out are from the Insurance fund in support of safety programs in various departments.

E. Long-Term Debt

Revenue Bonds, Certificates of Participation and Leases

Governmental Activities

Series 2016 Certificates of Participation

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

The City's annual payments for Series 2016 Certificates of Participation and outstanding balance at December 31, 2025, are as follows (in thousands):

Year Ending December 31	Principal	Interest	Total
2026	540	291	831
2027	560	269	829
2028	585	247	832
2029	605	223	828
2030-2034	3,415	734	4,149
2035-2036	1,565	95	1,660
Totals	\$ 7,270	\$ 1,860	\$ 9,130

Sales and Use Tax Revenue Bonds Series 2019

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

The City's annual payments for Sales and Use Tax Revenue Bonds Series 2019 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year Ending December 31	Principal	Interest	Total
2026	3,180	2,177	5,357
2027	3,340	2,018	5,358
2028	3,510	1,852	5,362
2029	3,685	1,676	5,361
2030-2034	21,190	5,603	26,793
2035-2038	19,765	1,671	21,436
Totals	\$ 54,670	\$ 14,997	\$ 69,667

Series 2021 Certificates of Participation - Direct Placement

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

The City's annual payments for Series 2021 Certificates and outstanding balance at December 31, 2025, are as follows (in thousands):

Year Ending December 31	Principal	Interest	Total
2026	804	340	1,144
2027	822	322	1,144
2028	841	303	1,144
2029	860	284	1,144
2030-2034	4,601	1,118	5,719
2035-2039	5,145	574	5,719
2040-2041	2,224	63	2,287
Totals	\$ 15,297	\$ 3,003	\$ 18,301

Sales and Use Tax Revenue Bonds Series 2023

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

The City's annual payments for Sales and Use Tax Revenue Bonds Series 2023 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	105	339	444
2027	110	333	443
2028	110	328	438
2029	115	322	437
2030-2034	680	1,518	2,198
2035-2039	1,830	1,330	3,160
2040-2042	3,820	388	4,208
Totals	\$ 6,770	\$ 4,558	\$ 11,328

Governmental Leases

The City's annual payments for governmental lease liabilities and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	52	11	63
2027	55	9	64
2028	57	6	63
2029	59	5	64
2030-2034	95	9	104
2035-2036	34	1	35
Totals	\$ 352	\$ 41	\$ 393

The City's annual payments for governmental subscription liabilities and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	1,287	195	1,482
2027	922	155	1,077
2028	590	120	710
2029	628	94	722
2030-2033	1,743	131	1,874
Totals	\$ 5,170	\$ 695	\$ 5,865

Business Type Activities

Water Enterprise Revenue Bonds Series 2022

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

The City's annual payments for Water Enterprise Revenue Bonds Series 2022 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	875	2,004	2,879
2027	915	1,960	2,875
2028	960	1,914	2,874
2029	1,010	1,866	2,876
2030-2034	5,860	8,520	14,380
2035-2039	7,475	6,902	14,377
2040-2044	9,355	5,025	14,380
2045-2049	11,385	2,998	14,383
2050-2052	7,980	647	8,627
Totals	\$ 45,815	\$ 31,836	\$ 77,651

Water Enterprise Revenue Bonds Series 2025

On July 9, 2025, the City issued \$85,670,000 of Water Enterprise Revenue Bonds Series 2025 for various water infrastructure projects. The coupon rate is 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2025 and continue through 2054.

The City's annual payments for Water Enterprise Revenue Bonds Series 2025 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	1,365	4,257	5,622
2027	1,435	4,189	5,624
2028	1,505	4,117	5,622
2029	1,580	4,042	5,622
2030-2034	9,180	18,941	28,121
2035-2039	11,710	16,405	28,115
2040-2044	14,950	13,169	28,119
2045-2049	19,070	9,040	28,110
2050-2054	24,345	3,770	28,115
Totals	\$ 85,140	\$ 77,931	\$ 163,071

The 2022 and 2025 Water Enterprise Revenue Bonds are paid solely from revenues of the Water Fund. During the year ended December 31, 2025, revenues of \$29,615,277 were available to pay the combined annual debt service of \$5,094,653.

Wastewater Enterprise Revenue Bonds Series 2022

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

The City's annual payments for Wastewater Enterprise Revenue Bonds Series 2022 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	865	2,028	2,893
2027	910	1,985	2,895
2028	955	1,940	2,895
2028	1,000	1,892	2,892
2030-2034	5,810	8,657	14,467
2035-2039	7,415	7,052	14,467
2040-2044	9,280	5,190	14,470
2045-2049	11,310	3,159	14,469
2050-2052	7,990	689	8,679
Totals	\$ 45,535	\$ 32,593	\$ 78,128

Wastewater Enterprise Revenue Bonds Series 2025

On July 9, 2025, the City issued \$14,555,000 of Wastewater Enterprise Revenue Bonds Series 2025 for various wastewater infrastructure projects. The coupon rate is 5.0% with interest payable semi-annually on June 1 and December 1. The bonds mature beginning in 2025 and continue through 2054.

The City's annual payments for Wastewater Enterprise Revenue Bonds Series 2025 and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	235	723	958
2027	245	712	957
2028	255	699	954
2029	270	687	957
2030-2034	1,555	3,217	4,772
2035-2039	1,990	2,787	4,777
2040-2044	2,540	2,237	4,777
2045-2049	3,240	1,536	4,776
2050-2054	4,135	640	4,775
Totals	\$ 14,465	\$ 13,238	\$ 27,703

The 2022 and 2025 Wastewater Enterprise Revenue Bonds are paid solely from revenues of the Wastewater Fund. During the year ended December 31, 2025, revenues of \$8,296,505 were available to pay the combined annual debt service of \$3,271,763.

Business Type Leases

The City's annual payments for business type lease liabilities and outstanding balance at December 31, 2025, are as follows (in thousands):

Year ending December 31	Principal	Interest	Total Payment
2026	244	36	280
2027	254	26	280
2028	265	15	280
2029	275	5	280
Totals	\$ 1,038	\$ 82	\$ 1,120

Changes in General Long-Term Liabilities

During the year ended December 31, 2025, the following changes occurred in liabilities reported in the governmental activities (including internal service funds), and business type activities (in thousands):

Governmental Activities	Balance 1/1/2025	Additions/ Adjustments	Reductions	Balance 12/31/2025	Due in 1 year
Sales and Use Tax Revenue Bonds Series 2019	\$ 57,700	\$ -	\$ 3,030	\$ 54,670	\$ 3,180
Bond Premium - Sales and Use Tax Series 2019	5,462	-	364	5,098	364
Sales and Use Tax Revenue Bonds Series 2023	6,865	-	95	6,770	105
Bond Premium - Sales and Use Tax Series 2023	862	-	48	814	48
Lease liability	284	185	117	352	52
Subscription liability	5,120	1,658	1,608	5,170	1,287
2016 Certificates of Participation	7,785	-	515	7,270	540
Certificate of Participation Premium	1,124	-	94	1,030	94
Compensated Absences*	7,690	628	-	8,318	2,646
Total Governmental	\$ 92,892	\$ 2,471	\$ 5,871	\$ 89,492	\$ 8,316

Governmental Activities - Direct Placement	Balance 1/1/2025	Additions/ Adjustments	Reductions	Balance 12/31/2025	Due in 1 year
2021 Certificates of Participation	\$ 16,083	\$ -	\$ 786	\$ 15,297	\$ 804
Equipment purchase, direct placement	271	-	134	137	137
Total Governmental- Direct Placement	\$ 16,354	\$ -	\$ 920	\$ 15,434	\$ 941

Business-Type Activities	Balance 1/1/2025	Additions/ Adjustments	Reductions	Balance 12/31/2025	Due in 1 year
Water Enterprise Revenue Bond 2022	\$ 46,645	\$ -	\$ 830	\$ 45,815	\$ 875
Bond Premium - Water Enterprise Revenue Bond 2022	2,176	-	78	2,098	78
Water Enterprise Revenue Bond 2025	-	85,670	530	85,140	1,365
Bond Premium - Water Enterprise Revenue Bond 2025	-	4,688	71	4,617	154
Wastewater Enterprise Revenue Bond 2022	46,360	-	825	45,535	865
Bond Premium - Wastewater Enterprise Revenue Bond 2022	2,378	-	85	2,293	85
Wastewater Enterprise Revenue Bond 2025	-	14,555	90	14,465	235
Bond Premium - Wastewater Enterprise Revenue Bond 2025	-	764	14	750	25
Lease liability	-	1,315	277	1,038	244
Subscription liability	21	-	21	-	-
Compensated Absences*	1,372	174	-	1,546	537
Total Business Type	\$ 98,952	\$ 107,166	\$ 2,821	\$ 203,297	\$ 4,463

* The change in compensated absences above is a net change for the year.

4. Other Information

A. Risk Management

The City has established a risk management program for much of its insurance needs. It is self-insured for occurrences of general liability and auto liability claims, which are subject to the Colorado Governmental Immunity Act which caps recoveries at \$424,000 per person and \$1,195,000 per accident. Property damage is subject to a \$100,000 deductible except for wind and/or hail then it is \$250,000 minimum or 5% of the value of each location. Liability insurance a \$250,000 self-insured retention (SIR). Effective April 1, 2022, the Workers' Compensation program maintains a self-insured retention limit of \$750,000. There have been no settlements which exceed the Governmental Immunity Caps for general or auto liability in the last three years.

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

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

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

	Insurance Service
Unpaid Claims, January 1, 2024	\$ 2,915
Incurred Claims	374
Claim Payments	824
Unpaid Claims, December 31, 2024	2,465
Incurred Claims	1,685
Claim Payments	992
Unpaid Claims, December 31, 2025	\$ 3,158

Effective January 1, 2014, the City established a self-funded medical insurance program for employees who choose to participate in the program. The City utilizes a third-party provider to administer the plan. Excess insurance coverage is maintained for claims greater than \$225,000 to limit the loss of any individual claim. Changes in the balance of unpaid claims related to medical insurance during the past two years are as follows (in thousands):

	Medical Insurance
Unpaid Claims, January 1, 2024	\$ 797
Incurred Claims	11,058
Claim Payments	11,079
Unpaid Claims, December 31, 2024	776
Incurred Claims	14,169
Claim Payments	13,770
Unpaid Claims, December 31, 2025	\$ 1,175

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

B. Commitments and Contingencies

1) Litigation

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

2) Federal Grants

Federal grants are subject to audit which could result in disallowed costs, the amount which is undeterminable at December 31, 2025. If any costs are disallowed in the future, the City expects them to be insignificant.

3) Tax Abatements

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

For the fiscal year ended December 31, 2025, the City abated sales taxes totaling \$61,861 under this program, including the following tax abatement agreements:

- A 100% admission tax abatement after the first \$100,000 is retained by the City annually and a 100% use tax abatement on the building permit to reconstruct and modernize a public amenity. The abatement amounted to \$61,861.

4) AURA Commitments

Developer Agreements

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

As of December 31, 2025, the Authority had entered into 12 DDAs expiring from 2028 to 2035. During the year ended December 31, 2025, the Authority rebated property tax and sales tax of \$30,512,683, PIF of \$134,561, and TIF of \$642,079. These rebates are recorded in redevelopment project expenses/expenditures on the statement of activities and statement of revenue, expenditures, and changes in fund balances

C. Industrial Development Revenue Bonds and Other Instruments Issued under the Colorado County and Municipality Development Revenue Bond Act

The City annually receives an allocation of private activity bond (PAB) volume cap authority under the Colorado Private Activity Bond Ceiling Allocation Act, C.R.S. § 24-32-1701 et seq. The City currently assigns all of its PAB allocation to the Colorado Housing and Finance Authority (CHFA) in accordance with Colorado law. The assignment represents a transfer of the City's authority to issue private activity bonds and does not constitute

a transfer or issuance of debt by the City. Accordingly, the City has no continuing obligation, ownership interest, repayment responsibility, or contingent liability associated with bonds issued by CHFA pursuant to the transferred allocation.

D. Retirement Commitments

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

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

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

1) Defined Benefit Police Pension Plan

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

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

Plan Description

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

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

One fully vested participant remains in the Defined Benefit Plan as of December 31, 2025. The participant began receiving retirement benefits in 1997, as defined by City ordinance. The City does not issue a stand-alone financial report for the plan.

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

No contributions were made by the participant for the year ended December 31, 2025. The City contributed \$20,000 per year to the plan from 2012 through 2015. During 2016 the City contributed \$170,000 to the plan, \$12,000 in 2019 and 2020, \$18,000 in 2022, an \$18,450 in 2023, \$19,096 in 2024, and \$15,000 in 2025. The City did not make a contribution to the plan during 2017, 2018 or 2021.

Investments

The pension plan's investment policy follows the City's investment policy as summarized on pages 57-58. December 31, 2025, plan asset allocation is shown below:

Asset Class	Allocation
Local Government Investment Pool	2.01%
Pooled cash and investments	97.99%
	<u>100.00%</u>

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 5.05% percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of them they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Net Pension Liability of the City

The components of the net pension liability of the City at December 31, 2025, were as follows:

Total pension liability	\$ 337,116
Plan fiduciary net position	400,831
City's net pension liability (asset)	<u>(\$ 63,715)</u>
Plan fiduciary net position as a percentage of the total pension liability	118.90%

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

The long-term expected rate of return is selected by the Plan Sponsor after review of expected inflation and long-term real-returns, reflecting volatility and correlation. The assumption currently selected is 1.50% per annum, net of investment expenses.

The discount rate used to measure the total pension liability was based on the daily rate of the municipal bond rate closest to, but not later than, the measurement date in accordance with GASB 68. The resulting rate is a single discount rate of 4.83 percent.

The following presents the net pension liability of the City, calculated using the discount rate of 4.83 percent, as well as what the City's net pension (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.83 percent) or 1-percentage-point higher (5.83 percent) than the current rate:

	"1% Decrease (3.83%)"	"Current Discount Rate (4.83%)"	"1% Increase (5.83%)"
Net pension liability (asset)	\$ (32,708)	\$ (63,715)	\$ (90,396)

Net Pension Liability of the City

The net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2026, rolled back to December 31, 2025 using standard actuarial methods.

Significant methods and assumptions included the following:

- Actuarial Valuation Date – January 1, 2026
- Measurement Date – December 31, 2025
- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, closed
- Rate of Investment Return – 1.5% per annum
- Remaining Closed Amortization Period – 5 years at 1/1/2026
- Asset Valuation Method – Market Value

Changes in assumptions

- Discount rate has been updated according to the 20-year tax-exempt municipal bond yield as of the measurement date from 4.08% to 4.83%

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2024	\$ 370,364	\$ 395,401	\$ (25,037)
Interest on total pension liability	14,529	-	14,529
Effect of economic/demographic gains or losses	3,843	-	3,843
Effect of assumptions changes or inputs	(22,801)	-	(22,801)
Benefit payments	(28,819)	(28,819)	-
Employer contributions	-	15,000	(15,000)
Net investment income (loss)	-	19,249	(19,249)
Balances December 31, 2025	<u>\$ 337,116</u>	<u>\$ 400,831</u>	<u>\$ (63,715)</u>

Information regarding pension plan fiduciary net position can be found on [pages 52-53](#) of this report.

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

For the year ended December 31, 2025, the City recognized pension expense of (\$9,573). At December 31, 2025 the City reported deferred outflows and inflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	
Net difference between projected and actual earnings on pension plan investments	-	17,187
Totals	\$ -	\$ 17,187

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

Year ended December 31:	
2026	(2,144)
2027	(7,458)
2028	(4,900)
2029	(2,685)
2030	-
Thereafter	-
Total	\$ (17,187)

2) City of Arvada Retirement Plan – Defined Contribution Plan

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

All City full-time and part-time employees, except uniformed police officers, the City Manager, the City Attorney, and the Municipal Judge are eligible to participate in CARP. 943 employees were participants in the plan as of December 31, 2025. Employer contributions vest with the employee according to the following:

Years of Service	Vesting Percentage
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

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

If a participant is less than one hundred percent vested at the time of termination of employment, the non-

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

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

The required City contribution of \$5,665,542 and the required employee contributions of \$4,423,348 were paid during 2025. Additional employee contributions, in the form of rollovers, of \$209,057 were also made in 2025. The required contributions represent 10.3% and 8% of total covered payroll, respectively. The plan investments are maintained and administered by Fidelity.

3) Defined Contribution Police Pension Plan

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

The Plan requires that the City and the participant each contribute 12% of the participant's compensation. Participants are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Plan's expenses.

257 employees were participants as of December 31, 2025. The required contributions for the City were \$2,556,800, and for the City of Arvada Police Retirement Plan employees the required contributions were \$2,714,905 (12% of covered payroll). The plan allows voluntary and rollover contributions by employees. The plan investments are maintained and administered by Fidelity Investments.

4) Executive Retirement Plan

The City provides retirement benefits for the City Manager, the City Attorney, and the Municipal Judge through separate defined contribution plans. The plans are administered by Fidelity Retirement Services. Qualified employees are eligible to participate from the date of employment. Under the plan, the City contributes an amount equal to 10.02% of the participant's base salary. The employees covered by this plan were required to make an 8% contribution in 2025.

Employees covered under these Plans are vested upon date of hire. Employees who leave employment with the City are entitled to all contributions and interest earnings. For the year ended December 31, 2025, the City contributed \$91,920 for the benefit of the 3 participants in the Plan and the employees contributed \$69,475, as required. The plan investments are maintained and administered by Fidelity Investments.

E. Postemployment Benefits Other than Pensions

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

Plan Description

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

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

Benefits Provided

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

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

Sworn police officers (The City of Arvada Police Retirement Plan) must have completed 20 years of service.

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

As of December 31, 2025, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	20
Active Employees	713
	<u>733</u>

Accounting Policy

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

Funding Policies

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2025, the City made \$95,578 in contributions to the plan. Plan members are required to contribute 100% of the premiums.

