



PUBLIC NOTICE OF REGULAR MEETING

The Arvada Urban Renewal Authority (AURA) Board of Commissioners will hold its regular board meeting in a hybrid format that will allow for in-person attendance at 5603 Yukon Street, #B, Arvada, CO 80002, or virtual attendance via Zoom Webinar at **3:00 p.m.** on **Wednesday, May 1, 2024.**

Anyone wishing to attend virtually may register as follows:

Register in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_gt0V_8jnSAOMHYqoecVffQ



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 April 26, 2024. A recording of the meeting will be posted on AURA's website following the webinar.

Agenda information is attached.

Carrie Briscoe

Carrie Briscoe
Deputy Director/Recording Secretary

POSTED: April 26, 2024



REGULAR MEETING OF THE AURA BOARD OF COMMISSIONERS
5603 Yukon St, #B, Arvada, Colorado
3:00 p.m., Wednesday, May 1, 2024

AGENDA

REGULAR MEETING – 3:00 P.M.

1. Call to Order
2. Moment of Reflection and Pledge of Allegiance
3. Roll Call of Members
 - A. Election of Officers
 - B. Oath of Office for Elected Officers
4. Approval of the Summary of Minutes – April 3, 2024
5. Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit
6. Public Hearing – None
7. Study Session
 - A. Housing Study Presentation Mollie Fitzpatrick, Root Policy
8. Old Business
9. New Business
 - A. 2023 Financial Audit Steve Sauer – Managing Director, Forvis
10. Development Update
11. Public Comment – Five Minute Limit
12. Comments from Commissioners
13. Committee Reports
14. Staff Reports
15. Executive Session
 - A. Personnel Matters, Pursuant to CRS 24-6-402(4)(f), Maureen Phair
16. Adjournment

**SUMMARY OF MINUTES OF REGULAR BOARD MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, April 3, 2024
5603 Yukon St, Suite B, ARVADA, CO 80002**

REGULAR MEETING

1. **Call to Order** – Chair Paul Bunyard called the meeting to order at 3:00 p.m.
2. **Moment of Reflection**
3. **Roll Call of Commissioners**

Those Present: Chair Paul Bunyard, Vice Chair Peter Kazura, Treasurer Sue Dolan, Tim Steinhaus, Daria Drago, Eli Feret

Lauren Simpson arrived shortly after the roll call.

Absent: None

AURA staff present: Maureen Phair, Executive Director; Carrie Briscoe, Deputy Director; and Corey Hoffmann, Legal Counsel

4. **Approval of the Summary of Minutes – March 6, 2024**

Vice Chair Kazura made a motion to approve the March 6, 2024, board meeting minutes.

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret, Simpson

Voting No: None

5. **Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit**

None

6. **Public Hearing**

A. AR-24-04 A Resolution Amending the Arvada Urban Renewal Authority Budget for Fiscal Year 2023

Executive Director Phair explained to the board that the property tax revenue was greater than expected in the North Candelas Village Commons urban renewal areas. Additionally, an adjustment was made to the budget for Board event expenditures.

Commissioner Simpson asked how the additional revenue from the Candelas URA is used. Phair explained that it will be paid toward the Candelas bonds.

Commissioner Steinhaus made a motion to approve AR-24-04

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Simpson, Feret
Voting No: None

7. Study Session

A. Review/follow-up of the Board of Commissioner's Annual Retreat

Executive Director Phair reviewed the Board's discussion about first steps to enact future urban renewal areas. Phair discussed her work to implement the plan.

8. Old Business

None

9. New Business

Executive Director Phair presented to the board the following:

Arvada K8 school – met with City officials and expressed AURA's interest in the Arvada K8 school, Wolf Park (owned by Jeffco School district) and Community Table. Phair requested board approval to do an appraisal on the property in case an opportunity comes up to purchase it.

Legal counsel Hoffman explained the appraiser will explore the property's highest and best use to determine comparable properties for valuation.

Arvada Beer Hall – Mile High Investors is trying to get through the review process so they can break ground with an aim to open in the spring of 2025.

10. Development Update

Deputy Director Briscoe updated the board on work at the Garrison Garden Paseo and the need for briefly closing the Taco Bell drive-through once more to repair a sinkhole.

11. Public Comment – Five Minutes Limit

12. Comments from Commissioners

Commissioners Steinhaus and Simpson thanked the staff for planning and executing the retreat.

Commissioner Simpson shared with the board a legislative update about HB 24-1313, a bill requiring housing density around transit, and SB 24-106, a bill reforming Colorado construction defects laws.

13. Committee Reports

Chair Bunyard reported on the Housing Advisory Committee working with the city to incentivize development based on housing needs.

Vice Chair Kazura reported that the BID had a successful St Patrick's Day event.

14. Staff Reports

Phair presented the February Flash Report to the board.

Phair reported that the next board meeting will include board elections.

Phair reported Mayor Simpson will present the State of the City on April 19 and invited the board to attend.

