



PUBLIC NOTICE OF PUBLIC HEARING AND REGULAR BOARD MEETING

The Arvada Urban Renewal Authority (AURA) Board of Commissioners will hold a public hearing and its regular board meeting in a hybrid format that will allow for in-person attendance at 5601 Olde Wadsworth Blvd, Suite 210, Arvada, CO 80002, or virtual attendance via Zoom Webinar at **3:00 p.m.** on **Wednesday, May 4, 2022.**

Anyone wishing to attend virtually may register in advance as follows:

https://us06web.zoom.us/webinar/register/WN_kFI0j7f3Q4OT9JRDybsTNQ

After registering, you will receive a confirmation email containing information about joining the webinar.

If you need assistance with the virtual webinar process or have questions or comments for the AURA Board regarding the agenda items, please contact cbriscoe@arvada.org prior to noon on May 4, 2022. A recording of the meeting will be posted on AURA's website following the webinar.

Agenda information is attached.

Carrie Briscoe

Carrie Briscoe
AURA Project Manager/Recording Secretary

POSTED: April 29, 2022



**REGULAR MEETING OF THE AURA BOARD OF COMMISSIONERS
5601 Olde Wadsworth Boulevard, Ste. 210, Arvada, Colorado
3:00 p.m., Wednesday, May 4, 2022**

AGENDA

REGULAR MEETING – 3 P.M.

1. Call to Order
2. Moment of Reflection and Pledge of Allegiance
3. Roll Call of Members
 - A. Oath of Office for Commissioner – Peter Kazura
 - B. Election of Officers
 - C. Oath of Office for Elected Officers
4. Approval of the Summary of Minutes
5. Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit
6. Public Hearing
 - A. Resolution AR-22-07 A Resolution Amending the Arvada Urban Renewal Authority Budget for Fiscal Year 2021
7. Study Session – None
8. Old Business
 - A. Tabernacle Church Redevelopment Update
 - B. Resolution AR-22-08 A Resolution Selecting General Contract for the Renovation of 5603 Yukon Street
9. New Business
 - A. 2021 Financial Audit – Steve Sauer – CPA and Director, BKD
 - B. Calendar Building – Richard Clyne – Property Manager, Blue Spruce Equity
10. Development Update
11. Public Comment – Five Minute Limit
12. Comments from Commissioners
13. Committee Reports
14. Staff Reports
15. Executive Session
 - A. Instructions to Negotiators, Pursuant to CRS 24-6-402(4)(e) Relating to Potential Projects
16. Adjournment

**SUMMARY OF MINUTES OF REGULAR MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, APRIL 6, 2022
5601 OLDE WADSWORTH BLVD., SUITE 210, ARVADA, CO 80002**

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REGULAR MEETING

1. **Call to Order** – Chair Alan Parker called the meeting to order at 3:00 p.m.

2. **Moment of Reflection and Pledge of Allegiance**

3. **Roll Call of Commissioners:**

Those Present: Chair Alan Parker, Vice Chair Paul Bunyard, Treasurer Sue Dolan
Commissioners, Tim Steinhaus, and Marc Williams, Tony Cline

Those Absent: Eli Feret

AURA staff present: Maureen Phair, Executive Director; Carrie Briscoe, Project
Manager; Amber Boutwell, Communications Coordinator; and Corey Hoffmann, Legal
Counsel

Also present: Six guests

Commissioner Williams moved to excuse Eli Feret.

The following votes were cast on the Motion:

Voting yes: Dolan, Parker, Bunyard, Steinhaus, Williams, Cline

Absent: Feret

The Motion was approved.

4. **Approval of the Summary of Minutes**

The Summary of Minutes of the March 2nd, 2022 AURA Regular Board Meeting stands
approved.

5. **Public Comment**

Phil Shell thanked the board and suggested the Yukon space be either retail or
restaurants to activate Yukon Street.

6. **Public Hearing**

None

7. **Study Session**

Arvada Small Business Survey Findings – Ryan Stachelski
Directory of Community & Economic Development, City of Arvada

8. Old Business

A. The Flour Mill:

Ms. Phair, Ms. Briscoe, and Ms. Miller have met with History Colorado, Golden History Museum, and other consultants to determine how to build a museum and what that would entail for the Flour Mill. The feedback received from other organizations is that operating the Flour Mill as a full time museum and community resource will take an appropriate amount of staffing and commitment. A Flour Mill committee has been established with members from AURA, Visit Arvada, and the Historical society to address the scope of the project.

Ms. Phair introduced City Manager Mark Deven to discuss the City's participation in operating the Flour Mill.

Mr. Deven relayed that the project is a great idea but is subject to timing based on the City's other priorities. Arvada is dealing with a homelessness problem, particularly in Olde Town. Tackling resources for the homeless population and moving them out of Olde town needs to be the City's first order of business. Ms. Phair requested the permission from both AURA and Mr. Deven to carry out an RFP for the Flour Mill project, to which he agreed.

B. Tabernacle Church:

Ms. Phair introduced Richard Sapkin of Edgemark Development LLC to address the For Sale signage on the Tabernacle Church and their proposed extension agreement with AURA, which will expire this May 2022. Mr. Sapkin thanked the board for his previous extension and will be presenting another extension and assignment at the next board meeting. Mr. Sapkin introduced Casey Alder as the current buyer who will be presenting their concept for a food hall to activate the space by 2024.

Mr. Adler introduced himself to the board and discussed his intentions as the operator, his tenure in the Arvada community, and his agenda for the next board meeting presentation.

C. AURA's New Office Remodel:

Stephanie Joerger with SAR presented design renderings of AURA's new office space. The board agreed to review the site plan and further discuss providing a way to provide good access for the public in the back entry way. Shared tenant space with the AEDA was discussed as an option to split the building space up.

**SUMMARY OF MINUTES OF REGULAR MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, APRIL 6, 2022
5601 OLDE WADSWORTH BLVD., SUITE 210, ARVADA, CO 80002**

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D. Olde Town Alley

Ms. Phair presented graphics of the Olde Town Alley showing the removal of overhead utilities, as well as the addition of ground-based transformers and lighting that could transform the alleyway. The expected cost for the project, as well as the scope of the original assignment was discussed. Commissioner Steinhaus requested a motion from Chairman Parker to approve the Executive Director of AURA to move ahead with the project.

The following votes were cast on the Motion:

Voting yes: Dolan, Parker, Bunyard, Steinhaus, Williams, Cline

Absent: Feret

The Motion was Approved.

9. New Business

None

10. Development Update

Ms. Phair provided the following project updates:

Ralston Fields – In 2022 AURA will have eight projects break ground.

Trammell Crow – AURA staff took a job site tour of the Olde Town Residences project. The Apartments should be finished in approximately two years. The retail and restaurant spaces are breaking ground and will turn it over to the tenants for their improvements in October. The hotel will be finished around the same timeframe as the apartments. The rise in cost of supplies has added to the hotel budget and timing of completion.

The Paseo - The site name is undergoing review. The naming process will involve the Parks Advisor Committee, City Council and the community gardeners. Paseo will remain in the name however the next steps will be to follow public policy involved in naming public parks. Chairman Parker proposed AURA write a letter to City Council to suggest that we remain with our original name choice of The Garrison Street Paseo.

Shops at Ralston Creek – Corvus Coffee has opened.

**SUMMARY OF MINUTES OF REGULAR MEETING
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11. Public Comment – Five Minute Limit

Jeremy Mattson added that he would like to see the bike lanes on 57th Ave expanded to improve visibility.

12. Comments from Commissioners

None

13. Committee Reports

All board members and staff recognized Commissioner Tony Cline for his fifteen years of service and commitment to the AURA board as this was his last meeting before retiring.

He was presented with a commemorative plaque for projects completed under his leadership.

14. Staff Reports

Amber Boutwell presented on AURA's social media reporting and upcoming communications in the Arvada Report.

Peter Kazura will be joining the Board of Commissioners and will be in attendance at May's meeting.

Flash report – provided in packet

Ms Phair's review will be June 1st.

15. Executive Session

None

**SUMMARY OF MINUTES OF REGULAR MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, APRIL 6, 2022
5601 OLDE WADSWORTH BLVD., SUITE 210, ARVADA, CO 80002**

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16. Adjournment

Chair Parker adjourned the meeting at approximately 5:25 p.m.

Alan Parker, Chair

ATTEST:

Maureen Phair, Executive Director

Carrie Briscoe, Recording Secretary

RESOLUTION AR-22-07

A RESOLUTION AMENDING THE ARVADA URBAN RENEWAL AUTHORITY BUDGET FOR FISCAL YEAR 2021

WHEREAS, the Arvada Urban Renewal Authority (AURA) previously approved and appropriated its budget for fiscal year 2021 on November 4, 2020, by passage of Resolutions AR-20-09 and AR-20-10, respectively, based upon projections of expected expenditures and revenues as of that date;

WHEREAS, expenditures and revenues will exceed AURA's 2021 approved budget;

WHEREAS, notice of AURA's consideration of the amended 2021 budget at this meeting was timely published pursuant to the requirements of State law;

WHEREAS, AURA held a properly noticed public hearing on April 21, 2022, at which time the public was invited to attend, give comment on or object to the proposed amended budget; and

WHEREAS, AURA wishes to amend its budget to reflect actual expenditures and revenues for fiscal year 2021.