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

	HDHP	OAP-IN
Retiree	\$ 680	\$ 791
Retiree plus one	\$ 1,429	\$ 1,662

Actuarial Methods and Assumptions

Actuarial cost method	Individual Entry-Age Normal
Discount rate	4.83%
Inflation	2.50%
Salary increases	3.50%, including inflation
Medical trend	7.50% declining to an ultimate rate of 4.25% after 15 years
Mortality	For healthy retirees, the Pub-2010 Retirees Tables for males and females are used. Those rates are projected on a fully generational basis based on the mortality improvement scale MP-2020.
Mortality Improvement Scale MP-2020 from 2010 base year, and projected forward using MP-2020 on a generational basis participation rates	All current retired participants are assumed to continue retiree health coverage. 20% of future eligible retired participants are assumed to elect retiree health coverage upon retirement. This assumption is based on historical participant behavior and expectations of future plan experience

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding funded status and contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The assumptions reflect the Bond Buyer 20-Year General Obligation Bond Index for the 4.83% discount rate.

Changes in assumptions

- Discount rate has been updated according to the 20-year tax-exempt municipal bond yield as of the measurement date from 4.08% to 4.83%

Total OPEB Liability

The total OPEB liability of \$1,698,553 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2025, and rolled forward to December 31, 2025.

The total OPEB liability and related information are as follows as of December 31, 2025

	Total OPEB Liability
Balance as of January 1, 2025	\$ 1,749,750
Changes for the year:	
Service cost	129,214
Interest on Total OPEB Liability	70,881
Difference between expected and actual expense	22,887
Effect of assumptions changes or inputs	(120,023)
Benefit payments	(154,155)
Balance as of December 31, 2025	<u>\$ 1,698,554</u>

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

For the year ended December 31, 2025, the City recognized OPEB expense of \$95,578. As of December 31, 2025, the City reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (572,417)	\$ 27,040
Changes of assumptions	(258,327)	112,488
Total at December 31, 2025	<u>\$ (830,744)</u>	<u>\$ 139,528</u>

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

Year ended December 31	
2026	\$ (101,926)
2027	(102,756)
2028	(103,127)
2029	(103,127)
2030	(103,127)
Thereafter	(177,153)
Total	<u>\$ (691,216)</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.83 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83 percent) or 1 percentage point higher (5.83 percent) than the current rate:

	1% Decrease 3.83%	Current Discount Rate 4.83%	1% Increase 5.83%
Total OPEB liability	\$ 1,860,657	\$ 1,698,553	\$ 1,551,387

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

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

	1% Decrease	Current Healthcare Cost Trend Rates Assumption	1% Increase
Total OPEB liability	\$ 1,456,472	\$ 1,698,553	\$ 1,994,213

F. Related Party Notes

In February 2010, the City and AURA entered into a promissory note in which the City loaned AURA \$2,745,000 at a simple interest rate of 3.5% for 2 years. Interest payments are due monthly. The loan was due and payable in full on April 1, 2016. The loan was collateralized with a building and two parcels of land. During 2015, the property was sold and the note amended. Under the amended note, AURA made a lump sum payment to the City in the amount of \$500,000 at the time of sale and the remaining balance of \$2,245,000 is being paid in monthly installments beginning January 2016 and continuing through November 2030 at a simple interest rate of 1.5%. The loan's balance as of December 31, 2025, is \$794,053. Though the note is unsecured, the City shall be authorized to withhold payment to AURA derived from the incremental sales tax in the event of default.

In June 2016, the City entered into a loan agreement with AURA in which the City's Wastewater Fund loaned AURA \$5,000,000 at a simple interest rate of 3% through June 2028. Interest payments are due monthly beginning in June 2017 through 2028. Principal and interest is being paid monthly thereafter until maturity. The loan's balance as of December 31, 2025, is \$1,791,396. The loan is unsecured, though the City shall be authorized to withhold payment to AURA derived from incremental sales tax or public improvement fees in the event of default.

In November 2024, the City and the Authority entered into a third intergovernmental agreement in which the City loaned the Authority \$12,000,000, made up of two separate loans: \$8,000,000 at a simple interest rate of 3.0% through March 2027 and \$4,000,000 at a simple interest rate of 4.5% through March 2027. Principal and interest payments are due annually beginning in March 2025 until maturity. The loans' balance at December 31, 2025 was \$11,578,795 and is unsecured, though the City shall be authorized to withhold payment to the Authority derived from incremental sales tax or public improvement fees in the event of default.

G. Net Investment in Capital, Lease and Subscription Assets

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

	Governmental Activities	Business-type Activities
Capital, lease and subscription assets, net	\$ 506,074	\$ 600,735
Related debt including premium	(96,608)	(201,752)
Unspent debt proceeds including premiums	33,021	99,024
Outstanding related accounts and contracts payable	(1,091)	(10,716)
Net investment in capital assets	<u>\$ 441,396</u>	<u>\$ 487,291</u>

H. GASB Statement No. 100 – Reclassification of Parks Fund from Major to Non-major Fund

In accordance with the provisions of *Governmental Accounting Standards Board Statement No. 100, Accounting Changes and Error Corrections*, the City evaluated the presentation of its governmental funds for the year ended December 31, 2025. Based on the current year application of the major fund reporting criteria, the Parks Fund no longer met the requirements for presentation as a major governmental fund and has been reclassified as a nonmajor governmental fund.

The beginning of year fund balance was adjusted to reflect the change in the Parks Fund from a major special revenue fund to a non-major special revenue fund. This reclassification represents a change in financial statement presentation only and had no effect on total governmental fund balances, changes in fund balances, governmental activities net position, or results of operations previously reported.

The effect of the reclassification on the financial statements' presentation is as follows (in thousands):

	Former Major – Parks Fund	Non-Major Funds	Total Governmental Funds
Fund balance, December 31, 2024, as previously reported	\$ 7,670	\$ 23,922	\$ 211,626
Change from Major to Non-Major Fund	(7,670)	7,670	-
Fund balance, January 1, 2025, as adjusted	\$ -	\$ 31,592	\$ 211,626

I. GASB Statement No. 100 – Restatement of Beginning Net Position

During fiscal year 2025, the City identified an error in the previously issued financial statements related to the recording of a prior-year transaction in the Custodial Fund - JPPHA. Cash was understated and expenses were overstated due to an accounting error in the prior year. As a result, beginning net position has been restated in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections.

The effect of the correction on beginning net position is as follows (in thousands):

	JPPHA Fund	Custodial Funds
Net position, December 31, 2024, as previously reported	\$ (8)	\$ 2,531
Correction of prior-period error	28	28
Net position, January 1, 2025, as restated	\$ 20	\$ 2,559

Required Supplementary Information

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Post-Employment Benefits Other Than Pensions

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Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	\$129,214	\$128,689	\$107,810	\$190,868	\$185,326	\$173,158	\$132,977	\$140,410	N/A	N/A
Interest on total OPEB liability	70,881	66,799	68,020	52,771	54,960	69,153	91,761	78,071	N/A	N/A
Effect of changes to benefit terms	-	-	-	-	-	-	-	-	N/A	N/A
Effect of economic/demographic (gains) or losses	22,887	(186,633)	4,577	(688,894)	-	95,941	-	-	N/A	N/A
Effect of assumption changes or inputs	(120,023)	100,366	41,049	(238,698)	11,435	(115,988)	134,468	(119,139)	N/A	N/A
Benefit payments	(154,155)	(133,963)	(145,143)	(168,228)	(215,793)	(116,196)	(110,772)	(135,863)	N/A	N/A
Net change in total OPEB liability	(51,196)	(24,742)	76,313	(852,181)	35,928	106,068	248,434	(36,521)	N/A	N/A
Total OPEB liability, beginning	1,749,750	1,774,492	1,698,179	2,550,360	2,514,432	2,408,364	2,159,930	2,196,451	N/A	N/A
Total OPEB liability, ending	1,698,554	1,749,750	1,774,492	1,698,179	2,550,360	2,514,432	2,408,364	2,159,930	2,196,451	N/A
Covered-employee payroll	76,822,237	72,634,985	66,611,074	60,765,502	56,452,482	55,899,049	53,649,127	50,439,938	49,581,247	N/A
Total OPEB liability as % of covered payroll	2.21%	2.41%	2.66%	2.79%	4.52%	4.50%	4.49%	4.28%	4.43%	N/A

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

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

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

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Defined Benefit Police Pension Plan

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

	Fiscal Year Ending December 31									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	14,529	14,243	15,170	11,321	11,748	15,084	15,416	15,663	16,108	16,538
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of assumption changes or inputs	3,843	3,675	6,563	6,204	-	5,396	-	6,060	-	5,548
Effect of economic/demographic gains (losses)	(22,801)	(10,819)	10,346	(67,043)	-	47,345	3,922	-	-	(12,961)
Benefit payments	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,818)	(28,819)	(28,819)
Net change in total pension liability (asset)	(33,248)	(21,720)	3,260	(78,337)	(17,071)	39,006	(9,481)	(7,095)	(12,711)	(19,694)
Total pension liability, beginning	370,364	392,084	388,824	467,161	484,232	445,226	454,707	461,802	474,513	494,207
Total pension liability, ending	337,116	370,364	392,084	388,824	467,161	484,232	445,226	454,707	461,802	474,513

Fiduciary Net Position

Employer contributions	15,000	19,096	18,450	18,000	-	12,000	12,000	-	-	170,000
Member contributions	-	-	-	-	-	-	-	-	-	-
Investment income net of investment expenses	19,249	16,832	18,408	(16,501)	(3,498)	14,145	9,846	8,525	4,978	3,066
Benefit payments	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,819)	(28,818)	(28,819)	(28,819)
Administrative payments	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	5,430	7,109	8,039	(27,320)	(32,317)	(2,674)	(6,973)	(20,293)	(23,841)	144,247
Fiduciary net position, beginning	395,401	388,292	380,253	407,573	439,890	442,564	449,537	469,830	493,671	349,424
Fiduciary net position, ending	400,831	395,401	388,292	380,253	407,573	439,890	442,564	449,537	469,830	493,671
Net pension liability (asset) ending	(63,715)	(25,037)	3,792	8,571	59,588	44,342	2,662	5,170	(8,028)	(19,158)
Fiduciary net position as a % of total pension liability	118.90%	106.76%	99.03%	97.80%	87.24%	90.84%	99.40%	98.86%	101.74%	104.04%
Covered payroll **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability at a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Covered payroll is zero as plan covers one retired person; plan is not open to current or future employees.

*** Because this plan does not issue stand-alone financial statements, additional disclosures as required by GASB 67 are presented within this financial report.



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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$14,856	\$16,486	\$12,011	\$14,785	\$ 6,131	\$ 6,131	\$ -	\$ -	\$ 11,927	\$ 11,927
Contributions in relation to the Actuarially determined contribution	15,000	19,096	18,450	18,000	-	12,000	12,000	-	-	170,000
Contribution deficiency (excess)	(144)	(2,610)	(6,439)	(3,215)	6,131	(5,869)	(12,000)	-	11,927	(158,073)
Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Methods and assumptions used to determine contribution rates:

Actuarial valuation date: January 1, 2025
 Actuarial cost method: Entry age normal
 Amortization method: Level dollar
 Closed, open or layered periods: Closed
 Remaining amortization period: 5 years
 Asset valuation method: Market value
 Rate of investment return: 1.50%
 Mortality: Pub-2010 Safety Retiree Monthly (Participant) and Pub-2010 General Retiree Mortality (Spouse), with Generational Projection Using MP2020

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return net of investment expense	5.05%	4.50%	5.04%	-4.21%	-0.82%	3.31%	2.26%	1.88%	1.04%	0.71%

Nonmajor Governmental Funds

Parks Fund

Arvada Housing Authority Fund

Police Seizure Fund

Police Tax Increment Funds

Grants Fund

Arvada Economic Development Association (AEDA)

Bond Fund

Debt Service Fund

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

Debt Service Funds

Bond Fund – To account for transfers from the General Fund for payments of principal and interest on the 2016 COP Bonds.

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



**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2025
(in thousands)**

Special Revenue Funds							
	Parks Fund	Arvada Housing Authority Fund	Police Seizure Fund	Police Tax Increment (.21) Fund	Police Tax Increment (.25) Fund	Grants Fund	Arvada Economic Development Association
ASSETS							
Cash and investments	6,868	426	659	7,982	9,303	2,956	648
Taxes receivable	1,293	-	-	736	876	-	-
Accounts receivable (net)	257	38	-	268	7	-	-
Accrued interest	48	-	5	55	62	18	-
Lease Receivable	745	-	-	-	-	-	-
Inventories	15	-	-	-	-	-	-
Prepaid costs	23	11	-	27	-	-	-
Total assets	<u>9,249</u>	<u>475</u>	<u>664</u>	<u>9,068</u>	<u>10,248</u>	<u>2,974</u>	<u>648</u>
LIABILITIES, AND FUND BALANCE							
LIABILITIES							
Accounts payable	588	76	-	242	393	-	-
Unearned revenue	132	-	-	-	-	-	-
Total liabilities	<u>720</u>	<u>76</u>	<u>-</u>	<u>242</u>	<u>393</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES							
Grants	154	32	-	99	-	-	-
Leases	665	-	-	-	-	-	-
Total deferred inflows of resources	<u>819</u>	<u>32</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	38	11	-	27	-	-	-
Restricted	447	356	664	8,700	9,855	2,974	648
Assigned	<u>7,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>7,710</u>	<u>367</u>	<u>664</u>	<u>8,727</u>	<u>9,855</u>	<u>2,974</u>	<u>648</u>
Total liabilities and fund balances	<u>\$ 9,249</u>	<u>\$ 475</u>	<u>\$ 664</u>	<u>\$ 9,068</u>	<u>\$ 10,248</u>	<u>\$ 2,974</u>	<u>\$ 648</u>

<u>Debt Service</u>		
<u>Bond Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-major Governmental</u>
117	483	29,442
-	-	2,905
-	-	570
-	-	188
-	-	745
-	-	15
-	-	61
<u>117</u>	<u>483</u>	<u>33,926</u>
-	-	1,299
-	-	132
<u>-</u>	<u>-</u>	<u>1,431</u>
-	-	285
-	-	665
<u>-</u>	<u>-</u>	<u>950</u>
-	-	76
117	483	24,244
-	-	7,225
<u>117</u>	<u>483</u>	<u>31,545</u>
<u>\$ 117</u>	<u>\$ 483</u>	<u>\$ 33,926</u>



NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2025
(in thousands)

	Special Revenue Funds						
	Parks Fund	Arvada Housing Authority Fund	Police Seizure Fund	Police Tax Increment (.21) Fund	Police Tax Increment (.25) Fund	Grants Fund	Arvada Economic Development Association
REVENUES							
Taxes	-	-	-	6,882	8,239	-	-
Licenses & permits	37	-	-	-	-	-	-
Intergovernmental	7,215	9,869	-	731	46	739	250
Investment earnings	374	4	22	434	519	158	10
Miscellaneous	7,286	199	369	105	-	-	-
Total Revenues	<u>14,912</u>	<u>10,072</u>	<u>391</u>	<u>8,152</u>	<u>8,804</u>	<u>897</u>	<u>260</u>
EXPENDITURES							
Program costs	14,774	9,933	42	7,923	7,778	-	139
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	154	-	-	112	-	-	-
Total expenditures	<u>14,928</u>	<u>9,933</u>	<u>42</u>	<u>8,035</u>	<u>7,778</u>	<u>-</u>	<u>139</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16)</u>	<u>139</u>	<u>349</u>	<u>117</u>	<u>1,026</u>	<u>897</u>	<u>121</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	56	-	-	-	-	-	-
Transfers out	-	(8)	-	(564)	(1,084)	(1,080)	-
Total other financing sources (uses)	<u>56</u>	<u>(8)</u>	<u>-</u>	<u>(564)</u>	<u>(1,084)</u>	<u>(1,080)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>40</u>	<u>131</u>	<u>349</u>	<u>(447)</u>	<u>(58)</u>	<u>(183)</u>	<u>121</u>
FUND BALANCES, BEGINNING AS PREVIOUSLY REPORTED	-	236	315	9,174	9,913	3,157	527
Change within financial reporting entity (Note H)	7,670	-	-	-	-	-	-
FUND BALANCES, BEGINNING AS ADJUSTED	<u>7,670</u>	<u>236</u>	<u>315</u>	<u>9,174</u>	<u>9,913</u>	<u>3,157</u>	<u>527</u>
FUND BALANCES, ENDING	<u>\$ 7,710</u>	<u>\$ 367</u>	<u>\$ 664</u>	<u>\$ 8,727</u>	<u>\$ 9,855</u>	<u>\$ 2,974</u>	<u>\$ 648</u>

<u>Debt Service</u>		
<u>Bond Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-major Governmental</u>
-	5,800	20,921
-	-	37
-	-	18,850
-	-	1,521
-	-	7,959
<u>-</u>	<u>-</u>	<u>-</u>
-	5,800	49,288
<u>-</u>	<u>5,800</u>	<u>49,288</u>
3	3	40,595
1,301	3,125	4,426
674	2,672	3,346
-	-	266
<u>-</u>	<u>-</u>	<u>-</u>
1,978	5,800	48,633
<u>1,978</u>	<u>5,800</u>	<u>48,633</u>
(1,978)	-	655
<u>(1,978)</u>	<u>-</u>	<u>655</u>
1,978	-	2,034
-	-	(2,736)
<u>-</u>	<u>-</u>	<u>(2,736)</u>
1,978	-	(702)
<u>1,978</u>	<u>-</u>	<u>(702)</u>
-	-	(47)
<u>-</u>	<u>-</u>	<u>(47)</u>
117	483	23,922
<u>117</u>	<u>483</u>	<u>23,922</u>
-	-	7,670
<u>-</u>	<u>-</u>	<u>7,670</u>
117	483	31,592
<u>117</u>	<u>483</u>	<u>31,592</u>
<u>\$ 117</u>	<u>\$ 483</u>	<u>\$ 31,545</u>

PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 71	\$ 71	\$ 37	\$ (34)
Charges for services	55	55	32	(23)
Intergovernmental revenues				
Jefferson County-Open Space	7,451	7,451	7,215	(236)
Recovered costs	1	1	48	47
Investment earnings	52	52	374	322
Miscellaneous	1,428	7,125	7,206	81
Total revenues	<u>9,058</u>	<u>14,755</u>	<u>14,912</u>	<u>157</u>
EXPENDITURES				
Current expenditures:				
Park maintenance and design	15,190	15,437	14,774	663
Capital outlay	-	-	154	(154)
Total current expenditures	<u>15,190</u>	<u>15,437</u>	<u>14,928</u>	<u>509</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,132)</u>	<u>(682)</u>	<u>(16)</u>	<u>666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,747	50	56	6
Transfers out	-	-	-	-
Total other financing sources	<u>5,747</u>	<u>50</u>	<u>56</u>	<u>6</u>
NET CHANGE IN FUND BALANCE	<u>(385)</u>	<u>(632)</u>	<u>40</u>	<u>672</u>
FUND BALANCE, BEGINNING	<u>7,670</u>	<u>7,670</u>	<u>7,670</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 7,285</u>	<u>\$ 7,038</u>	<u>\$ 7,710</u>	<u>\$ 672</u>



ARVADA HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Federal grants	\$ 8,850	\$ 8,850	\$ 9,869	\$ 1,019
Investment earnings	1	1	4	3
Miscellaneous	18	18	199	181
	<u>8,869</u>	<u>8,869</u>	<u>10,072</u>	<u>1,203</u>
Total revenues				
EXPENDITURES				
Current expenditures:				
Personnel services	365	615	383	232
Services and charges	34	109	60	49
Supplies	13	13	12	1
Rents	8,533	9,708	9,478	230
	<u>8,945</u>	<u>10,445</u>	<u>9,933</u>	<u>512</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(76)	(1,576)	139	1,715
OTHER FINANCING SOURCES (USES)				
Transfers in	-	75	-	(75)
Transfers out	(42)	(42)	(8)	34
	<u>(42)</u>	<u>33</u>	<u>(8)</u>	<u>(41)</u>
Total other financing sources				
NET CHANGE IN FUND BALANCE	(118)	(1,543)	131	1,756
FUND BALANCE, BEGINNING	236	236	236	-
FUND BALANCE, ENDING	<u>\$ 118</u>	<u>\$ (1,307)</u>	<u>\$ 367</u>	<u>\$ 1,756</u>

Note: The final budget reflects a deficit because the City amends expenditure appropriations through City Council action but does not formally amend revenue budgets during the year. Management was aware of and anticipated additional funding sources that exceeded the original revenue budget; therefore, the budgeted deficit shown in the final budget does not represent an actual funding shortfall.



POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Seizure & forfeitures				
Miscellaneous	\$ 25	\$ 34	\$ 369	\$ 335
Investment earnings	8	8	22	14
Total revenues	33	42	391	349
EXPENDITURES				
Supplies	32	68	42	26
Total current expenditures	32	68	42	26
Capital outlay	-	-	-	-
Total expenditures	32	68	42	26
OTHER FINANCING USES				
Transfers Out	-	-	-	-
NET CHANGE IN FUND BALANCE	1	(26)	349	375
FUND BALANCE, BEGINNING	315	315	315	-
FUND BALANCE, ENDING	\$ 316	\$ 289	\$ 664	\$ 375



POLICE TAX INCREMENT (.21) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 6,954	\$ 6,954	\$ 6,882	\$ (72)
Intergovernmental				
Federal grants	515	515	731	216
Investment earnings	120	120	434	314
Miscellaneous	20	45	105	60
	<u>7,609</u>	<u>7,634</u>	<u>8,152</u>	<u>518</u>
EXPENDITURES				
Current expenditures:				
Personnel services	6,302	6,302	6,162	140
Services and charges	1,631	1,709	1,546	163
Supplies	126	182	215	(33)
	<u>8,059</u>	<u>8,193</u>	<u>7,923</u>	<u>270</u>
Total current expenditures	8,059	8,193	7,923	270
Total expenditures	<u>-</u>	<u>-</u>	<u>112</u>	<u>(112)</u>
Total expenditures	<u>8,059</u>	<u>8,193</u>	<u>8,035</u>	<u>158</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(450)</u>	<u>(559)</u>	<u>117</u>	<u>676</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(369)</u>	<u>(569)</u>	<u>(564)</u>	<u>5</u>
Total other financing uses	<u>(369)</u>	<u>(569)</u>	<u>(564)</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	<u>(819)</u>	<u>(1,128)</u>	<u>(447)</u>	<u>681</u>
FUND BALANCE, BEGINNING	<u>9,174</u>	<u>9,174</u>	<u>9,174</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,355</u>	<u>\$ 8,046</u>	<u>\$ 8,727</u>	<u>\$ 681</u>



POLICE TAX INCREMENT (.25) FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 8,325	\$ 8,325	\$ 8,239	\$ (86)
Intergovernmental				
Federal grants	-	-	46	46
Investment earnings	155	155	519	364
Miscellaneous	20	20	-	(20)
	<u>8,500</u>	<u>8,500</u>	<u>8,804</u>	<u>304</u>
Total Revenues				
EXPENDITURES				
Current expenditures:				
Personnel services	6,367	6,367	5,644	723
Services and charges	683	789	643	146
Supplies	1,484	1,478	1,491	(13)
	<u>8,534</u>	<u>8,634</u>	<u>7,778</u>	<u>856</u>
Total current expenditures				
Capital outlay	1	1	-	1
	<u>8,535</u>	<u>8,635</u>	<u>7,778</u>	<u>857</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(35)</u>	<u>(135)</u>	<u>1,026</u>	<u>1,161</u>
OTHER FINANCING (USES)				
Transfers Out	(369)	(1,089)	(1,084)	5
Total other financing uses	(369)	(1,089)	(1,084)	5
NET CHANGE IN FUND BALANCE	(404)	(1,224)	(58)	1,166
FUND BALANCE, BEGINNING	<u>9,913</u>	<u>9,913</u>	<u>9,913</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,509</u>	<u>\$ 8,689</u>	<u>\$ 9,855</u>	<u>\$ 1,166</u>



GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues				
State grants	\$ 589	\$ 589	\$ 739	\$ 150
Investment earnings	13	13	158	145
	<u>602</u>	<u>602</u>	<u>897</u>	<u>295</u>
OTHER FINANCING USES				
Transfers out	(196)	(1,276)	(1,080)	196
	<u>(196)</u>	<u>(1,276)</u>	<u>(1,080)</u>	<u>196</u>
NET CHANGE IN FUND BALANCE	406	(674)	(183)	491
FUND BALANCE, BEGINNING	<u>3,157</u>	<u>3,157</u>	<u>3,157</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,563</u>	<u>\$ 2,483</u>	<u>\$ 2,974</u>	<u>\$ 491</u>



BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal	1,301	1,298	1,301	(3)
Interest	674	674	674	-
Professional services	-	3	3	-
Total expenditures	1,975	1,975	1,978	(3)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,975)	(1,975)	(1,978)	(3)
OTHER FINANCING SOURCES				
Transfers in	1,975	1,975	1,978	3
Total other financing sources	1,975	1,975	1,978	3
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING	117	117	117	-
FUND BALANCE, ENDING	\$ 117	\$ 117	\$ 117	\$ -



DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 5,797	\$ 5,797	\$ 5,800	\$ 3
Investment earnings	8	8	-	(8)
	<u>5,805</u>	<u>5,805</u>	<u>5,800</u>	<u>(5)</u>
Total revenues				
	<u>5,805</u>	<u>5,805</u>	<u>5,800</u>	<u>(5)</u>
EXPENDITURES				
Services and charges	3	3	3	-
Debt Service				
Principal	3,125	3,125	3,125	-
Interest	2,672	2,672	2,672	-
	<u>5,800</u>	<u>5,800</u>	<u>5,800</u>	<u>-</u>
Total expenditures				
	<u>5,800</u>	<u>5,800</u>	<u>5,800</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5	5	-	(5)
FUND BALANCE, BEGINNING	483	483	483	-
FUND BALANCE, ENDING	<u>\$ 488</u>	<u>\$ 488</u>	<u>\$ 483</u>	<u>\$ (5)</u>

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Enterprise Funds

Water Fund

Wastewater Fund

Stormwater Fund

Golf Fund

Solid Waste Fund

ENTERPRISE FUNDS

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

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

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

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

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



NON-MAJOR PROPRIETARY FUNDS
STATEMENT OF NET POSITION
Year Ended December 31, 2025
(in thousands)

	<u>Golf Course</u>	<u>Solid Waste</u>	<u>Total Non-Major Proprietary</u>
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 4,235	\$ 164	\$ 4,399
Accounts receivable, net of allowance for uncollectibles	47	990	1,037
Accrued interest	-	6	6
Inventories	198	-	198
Prepaid costs	8	-	8
Total current assets	<u>4,488</u>	<u>1,160</u>	<u>5,648</u>
NONCURRENT ASSETS			
Leased assets net of amortization	1,143	-	1,143
Land, water rights & construction in progress	4,361	-	4,361
Property and equipment, net of accumulated depreciation	10,048	-	10,048
Total non-current assets	<u>15,552</u>	<u>-</u>	<u>15,552</u>
Total assets	<u>20,040</u>	<u>1,160</u>	<u>21,200</u>
DEFERRED OUTFLOWS OF RESOURCES			
Items related to OPEB	<u>4</u>	<u>1</u>	<u>5</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	383	7	390
Accrued compensated absences	103	4	107
Total OPEB liability	25	3	28
Interfund payable	138	-	138
Accrued interest	29	-	29
Lease payable	244	-	244
Unearned revenue	141	-	141
Total current liabilities	<u>1,063</u>	<u>14</u>	<u>1,077</u>
NONCURRENT LIABILITIES			
Accrued compensated absences	380	9	389
Total OPEB liability	25	4	29
Lease payable	794	-	794
Advance from Wastewater Fund	902	-	902
Total non-current liabilities	<u>2,101</u>	<u>13</u>	<u>2,114</u>
Total liabilities	<u>3,164</u>	<u>27</u>	<u>3,191</u>
DEFERRED INFLOWS OF RESOURCES			
Items related to total OPEB liability	<u>25</u>	<u>3</u>	<u>28</u>
Total deferred inflows of resources	<u>25</u>	<u>3</u>	<u>28</u>
NET POSITION			
Net investment in capital, lease and subscription assets	14,514	-	14,514
Unrestricted	2,341	1,131	3,472
Total net position	<u>\$ 16,855</u>	<u>\$ 1,131</u>	<u>\$ 17,986</u>



CITY OF
ARVADA
NON-MAJOR PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2025
(in thousands)

	Golf Course	Solid Waste	Total Non-Major Proprietary
OPERATING REVENUES			
Sales	\$ 3,514	\$ 5,477	\$ 8,991
Service charges & fees	7,227	-	7,227
Miscellaneous	4	-	4
Total revenues	<u>10,745</u>	<u>5,477</u>	<u>16,222</u>
EXPENSES			
Operating, maintenance and administration	9,303	4,797	14,100
Depreciation and amortization	817	-	817
Total expenses	<u>10,120</u>	<u>4,797</u>	<u>14,917</u>
OPERATING INCOME (LOSS)	<u>625</u>	<u>680</u>	<u>1,305</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings	171	20	191
Interest expense	(62)	(7)	(69)
Total non-operating revenues (expenses)	<u>109</u>	<u>13</u>	<u>122</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	734	693	1,427
TRANSFERS IN	300	-	300
TRANSFERS OUT	<u>(440)</u>	<u>-</u>	<u>(440)</u>
CHANGE IN NET POSITION	594	693	1,287
NET POSITION, BEGINNING	<u>16,261</u>	<u>438</u>	<u>16,699</u>
NET POSITION, ENDING	<u><u>\$ 16,855</u></u>	<u><u>\$ 1,131</u></u>	<u><u>\$ 17,986</u></u>



NON-MAJOR PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025
(in thousands)

	Golf Course	Solid Waste	Total Non-Major Proprietary
Cash flows from operating activities			
Cash received from external customers	\$ 10,721	\$ 5,448	\$ 16,169
Cash payments to external suppliers	(2,978)	(4,884)	(7,862)
Cash payments to internal suppliers	(992)	(22)	(1,014)
Cash payments to employees for services	(5,148)	(219)	(5,367)
Net cash provided by operating activities	<u>1,603</u>	<u>323</u>	<u>1,926</u>
Cash flows from non-capital financing activities			
Transfers to other funds	(440)	-	(440)
Transfers from other funds	<u>300</u>	<u>-</u>	<u>300</u>
Net cash used in non-capital financing activities	<u>(140)</u>	<u>-</u>	<u>(140)</u>
Cash flows from capital & related financing activities			
Purchase of capital assets	(133)	-	(133)
Principle paid on lease and subscription payable	(297)	-	(297)
Interest paid on lease and subscription payable	(33)	-	(33)
Principal paid on interfund payable	(135)	(368)	(503)
Interest paid on interfund payable	(29)	(7)	(36)
Net cash used in capital and related financing activities	<u>(627)</u>	<u>(375)</u>	<u>(1,002)</u>
Cash flows from investing activities			
Investment earnings	158	11	169
Change in equity in non-cash pooled investments	13	2	15
Net cash provided by investing activities	<u>171</u>	<u>13</u>	<u>184</u>
Net increase (decrease) in cash and cash equivalents	<u>1,007</u>	<u>(39)</u>	<u>968</u>
Cash and cash equivalents, January 1, 2025	<u>3,228</u>	<u>203</u>	<u>3,431</u>
Total cash, cash equivalents, and cash with fiscal agent, December 31, 2025	<u>3,228</u>	<u>203</u>	<u>3,431</u>
Cash and cash equivalents, December 31, 2025	<u>4,235</u>	<u>164</u>	<u>4,399</u>
Total cash, cash equivalents, and cash with fiscal agent, December 31, 2025	<u><u>4,235</u></u>	<u><u>164</u></u>	<u><u>4,399</u></u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income	625	680	1,305
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	817	-	817
(Increase) decrease in account receivable	(25)	(29)	(54)
(Increase) decrease in inventories	15	-	15
(Increase) decrease in prepaid costs	2	-	2
(Decrease) increase deferred inflow leases	-	-	-
(Decrease) increase in accrued payroll	(49)	(7)	(56)
(Decrease) increase in accounts payable	32	(336)	(304)
(Decrease) increase in total OPEB liability	(2)	1	(1)
(Decrease) increase in unearned revenue	10	-	10
(Decrease) increase in compensated absences	178	14	192
Net cash provided by operating activities	<u>\$ 1,603</u>	<u>\$ 323</u>	<u>\$ 1,926</u>
Non-cash investing, capital and financing activities			
Change in fair value of non-cash pooled investment	\$ 13	\$ 2	\$ 15
Capital assets accounts payable and contract payable outstanding	\$ -	\$ -	\$ -
Proceeds from lease and subscription assets	\$ 1,315	\$ -	\$ 1,315
Amortization of lease and subscription assets	\$ 243	\$ -	\$ 243

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



WATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales	\$ 39,369	\$ 39,369	\$ 36,909	\$ (2,460)
Service charges and fees	494	494	731	237
Investment earnings	425	425	4,789	4,364
Miscellaneous revenues	796	796	6,126	5,330
Water/tap	11,218	11,218	9,617	(1,601)
Developer contributions	-	-	8,861	8,861
Transfers in	517	517	-	(517)
	<u>52,819</u>	<u>52,819</u>	<u>67,033</u>	<u>14,214</u>
Total revenues				
EXPENDITURES				
Operating and maintenance	40,225	52,924	28,556	24,368
Capital outlay	47,603	121,988	60,738	61,250
Principal expense	4,330	4,330	1,360	2,970
Interest expense	2,045	2,045	3,735	(1,690)
Transfers out	67	67	579	(512)
	<u>94,270</u>	<u>181,354</u>	<u>94,968</u>	<u>86,386</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (41,451)</u>	<u>\$ (128,535)</u>	(27,935)	<u>\$ 100,600</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			60,738	
Principal			1,360	
Net book value of assets retired			(1,159)	
Depreciation and amortization			(5,694)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 27,310</u>	



WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges and fees	\$ 19,729	\$ 19,729	\$ 19,494	\$ (235)
Investment earnings	112	112	2,420	2,308
Miscellaneous revenues	694	694	104	(590)
Sewer/tap	3,269	3,269	1,821	(1,448)
Developer contributions	-	-	4,703	4,703
Transfers In	-	-	6	6
	<u>23,804</u>	<u>23,804</u>	<u>28,548</u>	<u>4,744</u>
Total revenues				
EXPENDITURES				
Operating, maintenance and administration	17,435	17,894	15,542	2,352
Capital outlay	8,947	47,083	29,653	17,430
Principal expense	825	825	915	(90)
Interest	2,070	2,070	2,357	(287)
Transfers out	249	249	485	(236)
	<u>29,526</u>	<u>68,121</u>	<u>48,952</u>	<u>19,169</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (5,722)</u>	<u>\$ (44,317)</u>	(20,404)	<u>\$ 23,913</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			29,653	
Net book value of assets retired			(102)	
Principal			915	
Depreciation			<u>(2,010)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 8,052</u>	



STORMWATER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges and fees	\$ 4,426	\$ 4,426	\$ 4,615	\$ 189
Grants	-	-	24	24
Investment earnings	92	92	81	(11)
Miscellaneous revenues	17	17	93	76
Developer contributions	-	-	4,992	4,992
	<u>4,535</u>	<u>4,535</u>	<u>9,805</u>	<u>5,270</u>
Total revenues				
EXPENDITURES				
Operating, maintenance and administration	4,100	4,147	3,148	999
Capital outlay	1,342	2,970	1,508	1,462
Transfers out	211	211	320	(109)
	<u>5,653</u>	<u>7,328</u>	<u>4,976</u>	<u>2,352</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (1,118)</u>	<u>\$ (2,793)</u>	4,829	<u>\$ 7,622</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			1,508	
Net book value of assets retired			(259)	
Depreciation			(1,521)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 4,557</u>	



GOLF COURSE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales	\$ 2,968	\$ 2,968	\$ 3,514	\$ 546
Service charges and fees	6,530	6,530	7,227	697
Investment	-	-	171	171
Miscellaneous revenues	2	2	4	2
Transfers in	300	300	300	-
	<u>9,800</u>	<u>9,800</u>	<u>11,216</u>	<u>1,416</u>
Total revenues				
EXPENDITURES				
Operating, maintenance and administration	8,855	9,695	9,303	392
Principal expense	134	134	134	-
Interest expense	29	29	62	(33)
Capital outlay	30	50	226	(176)
Transfers out	443	490	440	50
	<u>9,491</u>	<u>10,398</u>	<u>10,165</u>	<u>233</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ 309</u>	<u>\$ (598)</u>	1,051	<u>\$ 1,649</u>
ADJUSTMENTS TO GAAP BASIS				
Principal			134	
Capital outlay			226	
Depreciation			(817)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 594</u>	