15. Executive Session

A. Instructions to Negotiators, Pursuant to CRS 24-6-402(4)(e) Related to Ralston Commons

Commissioner Dolan motioned that the board move to an executive session concerning CRS 24-6-402(4)(e)

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret, Simpson

Voting No: None

B. Personnel Matters, Pursuant to CRS 24-6-402(4)(f), Maureen Phair

Commissioner Dolan motioned that the board move to an executive session concerning CRS 24-6-402(4)(f)

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret, Simpson

Voting No: None

16. Adjournment

Chair Bunyard adjourned the meeting at approximately 6 p.m.

Paul Bunyard, Chair

ATTEST:

Maureen Phair, Executive Director

Carrie Briscoe, Recording Secretary

FORVIS Report to the Board of Commissioners and Management

Arvada Urban Renewal Authority

Results of the 2023 Financial Statement Audit, Including Required Communications

December 31, 2023

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: <ul style="list-style-type: none"> As of and for the year ended December 31, 2023 Conducted in accordance with our contract dated January 17, 2024
Our Responsibilities	FORVIS is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.



Matter	Discussion
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: <ul style="list-style-type: none"> • Board of Commissioners and Management • City of Arvada • Identify any specified governmental authorities

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of December 31, 2023, on the following as required by GAGAS: <ul style="list-style-type: none"> • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable



Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management’s estimation process and our procedures for testing the reasonableness of those estimates include:

- Tax receivable
- Property held for resale
- Commitments and contingencies, particularly related to developer agreements

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Related-party transactions
- Commitments and contingencies

Our Judgment About the Quality of the Entity’s Accounting Principles

During the course of the audit, we made the following observations regarding the Entity’s application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are listed below OR included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Prior-Period Uncorrected Misstatements

- See attachment

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements (Attachment B)

The detail of uncorrected misstatements identified as a result of our engagement are included herein.

Attachment A

Management Representation Letter

Attachment B

Schedule of Uncorrected Misstatements

Arvada Urban Renewal Authority

Independent Auditor's Reports and Financial Statements

December 31, 2023



Arvada Urban Renewal Authority
December 31, 2023

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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, 2023, 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, 2023, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

Board of Commissioners and Management
Arvada Urban Renewal Authority

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 **DATE**, 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
DATE

Management's Discussion and Analysis

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2023**

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, 2023. 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 decreased \$1,045,343 during the current year resulting in a net position of \$8,323,613.
- Government-wide revenues increased by \$2,712,319 while expenses increased by \$8,466,986.

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, 2023**

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, 2023, the Authority's assets exceeded liabilities and deferred inflows of resources by \$8,323,613. 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, 2023

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Total Primary Government 2023	Total Primary Government 2022
Assets		
Current and other assets	\$ 41,757,053	\$ 36,752,844
Property available for sale	603,102	1,002,479
Right of use assets	3,767	16,050
Capital assets, net of accumulated depreciation	<u>1,526,740</u>	<u>1,597,855</u>
Total assets	<u>43,890,662</u>	<u>39,369,228</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Liabilities		
Other liabilities	1,308,522	1,543,198
Due in more than one year	<u>3,287,167</u>	<u>3,934,074</u>
Total liabilities	<u>4,595,689</u>	<u>5,477,272</u>
Deferred Inflows of Resources	<u>30,971,360</u>	<u>24,523,000</u>
Net Position		
Net investment in capital assets	1,526,603	1,598,078
Restricted for capital projects	469,056	475,144
Unrestricted	<u>6,327,954</u>	<u>7,295,734</u>
Total net position	<u>\$ 8,323,613</u>	<u>\$ 9,368,956</u>

Total assets as of December 31, 2023 increased \$4,521,434 when compared to the prior year-end. This change was primarily due to an increase in cash and other current assets of \$5,004,209. 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 \$881,583. This decrease was primarily due to the payment of long-term debt.

Deferred inflows increased by \$6,448,360 due to deferred property tax revenue as noted above.

In summary, these variances resulted in an decrease in net position for the Authority in 2023 of \$1,045,343.

Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2023

Changes in Net Position

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

	Total Primary Government 2023	Total Primary Government 2022
Revenues		
Program revenues		
Charges for services	\$ 21,771	\$ -
General revenues		
Incremental property taxes	25,259,965	23,078,342
Public improvement fees	1,942,675	1,635,996
Sales taxes	2,229,331	2,175,492
Lodging taxes	122,928	134,620
Investment income	188,395	28,296
	<u>29,765,065</u>	<u>27,052,746</u>
Expenses		
General government	1,417,418	1,158,239
Redevelopment costs	29,282,393	21,056,425
Interest expense	110,597	128,758
	<u>30,810,408</u>	<u>22,343,422</u>
Change in Net Position	(1,045,343)	4,709,324
Net Position, Beginning of Year	<u>9,368,956</u>	<u>4,659,632</u>
Net Position, End of Year	<u>\$ 8,323,613</u>	<u>\$ 9,368,956</u>

The above condensed summary of the Authority's government-wide activities for the year ended December 31, 2023 reflects a net position of \$8,323,613. Revenues were up in 2023 primarily due to an increase in property tax revenues of \$2,712,319.

Total expenses increased \$8,466,986 from 2022 primarily due to redevelopment activities, further described in the Current Economic Factors section below.

Governmental Activities

Governmental activities decreased the Authority's net position by \$1,045,343.

