



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Arvada Fire Protection District  
Arvada, Colorado  
Fiscal Year Ended December 31, 2019

ARVADA FIRE PROTECTION DISTRICT  
ARVADA, COLORADO

Comprehensive Annual Financial Report

Fiscal Year Ended  
December 31, 2019

Prepared by Vikki Fininen

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## INTRODUCTORY SECTION

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Certificate of Achievement for Excellence  
in Financial Reporting (FY 2018)



Government Finance Officers Association

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

Presented to

**Arvada Fire Protection District  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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# Arvada Fire Protection District Arvada, Colorado

Principal Elected Officials and Administrative Staff  
June 19, 2020

## District Board

James Whitfield	President
Robert Loveridge	Vice President
Andrea Romero	Treasurer
Ted Terranova	Secretary
Mark McGoff	Assistant Secretary/Treasurer

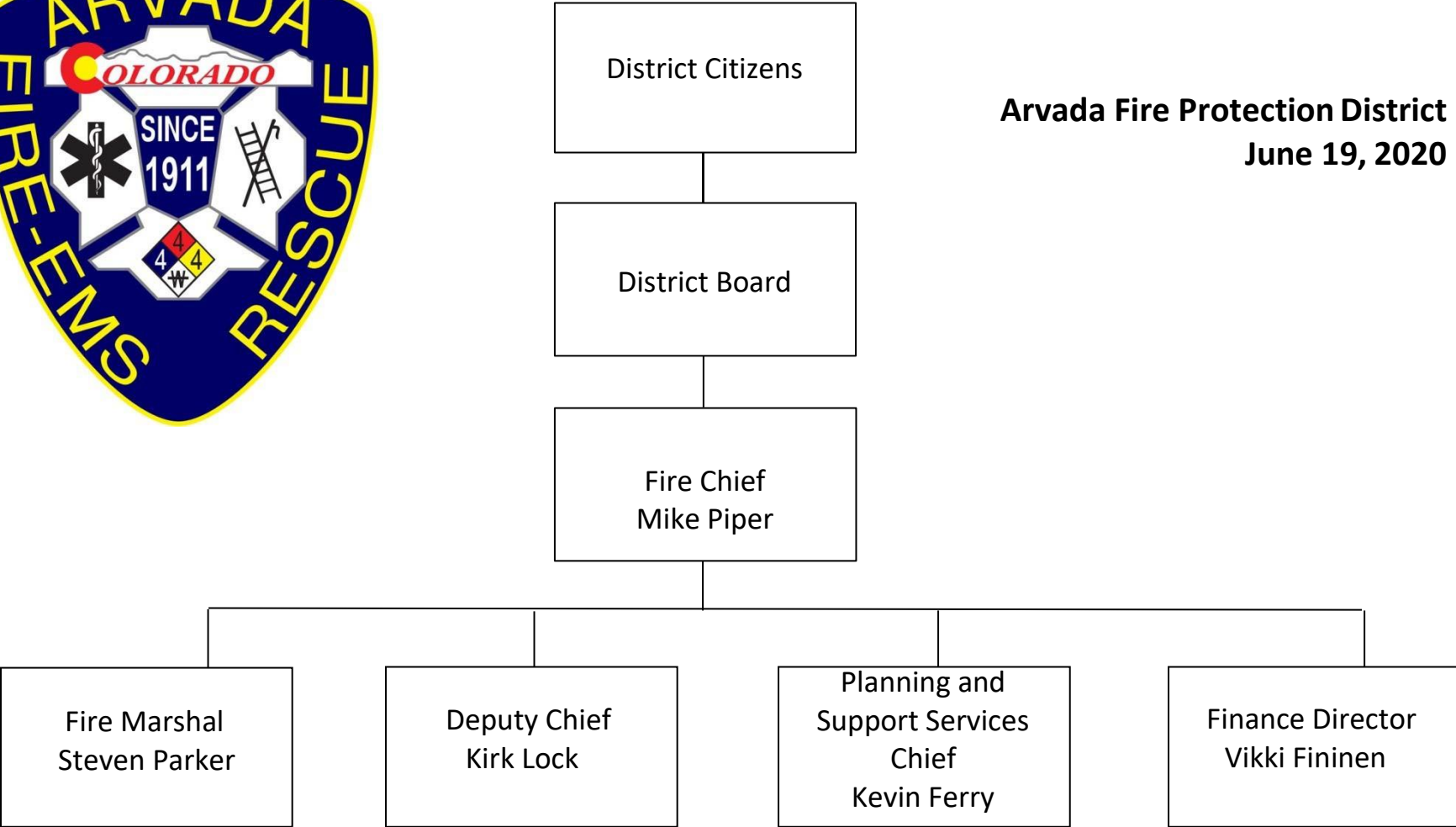
## Administrative Staff

Mike Piper	Fire Chief
Kirk Lock	Deputy Chief
Vikki Fininen	Finance Director
Kevin Ferry	Planning and Support Services Chief
Steven Parker	Fire Marshal

Organizational Chart



**Arvada Fire Protection District  
June 19, 2020**





# Arvada Fire Protection District

7903 Allison Way Arvada CO 80005 • 303-424-3012 • 303-432-7995 fax

## Letter of Transmittal

June 19, 2020

To: Board of Directors, Arvada Fire Protection District  
Citizens of Arvada Fire Protection District  
Fire Chief Mike Piper

Colorado state law requires an annual audit of financial records of Arvada Fire Protection District (the District). An audit has been performed for the fiscal year ended December 31, 2019. The following Comprehensive Annual Financial Report (CAFR) is being published as a follow-up to that audit.

The District and its management are held fully responsible for the contents of this CAFR. These contents are fairly represented, reliable, and complete. An independent audit has been performed by CliftonLarsonAllen, LLP. An unmodified (“clean”) opinion has been issued on the District’s financial statements for the fiscal year ended December 31, 2019. The independent auditor’s report is included in this report, followed by Management’s Discussion & Analysis (MD&A) and basic financial statements. Readers are encouraged to read the MD&A for more information on the financial operations of the District.