NOW THEREFORE BE IT RESOLVED BY THE ARVADA URBAN RENEWAL AUTHORITY, ARVADA, COLORADO, THAT:

Section 1. Resolution AR-20-09, a resolution approving the 2021 AURA budget, and Resolution AR-20-10, a resolution appropriating the 2021 AURA budget, are hereby amended as follows:

- A. The Northwest Arvada Budget is amended by increasing the amount appropriated to \$15,000,000 from \$11,000,000.
- B. The Village Commons Budget is amended by increasing the amount appropriated to \$278,346 from \$253,346.
- C. The Ralston Fields Budget is amended by increasing the amount appropriated to \$4,556,000 from \$3,056,000.

Section 2. Any provision of Resolutions AR-20-09 or AR-20-10 that may be inconsistent with this Resolution AR-22-07, is hereby amended to conform to the extent necessary with the provisions hereof.

Section 3. This Resolution shall be effective upon its passage by the AURA Board of Commissioners.

INTRODUCED AND ADOPTED this 4th day of May, 2022.

ATTEST:

Alan Parker, Chair

Maureen Phair, Executive Director

APPROVED AS TO FORM:

Legal Counsel

Date

PUBLIC NOTICES

Public Notices call Sheree 303.566.4088

legals@coloradocommunitymedia.com

Legals

City and County

Public Notice

NOTICE OF ANNEXATION PETITION ACCEPTANCE

The following resolution can be viewed in its entirety in electronic form by going to www.arvada.org/legisnotices and clicking on Current Legal Notices. The full text version is also available in printed form in the City Clerk's office. Contact 720.898.7550 if you have questions.

R22-028 A Resolution Accepting an Annexation Petition Concerning 7850 Altaire Street, Trinding Said Petition Substantially Compliant with C.R.S. 31-12-107(1), and Setting a Public Hearing for June 6, 2022, 6:15 P.M. for City Council to Determine Whether the Area Meets the Requirements of C.R.S. 31-12-104 and 105, and is Considered Eligible for Annexation.

Legal Notice No. 413792
First Publication: April 21, 2022
Last Publication: May 12, 2022
Publisher: Jeffco Transcript

Public Notice

NOTICE OF PUBLIC HEARING INVITING PUBLIC REVIEW AND COMMENT REGARDING A THIRD SUBSTANTIAL AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2020 ANNUAL ACTION PLAN

The City of Arvada is proposing to amend its 2020 CDBG Annual Action Plan to reallocate 2020 CDBG formula funding allocated to the Housing Strategy Incentive Fund to Public Services to prevent, prepare for and respond to the COVID

19 pandemic.

This publication will commence a 30-day public comment period for the Amendment. A copy of the amendment will be available for public review starting April 21, 2022 through May 23, 2022. The document includes the proposed activities, resources and expenditures for the CDBG program. The document must be prepared according to the U.S. Department of Housing and Urban Development (HUD) regulations.

The City invites public review and comment of the 2020 CDBG Annual Action Plan Third Substantial Amendment. The documents are available for review at the City of Arvada website at <https://arvada.org/presidents/city-neighborhoods/cdbg-funds-at-work-in-arvada>.

The City invites all citizens and other interested parties who desire to provide comments regarding the amendment to do so at a public hearing:

**At 6:15 P.M., June 6, 2022
in City Council Chambers,
Arvada Municipal Building,
8101 Ralston Road, Arvada, Colorado.**

If you wish to attend the meeting via Zoom, please contact Kevin Luy at kluy@arvada.org with the meeting date.

Program information is available by contacting the Housing Preservation and Resources Division, Arvada City Hall, 8001 Ralston Road, between the hours of 8 a.m. and 5 p.m. Monday through Friday, or call 720-898-7494. Information is also available on our website at <https://arvada.org/residents/city-neighborhoods/cdbg-funds-at-work-in-arvada>

FOR FURTHER INFORMATION:
Please contact Carrie Espinosa at: caespinosa@arvada.org or call 720-898-7494, between 8:00 A.M. to 5:00 P.M., weekdays

Legal Notice No. 413791
First Publication: April 21, 2022

Last Publication: April 21, 2022
Publisher: Jeffco Transcript

Public Notice

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT at the meeting of the Arvada City Council to be held on **MONDAY, May 2, 2022, at 6:15 p.m.** at the Municipal Building, 8101 Ralston Road, Arvada CO, City Council will hold a public hearing on the following proposed ordinances and thereafter will consider them for final passage and adoption. For the full text version in electronic form go to www.arvada.org/legisnotices, click on Current Legal Notices, then click on the title of the ordinance you wish to view. The full text version is also available in printed form in the City Clerk's office. Contact 720.898.7550 if you have questions.

CB22-082 An Ordinance Authorizing an Intergovernmental Agreement By and Between the State of Colorado Acting by and through the Department of Transportation and the City of Arvada Pertaining to the Spenst Elementary Safe Routes to School (SDOT) Project No. 24677.

CB22-083 An Ordinance Amending and Rescinding in its Entirety the Police Money Purchase Retirement Plan now known as the City of Arvada Police Retirement Plan.

Legal Notice No. 413789
First Publication: April 21, 2022
Last Publication: April 21, 2022
Publisher: Jeffco Transcript

Public Notice

ARVADA URBAN RENEWAL AUTHORITY

NOTICE OF PUBLIC HEARING FOR FINAL BUDGET AMENDMENT FOR FISCAL YEAR 2021

The Arvada Urban Renewal Authority, Board of Commissioners will hold a Public Hearing to consider a final Amendment to its 2021 Budget

on **Wednesday, May 4, 2022 at 3:00 p.m.** at 5601 Olde Wadsworth Boulevard, Suite 210, Arvada, Colorado.

The proposed Final Amendment to the 2021 Budget is available for inspection by any interested elector during normal business hours at the Arvada Urban Renewal Authority office at 5601 Olde Wadsworth Boulevard, Suite 210, Arvada, CO.

Any interested elector of the City of Arvada, Colorado, may file or register with the Arvada Urban Renewal Authority any objections to the proposed Final Amendment to the 2021 Budget at any time prior to its final approval scheduled for May 4, 2022.

ARVADA URBAN RENEWAL AUTHORITY
Maureen Pearl, Executive Director
5601 Olde Wadsworth Boulevard, Suite 210
Arvada, Colorado 80002

Legal Notice No. 413788
First Publication: April 21, 2022
Last Publication: April 21, 2022
Publisher: Jeffco Transcript

PUBLIC NOTICE

The following ordinances were adopted by the City Council of the City of Arvada on second reading following the public hearing held on April 18, 2022:

Ordinance #4785 An Ordinance Amending Section 10.3.1, General Provisions, of Ordinance No. 1324, of the City of Arvada, Colorado.

Ordinance #4796 An Ordinance Amending Section 74-62, Membership, Appointment of Members, Term of Office, of Article III, Planning Commission, of Chapter 74, Planning and Development, of the Arvada City Code.

Ordinance #4797 An Ordinance Authorizing an Additional Appropriation for Fiscal Year 2022.

Ordinance #4798 An Ordinance Amending Subsection 70-103(A), of Chapter 70, Personnel Rules, of the City Code.

Legal Notice No. 413790
First Publication: April 21, 2022
Last Publication: April 21, 2022
Publisher: Jeffco Transcript

Metropolitan Districts

Public Notice

NOTICE OF CANCELLATION OF REGULAR ELECTION BY THE DESIGNATED ELECTION OFFICIAL SPRING MESA METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN by the Spring Mesa Metropolitan District of the City of Arvada, Jefferson County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled including candidates filing affidavits of intent to be write-in candidates; therefore, the regular election to be held on May 3, 2022, is hereby canceled pursuant to Section 1-13.5-513(6), C.R.S. The following candidates are hereby declared elected:

**Wayne Harris to a 3-year term until May 2025
Vacancy (2022-2025)**

SPRING MESA METROPOLITAN DISTRICT

By: Is/ Brandon Desmond

Designated Election Official

Legal Notice No. 413782
First Publication: April 21, 2022
Last Publication: April 21, 2022
Publisher: Golden Transcript
and the Arvada Press

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RESOLUTION AR-22-08

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY RATIFYING THE SELECTION OF BEAVER CONSTRUCTION CONSULTING INC. AS THE GENERAL CONTRACTOR FOR THE REMODELING AND RENOVATION OF THE PROPERTY LOCATED AT 5603 YUKON STREET

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY, THAT:

Section 1. The Board of Commissioners hereby ratifies the selection of Beaver Construction Consulting Inc. as the General Contractor for the remodeling and renovation of the property owned by the Arvada Urban Renewal Authority located at 5603 Yukon Street (the "Project").