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.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2023**

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, 2023, the Authority's governmental funds reported combined ending fund balances of \$10,767,066. Unassigned fund balance is \$375,679. The remainder of the fund balance is either non-spendable, for property held for sale, of \$603,102; restricted, by external legal purposes, of \$469,056; or assigned, for an intended use, of \$9,319,229.

The General Fund is the main operating fund of the Authority. At December 31, 2023, the unassigned fund balance of the General Fund was \$436,682, while the total fund balance was \$436,693.

The Jefferson Center District Fund is another major fund of the Authority. At December 31, 2023, the total fund balance of the JCD Fund was \$68,856. Excess revenues over expenditures of \$93,583 were retained in the fund for future redevelopment.

The Ralston Fields Fund is used to account for the activities in the Kipling Ridge and Ralston Creek areas and is considered a major fund. At December 31, 2023, the total fund balance was \$6,414,978.

The Northwest Arvada Fund is used to account for activities in the Northwest Arvada Urban Renewal areas. At December 31, 2023, the total fund balance was (\$61,003).

The Olde Town Arvada Fund is used to account for activities in the Olde Town Arvada area. At December 31, 2023, the total fund balance was \$2,636,428. Excess revenues over expenditures of \$767,532 were retained in the fund for future development.

Lastly, the Village Commons Fund is used to account for one commercial area. At December 31, 2023, the total fund balance was \$1,271,114.

Budgetary Highlights

There were changes to the budget for the General and Northwest Arvada funds. 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 the General Fund was due to the purchase and remodel of the Authority's new administrative offices.

**Arvada Urban Renewal Authority
Management’s Discussion and Analysis (Unaudited)
December 31, 2023**

Debt Administration

Long-term Debt. At the end of December 31, 2023, the Authority had total debt outstanding of \$3,946,429. This debt is made up of two notes with the City of Arvada. See Notes to the Financial Statements for more information.

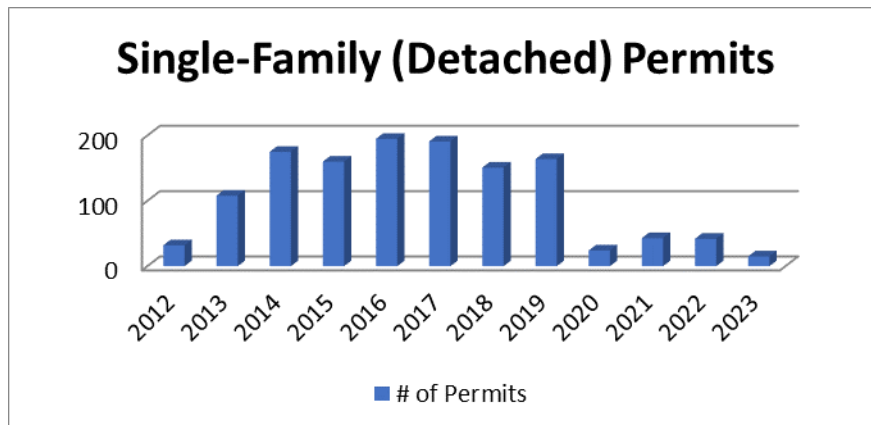
	Total Primary Government 2023	Total Primary Government 2022
Notes payable	\$ 3,946,429	\$ 4,595,803

Current Economic Factors

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 700 – 1,200 more residential units but is dependent on receiving water from Gross Reservoir which is slated to open in 2028.



**Arvada Urban Renewal Authority
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December 31, 2023**

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 Theatres which invested over \$8 million to renovate the theater. The newly renovated theater opened in 2018 and has many upgraded amenities.

The Authority continues to work with a developer for a transit-oriented development on the nine acre site just south of Olde Town. The Russell will add 252 additional units to this area. The groundbreaking was held in October 2021 and is estimated to open later this year. Another phase of this development is the construction of a 128-unit Residence Inn by Marriott along with 15,000 square feet of retail which opened earlier this year. Snooze an A.M. Eatery, Smashburger, Parry's Pizzeria & Taphouse, Everbowl, and Cava also opened in 2023. The hotel is less than two blocks away from the Hilton Garden Inn but brings another hotel choice to visitors to the City of Arvada.

The Authority purchased, remodeled and relocated its administrative office to 5603 Yukon Street. The 1960s era building which was mostly vacant, but has been restored with the addition of a vibrant triptych mural at the front entry.

In early 2023, the Authority purchased 7611 Grandview Ave, previously owned and occupied by a structural engineer. The Authority is currently undergoing negotiations with a food and beverage company to reimagine this historic property adding vibrancy with an outdoor plaza to a former parking lot.

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. In this same area, there is a former water treatment plant that the Authority abated and demolished and is working with a developer to create a new affordable rental housing development called Ralston Gardens. The Authority purchased this parcel of land and sold it to the developer when the project was approved in June 2023. The developer received 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 broke ground in June 2023 and is estimated to be complete later this year. The Authority is also working with a developer on Arvada Point Flats, which is 36 multi-family unit apartment development with two units set aside as affordable. The project opened at the end of 2023. The Authority is also investing \$4,600,000 to create a linear park called Garrison Garden Paseo 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.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2023**

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 one space is leased. Revenues increased 5% in 2023 as the urban renewal area continues to return to pre-pandemic levels.