### **GOVERNMENT BACKGROUND**

In 1949, local citizens went to the polls and approved the formation of the District. The formation transferred control and financing of the department from the Arvada City Council to a Board of Directors consisting of five elected officials. The District is a special district form of government, and as such is not affiliated with any city or county Government.

Located northwest of Denver, Colorado, the District covers 43 square miles encompassing 30.4 square miles in the City of Arvada, 2.6 square miles in the City of Wheat Ridge, and 10.0 square miles in unincorporated Jefferson County. In 2019, the population of the District was approximately 134,000 citizens. The median household income was approximately \$80,222.

Board members are elected by citizens of the District and serve staggered four-year terms with a limit of three consecutive terms. The most challenging and significant venture the Board of Directors undertook was augmenting the District's volunteer fire department with paid fire suppression personnel. With the support of taxpayers, on November 9, 1999, the Board of Directors ensured that all six of the District's fire stations were staffed with career firefighters at all times. Since 1999, two additional fire stations have been constructed.

The District is committed to providing prompt, professional, and compassionate service in a fiscally responsible manner. The District’s mission statement is “to preserve life, property, and the environment.” Our organizational values, as identified by our committed workforce, are “dedication, integrity, dependability, courage, and respect.” The District also values transparent government. Citizens are encouraged to attend the monthly District Board meetings and contact the Fire Chief with questions or concerns.

At the end of 2019, the District had eight fire stations and one substation and employed 155 paid line personnel, and 28 civilian and/or administrative personnel. There were five fire engines, five ALS ambulances, two brush trucks, two aerials, one hazardous materials response truck, one rescue-pumper and one technical rescue truck that are used for fire education, rescue, EMS, and suppression activities.

In 2012, the District started the process towards accreditation. Accreditation is a self-assessment model that enables the District to understand and improve service delivery, including associated costs. The District became accredited by the Center for Public Safety Excellence in 2014 and was re-accredited in the first quarter of 2020.