Section 2. The Board of Commissioners shall by separate action consider the contract for the construction of the Project, subject to budget and appropriation by the Authority.

DATED this 4th day of May, 2022.

Alan Parker, Chair

Recording Secretary

APPROVED AS TO FORM

Corey Y. Hoffmann, Legal Counsel

DRAFT 04/26/2022

Arvada Urban Renewal Authority

Independent Auditor's Reports and Financial Statements

December 31, 2021

Arvada Urban Renewal Authority
December 31, 2021

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Independent Auditor's Report

Board of Commissioners and Management
Arvada Urban Renewal Authority
Arvada, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Arvada Urban Renewal Authority (the Authority), a component unit of the City of Arvada, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements 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 and each major fund of the Authority as of December 31, 2021, and the respective changes in financial position 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 Authority, 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 these 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 Authority'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.

Board of Commissioners and Management
Arvada Urban Renewal Authority

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 opinion. 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 Authority'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 Authority'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 budgetary comparisons be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

Board of Commissioners and Management
Arvada Urban Renewal Authority

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, on our consideration of the Arvada Urban Renewal Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Arvada Urban Renewal Authority's internal control over financial reporting and compliance.

Denver, Colorado

Management's Discussion and Analysis

Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2021

This section of the Arvada Urban Renewal Authority (the Authority) Annual Financial Report provides readers with a narrative overview and analysis of the Authority's financial performance during the fiscal year that ended on December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the Arvada Urban Renewal Authority.

Financial Highlights

- Government-wide total net position increased \$3,611,361 during the current year resulting in a net position of \$4,659,632.
- Government-wide revenues increased by \$3,856,151 while expenses decreased by \$1,884,070.

Overview of Financial Statements

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

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

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

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

The statement of activities presents information reflecting how the Authority's net position has changed during the fiscal year 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 result in cash flows only in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report information on all of the activities of the Authority.

Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2021

Fund Financial Statements. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Traditional users of the Authority'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. Of the three possible fund types, the Authority presents only governmental funds. The focus is on major funds rather than fund types.

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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for all funds. The General Fund, Jefferson Center District (JCD) Fund, Ralston Fields Fund, and Northwest Arvada Fund are required to be shown as major funds. The Olde Town Fund and Village Commons funds are not required to be presented as major funds; yet, management elects to present them as major for emphasis of all renewal areas.

The Authority adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison schedule has been provided for the Authority's funds to demonstrate compliance with this budget.

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.

Government-wide Financial Analysis

At the close of December 31, 2021, the Authority's assets exceeded liabilities and deferred inflows of resources by \$4,659,632. The following summaries of net position and changes in net position are presented for the current year and the previous year for comparative purposes.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2021**

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Total Primary Government 2021	Total Primary Government 2020
Assets		
Current and other assets	\$ 31,561,178	\$ 28,096,440
Property available for sale	1,002,479	300,042
Total assets	32,563,657	28,396,482
Liabilities, Deferred Inflows of Resources and Net Position		
Liabilities		
Other liabilities	1,237,047	1,319,377
Due in more than one year	4,591,978	5,230,834
Total liabilities	5,829,025	6,550,211
Deferred Inflows of Resources	22,075,000	20,798,000
Net Position		
Restricted for capital projects	552,106	612,115
Unrestricted	4,107,526	436,156
Total net position	\$ 4,659,632	\$ 1,048,271

Total assets as of December 31, 2021 increased \$4,167,175 when compared to the prior year-end. This change was primarily due to an increase in cash of \$1,954,722 and an increase in taxes receivable of \$1,277,000. The increase in taxes receivable was due to an increase in Ralston Fields and Northwest Arvada as these areas continue to grow.

Total liabilities decreased by \$721,186. This decrease was primarily due to the payment of long-term debt.

Deferred inflows increased by \$1,277,000 due to deferred property tax revenue as noted above.

In summary, these variances resulted in an increase in net position for the Authority in 2021 of \$3,611,361.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
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Changes in Net Position

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

	Total Primary Government 2021	Total Primary Government 2020
Revenues		
Program revenues		
Charges for services	\$ 7,500	\$ 7,500
General revenues		
Incremental property taxes	21,207,234	19,453,691
Public improvement fees	3,023,417	2,364,449
Sales taxes	1,764,844	338,445
Lodging taxes	103,128	49,182
Investment income	5,470	41,940
Miscellaneous revenues	-	235
Total revenue	26,111,593	22,255,442
Expenses		
General government	931,883	5,754,684
Redevelopment costs	21,424,542	18,469,316
Interest expense	143,807	160,302
Total expenses	22,500,232	24,384,302
Change in Net Position	3,611,361	(2,128,860)
Net Position, Beginning of Year	1,048,271	3,177,131
Net Position, End of Year	\$ 4,659,632	\$ 1,048,271

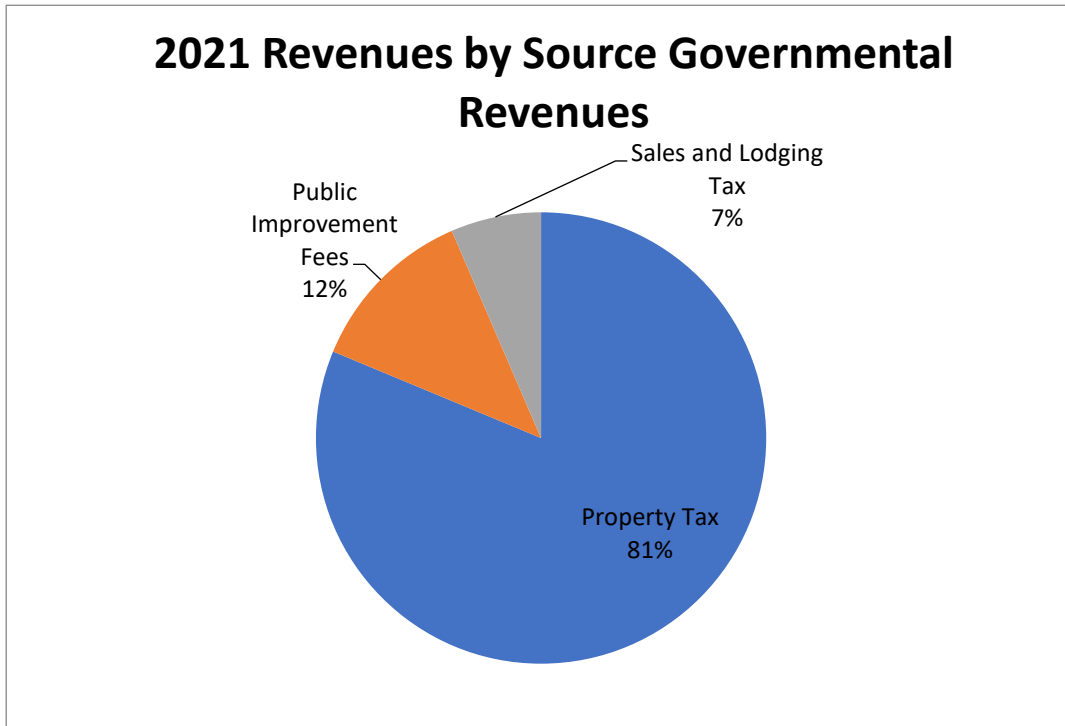
The above condensed summary of the Authority's government-wide activities for the year ended December 31, 2021 reflects a net position of \$4,659,632. Revenues were up in 2021 primarily due to an increase in property tax revenues of \$1,753,543.

Total expenses decreased \$1,884,070 from 2020. The increase in redevelopment costs of \$2,955,226 was due to an increase in property, sales and public improvement fee rebates. The decrease in general government expenses of \$4,822,801 was due to the Authority's purchase of property held for sale in Ralston Fields in 2020.

Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
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Governmental Activities

Governmental activities increased the Authority's net position by \$3,611,361.



Financial Analysis of the Authority's Funds

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

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

At the end of December 31, 2021, the Authority's governmental funds reported combined ending fund balances of \$9,901,726. Unassigned fund balance is \$1,544,057 (16%). The remainder of the fund balance is either non-spendable, for property held for sale, of \$1,002,479; restricted, by external legal purposes, of \$552,106; or assigned, for an intended use, of \$6,803,084.

The General Fund is the main operating fund of the Authority. At December 31, 2021, the unassigned fund balance of the General Fund was \$1,544,057, while the total fund balance was \$1,544,147. The fund balance of the General Fund did not change from last year.

The Jefferson Center District Fund is another major fund of the Authority. At December 31, 2021, the total fund balance of the JCD Fund was \$0. Excess revenues over expenditures of \$159,002 were transferred to the General Fund.

Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
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The Ralston Fields Fund is used to account for the activities in the Kipling Ridge area and is considered a major fund. At December 31, 2021, the total fund balance was \$5,773,517. Excess revenues over expenditures of \$2,612,114 were retained in the fund for future redevelopment.