Phase 2 is Ralston Commons, a mixed use development that includes 27 for-sale townhomes and a 196 unit apartment complex and 6,000 square feet of retail which is expected to be completed in 2026. The Authority initiated and completed the construction of the site improvements including the installation of storm, sewer, water, electric, gas, streets, and curb in order to facilitate the development of the multi-family and commercial buildings while the developer finalized the building permits, engaged a general contractor, and receives construction financing approval. These improvements and fees were \$7.4 million and are part of the development incentive.

This will replace the old 1960s 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.

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 began in 2022 and is estimated to be complete in early 2025.

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 be finished this spring and 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 Marketplace 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. 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 is complete and the City is currently constructing this park.

**Arvada Urban Renewal Authority
Management's Discussion and Analysis (Unaudited)
December 31, 2023**

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 continue to increase over pre-pandemic revenues in 2019 with a 4% increase in 2023.

Jefferson Center

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

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: Maureen Phair, Executive Director
5603 Yukon Street, Suite B
Arvada, Colorado 80002

DRAFT 04/26/2024

Financial Statements

Arvada Urban Renewal Authority
Statement of Net Position
December 31, 2023

Assets

Cash and investments	\$ 8,901,411
Fees receivable - City	1,884,282
Taxes receivable	30,971,360
Property held for resale	603,102
Capital assets, net of accumulated depreciation	1,526,740
Right to use assets, net of accumulated amortization	<u>3,767</u>
Total assets	<u>43,890,662</u>

Liabilities, Deferred Inflows of Resources and Net Position

Liabilities

Accounts payable	553,919
Accrued liabilities	67,810
Due in one year	686,793
Due in more than one year	<u>3,287,167</u>
Total liabilities	<u>4,595,689</u>

Deferred Inflows of Resources

Property taxes	<u>30,971,360</u>
----------------	-------------------

Net Position

Net investment in capital assets	1,526,603
Restricted for capital projects	469,056
Unrestricted	<u>6,327,954</u>
Total net position	<u>\$ 8,323,613</u>

Arvada Urban Renewal Authority
Statement of Activities
Year Ended December 31, 2023

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net Revenue (Expense) and Change in Net Position Governmental Activities 2023</u>
Functions/Programs			
Primary government			
Governmental activities			
General government	\$ 1,417,418	\$ -	\$ (1,417,418)
Redevelopment projects	29,282,393	21,771	(29,260,622)
Interest expense	<u>110,597</u>	<u>-</u>	<u>(110,597)</u>
Total primary government	<u>\$ 30,810,408</u>	<u>\$ 21,771</u>	<u>(30,788,637)</u>
General Revenues			
Incremental property taxes			25,259,965
Public improvement fees			1,942,675
Sales taxes			2,229,331
Lodging taxes			122,928
Investment income			<u>188,395</u>
Total general revenues			<u>29,743,294</u>
Change in Net Position			(1,045,343)
Net Position, Beginning of Year			<u>9,368,956</u>
Net Position, End of Year			<u>\$ 8,323,613</u>

**Arvada Urban Renewal Authority
Balance Sheet
Governmental Funds
December 31, 2023**

	General	Jefferson Center District	Ralston Fields	Northwest Arvada	Olde Town	Village Commons	Total
Assets							
Cash and investments	\$ 655,560	\$ 48,432	\$ 5,717,614	\$ -	\$ 1,273,418	\$ 1,206,387	\$ 8,901,411
Due from other funds	-	20,424	192,585	-	-	-	213,009
Fees receivable - City	6,772	-	933,170	-	820,297	124,043	1,884,282
Taxes receivable	-	3,758,109	2,766,294	22,985,839	1,164,243	296,875	30,971,360
Property held for resale	11	-	1	-	603,090	-	603,102
	<u>662,343</u>	<u>3,826,965</u>	<u>9,609,664</u>	<u>22,985,839</u>	<u>3,861,048</u>	<u>1,627,305</u>	<u>42,573,164</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	55,786	-	378,619	-	60,298	59,216	553,919
Accrued liabilities	18,037	-	49,773	-	-	-	67,810
Due to other funds	151,827	-	-	61,003	79	100	213,009
	<u>225,650</u>	<u>-</u>	<u>428,392</u>	<u>61,003</u>	<u>60,377</u>	<u>59,316</u>	<u>834,738</u>
Deferred Inflows of Resources							
Unavailable revenue - property taxes	-	3,758,109	2,766,294	22,985,839	1,164,243	296,875	30,971,360
Fund Balances							
Nonspendable for property held for sale	11	-	1	-	603,090	-	603,102
Restricted	-	-	-	-	-	469,056	469,056
Assigned	-	68,856	6,414,977	-	2,033,338	802,058	9,319,229
Unassigned	436,682	-	-	(61,003)	-	-	375,679
	<u>436,693</u>	<u>68,856</u>	<u>6,414,978</u>	<u>(61,003)</u>	<u>2,636,428</u>	<u>1,271,114</u>	<u>10,767,066</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,526,740
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,767
Long-term liabilities including notes payable (\$3,946,429), lease (\$3,904) and compensated absences (\$23,627) are not due and payable with current economic resources and, therefore, are not reported in the funds.	<u>(3,973,960)</u>
Net position of governmental activities	<u>\$ 8,323,613</u>