Financial planning and control for the District begins with the annual budget. The budget calendar is as follows:

<b>Date</b>	<b>Action</b>
June 28	Budget Instructions and Templates to Division Heads
July 15	Updated templates including June actual data provided to Division Heads
July 19	Preliminary Budget Submittals to Division Heads
Week of July 22	Division Heads meet to review crossover items and strategic objective investments
July 25	Division Heads Submit Prelim Budgets to Finance Director
Week of August 12	Review with Division Heads, Admin and Fire Chief
Week of August 19	Group Meeting of Division Heads to Review Prelim
August 30	Final Budget Submittals Due
October 7	Proposed Budget to District Board of Directors
November 4	Public Hearing on Proposed Budget
December 11	Adoption of Budget by Board of Directors
December 13	Certification of Mill Levy Filed

The District's annual budget is prepared by fund, division, section, and object account. Appropriation transfers within and between divisions require Fire Chief approval. The District Board of Directors must pass a supplemental appropriation resolution if there is to be any alteration of a fund's total appropriation. There is budget to actual comparisons of the general fund and pension fund included in the following report.

## **ECONOMIC CONDITIONS**

**Local Economy.** The District relies heavily on property tax as its primary revenue source, with EMS fees dominating the secondary revenue sources. In 2019, approximately 75% of the District's revenue was from property tax. The property tax received by the District is calculated based on the mill levy and the assessed value of property. Ambulance transport was started in March 2013 within the City of Arvada and unincorporated Jefferson County. In 2016, the District started transport in the area of the City of Wheat Ridge that is located in the District. In 2019, EMS fees accounted for 13.7% of the District's revenue.

The median detached home price was \$457,000 during 2019. The average household and per capita income remain higher in the City of Arvada when compared to Denver, the State of Colorado, and the United States. Types of major employers within the District include retail, environmental, construction, software, medical devices, and manufacturing. The unemployment rate in Jefferson County was down slightly in 2019 compared to 2018 and remains historically low at 2.2% which is consistent with the State of Colorado. A major construction of 3,000+ homes has been underway for several years and continues in several subdivisions within the District. Light rail construction was completed in early 2019 and now provides service in the District.

**Long-term Financial Planning.** The District operated under the adopted 2019-2024 Strategic Plan. The financial goals included in the plan were to effectively and responsibly manage the District's financial and capital resources while maintaining transparency and accountability to stakeholders.

In 2013, the District worked with Wells Fargo to obtain a construction loan which allowed the District to remodel one station, expand/remodel one station, remodel the Training Center, complete a new burn building, and build a new maintenance building as well as refinancing an earlier loan for construction of two stations. The District will continue to operate under the current savings mechanism to ensure the appropriate replacement of apparatus and equipment, as well as maintain capital improvements. A minimum forecast of five years will continue to be observed to ensure fund levels can meet the needs of the District.

**Relevant Financial Policies.** As a part of the accreditation process, the District has been evaluating policies in place and creating financial policies as a result. The 2019-2024 Strategic Plan (mentioned above) and the State of Colorado Financial Management Manual have been used to guide the finance department.

## **FINANCIAL MANAGEMENT AND INTERNAL CONTROLS**

The objective of the District's internal control framework is to provide reasonable assurance to management and the District Board of the accuracy and completeness of District financial statements. Reasonable assurance does not require implementation of controls for which the cost of the control exceeds the benefits, and the evaluation of these controls requires managerial judgment. The District's system of internal control includes preventive and detective control procedures, the annual budget process, and the accounting system.

Preventive controls include the use of a purchase order system for all material purchases which requires separation of the initiation, authorization and recording of each transaction as well as Board and management approval of all outgoing checks processed. Detective controls include detailed review of monthly financial statements by management, the Board, and a third-party reviewer.

The annual budget is a key component of the District's financial management and control procedures. Through the budget process, the District ensures compliance with legal budgetary controls and the District Board and management receive monthly reporting comparing budgeted amounts to actual expenditures. The District Board may make additional appropriations during the fiscal year for unanticipated revenues or projects that were not completed in the prior year.

The District ensures compliance with all Colorado statutes relating to investment policy through the use of a pooled assets investment fund that adheres to State guidelines. The majority of investments in the fund are in government agencies and securities.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arvada Fire Protection District for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the seventh consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGEMENTS

This report could not have prepared without the assistance of finance and human resources staff (Jen Reed, Sam Spears, Sue Steward, and Cherie Fletcher). I would like to express my appreciation to the Board of Directors and members of the Chief staff, including Fire Chief Mike Piper, for their dedication to the District and their assistance in the budget and financial planning processes to ensure the financial success of the District.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Vikki Fininen". The signature is written in a cursive, flowing style.