The Northwest Arvada Fund is used to account for activities in the Northwest Arvada Urban Renewal areas. At December 31, 2021, the total fund balance was \$115,466. At the end of the year, excess of revenue over expenditures was \$424,090. Of that amount, \$380,388 was transferred to the General Fund, and the remaining \$43,202 was retained in the fund for future redevelopment.

The Olde Town Arvada Fund is used to account for activities in the Olde Town Arvada area. At December 31, 2021, the total fund balance was \$1,292,256. Excess expenditures over revenues of \$79,205 were retained in the fund for future development.

Lastly, the Village Commons Fund is used to account for one commercial area. At December 31, 2021, the total fund balance was \$1,176,340. Excess revenues over expenditures of \$412,737 were retained in the fund for future redevelopment.

Budgetary Highlights

There were changes to the budget for the Ralston Fields, Northwest Arvada and Village Commons funds. The increase in Ralston Fields was for the distribution to the City of Arvada for Ralston Road. The increase in Northwest Arvada was a result of property tax that exceeded the original budget which will be used for redevelopment activities. The increase in Village Commons was due to additional lodging tax that exceeded the original budget that was paid out as a rebate.

Debt Administration

Long-term Debt. At the end of December 31, 2021, the Authority had total debt outstanding of \$5,227,737. This debt is made up of two notes with the City of Arvada. See Notes to the Financial Statements for more information.

	Total Primary Government 2021	Total Primary Government 2020
Notes payable	<u>\$ 5,227,737</u>	<u>\$ 5,844,029</u>

**Arvada Urban Renewal Authority
Management’s Discussion and Analysis (Unaudited)
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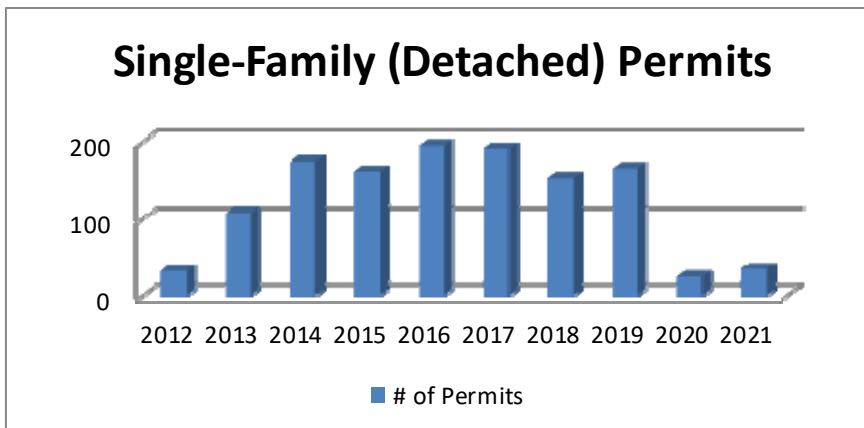
Current Economic Factors

While the COVID-19 pandemic continues to stick around, the City of Arvada continued to open up and recover in 2021. The urban renewal areas fared very well during the pandemic and continue to generate revenue to enable the Authority to work on additional projects.

The Authority and the City continue to work on the redevelopment plans for the Northwest Arvada, Ralston Fields, Olde Town Arvada, Village Commons and Jefferson Center urban renewal project areas with an emphasis on mixed use development which will provide sales tax revenue to support ongoing services while building much needed housing as the State of Colorado population continues to grow.

Northwest Arvada

The Northwest Arvada urban renewal area is the site of a 1,451 acre mixed-use development now called Candelas. In 2007 the infrastructure of the area, including roads, water, sewer and stormwater lines, was constructed. The first building permits were issued in 2012, with steady growth each year. A King Soopers, the first grocery store in this area, opened in May 2018, followed by a police community station that opened in May 2019. There have also been several smaller retailers that have come into Candelas, including Starbucks, 7-11, Wendy’s, Chase Bank, Primrose Preschool, Anytime Fitness, Les Schwab and Supercuts. Candelas was originally planned with more commercial development; however, a study performed in 2019 found that this area could not support the planned commercial development. Arvada City Council approved a rezoning, making way for approximately 650 additional residential units. It is estimated that this area still has the capacity for approximately 3,000 more residential units.



Olde Town Arvada Station

The Olde Town Arvada Station area surrounds the Regional Transportation District’s commuter rail transit line stop, called the G Line. The G Line, which opened in April 2019, connects Arvada to Denver Union Station. There was already substantial redevelopment in anticipation of the G Line. Park Place, an upscale multi-family apartment project with 153 units, is fully leased. Solana, a state-of-the-art apartment complex with 352 units that offers high-end amenities, is located across the street from the Olde Town Station. Both apartment projects are close to the retail shops, restaurants and services in Olde Town and have easy access to the Denver metro area via the G Line. This area also had an existing movie theater that was purchased by Harkins

**Arvada Urban Renewal Authority
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Theatres which invested over \$8 million to renovate the theater. The newly renovated theater opened in 2018 and has many upgraded amenities. Unfortunately, the theater was closed in March of 2020 due to the COVID-19 pandemic. Revenues in 2021 increased 100% from 2020 but are still down 50% from pre-COVID-19 revenues.

The City of Arvada (the City) and the Authority continue to work with a developer for a transit-oriented development on the nine acre site just south of Olde Town. The Residences at Olde Town Station will add 252 additional units to this area. The groundbreaking was held in October 2021 with an estimated completion date in March 2024. Another phase of this development is construction of a 130-unit Residence Inn by Marriott along with 15,000 square feet of retail. Future tenants are Snooze an A.M. Eatery, Smashburger, Parry's Pizzeria & Taphouse, and Cava. The retail plans to open first quarter of 2023. Only one 1,200 square foot space is available to lease. The hotel is less than a mile away from the Hilton Garden Inn but brings another hotel choice to visitors to the City of Arvada. The hotel is estimated to be completed by second quarter 2024.

The Authority is also working on a project in the heart of Olde Town to redevelop an old church. The developer is planning to renovate and add onto the existing church which will house additional retail space in the area that is blocks from the G Line and frequented by residents of the new apartment complexes and existing single family homes. This project was on hold due to the COVID-19 pandemic, but the building is now under contract.

The Authority is also partnering with the City to bring a historical asset to Olde Town. The No. .04 Denver Tramway Streetcar, called the "trolley," served the community of Arvada for decades with the direct link from Olde Town to downtown Denver. In 2021, the City of Arvada completed the restoration of the trolley to its appearance at its last run in 1950. The trolley will be placed in a park alongside the current G line tracks. The Authority contributed \$460,000 towards the park which is anticipated to be completed in the fall of 2022.

Ralston Fields

Ralston Fields is an urban renewal area that has been undergoing significant redevelopment. There are two major redevelopment activity areas. The first area is called Ralston Creek. The redevelopment started with a renovation to Ralston Central Park by the City that is on the eastern border of this urban renewal area. The commercial area consists of three shopping centers that were built in the 1960s which are old and outdated. One shopping center is now anchored by Super Walmart. Revenues in this area decreased 1.3% in 2021 but represent a 1.3% increase from pre-COVID-19 revenues. In this same area, there is also an undeveloped strip that the Authority and a developer are working on to create a new affordable rental housing development called Ralston Gardens. The Authority purchased this parcel of land and will sell it to the developer when the project is approved. The developer will be receiving tax credits to help support this 102 unit development targeted towards households with incomes between 30% and 80% of the area median income. This project is expected to break ground late 2022. The Authority is also working with a developer on Paseo Place apartments, which will have 36 multi-family units. The Authority is also investing \$2,500,000 to create a linear park that links the neighborhood to the south of Ralston Creek with all new amenities along Ralston Road, the park will have demonstration gardens, a water feature and seating areas to view the mountains and gardens.

The Authority is working with a developer on the second and third shopping centers. Phase 1 is the Shops at Ralston Creek which includes four retail buildings totaling 30,000 square feet. All but

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2021**

one space is leased. Revenues increased 4.9% from 2020 and an increase of 2.4% from pre-COVID-19 revenues, which demonstrates the popularity of this center.

Phase 2 is the Ralston Commons, a mixed use development that includes 30 for-sale townhomes and a 186 unit apartment complex and 6,000 square feet of retail which is expected to be completed in 2024. This will replace the old 1960 shopping area and a former gas station. Also included in this phase is Berkeley Homes which will have 44 for-sale townhomes which broke ground early 2022.

These areas are in close proximity to the City of Arvada \$17,000,000 Ralston Road street widening project. This project was the number one ranked project by the Citizen Capital Improvement Project Committee. The Authority contributed \$3,500,000 towards the streetscape of Ralston Road. The elements of the streetscape include pedestrian lights, monuments and district markers, landscaped medians, and an enhancement at Wolff Park. The Ralston Road streetscape will bring a fresh new look that encourages pedestrian walkability between shopping and restaurant areas and the multi-family housing.