Arvada Urban Renewal Authority
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended December 31, 2023

	General	Jefferson Center District	Ralston Fields	Northwest Arvada	Olde Town	Village Commons	Total
Revenues							
Incremental property taxes	\$ -	\$ 2,823,204	\$ 3,108,667	\$ 17,957,447	\$ 1,043,379	\$ 327,268	\$ 25,259,965
Public improvement fees	-	-	1,682,535	-	-	260,140	1,942,675
Incremental sales taxes	-	-	1,387,511	-	841,820	-	2,229,331
Lodging taxes	-	-	-	-	-	122,928	122,928
Rent	21,771	-	-	-	-	-	21,771
Investment income	6,931	-	146,477	-	22,249	12,738	188,395
Recovered costs	3,379	-	-	-	-	-	3,379
Total revenues	<u>32,081</u>	<u>2,823,204</u>	<u>6,325,190</u>	<u>17,957,447</u>	<u>1,907,448</u>	<u>723,074</u>	<u>29,768,444</u>
Expenditures							
Current							
General government	608,701	42,348	337,980	269,362	70,339	4,909	1,333,639
Redevelopment projects	-	2,554,918	8,370,033	17,151,010	1,069,577	140,234	29,285,772
Debt service							
Principal payments	-	-	499,910	-	-	149,464	649,374
Interest and fiscal charges	239	-	91,476	-	-	18,882	110,597
Total expenditures	<u>608,940</u>	<u>2,597,266</u>	<u>9,299,399</u>	<u>17,420,372</u>	<u>1,139,916</u>	<u>313,489</u>	<u>31,379,382</u>
Excess of revenues over (under) expenditures	<u>(576,859)</u>	<u>225,938</u>	<u>(2,974,209)</u>	<u>537,075</u>	<u>767,532</u>	<u>409,585</u>	<u>(1,610,938)</u>
Other Financing Sources (Uses)							
Transfers in	644,433	-	600,000	-	-	-	1,244,433
Transfers out	-	(132,355)	-	(512,078)	-	(600,000)	(1,244,433)
Total other financing sources (uses)	<u>644,433</u>	<u>(132,355)</u>	<u>600,000</u>	<u>(512,078)</u>	<u>-</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>67,574</u>	<u>93,583</u>	<u>(2,374,209)</u>	<u>24,997</u>	<u>767,532</u>	<u>(190,415)</u>	<u>(1,610,938)</u>
Fund Balances (Deficit), Beginning of Year	<u>\$ 369,119</u>	<u>\$ (24,727)</u>	<u>\$ 8,789,187</u>	<u>\$ (86,000)</u>	<u>\$ 1,868,896</u>	<u>\$ 1,461,529</u>	<u>12,378,004</u>
Fund Balances (Deficit), End of Year	<u>\$ 436,693</u>	<u>\$ 68,856</u>	<u>\$ 6,414,978</u>	<u>\$ (61,003)</u>	<u>\$ 2,636,428</u>	<u>\$ 1,271,114</u>	<u>10,767,066</u>

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

Capital outlays to purchase capital and leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as an annual depreciation expense in the statement of activities. This amount represents the initial capital outlay less depreciation expense in the current year. (71,115)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (12,283)

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 increase in compensated absences of \$12,304, the net decrease in leases (\$11,923), and the decrease in notes payable (\$649,374). 648,993

Change in net position of governmental activities \$ (1,045,343)

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

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, 2023

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, 2023

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. A portion of the revenues are allocated to the General Fund to support the Authority's operations.
- **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. A portion of the revenues are allocated to the General Fund to support the Authority's operations.
- **Northwest Arvada** – The Northwest Arvada Fund is a special revenue fund used to account for the financial activities of this urban renewal area. A portion of the revenues are allocated to the General Fund to support the Authority's operations.
- **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. A portion of the revenues are allocated to the General Fund to support the Authority's operations.

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 assets 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, 2023

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

- Non-spendable – Amounts that cannot be spent either because they are not spendable in form or because they are legally or contractually required to be maintained intact. The Authority had \$603,102 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, 2023, \$469,056 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, 2023, \$9,319,229 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 \$375,679 of unassigned fund balance in the General Fund.