SOLID WASTE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales	\$ 4,613	\$ 4,613	\$ 5,477	\$ 864
Investment	-	-	20	20
Miscellaneous revenues	283	283	-	(283)
	<u>4,896</u>	<u>4,896</u>	<u>5,497</u>	<u>601</u>
EXPENDITURES				
Administration	4,609	4,974	4,797	177
Principal expense	369	369	368	1
Interest expense	7	7	7	-
	<u>4,985</u>	<u>5,350</u>	<u>5,172</u>	<u>178</u>
CHANGE IN NET POSITION	<u>\$ (89)</u>	<u>\$ (454)</u>	325	<u>\$ 779</u>
ADJUSTMENTS TO GAAP BASIS				
Principal			368	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 693</u>	

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Internal Service Funds

Insurance Service Fund

Arvada Medical Fund

Computer Fund

Print Shop Fund

Vehicle Fund

Building Fund

INTERNAL SERVICE FUNDS

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

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

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

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

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

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



INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2025
(in thousands)

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service Funds
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 4,496	\$ 10,454	\$ 14,725	\$ 312	\$ 14,347	\$ 3,973	\$ 48,307
Accounts receivable (net)	-	727	3	1	-	4	735
Accrued interest	29	12	95	2	96	33	267
Lease Receivable	-	-	-	-	-	152	152
Inventories	-	-	-	3	448	-	451
Prepaid costs	2	-	556	2	6	-	566
	<u>4,527</u>	<u>11,193</u>	<u>15,379</u>	<u>320</u>	<u>14,897</u>	<u>4,162</u>	<u>50,478</u>
Total current assets							
	<u>4,527</u>	<u>11,193</u>	<u>15,379</u>	<u>320</u>	<u>14,897</u>	<u>4,162</u>	<u>50,478</u>
NONCURRENT ASSETS							
Lease receivable	-	-	-	-	-	1,186	1,186
Leased assets, net of amortization	-	-	-	-	-	-	-
Subscription assets, net of amortization	-	-	4,499	-	-	-	4,499
Property and equipment, net of accumulated depreciation	-	-	2,956	41	10,948	1,233	15,178
	<u>-</u>	<u>-</u>	<u>2,956</u>	<u>41</u>	<u>10,948</u>	<u>1,233</u>	<u>15,178</u>
Total assets	<u>4,527</u>	<u>11,193</u>	<u>22,834</u>	<u>361</u>	<u>25,845</u>	<u>6,581</u>	<u>71,341</u>
DEFERRED OUTFLOWS OF RESOURCES							
Items related to OPEB	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>5</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES							
CURRENT LIABILITIES							
Accounts payable	-	925	158	6	178	125	1,392
Accrued interest payable	-	-	74	-	-	-	74
Claims payable	3,158	1,175	-	-	-	-	4,333
Total OPEB liability	4	-	-	2	18	2	26
Subscriptions payable	-	-	702	-	-	-	702
Accrued compensated absences	5	-	-	-	33	6	44
	<u>3,167</u>	<u>2,100</u>	<u>934</u>	<u>8</u>	<u>229</u>	<u>133</u>	<u>6,571</u>
Total current liabilities							
	<u>3,167</u>	<u>2,100</u>	<u>934</u>	<u>8</u>	<u>229</u>	<u>133</u>	<u>6,571</u>
NONCURRENT LIABILITIES							
Total OPEB liability	5	-	-	2	18	2	27
Subscriptions payable	-	-	3,409	-	-	-	3,409
Accrued compensated absences	6	-	-	-	59	29	94
	<u>11</u>	<u>-</u>	<u>3,409</u>	<u>2</u>	<u>77</u>	<u>31</u>	<u>3,530</u>
Total non-current liabilities							
	<u>11</u>	<u>-</u>	<u>3,409</u>	<u>2</u>	<u>77</u>	<u>31</u>	<u>3,530</u>
Total liabilities	<u>3,178</u>	<u>2,100</u>	<u>4,343</u>	<u>10</u>	<u>306</u>	<u>164</u>	<u>10,101</u>
DEFERRED INFLOWS OF RESOURCES							
Items related to OPEB	4	-	-	3	20	2	29
Items related to lease receivable	-	-	-	-	-	1,207	1,207
	<u>4</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>20</u>	<u>1,209</u>	<u>1,236</u>
Total deferred inflows of resources							
	<u>4</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>20</u>	<u>1,209</u>	<u>1,236</u>
NET POSITION							
Net investment in capital, lease and subscription assets	-	-	3,344	41	10,948	1,233	15,566
Unrestricted	1,346	9,093	15,147	308	14,574	3,975	44,443
	<u>1,346</u>	<u>9,093</u>	<u>15,147</u>	<u>308</u>	<u>14,574</u>	<u>3,975</u>	<u>44,443</u>
Total net position	<u>\$ 1,346</u>	<u>\$ 9,093</u>	<u>\$ 18,491</u>	<u>\$ 349</u>	<u>\$ 25,522</u>	<u>\$ 5,208</u>	<u>\$ 60,009</u>



INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended December 31, 2025
(in thousands)

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service Funds
REVENUES							
Service charges	\$ 3,961	\$ -	\$ 6,224	\$ 309	\$ 8,826	\$ 1,339	\$ 20,659
Recovered costs	244	-	254	-	350	-	848
Contributions							
Employer	-	10,137	-	-	-	-	10,137
Employee	-	2,361	-	-	-	-	2,361
Retirees and continued benefit individuals	-	278	-	-	-	-	278
Miscellaneous	-	1,723	-	-	-	-	1,723
	<u>4,205</u>	<u>14,499</u>	<u>6,478</u>	<u>309</u>	<u>9,176</u>	<u>1,339</u>	<u>36,006</u>
EXPENSES							
Operating, maintenance, and administration	1,889	2,052	4,226	301	3,837	1,161	13,466
Insurance premiums/ prescriptions	1,838	1,833	-	-	-	-	3,671
Uninsured damages and claims	992	13,770	-	-	-	-	14,762
Depreciation and amortization	2	-	2,047	59	2,845	566	5,519
	<u>4,721</u>	<u>17,655</u>	<u>6,273</u>	<u>360</u>	<u>6,682</u>	<u>1,727</u>	<u>37,418</u>
Total expenses							
	<u>4,721</u>	<u>17,655</u>	<u>6,273</u>	<u>360</u>	<u>6,682</u>	<u>1,727</u>	<u>37,418</u>
Operating income (loss)	(516)	(3,156)	205	(51)	2,494	(388)	(1,412)
NON-OPERATING REVENUES (EXPENSES)							
Gain on sale of assets	-	-	-	-	370	-	370
Interest expense	-	-	(174)	-	-	-	(174)
Investment earnings	206	435	639	16	579	260	2,135
	<u>206</u>	<u>435</u>	<u>465</u>	<u>16</u>	<u>949</u>	<u>260</u>	<u>2,331</u>
Total non-operating expenses							
	<u>206</u>	<u>435</u>	<u>465</u>	<u>16</u>	<u>949</u>	<u>260</u>	<u>2,331</u>
INCOME(LOSS) BEFORE TRANSFERS	(310)	(2,721)	670	(35)	3,443	(128)	919
TRANSFERS IN	-	-	1,537	-	1,148	334	3,019
TRANSFERS OUT	(195)	-	-	-	-	-	(195)
	<u>(505)</u>	<u>(2,721)</u>	<u>2,207</u>	<u>(35)</u>	<u>4,591</u>	<u>206</u>	<u>3,743</u>
CHANGE IN NET POSITION	(505)	(2,721)	2,207	(35)	4,591	206	3,743
NET POSITION, BEGINNING	1,851	11,814	16,284	384	20,931	5,002	56,266
NET POSITION, ENDING	<u>\$ 1,346</u>	<u>\$ 9,093</u>	<u>\$ 18,491</u>	<u>\$ 349</u>	<u>\$ 25,522</u>	<u>\$ 5,208</u>	<u>\$ 60,009</u>



INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

(in thousands)

	Insurance Service Fund	Arvada Medical Fund	Computer Fund	Print Shop Fund	Vehicle Fund	Building Fund	Total Internal Service
Cash Flows From Operating Activities							
Cash received from external customers	\$ 253	\$ 1,655	\$ 73	\$ -	\$ 356	\$ 318	\$ 2,655
Cash received from internal customers	3,972	12,498	6,224	311	8,820	1,161	32,986
Cash payments to external suppliers	(3,564)	(17,222)	(2,163)	(73)	(2,584)	(1,270)	(26,876)
Cash payments to internal suppliers	(26)	-	(2,107)	(15)	(268)	(14)	(2,430)
Cash payments to employees for services	(552)	-	(2)	(223)	(1,834)	(118)	(2,729)
Net cash provided (used) by operating activities	<u>83</u>	<u>(3,069)</u>	<u>2,025</u>	<u>-</u>	<u>4,490</u>	<u>77</u>	<u>3,606</u>
Cash Flows From Noncapital Financing Activities							
Transfer to other funds	(195)	-	-	-	-	-	(195)
Transfer from other funds	-	-	1,537	-	1,148	334	3,019
Net cash provided (used) by noncapital financing activities	<u>(195)</u>	<u>-</u>	<u>1,537</u>	<u>-</u>	<u>1,148</u>	<u>334</u>	<u>2,824</u>
Cash Flows From Capital and Related Financing Activities							
Purchases of capital assets	-	-	(976)	(50)	(2,832)	-	(3,858)
Proceeds from sale of assets	31	-	-	-	370	-	401
Payment of lease and subscription liability	-	-	(111)	-	(19)	-	(130)
Net cash provided (used) by capital and related financing activities	<u>31</u>	<u>-</u>	<u>(1,087)</u>	<u>(50)</u>	<u>(2,481)</u>	<u>-</u>	<u>(3,587)</u>
Cash Flows From Investing Activities							
Investment earnings	188	479	390	15	496	241	1,809
Change in equity in pooled investments	11	4	36	1	36	10	98
Net cash provided by investing activities	<u>199</u>	<u>483</u>	<u>426</u>	<u>16</u>	<u>532</u>	<u>251</u>	<u>1,907</u>
Net increase (decrease) in cash and cash equivalents	118	(2,586)	2,901	(34)	3,689	662	4,750
Cash and cash equivalents, January 1, 2025	<u>4,378</u>	<u>13,040</u>	<u>11,824</u>	<u>346</u>	<u>10,658</u>	<u>3,311</u>	<u>43,557</u>
Cash and cash equivalents, December 31, 2025	<u>4,496</u>	<u>10,454</u>	<u>14,725</u>	<u>312</u>	<u>14,347</u>	<u>3,973</u>	<u>48,307</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities :							
Operating income (loss)	(516)	(3,156)	205	(51)	2,494	(388)	(1,412)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities :							
Depreciation and amortization expense	2	-	2,046	60	2,845	566	5,519
(Increase) decrease in account receivable	14	(345)	-	-	-	(4)	(335)
(Increase) decrease in inventories	-	-	-	-	(10)	-	(10)
(Increase) decrease in prepaid expenditures	6	-	(179)	4	(2)	-	(171)
(Decrease) increase in accounts payable	(98)	33	(44)	(12)	(764)	(101)	(986)
(Decrease) increase in claims payable	694	399	-	-	-	-	1,093
(Decrease) increase in lease receivable	-	-	-	-	-	144	144
(Decrease) increase in deferred inflows leases	-	-	-	-	-	(179)	(179)
(Decrease) increase in OPEB	(1)	-	(3)	(1)	(4)	4	(5)
(Decrease) increase in accrued compensated absences	(18)	-	-	-	(69)	35	(52)
Net cash provided by (used) in operating activities	<u>\$83</u>	<u>\$(3,069)</u>	<u>\$2,025</u>	<u>\$-</u>	<u>\$4,490</u>	<u>\$77</u>	<u>\$3,606</u>
Non-cash investing, capital and financing activities							
Change in fair value of pooled investment	\$ 11	\$ 4	\$ 36	\$ 1	\$ 36	\$ 10	\$ 98
Amortization of deferred inflows - leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179	\$ 179
Amortization of lease and subscription assets	\$ -	\$ -	\$ 1,036	\$ 49	\$ 14	\$ -	\$ 1,099



INSURANCE SERVICE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges	\$ 3,981	\$ 3,981	\$ 3,961	\$ (20)
Recovered costs	-	-	244	244
Investment earnings	80	80	206	126
Total revenues	4,061	4,061	4,411	350
EXPENDITURES				
Administration	1,294	1,709	1,889	(180)
Insurance premiums	1,912	2,149	1,838	311
Uninsured damages and claims	696	694	992	(298)
Transfer out	-	188	195	(7)
Total expenditures	3,902	4,740	4,914	(174)
CHANGE IN NET POSITION				
	<u>\$ 159</u>	<u>\$ (679)</u>	(503)	<u>\$ 176</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(2)	
CHANGE IN NET POSITION, GAAP BASIS				
			<u>\$ (505)</u>	



COMPUTER FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges	\$ 5,832	\$ 5,832	\$ 6,224	\$ 392
Recovered costs	212	212	254	42
Miscellaneous revenues	308	308	-	(308)
Investment earnings	-	-	639	639
Transfer In	2,424	2,424	1,537	(887)
	<u>8,776</u>	<u>8,776</u>	<u>8,654</u>	<u>(122)</u>
Total revenues				
EXPENDITURES				
Operating, maintenance, and administration	9,174	11,813	4,226	7,587
Capital Outlay	-	-	-	-
Interest expense	-	-	174	(174)
Transfer out	-	-	-	-
	<u>9,174</u>	<u>11,813</u>	<u>4,400</u>	<u>7,413</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (398)</u>	<u>\$ (3,037)</u>	4,254	<u>\$ 7,291</u>
ADJUSTMENTS TO GAAP BASIS				
Capital Outlay			-	
Depreciation			(2,047)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 2,207</u>	



PRINT SHOP FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges	\$ 335	\$ 335	\$ 309	\$ (26)
Investment earnings	-	-	16	16
Transfers in	-	-	-	-
Total revenues	<u>335</u>	<u>335</u>	<u>325</u>	<u>(10)</u>
EXPENDITURES				
Operating, maintenance, and administration	371	371	301	70
Capital outlay	<u>38</u>	<u>38</u>	<u>-</u>	<u>38</u>
Total expenditures	<u>409</u>	<u>409</u>	<u>301</u>	<u>108</u>
CHANGE IN NET POSITION	<u>\$ (74)</u>	<u>\$ (74)</u>	24	<u>\$ 98</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			-	
Depreciation and amortization			<u>(59)</u>	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ (35)</u>	



VEHICLE FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges	\$ 7,565	\$ 7,565	\$ 8,826	\$ 1,261
Recovered costs	-	-	350	350
Investment earnings	80	80	579	499
Miscellaneous revenues	-	-	-	-
Transfer in	-	-	1,148	1,148
Gain on sale of assets	75	75	370	295
	<u>7,720</u>	<u>7,720</u>	<u>11,273</u>	<u>3,553</u>
Total revenues				
EXPENDITURES				
Operating, maintenance, and administration	3,621	4,213	3,837	376
Capital outlay	4,835	5,942	-	5,942
Interest expense	-	-	-	-
	<u>8,456</u>	<u>10,155</u>	<u>3,837</u>	<u>6,318</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (736)</u>	<u>\$ (2,435)</u>	7,436	<u>\$ 9,871</u>
ADJUSTMENTS TO GAAP BASIS				
Capital outlay			-	
Depreciation and amortization			(2,845)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 4,591</u>	



BUILDING FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP)
Year Ended December 31, 2025
(in thousands)

	Unaudited Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service charges	\$ 857	\$ 857	\$ 1,339	\$ 482
Investment earnings	35	35	260	225
Transfers in	593	593	334	(259)
	<u>1,485</u>	<u>1,485</u>	<u>1,933</u>	<u>448</u>
Total revenues				
EXPENDITURES				
Operating, maintenance, and administration	1,642	1,799	1,161	638
Transfer out	-	-	-	-
	<u>1,642</u>	<u>1,799</u>	<u>1,161</u>	<u>638</u>
Total expenditures				
CHANGE IN NET POSITION	<u>\$ (157)</u>	<u>\$ (314)</u>	772	<u>\$ 1,086</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(566)	
CHANGE IN NET POSITION, GAAP BASIS			<u>\$ 206</u>	

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Custodial Funds

Ralston House

Jefferson Parkway Public Highway Authority (JPPHA)

CUSTODIAL FUNDS

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

Jefferson Parkway Public Highway Authority (JPPHA) - Accounts for the money held for the JPPHA, or public-private partnership, which was established to complete the last unbuilt portion of the Denver Metropolitan beltway.