The second area is the Arvada Ridge development. Phase 1 of this area was the Arvada Ridge Market place which is a retail center anchored by a Super Target that opened in 2006. A Public Improvement Fee (PIF) in lieu of sale tax was initiated in this area to assist the developer in the public infrastructure. Because of the success of this development, the developer paid off their bonds in 2020, eight years ahead of schedule. The PIF now reverts back to sales tax and the Authority will receive the tax increment in this area until 2028. Phase 2 is Arvada Station, a 380 unit market-rate, multi-family apartment complex located across the street from the Arvada Ridge commuter rail station of the G Line. Phase 3 of Arvada Ridge is Gateway apartments, a 298 unit market-rate multi-family apartment complex within walking distance of the Arvada Ridge commuter rail station and Red Rocks Community College. This apartment complex has now been open for over a year. In addition, a public park is planned for the area. Phase 1 of this park will complete the base structure including irrigation, grading and undergrounding of utilities. The design will be completed in 2022 and the City will look to complete funding of this phase.

A new project in the Ralston Fields area is Caroline at Ralston. This is a 348 unit mixed use development that will be built on the site of a former Kmart that has sat vacant for many years. The development will also include 10,000 square feet of retail space and a 1 acre public park with 5% of the units reserved as affordable. Construction is expected to begin the summer of 2022.

Village Commons

The Village Commons project area lies within a quarter mile of the G Line. In 2015, the Authority sold a parcel of land in this project area for the first hotel in the Olde Town area. Hilton Garden Inn opened in March of 2017 and has 136 rooms and a small conference center. The hotel has been a welcome addition to the City of Arvada accommodating visitors to the Arvada Center and Stenger/Lutz and APEX athletic facilities. The conference center is also a new venue for weddings, reunions, charity events and business meetings. Revenues in this area were severely impacted by the COVID-19 pandemic: however, revenues increased 100% in 2021, which are still down 15% from pre-COVID-19 revenues, but are continuing to rebound.

Jefferson Center

The Jefferson Center urban renewal area was established in 2003 and generates property tax revenues to support Northwest Arvada.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2021**

Financial Contact

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

Arvada Urban Renewal Authority
Attention: Executive Director
5601 Olde Wadsworth Blvd., Suite 210
Arvada, Colorado 80002

DRAFT 04/26/2022

Financial Statements

Arvada Urban Renewal Authority
Statement of Net Position
December 31, 2021

Assets

Cash and investments	\$ 8,467,174
Fees receivable	1,019,004
Taxes receivable	22,075,000
Property held for resale	<u>1,002,479</u>
Total assets	<u>32,563,657</u>

Liabilities, Deferred Inflows of Resources and Net Position

Liabilities

Accounts payable	504,947
Accrued liabilities	81,984
Due in one year	650,116
Due in more than one year	<u>4,591,978</u>
Total liabilities	<u>5,829,025</u>

Deferred Inflows of Resources

Property taxes	<u>22,075,000</u>
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Net Position

Restricted for capital projects	552,106
Unrestricted	<u>4,107,526</u>
Total net position	<u>\$ 4,659,632</u>

Arvada Urban Renewal Authority
Statement of Activities
Year Ended December 31, 2021

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net Revenue (Expense) and Change in Net Position Governmental Activities 2021</u>
Functions/Programs			
Primary government			
Governmental activities			
General government	\$ 931,883	\$ -	\$ (931,883)
Redevelopment projects	21,424,542	7,500	(21,417,042)
Interest expense	143,807	-	(143,807)
	<u>\$ 22,500,232</u>	<u>\$ 7,500</u>	<u>(22,492,732)</u>
General Revenues			
Incremental property taxes			21,207,234
Public improvement fees			3,023,417
Sales taxes			1,764,844
Lodging taxes			103,128
Investment income			5,470
			<u>26,104,093</u>
Change in Net Position			3,611,361
Net Position, Beginning of Year			<u>1,048,271</u>
Net Position, End of Year			<u>\$ 4,659,632</u>

**Arvada Urban Renewal Authority
Balance Sheet
Governmental Funds
December 31, 2021**

	General	Jefferson Center District	Ralston Fields	Northwest Arvada	Olde Town	Village Commons	Total
Assets							
Cash and investments	\$ 1,817,595	\$ 158,189	\$ 4,075,309	\$ -	\$ 1,307,435	\$ 1,108,646	\$ 8,467,174
Due from other funds	123,077	-	192,585	115,466	-	-	431,128
Fees receivable	258	-	909,908	-	-	108,838	1,019,004
Taxes receivable	-	2,784,000	2,472,000	15,558,000	939,000	322,000	22,075,000
Property held for resale	11	-	1,002,468	-	-	-	1,002,479
	<u>1,940,941</u>	<u>2,942,189</u>	<u>8,652,270</u>	<u>15,673,466</u>	<u>2,246,435</u>	<u>1,539,484</u>	<u>32,994,785</u>
Total assets							
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	73,638	35,191	339,874	-	15,100	41,144	504,947
Accrued liabilities	15,105	-	66,879	-	-	-	81,984
Due to other funds	308,051	122,998	-	-	79	-	431,128
	<u>396,794</u>	<u>158,189</u>	<u>406,753</u>	<u>-</u>	<u>15,179</u>	<u>41,144</u>	<u>1,018,059</u>
Total liabilities							
Deferred Inflows of Resources							
Unavailable revenue - property taxes	-	2,784,000	2,472,000	15,558,000	939,000	322,000	22,075,000
Fund Balances							
Nonspendable for property held for sale	11	-	1,002,468	-	-	-	1,002,479
Restricted	-	-	-	115,466	-	436,640	552,106
Assigned	79	-	4,771,049	-	1,292,256	739,700	6,803,084
Unassigned	1,544,057	-	-	-	-	-	1,544,057
	<u>1,544,147</u>	<u>-</u>	<u>5,773,517</u>	<u>115,466</u>	<u>1,292,256</u>	<u>1,176,340</u>	<u>9,901,726</u>
Total fund balances							

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

Long-term liabilities including notes payable (\$5,227,737) and compensated absences (\$14,357) are not due and payable with current economic resources and, therefore, are not reported in the funds.	<u>(5,242,094)</u>
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Net position of governmental activities	<u><u>\$ 4,659,632</u></u>
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Arvada Urban Renewal Authority
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended December 31, 2021

	General	Jefferson Center District	Ralston Fields	Northwest Arvada	Olde Town	Village Commons	Total
Revenues							
Incremental property taxes	\$ -	\$ 2,535,092	\$ 2,626,212	\$ 14,735,427	\$ 897,596	\$ 412,907	\$ 21,207,234
Public improvement fees	-	-	3,023,417	-	-	-	3,023,417
Incremental sales taxes	-	-	1,336,170	-	254,304	174,370	1,764,844
Lodging taxes	-	-	-	-	-	103,128	103,128
Rent	-	-	-	-	7,500	-	7,500
Investment income	5,027	-	443	-	-	-	5,470
Recovered costs	-	-	747	-	30	-	777
Total revenues	<u>5,027</u>	<u>2,535,092</u>	<u>6,986,989</u>	<u>14,735,427</u>	<u>1,159,430</u>	<u>690,405</u>	<u>26,112,370</u>
Expenditures							
Current							
General government	544,887	38,158	105,552	221,032	22,281	6,194	938,104
Redevelopment projects	30	2,337,932	3,677,570	14,090,305	1,216,354	103,128	21,425,319
Debt service							
Principal payments	-	-	471,213	-	-	145,079	616,292
Interest and fiscal charges	-	-	120,540	-	-	23,267	143,807
Total expenditures	<u>544,917</u>	<u>2,376,090</u>	<u>4,374,875</u>	<u>14,311,337</u>	<u>1,238,635</u>	<u>277,668</u>	<u>23,123,522</u>
Excess of revenues over (under) expenditures	<u>(539,890)</u>	<u>159,002</u>	<u>2,612,114</u>	<u>424,090</u>	<u>(79,205)</u>	<u>412,737</u>	<u>2,988,848</u>
Other Financing Sources (Uses)							
Transfers in	539,890	-	-	-	-	-	539,890
Transfers out	-	(159,002)	-	(380,888)	-	-	(539,890)
Total other financing sources (uses)	<u>539,890</u>	<u>(159,002)</u>	<u>-</u>	<u>(380,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	2,612,114	43,202	(79,205)	412,737	2,988,848
Fund Balances, Beginning of Year	<u>1,544,147</u>	<u>-</u>	<u>3,161,403</u>	<u>72,264</u>	<u>1,371,461</u>	<u>763,603</u>	<u>6,912,878</u>
Fund Balances, End of Year	<u>\$ 1,544,147</u>	<u>\$ -</u>	<u>\$ 5,773,517</u>	<u>\$ 115,466</u>	<u>\$ 1,292,256</u>	<u>\$ 1,176,340</u>	<u>9,901,726</u>

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

Payment of long-term obligations is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. This amount represents the net decrease in compensated absences (\$6,221) and decrease in notes payable (\$616,292).