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

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, 2023, are as follows:

Cash deposits	\$ 1,461,668
Certificates of deposit, short-term	2,385,986
Colorado Statewide Investment Program (CSIP)	1,131,435
Money market mutual fund with bank	3,541,750
Money market mutual fund with broker	<u>380,572</u>
	<u>\$ 8,901,411</u>

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

At December 31, 2023, 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, 2023, the Authority also invested in a money market mutual fund with a bank which is held at cost as well as a money market mutual fund with a broker which is held at fair value and classified as "Level 1" based on fair value measurements using quoted prices in active markets for identical securities. At December 31, 2023, 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, 2023, the Authority had bank deposits with a carrying balance of \$3,847,654. The bank balances were \$3,865,278 of which \$500,000 was covered by the federal deposit insurance and \$3,365,278 was collateralized with securities held by the pledging financial institution's trust department or agent in 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, 2023

- Repurchase agreements must be collateralized at a minimum of 100% of the purchase price of the repurchase agreement and market-to-market on a weekly basis. All repurchase agreements shall be evidenced by a master repurchase agreement between 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, 2023, 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
1550 Wewatta Street, Suite 200
Denver, Colorado 80202

At December 31, 2023, 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, 2023

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Land	\$ 235,000	\$ -	\$ -	\$ 235,000
Building	940,000	-	-	940,000
Building improvements	482,110	-	-	482,110
Accumulated depreciation	(59,255)	(71,115)	-	(130,370)
	\$ 1,597,855	\$ (71,115)	\$ -	\$ 1,526,740

Building and building improvements have an estimated useful life of 20 years and are depreciated on the straight line basis.

Note 4: Long-term Debt

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

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023	Due Within One Year
City of Arvada notes payable	\$ 4,595,803	\$ -	\$ (649,374)	\$ 3,946,429	\$ 667,443
Lease liability	15,827	-	(11,923)	3,904	3,904
Compensated absences	11,323	32,061	(19,757)	23,627	15,446
	\$ 4,622,953	\$ 32,061	\$ (681,054)	\$ 3,973,960	\$ 686,793

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, 2023 was \$1,109,340 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, 2023

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, 2023 was \$2,837,089 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.

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, 2023:

Year	Principal	Interest
2024	\$ 667,443	\$ 100,807
2025	685,424	82,826
2026	703,677	64,573
2027	772,442	45,808
2028	794,701	25,067
2029-2030	<u>322,742</u>	<u>4,698</u>
	<u>\$ 3,946,429</u>	<u>\$ 323,779</u>

Compensated Absences

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

Note 5: Interfund Receivables, Payables and Transfers

Interfund transfers for the year ended December 31, 2023, were as follows:

Transfers In	Transfers Out	Balance
General	Jefferson Center District	\$ 132,355
General	Northwest Arvada	512,078
Ralston Fields	Village Commons	<u>600,000</u>
		<u>\$ 1,244,433</u>

Arvada Urban Renewal Authority
Notes to Financial Statements
December 31, 2023

Interfund receivables and payables at December 31, 2023, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance</u>
Ralston Fields	General	\$ 151,827
Ralston Fields	Village Commons	100
Ralston Fields	Northwest Arvada	35,579
Ralston Fields	Olde Town	79
Jefferson Center District	Northwest Arvada	<u>25,424</u>
		<u>\$ 213,009</u>

During the year ended December 31, 2023, 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.

Note 6: Related-party Transactions

The Authority incurred approximately \$402,963 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 \$3,946,429 (see Note 4). During the year ended December 31, 2023, \$110,597 of interest was paid and \$49,637 was accrued to the City, included in accrued liabilities, related to these notes.

Fees receivable of \$1,884,282 are due from the City, as the City receipts the funds and transfers the funds into the Authority's pooled cash.

Note 7: Retirement Plans

Certain 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.

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

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, 2023.

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 \$40,000, 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 \$16,620 and employee contributions of \$11,268 were paid during 2023. 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, 2023.

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 2023. 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.

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

For the year ended December 31, 2023, the Authority contributed \$18,384 for the benefit of one participant in the Plan and the employee contributed \$14,678, as required. The plan is administered by Fidelity.

Note 8: 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 9: Commitments and Contingencies

Property Held for Resale

As of December 31, 2023, the Authority had entered into various Disposition and Development Agreements (DDA) to sell three of four remaining properties held for resale.

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 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.

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.

Arvada Urban Renewal Authority

Notes to Financial Statements

December 31, 2023

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

Unfunded Loan Agreement

In connection with various urban renewal projects, during 2022, 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. As of December 31, 2023, this loan has not yet been funded.

Deficit in Fund Balance

As of December 31, 2023, the Northwest Arvada urban renewal area reported a deficit in the unassigned fund balances. This deficit was due to timing of transfers to and from the general fund and is expected to be alleviated in future months.

Note 10: Subsequent Events

Subsequent to year-end, the Authority entered into a loan with Ralston Gardens, LLC in which the Authority lent the developer \$251,190 to pay a portion of unanticipated costs incurred by the developer. The loan includes a 40-year term, an interest accrual of 1% per annum, and full payment is due on the date of maturity.