CUSTODIAL FUND
STATEMENT OF CUSTODIAL NET POSITION
December 31, 2025
(in thousands)

	Ralston House	JPPHA	Total Custodial Funds
Assets			
Pooled cash and investments	\$ 2,240	\$ 598	\$ 2,838
Accrued interest	15	-	15
Accounts receivable, net of allowance for uncollectibles	146	-	146
Non-current notes receivable, net of allowance for uncollectibles	235	-	235
Total current assets	<u>2,636</u>	<u>598</u>	<u>3,234</u>
 Total Assets	 <u>2,636</u>	 <u>598</u>	 <u>3,234</u>
Liabilities			
Current Liabilities			
Accounts payable	32	4	36
Due to employees	<u>242</u>	<u>-</u>	<u>242</u>
Total current liabilities	<u>274</u>	<u>4</u>	<u>278</u>
 Total liabilities	 <u>274</u>	 <u>4</u>	 <u>278</u>
 NET POSITION RESTRICTED FOR			
Individuals, organizations, and other governments	<u>2,362</u>	<u>594</u>	<u>2,956</u>
Total fiduciary net position	<u><u>\$ 2,362</u></u>	<u><u>\$ 594</u></u>	<u><u>\$ 2,956</u></u>



CUSTODIAL FUND
STATEMENT OF CHANGES IN CUSTODIAL NET POSITION
Year Ended December 31, 2025
(in thousands)

	Ralston House	JPPHA	Total Custodial Funds
ADDITIONS			
Investment income	\$ 117	\$ 8	\$ 125
Contribution	2,489	639	3,128
Total additions	<u>2,606</u>	<u>647</u>	<u>3,253</u>
DEDUCTIONS			
Program costs	<u>2,783</u>	<u>73</u>	<u>2,856</u>
Total deductions	<u>2,783</u>	<u>73</u>	<u>2,856</u>
INCREASE (DECREASE) IN FIDUCIARY NET POSTION	(177)	574	397
Fiduciary Net position, January 1 as previously reported	2,539	(8)	2,531
Correction of prior-period error (Note I)	-	28	28
Fiduciary Net position, January 1 as restated	2,539	20	2,559
Fiduciary Net position, December 31	<u>\$ 2,362</u>	<u>\$ 594</u>	<u>\$ 2,956</u>

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Financial Data Schedules



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

Submission Type: Audited/Single Audit

Fiscal year End: 12/31/2025

	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted		\$0	\$0	\$0
112 Cash - Restricted - Modernization and Development		\$0	\$0	\$0
113 Cash - Other Restricted		\$0	\$0	\$0
114 Cash - Tenant Security Deposits		\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$0	\$0
100 Total Cash	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects		\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government		\$8,969	\$8,969	\$8,969
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants		\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants		\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0	\$0
128 Fraud Recovery	\$2,664	\$29,327	\$31,991	\$31,991
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$3,524	-\$3,524	-\$3,524
129 Accrued Interest Receivable		\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,664	\$34,772	\$37,436	\$37,436
131 Investments - Unrestricted		\$0	\$0	\$0
132 Investments - Restricted	\$24,194	\$402,043	\$426,237	\$426,237
135 Investments - Restricted for Payment of Current Liability		\$0	\$0	\$0
142 Prepaid Expenses and Other Assets		\$11,223	\$11,223	\$11,223
143 Inventories		\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories		\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale		\$0	\$0	\$0
150 Total Current Assets	\$26,858	\$448,038	\$474,896	\$474,896
161 Land		\$0	\$0	\$0
162 Buildings		\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings		\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration		\$0	\$0	\$0
165 Leasehold Improvements		\$0	\$0	\$0
166 Accumulated Depreciation		\$0	\$0	\$0
167 Construction in Progress		\$0	\$0	\$0
168 Infrastructure		\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current		\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0

	14.879 Main-stream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
200 Deferred Outflow of Resources		\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$26,858	\$448,038	\$474,896	\$474,896
311 Bank Overdraft		\$0	\$0	\$0
312 Accounts Payable <= 90 Days		\$1,311	\$1,311	\$1,311
313 Accounts Payable >90 Days Past Due		\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$120	\$15,139	\$15,259	\$15,259
322 Accrued Compensated Absences - Current Portion		\$0	\$0	\$0
324 Accrued Contingency Liability		\$0	\$0	\$0
325 Accrued Interest Payable		\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$383	\$58,992	\$59,375	\$59,375
332 Account Payable - PHA Projects		\$0	\$0	\$0
333 Accounts Payable - Other Government		\$0	\$0	\$0
341 Tenant Security Deposits		\$0	\$0	\$0
342 Unearned Revenue	\$2,664	\$29,327	\$31,991	\$31,991
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings		\$0	\$0	\$0
345 Other Current Liabilities		\$0	\$0	\$0
346 Accrued Liabilities - Other		\$0	\$0	\$0
347 Inter Program - Due To		\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$3,167	\$104,769	\$107,936	\$107,936
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings		\$0	\$0	\$0
353 Non-current Liabilities - Other		\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current		\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities		\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$3,167	\$104,769	\$107,936	\$107,936
400 Deferred Inflow of Resources		\$0	\$0	\$0
508.3 Nonspendable Fund Balance		\$0	\$0	\$0
509.3 Restricted Fund Balance	\$23,691	\$343,269	\$366,960	\$366,960
510.3 Committed Fund Balance		\$0	\$0	\$0
511.3 Assigned Fund Balance		\$0	\$0	\$0
512.3 Unassigned Fund Balance		\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$23,691	\$343,269	\$366,960	\$366,960
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$26,858	\$448,038	\$474,896	\$474,896



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

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$0	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,002,743	\$8,865,669	\$9,868,412	\$9,868,412
70610 Capital Grants	\$0	\$0	\$0	\$0
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$4,485	\$4,485	\$4,485
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$446	\$15,722	\$16,168	\$16,168
71500 Other Revenue	\$0	\$0	\$0	\$0
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$1,003,189	\$8,885,876	\$9,889,065	\$9,889,065
91100 Administrative Salaries	\$23,314	\$273,338	\$296,652	\$296,652
91200 Auditing Fees	\$2,013	\$18,387	\$20,400	\$20,400
91300 Management Fee	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$5,786	\$75,732	\$81,518	\$81,518
91600 Office Expenses	\$3,082	\$38,616	\$41,698	\$41,698
91700 Legal Expense	\$0	\$0	\$0	\$0
91800 Travel	\$0	\$1,593	\$1,593	\$1,593
91810 Allocated Overhead	\$1,899	\$21,879	\$23,778	\$23,778
91900 Other	\$0	\$0	\$0	\$0
91000 Total Operating - Administrative	\$36,094	\$429,545	\$465,639	\$465,639
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93100 Water	\$0	\$0	\$0	\$0
93200 Electricity	\$0	\$0	\$0	\$0
93300 Gas	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$0	\$2,676	\$2,676	\$2,676
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$0	\$2,676	\$2,676	\$2,676

	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
95100 Protective Services - Labor	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$706	\$706	\$706
96120 Liability Insurance	\$0	\$320	\$320	\$320
96130 Workmen's Compensation	\$0	\$4,025	\$4,025	\$4,025
96140 All Other Insurance	\$250	\$2,288	\$2,538	\$2,538
96100 Total insurance Premiums	\$250	\$7,339	\$7,589	\$7,589
96200 Other General Expenses	\$433	\$29,677	\$30,110	\$30,110
96210 Compensated Absences	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$9	\$9	\$9
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$433	\$29,686	\$30,119	\$30,119
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$36,777	\$469,246	\$506,023	\$506,023
97000 Excess of Operating Revenue over Operating Expenses	\$966,412	\$8,416,630	\$9,383,042	\$9,383,042
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$935,221	\$8,316,549	\$9,251,770	\$9,251,770
97350 HAP Portability-In	\$0	\$176,288	\$176,288	\$176,288
97400 Depreciation Expense	\$0	\$0	\$0	\$0
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$971,998	\$8,962,083	\$9,934,081	\$9,934,081
10010 Operating Transfer In	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	-\$7,500	\$182,718	\$175,218	\$175,218
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0
10060 Proceeds from Property Sales	\$0	\$0	\$0	\$0
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	-\$7,500	\$182,718	\$175,218	\$175,218
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$23,691	\$106,511	\$130,202	\$130,202
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$236,758	\$236,758	\$236,758
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0	\$0	\$0
11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity		\$359,648	\$359,648	\$359,648
11180 Housing Assistance Payments Equity		-\$16,379	-\$16,379	-\$16,379
11190 Unit Months Available	588	6156	6744	6744
11210 Number of Unit Months Leased	608	5807	6415	6415
11270 Excess Cash				
11610 Land Purchases				
11620 Building Purchases				
11630 Furniture & Equipment - Dwelling Purchases				
11640 Furniture & Equipment - Administrative Purchases				
11650 Leasehold Improvements Purchases				
11660 Infrastructure Purchases				
13510 CFFP Debt Service Payments				
13901 Replacement Housing Factor Funds				

Local Highway Finance Report



Local Highway Finance Report Year Ended December 31, 2025

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Arvada		
		YEAR ENDING : December 2025		
This Information From The Records Of City of Arvada:		Prepared By: Debra Nielson		
		Phone: 720-898-7124		
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 purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT	ITEM	AMOUNT	
A.3. Other Local Imposts:		A.4. Miscellaneous Local Receipts:		
a. Property Taxes and Assessments	0.00	a. Interest on investments	0.00	
b. Non-property Taxes and Assessments Imposts	2,014,076.06	b. Other Misc. Local Receipts	0.00	
c. Total (a + b)	\$ 2,014,076.06	c. Total (a + b)	\$ -	
ITEM	AMOUNT	ITEM	AMOUNT	
C. Receipts from State Government		D. Receipts from Federal Government		
1. Highway-user Taxes (from Item I.C.5.)	4,802,147.74	1. FHWA (from Item I.D.5.)	0.00	
2. State General Funds		2. Other Federal Agencies:	0.00	
3. Other State funds:				
a. State Bond Proceeds				
b. Non-State Bond Proceeds	0.00			
c. Total (a + b)	\$ -			
4. Total (1 + 2 + 3c)	\$ 4,802,147.74	3. Total (1 + 2)	\$ -	
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT			
A.1. Capital outlay:				
a. Right-Of-Way Costs	180,346.31			
b. Engineering Costs	2,850,068.67			
c. Construction Costs	2,522,559.34			
d. Total Capital Outlay (a+ b + c)	\$ 5,552,974.32			
Notes and Comments:				

Form FHWA-536 (Rev. 02-2025)

PREVIOUS EDITIONS OBSOLETE

(Next Page)

**Local Highway Finance Report
Year Ended December 31, 2025**

LOCAL HIGHWAY FINANCE REPORT			STATE: Colorado	
			YEAR ENDING (mm/yy): December 2025	
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. Amount used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from Local Sources:		A. Local highway expenditures:		
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)		\$ 5,552,974.32
a. Motor Fuel (from Item I.A.1)		2. Maintenance:		3,104,365.87
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:		
c. Total (a + b)		a. Snow and Ice Removal	4,122,787.72	
2. General Fund Appropriations	38,556,925.90	b. Other & Traffic Control Operations		5,037,448.14
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 2,014,076.06	c. Total (a + b)		\$ 9,160,235.86
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ -	4. General Administration & Miscellaneous		4,342,457.72
5. Transfers from Toll Facilities	0.00	5. Highway Law Enforcement and Safety		23,192,481.81
6. Proceeds of Sale of Bonds and Notes:		6. Total (1 through 5)		\$ 45,352,515.57
a. Bonds - Original Issues	0.00	B. Debt Service on Local Obligations:		
b. Bonds - Refunding Issues	0.00	1. Bonds:		
c. Notes	0.00	a. Interest		0.00
d. Total (a + b + c)	\$ -	b. Redemption		3,125,000.00
7. Total (1 through 6)	\$ 40,571,001.96	c. Total (a + b)		\$ 3,125,000.00
B. Private Contributions	0.00	2. Notes:		
C. Receipts from State government (from page 1, Item II.C.4)	\$ 4,802,147.74	a. Interest		0.00
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ -	b. Redemption		0.00
E. Total receipts (A.7 + B + C + D)	\$ 45,373,149.70	c. Total (a + b)		\$ -
		3. Total (1c + 2c)		\$ 3,125,000.00
		C. Payments to State for Highways		0.00
		D. Payments to Toll Facilities		0.00
		E. Total Expenditures (A6 + B3 + C + D)		\$ 48,477,515.57
IV. LOCAL HIGHWAY DEBT STATUS				
(Show all entries at par)				
ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	64,565,000	\$ -	\$ 3,125,000.00	\$ 61,440,000.00
1. Bonds (Refunding Portion)		\$ -		
B. Notes (Total)		\$ -	\$ -	\$ -

Statistical Section

(Unaudited)



STATISTICAL SECTION

Financial Trends

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

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Revenue Capacity

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

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Principal Property Tax Payers	160
Property Tax Levies and Collections	162
Assessed & Actual Values of Taxable Property	163

Debt Capacity

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

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment wherein the City's financial activities take place and to help make comparisons over time and with other governments.

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Principal Employers	176

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the service the City provides and the activities it performs.

Full-time Equivalent City Government Employees by Function/Program	178
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Capital Assets Statistics by Function/Program	180

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.



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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	\$ 346,609	\$ 344,826	\$ 354,428	\$ 352,675	\$362,678	\$ 367,234	\$375,681	\$ 379,201	\$ 438,820	\$ 441,396
Restricted	10,448	22,053	24,408	24,532	30,496	35,213	39,790	42,685	34,684	84,221
Unrestricted	90,156	89,367	89,866	106,286	109,809	133,983	156,094	191,447	184,964	156,737
Total governmental activities net position	<u>\$ 447,213</u>	<u>\$ 456,246</u>	<u>\$ 468,702</u>	<u>\$ 483,493</u>	<u>\$502,983</u>	<u>\$ 536,430</u>	<u>\$571,565</u>	<u>\$ 613,333</u>	<u>\$ 658,468</u>	<u>\$ 682,354</u>
Business-type Activities										
Net investment in capital assets	\$ 265,019	\$ 278,095	\$ 294,032	\$ 304,821	\$319,340	\$ 335,824	\$368,453	\$ 425,330	\$ 454,300	\$ 487,291
Restricted	1,915	2,114	2,090	2,279	-	-	1,425	1,575	1,839	3,682
Unrestricted	122,107	130,694	129,871	128,216	129,422	124,106	109,252	83,653	81,176	87,985
Total business-type activities net position	<u>\$ 389,041</u>	<u>\$ 410,903</u>	<u>\$ 425,993</u>	<u>\$ 435,316</u>	<u>\$448,762</u>	<u>\$ 459,930</u>	<u>\$479,130</u>	<u>\$ 510,558</u>	<u>\$ 537,315</u>	<u>\$ 578,958</u>
Primary Government										
Net investment in capital assets	\$ 611,628	\$ 622,921	\$ 648,460	\$ 657,496	\$682,018	\$ 703,058	\$744,134	\$ 804,531	\$ 893,120	\$ 928,687
Restricted	12,363	24,167	26,498	26,811	30,496	35,213	41,215	44,260	36,523	87,903
Unrestricted	212,263	220,061	219,737	234,502	239,231	258,089	265,346	275,100	266,140	244,722
Total primary government net position	<u>\$ 836,254</u>	<u>\$ 867,149</u>	<u>\$ 894,695</u>	<u>\$ 918,809</u>	<u>\$951,745</u>	<u>\$ 996,360</u>	<u>\$ 1,050,695</u>	<u>\$ 1,123,891</u>	<u>\$ 1,195,783</u>	<u>\$ 1,261,312</u>

Source: City of Arvada, Finance Department

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



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

Functions/Program Activities	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 25,627	\$ 27,429	\$ 28,941	\$ 35,055	\$ 43,114	\$ 33,451	\$ 52,303	\$ 52,196	\$ 65,664	\$ 58,523
Public safety	29,263	31,893	31,347	35,852	35,035	36,031	36,199	37,788	42,606	47,442
Public works	32,126	38,974	38,521	31,981	39,787	35,420	32,771	30,770	35,455	37,017
Parks and recreation	8,543	9,130	9,161	9,413	9,663	10,474	11,582	13,117	14,269	14,553
Culture	5,545	169	107	277	326	437	-	-	-	-
Human services	4,781	5,177	5,467	5,853	6,139	7,948	7,294	9,527	9,446	14,993
Interest	821	954	804	3,217	3,560	3,414	3,619	3,640	3,543	3,329
Total governmental activities expenses	<u>106,706</u>	<u>113,726</u>	<u>114,348</u>	<u>121,648</u>	<u>137,624</u>	<u>127,175</u>	<u>143,768</u>	<u>147,038</u>	<u>170,983</u>	<u>175,857</u>
Business-type activities:										
Water	22,688	22,662	23,794	25,235	26,126	27,202	30,017	31,068	33,355	37,733
Wastewater	12,127	13,049	12,489	13,470	12,954	13,154	15,940	16,872	18,187	19,842
Other	9,412	8,752	11,789	11,131	9,782	15,115	14,413	16,152	17,347	19,537
Total business-type activities expenses	<u>44,227</u>	<u>44,463</u>	<u>48,072</u>	<u>49,836</u>	<u>48,862</u>	<u>55,471</u>	<u>60,370</u>	<u>64,092</u>	<u>68,889</u>	<u>77,112</u>
Total primary government expenses	<u>\$ 150,933</u>	<u>\$ 158,189</u>	<u>\$ 162,420</u>	<u>\$ 171,484</u>	<u>\$ 186,486</u>	<u>\$ 182,646</u>	<u>\$ 204,138</u>	<u>\$ 211,130</u>	<u>\$ 239,872</u>	<u>\$ 252,969</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,694	5,495	5,515	5,206	4,806	5,499	7,086	6,871	6,118	13,704
Public works	6,094	6,383	3,794	2,552	3,784	4,235	4,927	3,210	5,176	1,116
Parks & recreation	965	46	1,035	1,000	-	760	1,048	80	81	37
Other activities	1,655	-	-	-	-	-	-	-	-	-
Operating grants and contributions	12,066	12,317	12,453	14,035	22,554	17,179	21,308	23,083	23,594	23,335
Capital grants and contributions	8,936	7,850	3,917	3,710	8,108	8,881	18,051	2,986	13,410	1,686
Total governmental activities program revenues	<u>35,410</u>	<u>32,091</u>	<u>26,714</u>	<u>26,503</u>	<u>39,252</u>	<u>36,554</u>	<u>52,420</u>	<u>36,230</u>	<u>48,379</u>	<u>39,878</u>
Business-type activities:										
Charges for services:										
Water	23,120	22,573	24,425	23,459	29,748	26,311	35,534	29,887	40,942	42,607
Wastewater	11,516	12,361	11,938	12,601	12,801	16,684	15,209	15,231	17,178	19,496
Other	9,295	8,252	10,128	10,847	9,196	13,376	15,677	17,239	19,103	20,695
Capital grants and contributions	20,912	14,922	14,177	10,823	7,624	10,671	17,935	26,272	15,412	29,994
Total business-type activities program revenues	<u>64,843</u>	<u>58,108</u>	<u>60,668</u>	<u>57,730</u>	<u>59,369</u>	<u>67,042</u>	<u>84,355</u>	<u>88,629</u>	<u>92,635</u>	<u>112,792</u>
Total primary government program revenues	<u>\$ 100,253</u>	<u>\$ 90,199</u>	<u>\$ 87,382</u>	<u>\$ 84,233</u>	<u>\$ 98,621</u>	<u>\$ 103,596</u>	<u>\$ 136,775</u>	<u>\$ 124,859</u>	<u>\$ 141,014</u>	<u>\$ 152,670</u>