622,513

Change in net position of governmental activities

\$ 3,611,361

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Arvada Urban Renewal Authority (the Authority or AURA) was created in 1981 by the City of Arvada (the City) pursuant to the Urban Renewal Law of the state of Colorado. The Authority was created for the development, redevelopment and rehabilitation of identified blighted areas within the City, and to provide necessary, greater and reasonable economic utilization of such areas. Specifically, the Authority promotes adequate public facilities and improved traffic patterns to eliminate traffic and pedestrian hazards within the areas; ensures sound social, physical and economic growth within the City; and provides a sound economic base for the community. The Authority is governed by a seven-member Board of Commissioners whose members are appointed by the Mayor of the City.

The initial urban renewal area covered 433 acres of land on either side of Wadsworth Boulevard from downtown to U.S. Interstate 70. The debt and incremental revenues related to this area concluded during 2006.

During 2003, the City Council established two additional urban renewal areas known as Ralston Fields and Jefferson Center District. During 2008 and 2009, the City Council established the urban renewal areas known as Village Commons, Northwest Arvada, and Olde Town Station. Separate funds were established for the Northwest Arvada renewal area in 2011, the Olde Town renewal area in 2013, and the Village Commons renewal area in 2017. The 25-year urban renewal plans intend to enhance, redevelop, and revitalize these areas.

The Authority operates under an Intergovernmental Agreement with the City whereby the City provides the Authority with employees (*i.e.* – “positions”) to carry out its operations. The cost of the employees are reimbursed by the Authority.

Accounting Principles

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Authority has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The Authority would be financially accountable for organizations that make up its legal entity. It would also be financially accountable for legally separate organizations if the Authority officials appoint a voting majority of the organization’s governing body and is able to impose its will on that organization; or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Authority. The Authority may also be financially accountable for organizations that are fiscally dependent upon it.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Based on the application of the above criteria, the Authority does not include additional organizations in its reporting entity. For financial reporting purposes, the Authority is a component unit of the City.

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 activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Authority.

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

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

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

In the fund financial statements, the Authority reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.
- Jefferson Center District – The Jefferson Center District Fund is a special revenue fund used to account for the financial activities related to this urban renewal area.
- Ralston Fields – The Ralston Fields Fund is a special revenue fund used to account for the financial activities of this urban renewal area, which includes the Arvada Ridge public improvement area.
- Northwest Arvada – The Northwest Arvada Fund is a special revenue fund used to account for the financial activities of this urban renewal area.
- Olde Town – The Olde Town Fund is a special revenue fund used to account for the financial activities of this urban renewal area.
- Village Commons – The Village Commons Fund is a special revenue fund used to account for the financial activities of this urban renewal area.

Assets, Liabilities, Deferred Inflows of Resources and Fund Balances/Net Position

Investments – Investments in the local government investment pool are reported at net asset value and investments in certificates of deposit and money market mutual funds are reported at amortized cost.

Property Held for Resale – The Authority holds land and buildings that are available for resale. The property is reported at the lower of cost or net realizable value. In the fund financial statements, property held for resale is offset by a non-spendable fund balance to indicate that it is not available for appropriation and is not an expendable available financial resource.

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax receivables are reported as a deferred inflow of resources when levied.

Compensated Absences – Positions of the Authority are allowed to accumulate unused vacation and sick time. Upon termination of employment from the Authority, an employee will be compensated for accrued vacation time.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

These compensated absences are recognized as current salary costs when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued vacation time.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Fund Balances – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), defines the different types of fund balances that a governmental entity must use for financial reporting purposes. Per GASB 54, as of December 31, 2021 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 Authority had \$1,002,479 for property held for sale.
- Restricted – Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. As of December 31, 2021, \$552,106 has been classified as restricted, based on the restricted use of property taxes, for redevelopment activity in the Northwest Arvada and Village Commons urban renewal areas.
- Committed – Amounts that are subject to a purpose constraint imposed by a formal action of the Board of Commissioners. The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified or rescinded only through resolutions approved by the Board. The Authority does not have any committed fund balance.
- Assigned – Amounts that are subject to a purpose constraint that represents an intended use established by the Authority but are not considered restricted or committed. The purpose of the assignment must be narrower than the purpose of the General Fund. As of December 31, 2021, \$6,803,084 has been classified as assigned for redevelopment activity in the Ralston Fields, Olde Town and Village Commons urban renewal areas.
- Unassigned – Represents the residual classification for the Authority’s General Fund, which could report a surplus or deficit, and any other fund deficits. The Authority has \$1,544,057 of unassigned fund balance in the General Fund.

Arvada Urban Renewal Authority
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When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered expended. For expenditures in which any unrestricted fund balance classification could be used, committed fund balance is considered first expended, then assigned, then unassigned.

Incremental Property Taxes

As allowed by state statute, the Authority receives revenue from incremental property taxes that are collected from a designated geographical area as defined in the urban renewal plan by the City. Property tax revenue is earned from the geographical area based upon the increase in assessed valuation of taxable property within the area.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits them to the Authority on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources are reported at year-end.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to positions; and natural disasters. For these risks of loss, the Authority participates in the City's risk programs.

Use of Estimates in Preparation of Financial Statements

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 the reported amounts of assets, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Note 2: Cash and Investments

Cash and investments of the Authority as of December 31, 2021, are as follows:

Petty cash	\$	250
Cash deposits		6,714,121
Certificates of deposit, short-term		338,561
Colorado Statewide Investment Program (CSIP)		1,055,986
Money market mutual fund with broker		<u>358,256</u>
	\$	<u><u>8,467,174</u></u>

Arvada Urban Renewal Authority
Notes to Financial Statements
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At December 31, 2021, the Authority invested in CSIP, a local government investment pool. The valuation of the investment is measured at net asset value and is designed to approximate the share value. The pool's Board of Trustees, elected by the participants, is responsible for overseeing the management of the investment pool, including establishing operating standards and policies. CSIP is designed to provide local governments with a convenient method for investing in short-term investments carefully chosen to provide maximum safety and liquidity, while still maximizing interest earnings. At December 31, 2021, the Authority also invested in a money market mutual fund with a broker which is held at cost. At December 31, 2021, there were no restricted cash or investments reflected on the statement of net position.

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2021, the Authority had bank deposits with a carrying balance of \$7,052,682. The bank balances were \$7,088,326, of which \$500,000 was covered by the federal deposit insurance and \$6,588,326 was collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Investments

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

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

- U.S. Treasury Securities.
- Obligations of U.S. government agencies (including FDIC and FSLIC insured transactions up to \$100,000).
- Certificates of deposit and other evidences of deposit or investment at banks, savings and loan associations, and other state or federally regulated financial institutions subject to PDPA (5%) and a minimum net worth of any bank of \$10,000,000 and a minimum net worth of any savings and loan association of \$15,000,000.
- Repurchase agreements made in compliance with Revised Colorado State Statute 24-36-113. Repurchase collateral will be perfected and delivered to the Trustee.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

- Repurchase agreements must be collateralized at a minimum of 100% of the purchase price of the repurchase agreement and mark-to-market on a weekly basis. All repurchase agreements shall be evidenced by a master repurchase agreement between the Authority and securities dealer.
- Money market funds – Investments with any financial institutions that have appeared in any published watch list during a 12-month period preceding the investment date in an amount greater than \$100,000 are specifically prohibited.

The Authority's investment policy follows state statutes, but places additional limits on investment maturities and custodial credit risk.

Interest Rate Risk – The Authority'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 have either assets of one billion dollars or the highest rating issued by a nationally recognized organization that regularly rates such obligations.

Custodial Credit Risk – The Authority'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 the Authority may invest in one issuer.

At December 31, 2021, the Authority invested 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 and each share is equal to \$1.00. The value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. The Authority's investment in CSIP is rated AAAM by S&P Global Ratings. CSIP is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Separately issued financial statements may be obtained at the following address:

Colorado Statewide Investment Program
633 17th Street, Suite 2250
Denver, Colorado 80202

At December 31, 2021, the Authority also invested in the Invesco Premier U.S. Government Cash Management money market mutual fund which was rated AAAM by S&P Global Ratings.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Note 3: Long-term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Due Within One Year
City of Arvada notes payable	\$ 5,844,029	\$ -	\$ (616,292)	\$ 5,227,737	\$ 633,607
Compensated absences	20,578	21,092	(27,313)	14,357	16,509
	<u>\$ 5,864,607</u>	<u>\$ 21,092</u>	<u>\$ (643,605)</u>	<u>\$ 5,242,094</u>	<u>\$ 650,116</u>

City of Arvada Notes Payable

In February 2010, the City and the Authority entered into an intergovernmental agreement in which the City loaned the Authority \$2,745,000 at a simple interest rate of 3.5% through April 2012. Interest payments are due monthly with the principal balance due upon maturity. The agreement required that upon the sale of the related property held for resale, the note would become due and payable in full. The Authority obtained previous one-year amendments extending the maturity date through April 2015. During 2015, the property was sold and the note with the City was amended. Under the amended note, the Authority made a lump-sum payment of \$500,000 at the time of the sale and the remaining balance of \$2,245,000 will be paid in monthly installments beginning January 2016 and continuing through November 2030 at a simple interest rate of 1.5%. The loan's balance at December 31, 2021 was \$1,406,060 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.