Required Supplementary Information

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Rent	\$ -	\$ -	\$ 21,771	\$ 21,771
Investment income	3,000	3,000	6,931	3,931
Total revenues	3,000	3,000	28,702	25,702
Expenditures				
Current				
General government	608,522	613,522	605,322	8,200
Interest and fiscal charges	-	-	239	(239)
Total expenditures	608,522	613,522	605,561	7,961
Excess of revenues over (under) expenditures	(605,522)	(610,522)	(576,859)	33,663
Other Financing Sources (Uses)				
Transfers in	1,171,000	1,171,000	644,433	(526,567)
Net Change in Fund Balance	565,478	560,478	67,574	(492,904)
Fund Balance, Beginning of Year	369,119	369,119	369,119	-
Fund Balance, End of Year	<u>\$ 934,597</u>	<u>\$ 929,597</u>	<u>\$ 436,693</u>	<u>\$ (492,904)</u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Jefferson Center District Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,823,204</u>	<u>\$ 323,204</u>
Expenditures				
Current				
General government	36,200	36,200	42,348	(6,148)
Redevelopment projects	<u>16,578,800</u>	<u>16,578,800</u>	<u>2,554,918</u>	<u>14,023,882</u>
Total expenditures	<u>16,615,000</u>	<u>16,615,000</u>	<u>2,597,266</u>	<u>14,017,734</u>
Excess of revenues over (under) expenditures	<u>(14,115,000)</u>	<u>(14,115,000)</u>	<u>225,938</u>	<u>14,340,938</u>
Other Financing Sources (Uses)				
Transfers in	15,500,000	15,500,000	-	(15,500,000)
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(132,355)</u>	<u>17,645</u>
Total other financing sources (uses)	<u>15,350,000</u>	<u>15,350,000</u>	<u>(132,355)</u>	<u>(15,482,355)</u>
Net Change in Fund Balance	1,235,000	1,235,000	93,583	(1,141,417)
Fund Balance, Beginning of Year	<u>(24,727)</u>	<u>(24,727)</u>	<u>(24,727)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,210,273</u>	<u>\$ 1,210,273</u>	<u>\$ 68,856</u>	<u>\$ (1,141,417)</u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Ralston Fields Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 3,350,000	\$ 3,350,000	\$ 3,108,667	\$ (241,333)
Incremental sales taxes	1,390,000	1,390,000	1,387,511	(2,489)
Public improvement fee	1,740,000	1,740,000	1,682,535	(57,465)
Investment income	4,500	4,500	146,477	141,977
Recovered costs	1,000,000	1,000,000	-	(1,000,000)
Total revenues	7,484,500	7,484,500	6,325,190	(1,159,310)
Expenditures				
Current				
General government	125,000	125,000	337,980	(212,980)
Redevelopment projects	15,075,000	15,075,000	8,370,033	6,704,967
Principal payments	499,910	499,910	499,910	-
Interest and fiscal charges	100,090	100,090	91,476	8,614
Total expenditures	15,800,000	15,800,000	9,299,399	6,500,601
Excess of revenues over (under) expenditures	(8,315,500)	(8,315,500)	(2,974,209)	5,341,291
Other Financing Sources				
Transfers in	-	-	600,000	600,000
Proceeds from Loan	8,000,000	8,000,000	-	(8,000,000)
Total other financing sources	8,000,000	8,000,000	600,000	(7,400,000)
Net Change in Fund Balance	(315,500)	(315,500)	(2,374,209)	(2,058,709)
Fund Balance, Beginning of Year	8,789,187	8,789,187	8,789,187	-
Fund Balance, End of Year	\$ 8,473,687	\$ 8,473,687	\$ 6,414,978	\$ (2,058,709)

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Northwest Arvada Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	<u>\$ 16,596,330</u>	<u>\$ 16,596,330</u>	<u>\$ 17,957,447</u>	<u>\$ 1,361,117</u>
Expenditures				
Current				
General government	210,000	210,000	269,362	(59,362)
Redevelopment projects	<u>-</u>	<u>17,265,000</u>	<u>17,151,010</u>	<u>113,990</u>
Total expenditures	<u>210,000</u>	<u>17,475,000</u>	<u>17,420,372</u>	<u>54,628</u>
Excess of revenues over (under) expenditures	<u>16,386,330</u>	<u>(878,670)</u>	<u>537,075</u>	<u>1,415,745</u>
Other Financing Sources (Uses)				
Transfers out	<u>(15,961,000)</u>	<u>(461,000)</u>	<u>(512,078)</u>	<u>(51,078)</u>
Net Change in Fund Balance	425,330	(1,339,670)	24,997	1,364,667
Fund Balance, Beginning of Year	<u>(86,000)</u>	<u>(86,000)</u>	<u>(86,000)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 339,330</u></u>	<u><u>\$ (1,425,670)</u></u>	<u><u>\$ (61,003)</u></u>	<u><u>\$ 1,364,667</u></u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Olde Town Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 1,110,069	\$ 1,110,069	\$ 1,043,379	\$ (66,690)
Incremental sales taxes	260,000	260,000	841,820	581,820
Investment income	-	-	22,249	22,249
Total revenues	<u>1,370,069</u>	<u>1,370,069</u>	<u>1,907,448</u>	<u>537,379</u>
Expenditures				
Current				
General government	60,000	60,000	70,339	(10,339)
Redevelopment projects	<u>2,006,569</u>	<u>2,006,569</u>	<u>1,069,577</u>	<u>936,992</u>
Total expenditures	<u>2,066,569</u>	<u>2,066,569</u>	<u>1,139,916</u>	<u>926,653</u>
Excess of revenues over (under) expenditures	<u>(696,500)</u>	<u>(696,500)</u>	<u>767,532</u>	<u>1,464,032</u>
Net Change in Fund Balance	(696,500)	(696,500)	767,532	1,464,032
Fund Balance, Beginning of Year	<u>1,868,896</u>	<u>1,868,896</u>	<u>1,868,896</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,172,396</u>	<u>\$ 1,172,396</u>	<u>\$ 2,636,428</u>	<u>\$ 1,464,032</u>