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

Functions/Program Activities	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	(71,296)	(81,635)	(87,634)	(95,145)	(98,372)	(90,621)	(91,348)	(110,808)	(122,604)	(135,979)
Business-type activities	20,616	13,645	12,596	7,894	10,507	11,571	23,985	24,537	23,746	35,680
Total primary government net expense	<u>(\$ 50,680)</u>	<u>(\$ 67,990)</u>	<u>(\$ 75,038)</u>	<u>(\$ 87,251)</u>	<u>(\$ 87,865)</u>	<u>(\$ 79,050)</u>	<u>(\$ 67,363)</u>	<u>(\$ 86,271)</u>	<u>(\$ 98,858)</u>	<u>(\$ 100,299)</u>
General Revenues and Other Changes In Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 6,056	\$ 6,235	\$ 7,215	\$ 6,584	\$ 8,100	\$ 8,172	\$ 8,909	\$ 8,827	\$ 10,852	\$ 10,418
Sales and use taxes	74,083	78,564	76,357	76,062	83,026	96,063	107,697	109,080	110,703	111,920
Transportation taxes	4,923	5,061	6,108	5,162	4,704	5,061	5,606	5,174	6,080	6,096
Investment earnings (loss)	1,003	1,397	2,025	6,403	6,421	(600)	(6,814)	10,544	9,167	9,497
Miscellaneous	6,435	6,425	7,390	13,018	14,524	15,508	9,144	17,072	32,566	20,416
Transfers	957	(7,014)	(556)	2,707	374	(136)	1,941	1,879	906	1,518
Total governmental activities	<u>93,457</u>	<u>90,668</u>	<u>98,539</u>	<u>109,936</u>	<u>117,149</u>	<u>124,068</u>	<u>126,483</u>	<u>152,576</u>	<u>170,274</u>	<u>159,865</u>
Business-type activities										
Investment earnings	550	1,099	2,203	4,032	3,313	(539)	(2,844)	8,770	4,462	7,481
Miscellaneous	104	104	104	104	-	-	-	-	-	-
Transfers	(957)	7,014	556	(2,707)	(374)	136	(1,941)	(1,879)	(906)	(1,518)
Total business-type activities	<u>(303)</u>	<u>8,217</u>	<u>2,863</u>	<u>1,429</u>	<u>2,939</u>	<u>(403)</u>	<u>(4,785)</u>	<u>6,891</u>	<u>3,556</u>	<u>5,963</u>
Total primary government	<u>\$ 93,154</u>	<u>\$ 98,885</u>	<u>\$ 101,402</u>	<u>\$ 111,365</u>	<u>\$ 120,088</u>	<u>\$ 123,665</u>	<u>\$ 121,698</u>	<u>\$ 159,467</u>	<u>\$ 173,830</u>	<u>\$ 165,828</u>
Change in Net Position										
Governmental activities	22,161	9,033	10,905	14,791	18,777	33,447	35,135	41,768	47,670	23,886
Business-type activities	20,313	21,862	15,459	9,323	13,446	11,168	19,200	31,428	27,302	41,643
Total primary government	<u>\$ 42,474</u>	<u>\$ 30,895</u>	<u>\$ 26,364</u>	<u>\$ 24,114</u>	<u>\$ 32,223</u>	<u>\$ 44,615</u>	<u>\$ 54,335</u>	<u>\$ 73,196</u>	<u>\$ 74,972</u>	<u>\$ 65,529</u>

Source: City of Arvada, Finance Department

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



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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 589	\$ 570	\$ 518	\$ 423	\$ 563	\$ 578	\$ 558	\$ 575	\$ 802	\$ 648
Restricted	2,589	2,856	2,836	2,844	3,273	3,311	3,602	3,903	4,488	3,872
Assigned	15,143	-	11	2,295	2,698	1,312	-	-	-	-
Unassigned	23,076	43,264	41,496	40,221	41,077	57,388	65,818	81,244	69,163	74,347
Total general fund	41,397	46,690	44,861	45,783	47,611	62,589	69,978	85,722	74,453	78,867
All Other Governmental Funds										
Nonspendable	46	43	39	51	36	35	33	50	32	76
Restricted	19,796	19,189	21,572	100,636	100,003	119,339	110,813	86,480	76,428	80,285
Committed	7,693	11,393	14,842	23,192	24,752	17,654	18,054	39,968	41,651	33,850
Assigned	25,783	21,264	16,259	17,164	11,855	23,897	24,884	24,174	19,062	35,973
Subtotal All Other	53,318	51,889	52,712	141,043	136,646	160,925	153,784	150,672	137,173	150,184
Governmental Funds	94,715	98,579	97,573	186,826	184,257	223,514	223,762	236,394	211,626	229,051
Total Governmental Funds										
Nonspendable	635	613	557	474	599	613	591	625	834	724
Restricted	22,385	22,045	24,408	103,480	103,276	122,650	114,415	90,383	80,916	84,157
Committed	7,693	11,393	14,842	23,192	24,752	17,654	18,054	39,968	41,651	33,850
Assigned	40,926	21,264	16,270	19,459	14,553	25,209	24,884	24,174	19,062	35,973
Unassigned	23,076	43,264	41,496	40,221	41,077	57,388	65,818	81,244	69,163	74,347
Total all other governmental funds	<u>\$ 94,715</u>	<u>\$ 98,579</u>	<u>\$ 97,573</u>	<u>\$ 186,826</u>	<u>\$ 184,257</u>	<u>\$ 223,514</u>	<u>\$ 223,762</u>	<u>\$ 236,394</u>	<u>\$ 211,626</u>	<u>\$ 229,051</u>

Source: City of Arvada Finance Department

Note: In Fiscal Year ending December 31, 2011, the City of Arvada implemented Government Accounting Standard Board Statement Financial Statement Number 54. The presentation of the different Fund Balance types are listed above with figures recorded in the applicable categories. A brief definition of these categories is defined on [page 66](#) of the Notes to the Financial Statements section of the ACFR.



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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes	\$ 84,443	\$ 89,199	\$ 88,004	\$ 88,808	\$ 95,538	\$ 109,022	\$ 121,975	\$ 123,219	\$ 126,582	\$ 127,422
Licenses and Permits	6,041	6,508	4,164	3,322	3,492	4,215	4,652	3,945	4,331	3,376
Intergovernmental	18,172	15,751	18,170	18,759	28,545	23,071	27,315	28,795	24,656	28,935
Charges for Services	2,878	1,063	841	1,019	783	957	1,150	1,033	1,379	791
Fines and Forfeits	1,732	4,317	1,558	1,282	961	1,089	854	1,016	1,101	1,112
Interest	801	1,187	1,668	5,506	5,391	(600)	(6,814)	10,544	11,160	11,632
Memberships and Donations	758	1,332	505	5,404	2,879	8,246	3,008	8,228	14,003	4,502
Miscellaneous	2,893	6,949	8,167	5,860	9,278	9,068	8,369	8,592	11,943	18,924
Total revenues	\$ 117,718	\$ 126,306	\$ 123,077	\$ 129,960	\$ 146,867	\$ 155,068	\$ 160,509	\$ 185,372	\$ 195,155	\$ 196,694
Expenditures:										
General Government	\$ 18,642	\$ 21,835	\$ 23,296	\$ 26,853	\$ 35,232	\$ 26,321	\$ 31,732	\$ 36,086	\$ 44,943	\$ 39,297
Public Safety	28,731	31,139	32,186	36,129	36,008	35,993	37,200	39,196	45,788	49,463
Public Works	23,174	29,958	29,887	23,104	31,020	26,430	32,932	31,052	36,152	37,476
Program Costs	17,623	13,899	14,463	15,115	15,491	17,921	18,989	22,811	24,082	29,794
Capital Outlay	34,949	12,162	15,740	15,126	24,761	17,798	28,417	46,321	58,462	15,038
Debt Service										
Principal	4,670	5,085	5,400	3,295	3,960	4,125	4,316	5,487	5,509	4,426
Interest	718	946	771	2,924	3,522	3,362	3,590	3,579	3,560	3,346
Bond Issuance costs	162	-	-	350	-	101	-	146	-	-
Total Expenditures	\$ 128,669	\$ 115,024	\$ 121,743	\$ 122,896	\$ 149,994	\$ 132,051	\$ 157,176	\$ 184,678	\$ 218,496	\$ 178,840
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(10,951)	11,282	1,334	7,413	(3,127)	23,017	3,333	694	(23,341)	17,854
Other Financing Sources (Uses)										
Proceeds from borrowing	13,083	-	-	80,171	-	17,605	-	8,166	-	-
Issuance of lease debt	-	-	-	-	-	-	-	-	-	473
Issuance of subscription debt	-	-	-	-	-	-	-	-	306	404
Transfers in	21,735	18,477	17,994	21,102	14,035	15,504	18,201	27,342	23,103	17,341
Transfers out	(21,747)	(25,895)	(20,334)	(19,083)	(14,190)	(16,869)	(21,286)	(23,570)	(24,836)	(18,647)
Total Other Financing										
Sources (Uses)	13,071	(7,418)	(2,340)	82,190	(155)	16,240	(3,085)	11,938	(1,427)	(429)
Net Change in Fund Balances	\$ 2,120	\$ 3,864	\$ (1,006)	\$ 89,603	\$ (3,282)	\$ 39,257	\$ 248	\$ 12,632	\$ (24,768)	\$ 17,425
Debt service as a % of										
Noncapital Expenditures	6%	6%	6%	6%	6%	7%	6%	7%	6%	5%

Source: City of Arvada, Finance Department

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

Fiscal Year	City Direct Rates	Overlapping Rates					
	Basic Rate	State of Colorado	Jefferson County	Adams County	Rapid Transit District RTD	Cultural Facilities District	Baseball Football Stadium District
2016	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2017	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2018	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2019	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2020	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2021	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2022	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2023	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2024	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%
2025	3.46%	2.90%	0.50%	0.75%	1.00%	0.10%	0.00%

Source: City of Arvada, Finance Department

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Sales Tax:					
Grocery Chain Stores	\$ 10,250,605	\$ 10,428,743	\$ 11,006,047	\$ 11,655,160	\$ 13,275,562
Fast Food Restaurants	1,904,774	1,988,556	1,961,776	2,061,043	3,532,779
General Dept Stores	9,712,663	10,323,021	10,717,989	11,325,604	10,618,820
Public Utilities	3,888,283	4,037,700	4,106,099	4,278,532	3,206,587
Restaurant & Lounges	3,175,973	3,355,016	3,506,679	3,799,181	2,806,889
Telephone Equipment & Service	2,367,071	2,487,706	2,129,580	1,952,427	1,048,674
Other	<u>25,167,368</u>	<u>26,447,292</u>	<u>26,573,880</u>	<u>26,424,700</u>	<u>32,577,797</u>
 Total Sales Tax	 56,466,737	 59,068,034	 60,002,050	 61,496,646	 67,067,108
 Use Tax:					
Grocery Chain Stores	32,944	37,529	20,359	15,557	11,796
Fast Food Restaurants	20,323	28,062	34,220	16,393	23,720
General Dept Stores	39,593	36,250	70,261	47,779	44,406
Public Utilities	180,360	432,564	276,330	110,992	111,375
Restaurant & Lounges	30,293	33,002	37,339	22,342	9,251
Telephone Equipment & Service	4,633	26,963	33,100	64,684	11,305
Other	<u>1,206,037</u>	<u>969,664</u>	<u>1,213,319</u>	<u>975,975</u>	<u>743,626</u>
 Total Use Tax	 1,514,182	 1,564,034	 1,684,928	 1,253,722	 955,479
 Auto Use	 8,260,640	 9,849,865	 9,252,673	 9,375,906	 9,864,747
 Building Use	 7,841,134	 8,082,067	 4,715,298	 3,839,795	 4,353,953
 Total	 <u>\$ 74,082,694</u>	 <u>\$ 78,564,000</u>	 <u>\$ 75,654,949</u>	 <u>\$ 75,966,069</u>	 <u>\$ 82,241,287</u>
 City Direct Sales Tax Rate	 3.46%	 3.46%	 3.46%	 3.46%	 3.46%

Source: City of Arvada, Finance Department.

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

Note: Total sales taxes collected in 2025 increased by 3.35% over 2024. The General Dept Stores category showed the largest increase with a 14.19% increase compared to 2024. 2025 total use tax collections were up 21.17% compared to 2024. Use tax for the General Dept Stores category was significantly up, 196.58%, compared to 2024.



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

	2021	2022	2023	2024	2025
Sales Tax:					
Grocery Chain Stores	\$ 12,838,119	\$ 13,475,763	\$ 14,056,988	\$ 14,366,957	\$ 13,874,427
Fast Food Restaurants	4,023,549	4,154,271	4,447,433	4,374,972	4,687,267
General Dept Stores	12,248,352	13,773,837	14,040,138	14,643,913	16,721,306
Public Utilities	3,612,865	4,360,304	4,379,936	4,215,278	4,378,495
Restaurant & Lounges	3,576,298	4,372,236	4,640,097	4,878,194	5,464,336
Telephone Equipment & Service	1,100,251	1,188,858	1,096,228	1,055,324	1,178,369
Misc. - Other	40,150,384	43,652,204	45,952,222	46,673,760	46,924,119
Total Sales Tax	77,549,818	84,977,473	88,613,041	90,208,398	93,228,319
Use Tax:					
Grocery Chain Stores	12,783	22,995	11,681	6,847	12,253
Fast Food Restaurants	29,041	38,265	22,726	17,775	46,923
General Dept Stores	52,075	74,010	49,838	50,898	150,955
Public Utilities	194,880	277,453	232,324	197,736	184,687
Restaurant & Lounges	12,004	19,873	8,049	22,463	60,650
Telephone Equipment & Service	18,843	22,705	15,104	1,200	8,078
Misc. - Other	899,635	762,109	833,885	838,916	912,753
Total Use Tax	1,219,261	1,217,410	1,173,608	1,135,835	1,376,299
Auto Use	11,527,196	11,723,633	9,872,688	11,487,029	11,460,818
Building Use	4,467,398	8,239,667	5,221,114	5,476,914	3,981,515
Total	\$ 94,763,673	\$ 106,158,183	\$ 104,880,451	\$ 108,308,176	\$ 110,046,951
City Direct Sales Tax Rate	3.46%	3.46%	3.46%	3.46%	3.46%



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

Tax Remitter	2016			2017			2018			2019			2020		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
5458 Lee CO LLC															
ADLP 80th LLC	3,568	6	0.31%	3,531	9	0.31%									
Arvada Hotel Investors LLC							3,855	10	0.34%	4,021	10	0.35%			
Arvada Prime 1 LLC															
Bpaz Holdings 16 LLC															
Comcast of Colorado										4,450	9	0.39%			
Costco Wholesale Corp.				4,011	7	0.35%	4,011	8	0.35%						
Dillon Companies LLC										5,763	6	0.51%	5,763	5	0.51%
Gateway at Arvada Ridge LLC													5,714	6	0.50%
GP Retail I LLC	2,983	9	0.26%												
Lee Street Owner LLC															
Livanova Inc				5,284	5	0.47%	5,020	5	0.44%	5,320	7	0.47%	5,320	7	0.47%
Lowes HIW Inc				3,903	8	0.34%	3,903	9	0.34%						
Panorama AR LLP	3,005	8	0.27%												
Plains End LLC	18,554	2	1.64%	19,204	2	1.69%	16,926	2	1.49%						
Plains End II LLC															
Public Service Co of Colorado	24,722	1	2.18%	29,413	1	2.60%	34,613	1	3.05%	50,380	1	4.45%	58,581	1	5.17%
Qwest Corp.	11,155	3	0.98%	11,623	3	1.03%	7,755	4	0.68%	6,218	5	0.55%	6,455	4	0.57%
Roys Mountain Home LLC															
Seagate Panorama Assoc LLC				4,277	6	0.38%	4,277	6	0.38%	7,862	2	0.69%	4,908	9	0.43%
Solana Olde Town Station LLC							4,277	7	0.38%	6,795	4	0.60%	6,795	3	0.60%
Sorin Group (Cobe Laboratories)	3,909	5	0.34%												
Sundyne Corp.	3,463	7	0.31%										4,472	10	0.39%
Target Corp.				3,472	10	0.31%									
Tarr Arvada Ridge LLC															
Taylor Morrison of Colorado															
Timberline LLC															
Union Pacific Railroad Co	2,925	10	0.26%												
Westside 64th Owner LLC															
W PT Arvada VII LLC	9,585	4	0.85%	10,715	4	0.95%	10,715	3	0.95%	7,514	3	0.66%	7,514	2	0.66%
Walmart Real Estate Business Trust										4,925	8	0.43%	4,925	8	0.43%
Total	\$ 83,869		7.40%	\$ 95,433		8.42%	\$ 95,352		8.41%	\$ 103,248		9.11%	\$ 110,447		9.75%

Source: Jefferson and Adams County Assessors Offices
Note: The top ten taxpayers represent roughly 5% of the total assessed valuation for the City of Arvada. The remaining 95% represents smaller business and residential customers.