Vikki Fininen, CFA  
Finance Director



## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Arvada Fire Protection District  
Arvada, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Arvada Fire Protection District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors  
Arvada Fire Protection District

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Arvada Fire Protection District as of December 31, 2019, 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison schedule, and the GASB required pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arvada Fire Protection District's basic financial statements. The Pension Trust Fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Pension Trust Fund budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Pension Trust Fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
June 19, 2020

## Management's Discussion and Analysis

As management of the Arvada Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the District's basic financial statement.

### Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,827,133 at the close of the fiscal year. Of this amount, \$14,487,432 is unrestricted and available to meet ongoing and future obligations of the District.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$17,509,626. Of this, \$10,114,404 is unassigned.
- Net position of government-type activities increased by \$3,459,706 as compared to the fiscal year end 2018 net position. The increase was largely due to growth in EMS revenue, and adjustments for capital outlay, principle payments on debt, and pension contributions.
- Total cash and investments increased by \$1,623,046 as compared to the fiscal year end 2018 cash balance. Cash and investments increased due primarily to accumulation of reserves to fund vehicle replacement schedules and construction
- Property tax revenues collected increased by \$292,656 due to growth in properties assessed (there was no change in assessed value for individual properties given that valuations are assessed every two years).
- Governmental fund expenditures increased by \$4,209,292 as compared to the governmental fund expenditures for fiscal year 2018 due to an increase in capital outlay and associated equipment costs, and higher compensation costs.
- Capital outlay increased by \$1,479,827 compared to 2018.

### Overview of the Financial Statements

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

**Government-Wide Financial Statements** - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on the District's assets, deferred outflows of resources, liabilities, and deferred inflow of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the Government-wide financial statements distinguish functions of the District that will be principally supported by tax revenues. The governmental activities of the District include operations, administration, support services, fire prevention and community education.

The government-wide financial statements can be found on pages 30-31 of this report.

**Fund Financial Statements** – 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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The District has two kinds of funds, governmental and fiduciary.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

As required by law, the District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the General Fund and the Fiduciary Fund to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 32-35 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-61 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, the comprehensive annual financial report also presents certain required supplementary information and other supplementary information concerning all of the District's funds and the District's pension plans. This supplementary information can be found on pages 62-70 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,827,133 at the close of the most recent fiscal year, and thus indicates an improvement in overall financial position.

A large portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, and equipment). These assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used, to include amounts restricted for emergencies, capital projects and a net pension asset. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

## **Financial Efforts in 2019**

### **District's Net Position as of December 31:**

	2019	2018
<b>Assets</b>		
Current and other assets	\$ 50,583,526	\$ 48,713,877
Capital assets	22,719,756	21,544,398
Total assets	<u>73,303,282</u>	<u>70,258,275</u>
<b>Deferred outflows of resources</b>		
Related to pension	9,692,220	4,845,848
Total deferred outflows of resources	<u>9,692,220</u>	<u>4,845,848</u>
<b>Liabilities</b>		
Other liabilities	1,481,500	1,060,043
Long-term liabilities:		
Due within one year	2,714,862	2,216,085
Due greater than a year	7,038,041	6,895,644
Total liabilities	<u>11,234,403</u>	<u>10,171,772</u>
<b>Deferred inflows of resources</b>		
Related to pension	628,923	1,225,258
Property tax revenue	31,305,043	27,339,666
Total deferred inflows of resources	<u>31,933,966</u>	<u>28,564,924</u>
<b>Total liabilities and deferred inflows of resource:</b>	<u>43,168,369</u>	<u>38,736,696</u>
<b>Net position:</b>		
Net investment in capital assets	18,560,043	16,407,949
Restricted	6,779,658	9,703,446
Unrestricted	14,487,432	10,256,032
Total net position	<u>\$ 39,827,133</u>	<u>\$ 36,367,427</u>

At the end of the current fiscal year, the District is able to report a positive balance in both the restricted and unrestricted net position for governmental activities. Net investment in capital assets increased by \$2,152,094 due to the purchase of a substation in the Candelas area, a new land parcel for future station construction, replacement of truck 4, and the refurbishment of an ambulance offset by ongoing depreciation.