In June 2016, the City and the Authority entered into a second intergovernmental agreement in which the City loaned the Authority \$5,000,000 at a simple interest rate of 3.0% through June 2028. Interest payments are due monthly beginning in June 2017 through 2028. Principal and interest will be payable monthly thereafter until maturity. The loan's balance at December 31, 2021 was \$3,821,677 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.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

The following schedule reflects the debt service requirements of the Authority’s long-term debt payable to the City of Arvada as of December 31, 2021:

Year	Principal	Interest
2022	\$ 633,607	\$ 150,986
2023	650,406	134,644
2024	667,443	117,844
2025	685,424	100,807
2026	703,677	82,826
2027-2030	1,887,180	140,146
	\$ 5,227,737	\$ 727,253

Compensated Absences

Compensated absences are expected to be liquidated with revenues of the General Fund.

Note 4: Interfund Receivables, Payables and Transfers

Interfund receivables and payables at December 31, 2021, were as follows:

Receivable Fund	Payable Fund	Balance
General	Jefferson Center District	\$ 122,998
General	Olde Town	79
Ralston Fields	General	192,585
Northwest	General	115,466
		\$ 431,128

Interfund transfers for the year ended December 31, 2021, were as follows:

Transfers In	Transfers Out	Balance
General	Jefferson Center District	\$ 159,002
General	Northwest Arvada	380,888
		\$ 539,890

During the year ended December 31, 2021, there were certain budgeted funds transfers to support operations and redevelopment activities for the major funds, or to support administrative costs for the general fund.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Note 5: Related-party Transactions

The Authority incurred approximately \$393,682 for payroll and other expenses paid by the City on behalf of the Authority and reimbursed by the Authority.

The Authority is indebted to the City in the amount of \$5,227,737 (see Note 3). During the year ended December 31, 2021, \$143,807 of interest was paid and \$66,879 was accrued to the City, included in accrued liabilities, related to these notes.

Fees receivable of \$1,019,004 are due from the City as the City receipts the funds and transfers the funds into the Authority's pooled cash.

The Authority entered into an agreement with the City to grant \$3,500,000 for the Ralston Road Street Scape reconstruction project. The first disbursement in the amount of \$1,750,00 was made in 2020 and the second disbursement of \$1,750,000 was made in 2021.

Note 6: Retirement Plans

Positions of the Authority are eligible to participate in the City's retirement plans. The City has adopted separate retirement plans (the Plans) covering all positions, 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 date, their net assets will be used to provide participants' benefits. Upon such termination, the assets of the Plans are to be allocated for the benefit of each participant and the beneficiary in a manner approved by the Internal Revenue Service. The plan applicable to Authority positions is detailed in the following section.

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 full-time and part-time City employees are eligible to participate in CARP, except for uniformed police officers, the City Manager and his staff, the City Attorney, and department heads (who elect to participate in the Executive Retirement Plan). Two positions of the Authority were participants in CARP as of December 31, 2021.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Employer contributions vest with the employee according to the following:

Years of Service	Vesting Percentages
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 City 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. City employees hired on or before April 2, 2004 had a choice of receiving a flat rate 10% contribution or receiving an age-weighted, graduated retirement contribution up to a maximum of 15%. The maximum permissible contribution is the lesser of \$54,000, or 100%, of the participant's earnings for the plan year.

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; in substantially equal annual, semiannual, quarterly or monthly installments; through the purchase of an immediate or deferred single payment, non-transferable annuity contract; or by a combination of the above. Plan provisions and contribution requirements are established and may be amended by the City Council.

The required Authority contribution of \$15,218 and employee contributions of \$10,290 were paid during 2021. These contributions represent 11.8% and 8.0% of total covered payroll, respectively. The administration of the plan is provided by Fidelity.

City of Arvada Retirement Plan – Executive Retirement Plan

The City provides retirement benefits for the City Manager, the City Attorney, the Municipal Judge and Department Heads through a separate defined contribution plan. Qualified City employees are eligible to participate from the date of employment. One position of the Authority was a participant in the Executive Plan as of December 31, 2021.

Under the plan, the City contributes an amount equal to 10.02% of the participant's base salary. The employee covered by this plan is required to make an 8.00% contribution in 2021. City employees covered under this plan are vested upon date of hire. City employees who leave employment with the City are entitled to all contributions and interest earnings. Plan provisions and contribution requirements are established and may be amended by City Council.

For the year ended December 31, 2021, the Authority contributed \$16,569 for the benefit of one participant in the Plan and the employee contributed \$12,722, as required. The plan is administered by Fidelity.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Note 7: Risk Management

The Authority is covered under the City’s Risk Management program and the Colorado Governmental Immunity Act. The City is self-insured for medical coverage as well as occurrences of general liability and auto liability claims, which are subject to the Colorado Governmental Immunity Act, which limits recoveries to \$387,000 per person and \$1,093,000 per incident. General Liability and Excess Auto Liability coverage is \$1,000,000 with a \$500,000 retention coverage for damage the City is legally obligated to pay because of Bodily Injury or Property Damage caused by an occurrence. Property coverage has \$100,000 per occurrence except for \$250,000 Data Service Provider and Owned Network Interruption, and 5% wind and/or hail per location subject to a \$250,000 minimum per location. The self-insured workers’ compensation program maintains a retention of \$750,000 with a limit of \$1,000,000 per occurrence. There have been no losses or settlements that exceed any of the insured retention limits in the last three years. As the City commits itself to funding any deficiencies in the risk management program, no liability is recorded in the Authority’s financial statements.

Note 8: Commitments and Contingencies

Property Held for Resale

As of December 31, 2021, the Authority had entered into various Disposition and Development Agreements (DDA) to sell all remaining property held for resale.

Lessee Reporting

The Authority entered into an operating lease for office space. Rent expense, including annual maintenance expenses, for the year ended December 31, 2021, was \$57,401.

Minimum rental commitments under this lease are as follows:

2022	\$	39,736
2023		<u>33,921</u>
	\$	<u><u>73,657</u></u>

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 to the State Constitution, known as the Tabor Amendment, which limits state and local government tax powers and imposes spending limitations. The Authority believes it is not subject to the Tabor Amendment based upon *Marian L. Olson v. City of Golden, et al.*, 53 P.3d 747 (Co. App.), certiorari denied.

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2021

Developer Agreements

The Authority, under the Urban Renewal Law of the State of Colorado, has entered into various 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, 2021, the Authority had entered into nine DDAs expiring from 2025 to 2035. During the year ended December 31, 2021, the Authority rebated property tax of \$17,215,734, PIF of \$977,058 and lodging tax of \$103,128. These rebates are recorded in redevelopment project expenses/expenditures on the statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Authority. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 9: Subsequent Events

Subsequent to year-end, the Authority entered into the following transactions:

- The Authority purchased commercial property, totaling approximately \$1.175 million, to be used for their new administrative office.
- In connection with various urban renewal projects, the Authority entered into a third loan agreement with the City of Arvada for an \$8 million loan bearing a 3% simple annual interest rate and maturing March 2025. The Authority will be required to make annual principal and interest payments and may extend the term of the loan for up to four one-year terms.

Required Supplementary Information

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Investment income	\$ -	\$ -	\$ 5,027	\$ 5,027
Expenditures				
Current				
General government	585,565	585,565	544,887	40,678
Redevelopment projects	-	-	30	(30)
Total expenditures	<u>585,565</u>	<u>585,565</u>	<u>544,917</u>	<u>40,648</u>
Excess of revenues over (under) expenditures	<u>(585,565)</u>	<u>(585,565)</u>	<u>(539,890)</u>	<u>45,675</u>
Other Financing Sources (Uses)				
Transfers in	<u>586,000</u>	<u>586,000</u>	<u>539,890</u>	<u>(46,110)</u>
Net Change in Fund Balance	435	435	-	(435)
Fund Balance, Beginning of Year	<u>1,544,147</u>	<u>1,544,147</u>	<u>1,544,147</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,544,582</u></u>	<u><u>\$ 1,544,582</u></u>	<u><u>\$ 1,544,147</u></u>	<u><u>\$ (435)</u></u>