Arvada Urban Renewal Authority
Budgetary Comparison Schedule
Village Commons Fund
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues				
Incremental property taxes	\$ 328,000	\$ 328,000	\$ 327,268	\$ (732)
Incremental sales taxes	208,000	208,000	-	(208,000)
Public improvement fee	-	-	260,140	260,140
Lodging Taxes	122,400	122,400	122,928	528
Investment income	-	-	12,738	12,738
Total revenues	658,400	658,400	723,074	64,674
Expenditures				
Current				
General government	7,000	7,000	4,909	2,091
Redevelopment projects	122,400	142,400	140,234	2,166
Principal payments	149,464	149,464	149,464	-
Interest and fiscal charges	18,882	18,882	18,882	-
Total expenditures	297,746	317,746	313,489	4,257
Excess of revenues over (under) expenditures	360,654	340,654	409,585	68,931
Other Financing Uses				
Transfers out	-	(600,000)	(600,000)	-
Net Change in Fund Balance	360,654	(259,346)	(190,415)	68,931
Fund Balance, Beginning of Year	1,461,529	1,461,529	1,461,529	-
Fund Balance, End of Year	\$ 1,822,183	\$ 1,202,183	\$ 1,271,114	\$ 68,931

**Arvada Urban Renewal Authority
Note to Budgetary Comparison Schedules
Year Ended December 31, 2023**

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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated **DATE**.

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

DATE

AURA Flash Report
Balances as of March 31, 2024

FOR DISCUSSION PURPOSES ONLY
UNOFFICIAL & UNAUDITED

CASH & INVESTMENTS

<u>Wells Fargo Bank</u>		<u>Account Balance</u>	<u>Hold</u>	<u>Net to AURA</u>
	General - Checking (0193)	573,466	(9,000)	564,466
	Ralston Fields - Checking (4061)	1,678,833	(600,000)	1,078,833
	Ralston Fields Investments (9353)	385,555	-	385,555
	Olde Town Station - Checking (0895)	1,551,908	-	1,551,908
	Village Commons - Checking (0887)	364,491	-	364,491
<u>First Bank of Arvada</u>			<u>% change from</u>	
	2.00% CD Maturity 10/11/2027 (4548)	352,735	<u>prior period</u>	352,735
			0.49%	
<u>CSIP</u>				
	Ralston Fields Fund (9003)	1,146,886	0.4594%	1,146,886
<u>VectraBank</u>				
	3.50% Ralston Fields Fund (4835) - Money Market	2,567,405	0.3161%	2,567,405
	5.00% Village Commons (6418) - 6 month CD (June 2024)	1,029,356	0.4142%	1,029,356
	5.25% Olde Town Station (4297) - 1 year CD (July 2024)	1,035,682	0.4168%	1,035,682

NET CASH AVAILABLE TO AURA **10,077,318**

REAL ESTATE OWNED

<u>Date Acq.</u>	<u>Name</u>	<u>Address</u>	<u>Purchase Price</u>	<u>Debt/Discount</u>	<u>Net Value</u>
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
2022	AURA Office Building	5603 Yukon St	1,175,000	0	1,175,000
2023	Hot Dog Building	7611 Grandview Ave	600,000	0	600,000

NET VALUE OF REAL ESTATE OWNED **1,775,011**

LONG TERM PAYABLES

<u>Loan</u>	<u>Loan Start Date / Term Date</u>	<u>Original Loan Balance</u>	<u>Payments</u>	<u>Current Loan Balance</u>
Arvada Square	June 1, 2016 / June 1, 2028	5,000,000	2,149,447	2,850,553
Brooklyn's	January 1, 2016 / January 1, 2030	2,745,000	1,479,563	1,265,437
Olde Town Alley Underground Utilities	2024	750,000	0	750,000
Wheat Ridge	2006/2026*	1,800,000	1,500,000	300,000

NET LONG TERM PAYABLES **\$5,165,990**

GROSS INCOME & EXPENSES BY FUND As of March 31, 2024

	<u>2024 BUDGET</u>		<u>Actual Revenues</u>	<u>Actual Expenses</u>
	<u>Revenue</u>	<u>Expenses</u>	<u>YTD</u>	<u>YTD</u>
Ralston Fields	15,040,000	18,546,000	1,187,701	383,693
Olde Town Station	1,887,530	2,935,000	652,750	98,576
Jefferson Center	3,500,000	4,710,273	0	0
Northwest Arvada	22,700,000	23,039,330	9,479,447	8,735,905
Village Commons	642,400	236,846	234,902	60,053
TOTALS	43,769,930	49,467,449	\$11,554,800	\$9,278,227

GENERAL FUND EXPENSES As of March 31, 2024

	<u>2023 Budget</u>	<u>Expended YTD</u>
Operating Expenses	672,338	112,389
TOTAL EXPENSES	\$672,338	\$112,389

*One more payment to Wheat Ridge, but 2 payments due to the City of Arvada.