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

Tax Remitter	2021			2022			2023			2024			2025		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
5458 Lee CO LLC				5,978	5	0.53%	7,064	4	0.62%	7,064	7	0.28%			
ADLP 80th LLC	6,293	6	0.56%	5,552	6	0.49%	5,511	9	0.49%						
Arvada Hotel Investors LLC															
Arvada Prime 1 LLC										12,134	2	0.48%	13,650	2	0.52%
Bpaz Holdings 16 LLC	5,027	10	0.44%	5,027	9	0.44%	5,596	8	0.49%				5,771	9	0.22%
Comcast of Colorado				4,099	10	0.36%									
Costco Wholesale Corp.															
Dillon Companies LLC															
Gateway at Arvada Ridge LLC															
GP Retail I LLC															
Lee Street Owner LLC	6,286	7	0.55%												
Livanova Inc	5,550	8	0.49%	5,550	7	0.49%	6,007	6	0.53%	6,007	10	0.24%			
Lowes HIW Inc															
Panorama AR LLP															
Plains End LLC	15,776	2	1.39%							9,665	4	0.38%			
Plains End II LLC										9,995	3	0.40%			
Public Service Co of Colorado	59,657	1	5.26%	67,613	1	5.97%	73,247	1	6.46%	78,148	1	3.11%	76,418	1	2.89%
Qwest Corp.	6,518	5	0.58%	6,221	4	0.55%	5,881	7	0.52%				5,424	10	0.21%
Roys Mountain Home LLC													6,300	6	0.24%
Seagate Panorama Assoc LLC	5,361	9	0.47%	5,099	8	0.45%	6,301	5	0.56%	6,301	9	0.25%			
Solana Olde Town Station LLC	7,475	4	0.66%	7,109	3	0.00%	8,402	3	0.00%	8,187	5	0.33%	6,978	5	0.26%
Sorin Group (Cobe Laboratories)															
Sundyne Corp.							5,065	10	1.07%						
Target Corp.															
Tarr Arvada Ridge LLC													5,868	8	0.22%
Taylor Morrison of Colorado										7,066	6	0.28%	7,646	3	0.29%
Timberline LLC										6,836	8	0.27%	5,920	7	0.22%
Union Pacific Railroad Co															
Westside 64th Owner LLC													7,564	4	0.29%
W PT Arvada VII LLC	15,403	3	1.36%	12,151	2	1.07%	12,134	2	1.07%						
Walmart Real Estate Business Trust															
Total	\$ 133,346		11.77%	\$ 124,399		10.35%	\$ 135,208		11.81%	\$ 151,403		6.03%	\$ 141,539		5.36%



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

Levy/ Collection Year	Taxes Levied for the Fiscal Year (1)	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015/2016	5,626,198	5,583,065	99.23%	107	5,583,172	99.24%
2016/2017	5,714,052	5,654,004	98.95%	784	5,654,789	98.96%
2017/2018	6,593,213	6,568,030	99.62%	2,622	6,570,652	99.66%
2018/2019	6,662,940	6,583,728	98.81%	14,736	6,598,464	99.03%
2019/2020	7,516,948	7,495,926	99.72%	7,524	7,503,450	99.82%
2020/2021	7,598,342	7,543,438	99.28%	17,850	7,561,288	99.51%
2021/2022	8,360,970	8,290,609	99.16%	19,553	8,310,162	99.39%
2022/2023	8,207,927	8,188,412	99.76%	9,255	8,197,667	99.87%
2023/2024	9,767,204	10,166,101	104.08%	8,565	10,174,666	104.17%
2024/2025	9,858,098	9,689,942	98.29%	35	9,689,978	98.29%

Source: Jefferson and Adams County Assessors Offices

Note: Excludes Specific Ownership Tax

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

The mill levy rate for 2025 is 4.31.



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

	Levy/Collection Year				
	2016	2017	2018	2019	2020
Vacant property	\$ 39,879,257	\$ 52,814,910	\$ 32,807,309	\$ 34,095,406	\$ 34,095,406
Residential property	\$ 971,097,836	\$ 1,112,005,105	\$ 1,146,929,524	\$ 1,324,987,688	\$ 1,324,988,638
Commercial property	\$ 277,903,562	\$ 351,310,400	\$ 354,064,947	\$ 343,468,354	\$ 343,394,594
Industrial property	\$ 23,620,892	\$ 33,189,278	\$ 32,388,439	\$ 34,073,436	\$ 33,647,026
Agricultural property	\$ 1,593,393	\$ 1,967,531	\$ 2,033,147	\$ 2,389,402	\$ 2,389,402
Natural Resources	\$ 495	\$ 502	\$ 516	\$ 557	\$ 557
State assessed property	\$ 62,171,458	\$ 66,236,214	\$ 64,238,210	\$ 8,655,208	\$ 8,574,968
Personal property	\$ 3,648,980	\$ 3,995,640	\$ 3,953,280	\$ 129,527,210	\$ 129,339,130
Total taxable assessed value	<u>\$ 1,379,915,873</u>	<u>\$ 1,621,519,580</u>	<u>\$ 1,636,415,372</u>	<u>\$ 1,877,197,261</u>	<u>\$ 1,876,429,721</u>
Total direct tax rate	4.31	4.31	4.31	4.31	4.31
Estimated actual taxable value (in thousands)	\$ 14,465,213	\$ 18,072,919	\$ 17,435,897	\$ 20,235,588	\$ 20,493,984
Assessed value as a percentage of estimated actual value	9.5%	9.0%	9.4%	9.3%	9.2%
	2021	2022	2023	2024	2025
Vacant property	\$ 32,138,917	\$ 33,873,992	\$ 43,153,762	\$ 40,783,507	\$ 46,075,219
Residential property	\$ 1,478,385,954	\$ 1,445,137,713	\$ 1,764,555,154	\$ 1,784,359,358	\$ 1,872,603,862
Commercial property	\$ 392,501,187	\$ 389,417,624	\$ 441,073,220	\$ 450,984,512	\$ 481,077,220
Industrial property	\$ 46,012,166	\$ 45,397,830	\$ 53,561,967	\$ 52,316,181	\$ 61,092,520
Agricultural property	\$ 2,128,489	\$ 1,767,957	\$ 1,754,078	\$ 1,617,272	\$ 2,001,025
Natural Resources	\$ 535	\$ 535	\$ 517	\$ 517	\$ 499
State assessed property	\$ 10,850,471	\$ 10,247,715	\$ 11,642,208	\$ 11,696,255	\$ 9,955,307
Personal property	\$ 133,292,874	\$ 149,161,632	\$ 168,004,186	\$ 169,658,482	\$ 168,944,707
Total taxable assessed value	<u>\$ 2,095,310,593</u>	<u>\$ 2,075,004,998</u>	<u>\$ 2,483,745,092</u>	<u>\$ 2,511,416,084</u>	<u>\$ 2,641,750,359</u>
Total direct tax rate	4.31	4.31	4.31	4.31	4.31
Estimated actual taxable value (in thousands)	\$ 22,577,041	\$ 22,726,178	\$ 28,327,059	\$ 31,325,161	\$ 32,499,942
Assessed value as a percentage of estimated actual value	9.3%	9.1%	8.8%	8.0%	8.1%

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

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



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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Sales Tax Increment Bonds	Lease Liability	Subscription Liability	Equipment Purchase Direct Placement	Certificates of Participation	Water Bonds	Waste-water Bonds	Lease Liability	Subscription Liability			
2016	-	7,837	-	-	-	22,556	8,606	-	-	-	38,999	0.97%	0.34
2017	-	3,976	-	-	-	20,992	6,587	-	-	-	31,555	0.74%	0.27
2018	-	-	-	-	-	19,383	4,473	-	-	-	23,856	0.50%	0.20
2019	-	78,107	-	-	-	17,739	2,279	-	-	-	98,125	1.89%	0.79
2020	-	75,368	-	-	-	16,060	-	-	-	-	91,428	1.66%	0.73
2021	-	72,509	-	-	-	31,941	-	-	-	-	104,450	1.91%	0.87
2022	-	69,525	363	-	-	30,177	50,482	50,402	375	-	201,324	3.43%	1.63
2023	-	74,281	679	6,054	402	27,616	49,689	49,608	191	41	208,561	3.20%	1.69
2024	-	70,889	284	5,120	271	24,992	48,821	48,738	-	21	199,136	2.68%	1.61
2025	-	67,352	352	5,170	137	23,598	137,710	63,084	1,038	-	298,441	4.10%	2.45

Source: City of Arvada Finance Department



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

General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2016	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2017	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2018	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2019	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2020	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2021	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2022	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2023	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2024	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00
2025	\$ 0	\$ 0	\$ 0	0.00%	\$ 0.00

Source: City of Arvada Comprehensive Annual Financial Report (2016-2025), Jefferson and Adams County Assessors Offices, Denver Regional Council of Governments.



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

Jurisdiction	Debt Outstanding	2025 Percents Applicable To City of Arvada	Estimated Share of Overlapping Debt
Direct			
City of Arvada	\$ 96,608,901	100.00%	\$ 96,608,901
Overlapping			
Adams County Fire Protection District	-	5.29%	\$-
APEX (North Jeffco Park & Recreation)	17,990,000.00	83.66%	15,050,500
Arvada West Town Center Business Improvement District	1,760,000.00	100.00%	1,760,000
Boyd Ponds Metropolitan District No. 2	2,110,000.00	100.00%	2,110,000
Hometown Metropolitan District No. 2	510,000	100.00%	510,000
Jefferson Center Metropolitan Dist. No. 1	130,515,000	37.59%	49,060,589
Jefferson County School District R-1	753,081,686	16.89%	127,189,616
Mountain Shadows Metropolitan District	14,555,000	100.00%	14,555,000
Richards Farm Metropolitan Dist. No. 2	3,614,000	100.00%	3,614,000
Spring Mesa Metropolitan District	5,710,000	100.00%	5,710,000
Vauxmont Metropolitan District	92,901,000	98.92%	91,897,669
West Point Metropolitan District	4,240,000	100.00%	4,240,000
Westminster Public Schools FKA Adams County School District 50	119,345,000	6.80%	8,118,292
Subtotal, overlapping debt			\$ 323,815,665
Total, direct and overlapping debt			\$ 420,424,566

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

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



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

Legal Debt Margin Calculation for Fiscal Year 2025

Actual value	\$ 32,810,352,522
Debt limit (3% of actual value)	984,310,576
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	984,310,576

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	408,283,168	516,043,854	528,523,769	613,064,018	612,984,918	684,121,589	688,977,154	859,850,800	877,154,900	984,310,576
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 408,283,168	\$ 516,043,854	\$ 528,523,769	\$ 613,064,018	\$ 612,984,918	\$ 684,121,589	\$ 688,977,154	\$ 859,850,800	\$ 877,154,900	\$ 984,310,576
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Jefferson and Adams County
Assessors' Offices

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

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

Sales and Use Tax Bonds

Year	Sales & Use Tax Increment	Debt Service		Coverage
		Principal	Interest	
2016	63,386,029.26	3,485,000.00	427,400.00	16.20
2017	68,346,419.26	3,615,000.00	294,050.00	17.48
2018	65,224,908.00	3,885,000.00	155,400.00	16.14
2019	65,496,204.97	1,745,000.00	2,347,072.47	16.01
2020	70,926,289.00	2,375,000.00	2,985,281.25	13.23
2021	82,053,039.00	2,495,000.00	2,866,531.25	15.30
2022	91,923,766.00	2,620,000.00	2,741,781.25	17.14
2023	92,632,576.00	3,020,000.00	2,777,472.91	15.98
2024	93,606,612.00	2,980,000.00	2,821,281.26	16.14
2025	92,508,538.38	3,125,000.00	2,672,281.00	15.96

Water Revenue Bonds Series 2022 & 2025

Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	41,940,843	25,178,000	16,762,843	-	-	5.82
2023	47,308,000	24,078,000	23,230,000	715,000	2,008,395	8.07
2024	52,208,215	26,697,277	25,510,938	790,000	2,084,550	8.87
2025	52,315,754	23,350,058	28,965,696	1,360,000	3,734,653	5.69

Wastewater Revenue Bonds Series 2022 & 2025

Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	15,803,956	13,738,000	2,065,956	-	-	0.71
2023	19,864,000	13,250,000	6,614,000	710,000	2,031,277	2.12
2024	21,083,056	14,516,551	6,566,505	785,000	2,108,956	2.27
2025	23,721,271	14,048,359	9,672,912	915,000	2,356,763	2.96

Source: City of Arvada, Finance Department

Note: Sales and Use Tax Revenue Bond Series 2023 was issued in 2023.
Sales and use tax bonds are backed by the generation of sales and use tax revenues.
Figures do not include .46% Sales and Use Tax imposed for police and public safety.

Note: Water and Wastewater Revenue bonds were issued in 2022 and 2025.
Service charges include water or wastewater sales, licenses and permit fees.
Operating expenses include operations, administration & maintenance, and tap fees.
Coverage represents the ratio of debt payments to net revenue available.



**Schedule of Debt Service Requirements
Governmental-Type Activities
December 31, 2025**

Sales & Use Tax Revenue Bonds - Series 2019

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Principal Balance</u>
				60,585,000
2025	3,030,000	2,329,031	5,359,031	54,670,000
2026	3,180,000	2,177,531	5,357,531	51,490,000
2027	3,340,000	2,018,531	5,358,531	48,150,000
2028	3,510,000	1,851,531	5,361,531	44,640,000
2029	3,685,000	1,676,031	5,361,031	40,955,000
2030	3,865,000	1,491,781	5,356,781	37,090,000
2031	4,060,000	1,298,531	5,358,531	33,030,000
2032	4,265,000	1,095,531	5,360,531	28,765,000
2033	4,435,000	924,931	5,359,931	24,330,000
2034	4,565,000	791,881	5,356,881	19,765,000
2035	4,710,000	649,225	5,359,225	15,055,000
2036	4,855,000	502,038	5,357,038	10,200,000
2037	5,015,000	344,250	5,359,250	5,185,000
2038	5,185,000	174,994	5,359,994	\$ 0
TOTALS	<u><u>\$ 57,700,000</u></u>	<u><u>\$ 17,325,819</u></u>	<u><u>\$ 75,025,819</u></u>	



**Schedule of Debt Service Requirements
Governmental-Type Activities
December 31, 2025**

Sales & Use Tax Revenue Bonds - Series 2023

Year	Principal	Interest	Total Payment	Principal Balance
				6,960,000
2025	95,000	343,250	438,250	6,770,000
2026	105,000	338,500	443,500	6,665,000
2027	110,000	333,250	443,250	6,555,000
2028	110,000	327,750	437,750	6,445,000
2029	115,000	322,250	437,250	6,330,000
2030	125,000	316,500	441,500	6,205,000
2031	130,000	310,250	440,250	6,075,000
2032	135,000	303,750	438,750	5,940,000
2033	140,000	297,000	437,000	5,800,000
2034	150,000	290,000	440,000	5,650,000
2035	155,000	282,500	437,500	5,495,000
2036	165,000	274,750	439,750	5,330,000
2037	175,000	266,500	441,500	5,155,000
2038	180,000	257,750	437,750	4,975,000
2039	1,155,000	248,750	1,403,750	3,820,000
2040	1,210,000	191,000	1,401,000	2,610,000
2041	1,275,000	130,500	1,405,500	1,335,000
2042	1,335,000	66,750	1,401,750	\$ 0
TOTALS	\$ 6,865,000	\$ 4,901,000	\$ 11,766,000	



**Schedule of Debt Service Requirements
Business Type Activities
December 31, 2025**

Water Enterprise Revenue Bonds - Series 2022

Year	Principal	Interest	Total Payment	Principal Balance
				46,645,000
2025	830,000	2,045,050	2,875,050	45,815,000
2026	875,000	2,003,550	2,878,550	44,940,000
2027	915,000	1,959,800	2,874,800	44,025,000
2028	960,000	1,914,050	2,874,050	43,065,000
2029	1,010,000	1,866,050	2,876,050	42,055,000
2030	1,060,000	1,815,550	2,875,550	40,995,000
2031	1,115,000	1,762,550	2,877,550	39,880,000
2032	1,170,000	1,706,800	2,876,800	38,710,000
2033	1,225,000	1,648,300	2,873,300	37,485,000
2034	1,290,000	1,587,050	2,877,050	36,195,000
2035	1,355,000	1,522,550	2,877,550	34,840,000
2036	1,420,000	1,454,800	2,874,800	33,420,000
2037	1,490,000	1,383,800	2,873,800	31,930,000
2038	1,565,000	1,309,300	2,874,300	30,365,000
2039	1,645,000	1,231,050	2,876,050	28,720,000
2040	1,725,000	1,148,800	2,873,800	26,995,000
2041	1,795,000	1,079,800	2,874,800	25,200,000
2042	1,870,000	1,008,000	2,878,000	23,330,000
2043	1,945,000	933,200	2,878,200	21,385,000
2044	2,020,000	855,400	2,875,400	19,365,000
2045	2,100,000	774,600	2,874,600	17,265,000
2046	2,185,000	690,600	2,875,600	15,080,000
2047	2,275,000	603,200	2,878,200	12,805,000
2048	2,365,000	512,200	2,877,200	10,440,000
2049	2,460,000	417,600	2,877,600	7,980,000
2050	2,555,000	319,200	2,874,200	5,425,000
2051	2,660,000	217,000	2,877,000	2,765,000
2052	2,765,000	110,600	2,875,600	\$ -
TOTALS	\$ 46,645,000	\$ 33,880,449	\$ 80,525,449	



**Schedule of Debt Service Requirements
Business Type Activities
December 31, 2025**

Wastewater Enterprise Revenue Bonds - Series 2022

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Principal Balance</u>
				46,360,000
2025	825,000	2,069,706	2,894,706	45,535,000
2026	865,000	2,028,456	2,893,456	44,670,000
2027	910,000	1,985,206	2,895,206	43,760,000
2028	955,000	1,939,706	2,894,706	42,805,000
2029	1,000,000	1,891,956	2,891,956	41,805,000
2030	1,050,000	1,841,956	2,891,956	40,755,000
2031	1,105,000	1,789,456	2,894,456	39,650,000
2032	1,160,000	1,734,206	2,894,206	38,490,000
2033	1,215,000	1,676,206	2,891,206	37,275,000
2034	1,280,000	1,615,456	2,895,456	35,995,000
2035	1,340,000	1,551,456	2,891,456	34,655,000
2036	1,410,000	1,484,456	2,894,456	33,245,000
2037	1,480,000	1,413,956	2,893,956	31,765,000
2038	1,555,000	1,339,956	2,894,956	30,210,000
2039	1,630,000	1,262,206	2,892,206	28,580,000
2040	1,715,000	1,180,706	2,895,706	26,865,000
2041	1,780,000	1,112,106	2,892,106	25,085,000
2042	1,855,000	1,040,906	2,895,906	23,230,000
2043	1,925,000	966,706	2,891,706	21,305,000
2044	2,005,000	889,706	2,894,706	19,300,000
2045	2,085,000	809,506	2,894,506	17,215,000
2046	2,170,000	726,106	2,896,106	15,045,000
2047	2,255,000	636,594	2,891,594	12,790,000
2048	2,350,000	543,575	2,893,575	10,440,000
2049	2,450,000	443,700	2,893,700	7,990,000
2050	2,555,000	339,575	2,894,575	5,435,000
2051	2,660,000	230,988	2,890,988	2,775,000
2052	2,775,000	117,938	2,892,938	\$ -
TOTALS	\$ 46,360,000	\$ 34,662,456	\$ 81,022,456	