**Arvada Urban Renewal Authority
 Budgetary Comparison Schedule
 Jefferson Center District Fund
 Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 1,650,000	\$ 1,650,000	\$ 2,535,092	\$ 885,092
Expenditures				
Current				
General government	36,200	36,200	38,158	(1,958)
Redevelopment projects	11,923,800	11,923,800	2,337,932	9,585,868
Total expenditures	11,960,000	11,960,000	2,376,090	9,583,910
Excess of revenues over (under) expenditures	(10,310,000)	(10,310,000)	159,002	10,469,002
Other Financing Sources (Uses)				
Transfers in	10,456,000	10,456,000	-	(10,456,000)
Transfers out	(146,000)	(146,000)	(159,002)	(13,002)
Total other financing sources (uses)	10,310,000	10,310,000	(159,002)	(10,469,002)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

**Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Ralston Fields Fund
Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 1,678,000	\$ 1,678,000	\$ 2,626,212	\$ 948,212
Incremental sales taxes	-	-	1,336,170	1,336,170
Public improvement fee	2,380,000	2,380,000	3,023,417	643,417
Investment income	35,000	35,000	443	(34,557)
Recovered costs	300,000	300,000	747	(299,253)
	<u>4,393,000</u>	<u>4,393,000</u>	<u>6,986,989</u>	<u>2,593,989</u>
Expenditures				
Current				
General government	76,000	76,000	105,552	(29,552)
Redevelopment projects	2,319,000	3,819,000	3,677,570	141,430
Principal payments	471,213	471,213	471,213	-
Interest and fiscal charges	128,787	128,787	120,540	8,247
	<u>2,995,000</u>	<u>4,495,000</u>	<u>4,374,875</u>	<u>120,125</u>
Excess of revenues over (under) expenditures	<u>1,398,000</u>	<u>(102,000)</u>	<u>2,612,114</u>	<u>2,714,114</u>
Other Financing Sources (Uses)				
Transfers out	<u>(61,000)</u>	<u>(61,000)</u>	<u>-</u>	<u>61,000</u>
Net Change in Fund Balance	1,337,000	(163,000)	2,612,114	2,775,114
Fund Balance, Beginning of Year	<u>3,161,403</u>	<u>3,161,403</u>	<u>3,161,403</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,498,403</u>	<u>\$ 2,998,403</u>	<u>\$ 5,773,517</u>	<u>\$ 2,775,114</u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Northwest Arvada Fund
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 11,000,000	\$ 11,000,000	\$ 14,735,427	\$ 3,735,427
Expenditures				
Current				
General government	165,000	165,000	221,032	(56,032)
Redevelopment projects	-	4,000,000	14,090,305	(10,090,305)
Total expenditures	165,000	4,165,000	14,311,337	(10,146,337)
Excess of revenues over (under) expenditures	10,835,000	6,835,000	424,090	(6,410,910)
Other Financing Sources (Uses)				
Transfers out	(10,835,000)	(10,835,000)	(380,888)	10,454,112
Net Change in Fund Balance	-	(4,000,000)	43,202	4,043,202
Fund Balance, Beginning of Year	72,264	72,264	72,264	-
Fund Balance, End of Year	<u>\$ 72,264</u>	<u>\$ (3,927,736)</u>	<u>\$ 115,466</u>	<u>\$ 4,043,202</u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Olde Town Fund
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental sales taxes	\$ 250,000	\$ 250,000	\$ 254,304	\$ 4,304
Incremental property taxes	930,000	930,000	897,596	(32,404)
Other	-	-	7,500	7,500
Recovered costs	-	-	30	30
	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,159,430</u>	<u>(20,570)</u>
Total revenues				
Expenditures				
Current				
General government	50,000	50,000	22,281	27,719
Redevelopment projects	<u>1,380,000</u>	<u>1,380,000</u>	<u>1,216,354</u>	<u>163,646</u>
	<u>1,430,000</u>	<u>1,430,000</u>	<u>1,238,635</u>	<u>191,365</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(250,000)</u>	<u>(250,000)</u>	<u>(79,205)</u>	<u>170,795</u>
Net Change in Fund Balance	(250,000)	(250,000)	(79,205)	170,795
Fund Balance, Beginning of Year	<u>1,371,461</u>	<u>1,371,461</u>	<u>1,371,461</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,121,461</u></u>	<u><u>\$ 1,121,461</u></u>	<u><u>\$ 1,292,256</u></u>	<u><u>\$ 170,795</u></u>

**Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Village Commons Fund
Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental sales taxes	\$ 118,000	\$ 118,000	\$ 174,370	\$ 56,370
Incremental property taxes	410,000	410,000	412,907	2,907
Lodging taxes	78,000	78,000	103,128	25,128
Total revenues	<u>606,000</u>	<u>606,000</u>	<u>690,405</u>	<u>84,405</u>
Expenditures				
Current				
General government	7,000	7,000	6,194	806
Redevelopment projects	78,000	103,000	103,128	(128)
Principal payments	145,079	145,079	145,079	-
Interest and fiscal charges	23,267	23,267	23,267	-
Total expenditures	<u>253,346</u>	<u>278,346</u>	<u>277,668</u>	<u>678</u>
Excess of revenues over (under) expenditures	<u>352,654</u>	<u>327,654</u>	<u>412,737</u>	<u>85,083</u>
Net Change in Fund Balance	352,654	327,654	412,737	85,083
Fund Balance, Beginning of Year	<u>763,603</u>	<u>763,603</u>	<u>763,603</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,116,257</u></u>	<u><u>\$ 1,091,257</u></u>	<u><u>\$ 1,176,340</u></u>	<u><u>\$ 85,083</u></u>

**Arvada Urban Renewal Authority
Note to Budgetary Comparison Schedules
Year Ended December 31, 2021**

Note 1: Budgets and Budgetary Accounting

Annual budgets are adopted by the Board of Commissioners (the Board) on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except that general fund activity related to purchases and write-downs on property held for sale have no effect on budgetary accounting. All appropriations lapse at fiscal year-end.

Both the adopted budget and the level of appropriation (by fund) can be amended during the budget year. This action requires Board approval in the form of a resolution for a budgetary amendment.

**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

Board of Commissioners and Management
Arvada Urban Renewal Authority
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 and each major fund of Arvada Urban Renewal Authority (the Authority), a component unit of the City of Arvada, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Commissioners and Management
Arvada Urban Renewal Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

The purpose of this communication 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 Authority’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 Authority’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denver, Colorado

AURA Flash Report
Balances as of March 31, 2022

FOR DISCUSSION PURPOSES ONLY
UNOFFICIAL & UNAUDITED

CASH & INVESTMENTS

<u>Wells Fargo Bank</u>		Account Balance	Hold	Net to AURA
General - Checking (0193)		489,110	-	489,110
Ralston Fields - Checking (4061)		3,866,044	(650,000)	3,216,044
Ralston Fields Investments (9353)		358,265	-	358,265
Olde Town Station - Checking (0895)		1,717,070	(350,000)	1,367,070
Village Commons - Checking (0887)		1,121,529	-	1,121,529
<u>First Bank of Arvada</u>			% change from prior period	
1.50%	CD Maturity 10/11/2022 (4548)	339,787	0.36%	339,787
<u>CSIP</u>				
	Ralston Fields Fund (9003)	1,056,257	0.0211%	1,056,257
NET CASH AVAILABLE TO AURA				7,948,062

REAL ESTATE OWNED

Date Acq.	Name	Address	Purchase Price	Debt/Discount	Net Value
2016	Arvada Square	9465 Ralston Road	4,963,065	4,963,064	1
2020	Gas Station	9205 W 58th Ave	3,000,000	2,999,990	10
2020	City Stores	5790 Garrison St	10	0	10
2021	IRG Outparcel	9250 W 58th Ave	1,000,000	0	1,000,000
2022	AURA Office Building	5603 Yukon St	1,175,000	0	1,175,000
NET VALUE OF REAL ESTATE OWNED					2,175,021

LONG TERM PAYABLES

Loan	Loan Start Date / Term Date	Original Loan Balance	Payments	Current Loan Balance
Arvada Square	June 1, 2016 / June 1, 2028	5,000,000	1,178,323	3,821,677
Brooklyn's	January 1, 2016 / January 1, 2030	2,745,000	1,219,831	1,525,169
Tabernacle - Underground Utilities	2021	350,000	0	350,000
Wheat Ridge	2006/2024	1,800,000	1,600,000	200,000
NET LONG TERM PAYABLES				\$5,896,845

GROSS INCOME & EXPENSES BY FUND As of March 31, 2022

	2022 BUDGET		Actual Revenues YTD	Actual Expenses YTD
	Revenue	Expenses		
Ralston Fields	15,864,000	17,675,000	1,282,099	261,183
Olde Town Station	1,180,000	1,417,000	433,131	8,397
Jefferson Center	16,760,000	16,760,000	919	963
Northwest Arvada	15,383,000	15,435,000	7,056,635	6,730,173
Village Commons	644,000	769,346	61,569	15,382
TOTALS	49,831,000	52,056,346	\$8,834,353	\$7,016,098

GENERAL FUND EXPENSES As of March 31, 2022

	2021 Budget	Expended YTD
Operating Expenses	612,483	1,297,605
TOTAL EXPENSES	\$612,483	\$1,297,605