**Schedule of Debt Service Requirements
Business Type Activities
December 31, 2025**

Water Enterprise Revenue Bond, Series 2025

Year	Principal	Interest	Total Payment	Principal Balance
				85,670,000
2025	530,000	1,689,603	2,219,603	85,140,000
2026	1,365,000	4,257,000	5,622,000	83,775,000
2027	1,435,000	4,188,750	5,623,750	82,340,000
2028	1,505,000	4,117,000	5,622,000	80,835,000
2029	1,580,000	4,041,750	5,621,750	79,255,000
2030	1,660,000	3,962,750	5,622,750	77,595,000
2031	1,745,000	3,879,750	5,624,750	75,850,000
2032	1,830,000	3,792,500	5,622,500	74,020,000
2033	1,925,000	3,701,000	5,626,000	72,095,000
2034	2,020,000	3,604,750	5,624,750	70,075,000
2035	2,120,000	3,503,750	5,623,750	67,955,000
2036	2,225,000	3,397,750	5,622,750	65,730,000
2037	2,335,000	3,286,500	5,621,500	63,395,000
2038	2,455,000	3,169,750	5,624,750	60,940,000
2039	2,575,000	3,047,000	5,622,000	58,365,000
2040	2,705,000	2,918,250	5,623,250	55,660,000
2041	2,840,000	2,783,000	5,623,000	52,820,000
2042	2,985,000	2,641,000	5,626,000	49,835,000
2043	3,130,000	2,491,750	5,621,750	46,705,000
2044	3,290,000	2,335,250	5,625,250	43,415,000
2045	3,450,000	2,170,750	5,620,750	39,965,000
2046	3,625,000	1,998,250	5,623,250	36,340,000
2047	3,805,000	1,817,000	5,622,000	32,535,000
2048	3,995,000	1,626,750	5,621,750	28,540,000
2049	4,195,000	1,427,000	5,622,000	24,345,000
2050	4,405,000	1,217,250	5,622,250	19,940,000
2051	4,625,000	997,000	5,622,000	15,315,000
2052	4,860,000	765,750	5,625,750	10,455,000
2053	5,100,000	522,750	5,622,750	5,355,000
2054	5,355,000	267,750	5,622,750	\$ 0
Totals	\$ 85,670,000	\$ 79,619,103	\$ 165,289,103	



**Schedule of Debt Service Requirements
Business Type Activities
December 31, 2025**

Wastewater Enterprise Revenue Bonds - Series 2025

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Principal Balance</u>
				14,555,000
2025	90,000	287,057	377,057	14,465,000
2026	235,000	723,250	958,250	14,230,000
2027	245,000	711,500	956,500	13,985,000
2028	255,000	699,250	954,250	13,730,000
2029	270,000	686,500	956,500	13,460,000
2030	280,000	673,000	953,000	13,180,000
2031	295,000	659,000	954,000	12,885,000
2032	310,000	644,250	954,250	12,575,000
2033	325,000	628,750	953,750	12,250,000
2034	345,000	612,500	957,500	11,905,000
2035	360,000	595,250	955,250	11,545,000
2036	380,000	577,250	957,250	11,165,000
2037	395,000	558,250	953,250	10,770,000
2038	415,000	538,500	953,500	10,355,000
2039	440,000	517,750	957,750	9,915,000
2040	460,000	495,750	955,750	9,455,000
2041	485,000	472,750	957,750	8,970,000
2042	505,000	448,500	953,500	8,465,000
2043	530,000	423,250	953,250	7,935,000
2044	560,000	396,750	956,750	7,375,000
2045	585,000	368,750	953,750	6,790,000
2046	615,000	339,500	954,500	6,175,000
2047	645,000	308,750	953,750	5,530,000
2048	680,000	276,500	956,500	4,850,000
2049	715,000	242,500	957,500	4,135,000
2050	750,000	206,750	956,750	3,385,000
2051	785,000	169,250	954,250	2,600,000
2052	825,000	130,000	955,000	1,775,000
2053	865,000	88,750	953,750	910,000
2054	910,000	45,500	955,500	\$ 0
Totals	<u>\$ 14,555,000</u>	<u>\$ 13,525,307</u>	<u>\$ 28,080,307</u>	



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

Year	Population	Personal Income (in thousands of dollars)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2016	113,326	4,004,941	35,340	40.5	20,284	3.60%
2017	117,453	4,291,850	36,541	41.0	19,613	2.70%
2018	118,807	4,740,280	39,899	40.9	19,020	3.72%
2019	123,502	5,198,940	42,096	42.3	18,619	2.60%
2020	124,785	5,498,401	44,063	42.3	17,689	2.60%
2021	120,492	5,454,673	45,270	40.0	16,994	3.40%
2022	123,170	5,864,616	47,614	39.9	16,658	2.70%
2023	123,066	6,514,130	52,932	40.2	16,284	3.20%
2024	123,517	7,436,835	60,209	40.5	17,343	3.60%
2025	121,873	7,271,187	59,662	41.8	16,101	3.50%

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



City of Arvada, Colorado Principal Employers Last Ten Fiscal Years

Employer	2016			2017			2018			2019			2020		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Colorado Lutheran Home				185	10	0.29%									
Parker Personal Care Homes Inc	200	10	0.32%	346	4	0.54%	263	6	0.40%	273	5	0.40%	225	8	0.35%
LivaNova (formerly Sorin Group USA)	250	4	0.40%	250	6	0.39%	250	8	0.38%	250	7	0.37%	320	6	0.49%
City of Arvada	718	2	1.16%	689	2	1.07%	665	2	1.00%	665	2	0.98%	695	2	1.07%
Sundyne Corporation	200	9	0.32%	326	5	0.51%	325	4	0.49%	200	10	0.29%	328	5	0.51%
Target (All locations)	300	3	0.48%				300	5	0.45%	300	4	0.44%	300	7	0.46%
Pridemark Paramedic Serv. Inc.															
Home Depot	221	5	0.36%	221	7	0.34%	221	9	0.33%	221	8	0.33%	221	10	0.34%
Costco	210	8	0.34%	210	9	0.33%	210	10	0.32%	210	9	0.31%	450	3	0.69%
King Soopers (All locations)	909	1	1.47%	858	1	1.33%	1109	1	1.67%	1109	1	1.63%	1109	1	1.71%
Mark VII Equipment			0.00%												
Xcel Energy	220	6	0.36%												
Wanco Inc															
Mc Donalds (all locations)	217	7	0.35%	217	8	0.34%	252	7	0.38%	252	6	0.37%	222	9	0.34%
Walmart				350	3	0.54%	350	3	0.53%	404	3	0.60%	350	4	0.54%
Total Employed by Principal Employers	3,445		5.56%	3,652		5.67%	3,945		5.96%	3,884		5.72%	4,220		6.51%
Total Employed by Other Employers	58,489		94.44%	60,785		94.33%	62,275		94.04%	63,986		94.28%	60,628		93.49%
Total Employees	61,934		100.00%	64,437		100.00%	66,220		100.00%	67,870		100.00%	64,848		100.00%

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

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



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

Employer	2021			2022			2023			2024			2025		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Colorado Lutheran Home															
Parker Personal Care Homes Inc	262	7	0.39%	468	4	0.68%									
LivaNova (formerly Sorin Group USA)	320	5	0.48%	320	7	0.46%	320	5	0.46%	320	5	0.46%	320	5	0.46%
City of Arvada	703	2	1.05%	730	2	1.06%	711	2	1.03%	755	2	1.10%	784	2	1.13%
Sundyne Corporation	328	4	0.49%	328	6	0.47%	328	4	0.48%	328	4	0.48%	328	4	0.47%
Target (All locatons)	300	6	0.45%	300	8	0.43%	300	6	0.43%	300	6	0.44%	300	6	0.43%
Pridemark Paramedic Serv. Inc.															
Home Depot	221	8	0.33%	221	9	0.32%	221	8	0.32%	221	8	0.32%	221	8	0.32%
Costco	210	9	0.31%	210	10	0.30%	210	9	0.30%	210	9	0.30%	210	9	0.30%
King Soopers (All locations)	1,109	1	1.65%	1,109	1	1.61%	1,109	1	1.61%	1,109	1	1.61%	1,109	1	1.60%
Mark VII Equipment															
Xcel Energy															
Wanco Inc	180	10	0.27%				180	10	0.26%	180	10	0.26%	180	10	0.26%
Mc Donalds (all locations)				495	3	0.72%	228	7	0.33%	228	7	0.33%	228	7	0.33%
Walmart	350	3	0.52%	350	5	0.51%	350	3	0.51%	350	3	0.51%	350	3	0.51%
Total Employed by Principal Employers	3,983		5.93%	4,531		6.56%	3,957		5.74%	4,001		5.81%	4,030		5.83%
Total Employed by Other Employers	63,221		94.07%	64,527		93.44%	65,019		94.26%	64,868		94.19%	65,120		94.17%
Total Employees	67,204		100.00%	69,058		100.00%	68,976		100.00%	68,869		100.00%	69,150		100.00%



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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function/program										
City Manager's/Clerk's Office	20.95	22.10	21.10	20.10	20.10	22.10	23.00	24.00	26.00	30.00
Community Development	27.00	21.00	27.00	21.00	8.00	8.00	10.00	8.00	7.00	5.00
Cultural Services	41.25	0*	0*	0*	0*	0*	0*	0*	0*	0.00
Economic Development	4.00	4.00	4.00	4.00	0**	0**	0**	0**	0**	0.00
Parks, Golf, and Hospitality	75.00	80.64	77.64	82.64	83.64	84.25	79.34	86.00	89.00	88.00
Finance	33.70	33.06	33.06	32.36	32.36	32.75	32.66	35.00	31.00	31.00
Judicial/Legal/Risk Management	24.00	25.00	25.00	25.00	25.00	26.00	28.00	29.00	35.00***	35.00
Information Technology	29.00	27.00	27.00	29.00	29.00	27.00	29.00	31.00	45.00	45.00
Human Resources	9.00	10.00	10.00	11.00	11.00	11.00	11.00	13.00	13.00	12.00
Public Works	213.25	201.25	216.25	222.25	207.25	211.25	227.25	252.25	243.25	251.25
Public Safety	241.50	268.00	248.00	235.00	238.00	242.00	252.00	256.00	254.00	253.00
Community & Economic Development					36.00	39.00	39.00	35.00	34.00	33.00
Total	<u>718.65</u>	<u>692.05</u>	<u>689.05</u>	<u>682.35</u>	<u>690.35</u>	<u>703.35</u>	<u>731.25</u>	<u>769.25</u>	<u>777.25</u>	<u>783.25</u>

Source: City of Arvada 2025 -2026 Revised Biennial Operating and Capital Budget Book

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

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

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

*** In 2024 Risk Management was moved from Finance to Legal.



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

Function Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Building permits issued	8,695	13,669	7,704	6,119	6,603	7,332	6,886	7,941	8,237	5,918
Police										
Physical arrests	2,456	2,523	2,764	2,918	1,782	2,025	1,846	2,254	2,479	2,567
Parking violations	2,131	3,779	3,818	3,881	1,474	5,249	5,508	7,849	5,896	6,891
Traffic violations	11,484	11,689	9,018	8,396	6,144	5,820	5,223	6,294	7,274	8,108
Other public works										
Street resurfacing (miles)	23	137	40	29	50	47	52	51	192	194
Potholes repaired	6,337	5,911	4,768	8,409	4,709	4,249	3,732	4,662	6,484	3,889
Parks and recreation										
Athletic field permits issued	22,447	19,012	6,312	61	51	7,264	7,427	7,400	7,601	7,852
Water										
Consumers (Tap)	37,067	38,010	38,464	38,829	39,162	39,441	39,770	40,119	39,137	39,356
New connections	966	638	457	362	286	246	383	311	318	206
Leaks	29	47	43	43	26	47	47	30	40	42
Average daily consumption	14,440,172	13,359,897	14,294,415	13,256,739	15,043,088	13,776,756	16,312,413	16,312,413	14,084,599	12,763,213

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

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

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

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

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	3	3	3	4	4	4	4	4	4	4
Patrol units	83	93	81	61	64	73	82	59	59	60
Fire Protection Districts	3	3	3	3	3	3	3	3	3	3
Other public works										
Streets (miles)	467	467	478	478	480	474	478	479	484	490
Parks and recreation										
Square Miles (City of Arvada)	39	39	40	40	40	40	40	40	40	40
Playgrounds	67	67	67	67	71	75	70	69	69	68
Tennis/basketball Courts	72	72	72	72	84	87	86	84	48	48
Baseball/softball diamonds	31	31	33	33	46	46	46	50	50	50
Soccer/football fields	27	28	30	30	40	40	40	49	48	58
Community centers/Sport complexes	18	18	18	18	18	21	19	15	15	15
Water										
Water mains (miles)	624	632	633	624	620	627	629	634	635	640
Fire hydrants	5,489	5,592	5,741	5,504	5,525	5,637	5,865	5,929	5,623	5,663
Wastewater										
Sanitary sewers (miles)	458	461	463	460	461	462	464	466	469	472
Storm sewers (miles)	178	174	179	221	221	178	178	180	181	183
Treatment capacity (millions of gallons)	3,474	3,200	3,047	3,081	3,114	3,202	3,759	3,759	3,540	3,381

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

Compliance Section



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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arvada, Colorado (the "City") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 26, 2026, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 26, 2026.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

June 26, 2026

City of Arvada, Colorado

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Direct Award -				
Community Development Block Grants/Entitlement Grants Cluster	14.218		\$ 598,171	\$ 641,686
Direct Award -				
Housing Voucher Cluster:				
Section 8 Housing Choice Voucher Program	14.871		-	8,865,669
Mainstream Voucher Program	14.879		-	1,002,743
Total Housing Voucher Cluster			-	9,868,412
Total U.S. Department of Housing and Urban Development			598,171	10,510,098
U.S. Department of the Interior - Passed through Colorado Parks and Wildlife -				
Outdoor Recreation Acquisition, Development and Planning	15.916	26-TRLG-203286	-	32,774
U.S. Department of Justice - Direct Award:				
Public Safety Partnership and Community Policing Grants	16.710		-	50,548
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	22,926
Equitable Sharing Program	16.922		-	414,490
Total U.S. Department of Justice			-	487,964
U.S. Department of Transportation:				
Passed through Colorado Department of Transportation -				
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	20-HA1-XC-03081	-	209,172
Passed through Colorado Department of Transportation -				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	N/A	-	1,552
National Priority Safety Programs	20.616	PO 411041275	-	3,899
Total Highway Safety Cluster			-	5,451
Total U.S. Department of Transportation			-	214,623
U.S. Department of the Treasury - Direct Award -				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		75,000	99,564
Executive Office of the President - Passed through City of Aurora, Colorado -				
High Intensity Drug Trafficking Areas Program	95.001	RAVEN	-	5,045
Total Federal Financial Assistance			\$ 673,171	\$ 11,350,068

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Arvada, Colorado (the "City") under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

The City has elected not to use the *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3. Revolving Loan Funds - Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grants/Entitlement Grants Cluster (Assistance Listing No. 14.218). However, this program is not subject to any continuing compliance requirements other than required loan payments; therefore, the outstanding loan balances have not been included in the accompanying schedule of expenditures of federal awards. The outstanding balance of the revolving loan funds at December 31, 2025 is \$1,325,596.



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

Independent Auditor's Report

To Management, the Honorable Mayor, and Members of the City Council
City of Arvada
Arvada, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Arvada, Colorado (the "City") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

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

The City's Response to the Findings

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

Purpose of This Report

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

Plante & Morse, PLLC

June 26, 2026



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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Arvada, Colorado's (the "City") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

To Management the Honorable Mayor, and Members of the City Council
City of Arvada
Arvada, Colorado

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Plante & Morse, PLLC

June 26, 2026

City of Arvada, Colorado

Schedule of Findings and Questioned Costs

Year Ended December 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number
14.871, 14.879

Name of Federal Program or Cluster
Housing Voucher Cluster

Opinion
Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2025

Section II – Financial Statement Audit Findings

Reference Number	Finding
2025-001	Finding Type Material weakness Criteria - Internal control over financial reporting requires that key duties related to cash disbursements be appropriately segregated to reduce the risk of error or fraud. Proper segregation of duties includes separating the authorization, processing, and approval of transactions to ensure that no individual has control over all aspects of a transaction. Condition - During the fiscal year, inquiry and walkthrough procedures identified that certain individuals with access to the Arvada Urban Renewal Authority's ("Authority") primary online banking platform have the ability to both initiate and approve cash disbursement transactions without independent review. As a result, cash disbursements could be completed without an appropriate secondary approval or oversight control. Context - The Authority utilizes online banking platforms to process cash disbursements as part of its normal business operations. Effective controls over cash disbursements are critical due to the inherent risk associated with liquid assets and the volume and frequency of transactions processed through these systems. Cause - Although the Authority has established policies intended to provide appropriate segregation of duties, these policies were not effectively implemented within the banking platform. Specifically, user access roles within the online banking platforms are not sufficiently restricted to enforce adequate segregation of duties. In addition, effective compensating controls were not in place to ensure independent review of cash disbursement transactions when initiation and approval were performed by the same individual prior to execution. Effect - The lack of segregation of duties over cash disbursements increases the risk that unauthorized or inappropriate transactions could occur and not be prevented or detected in a timely manner. As a result, there is a reasonable possibility that a material misstatement of the Authority's financial statements could occur and not be prevented or detected. Recommendation - The Authority should review and modify user access within its primary online banking platform to ensure that initiation and approval functions are appropriately segregated. Where segregation is not feasible due to staffing limitations, the Authority should implement compensating controls, such as independent review and monitoring of disbursement activity by personnel not involved in transaction processing. Views of Responsible Officials and Planned Corrective Actions - The Authority will make appropriate adjustment to the banking platform so that individuals cannot initiate and approve cash disbursement transactions. The adjustment was made in the banking platform when this issue was discovered.

Section II – Financial Statement Audit Findings

None



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City of Arvada
December 31, 2025
Summary Schedule of Prior Audit Findings

Prior Year Finding Number:
2024-001

Fiscal Year in Which the Finding Initially Occurred:
2024

Federal Program, Assistance Listing Number and Name:
N/A if this is a financial statement finding

Original Finding Description:
During testing of capital assets, we noted several instances in which supporting documentation did not agree to amounts reported on the capital asset rollforwards.

Status/Partial Corrective Action (as applicable):
Fully Corrected

Planned Corrective Action:
N/A

Prior Year Finding Number:
2024-002

Fiscal Year in Which the Finding Initially Occurred:
2024

Federal Program, Assistance Listing Number and Name:
N/A if this is a financial statement finding

Original Finding Description:
In the 2023 calculation of governmental activities NICA, unspent proceeds relating to the 2023 sales and use tax revenue bonds were improperly excluded from the calculation.

Status/Partial Corrective Action (as applicable):
Fully Corrected

Planned Corrective Action:
N/A



**CITY OF ARVADA
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