The amount restricted for TABOR reported in governmental activities increased by \$23,781 from the fiscal year 2018 balance. The District's restricted for capital project balance increased by \$309,308 from the 2018 balance. No net position is restricted in the current year for pension related items.

The remaining net position, totaling \$14,487,432, represents the unrestricted portion available for the District's ongoing obligations to its citizens. This amount increased by \$4,231,400, which was a result of

increased EMS revenue due to supplemental Medicaid reimbursement, lower than expected operating costs, and favorable pension fund performance.

**Governmental Activities**

Governmental activities increased net position by \$3,459,706 during the most recent fiscal year. Key elements of this increase are as follows.

**Changes in net position for the years ended December 31:**

	2019	2018
Program revenues		
Charges for services	\$ 4,787,457	\$ 3,998,752
Operating grants and contributions	114,654	659,410
General revenues		
Property tax	26,131,959	25,839,303
Specific ownership tax	2,359,240	2,531,504
Incremental property tax	1,016,558	1,014,846
Investment earnings	416,992	312,790
Other revenue	196,823	300,387
Total revenue	<u>35,023,683</u>	<u>34,656,992</u>
Expenses		
Fire protection and emergency services	31,455,410	26,449,532
Interest on long-term debt	108,567	133,374
Total expenses	<u>31,563,977</u>	<u>26,582,906</u>
Change in net position	3,459,706	8,074,086
Net position - beginning	36,367,427	28,293,341
Net position - ending	<u>\$ 39,827,133</u>	<u>\$ 36,367,427</u>

Property taxes increased by \$292,656 when compared to 2018. Specific ownership taxes decreased by \$172,264 compared with 2018. The charges for services increased \$788,705 due to receipt of supplemental Medicaid reimbursement for EMS transports. Operating grants and contributions decreased \$544,756 from prior year due to a decrease in wildland and USAR deployments and reimbursements when compared to 2018.

Expenses increased \$4,981,071 when compared with fiscal year 2018 due to increased operational and staffing costs as well as higher pension expense.

**General Fund Budgetary Highlights**

The General Fund was established and continually funded to provide for the daily activities, salaries, expenditures, and operating costs of the District. This fund provides for functional areas of the organization: Administration, Support Services, Fire Marshal’s Office and Operations. The General Fund also provides for

such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the General Fund is taxation of real property. The main secondary funding source for the General Fund is through the billing for EMS services. Other sources of income for the General Fund include specific ownership taxes, intergovernmental agreements, and interest income on reserve funds. The primary projects or program efforts for establishing funding during 2019 were:

1. Support and improve the firefighting programs to enhance our capabilities of providing quality emergency services to the community we serve.
2. Salaries and benefits for all existing full and part-time personnel of the District.
3. Normal operational costs of the District.
4. Established fire prevention and safety programs and the development of new programs.
5. An aggressive preventive maintenance program focused on maintaining peak performance for all District apparatus.

2019 actual performance differed significantly from budgeted performance primarily due to the delay in construction of two new stations budgeted to begin in 2019. Based on availability of additional data and information, the District chose to change the location of the two planned construction projects to improve estimated response times over the previously chosen sites. This change resulted in lower revenue than budgeted as construction reserves were not drawn as anticipated and in lower costs since primary construction did not begin as planned.

Additionally, the District had higher EMS revenue than expected due to a new state program that reimburses a portion of the costs associated with transporting Medicaid patients and had lower than expected costs due primarily to savings in IT costs and fewer wildland and USAR deployments than anticipated.

### **Capital Asset and Long-Term Debt Activity**

#### **Capital Assets**

The District's capital assets at December 31, 2019 amounted to \$22,719,756, which includes land, construction in progress, buildings, building improvements, equipment, firefighting apparatus, and staff vehicles.

The total increase in the District's capital assets for the current year was approximately 5 percent due primarily to investments in land and a new substation to improve service times within the District. The major capital assets purchased during the year are as follows:

1. Land was purchased at Candelas Parkway and Highway 72 for future construction of a new station.
2. A house was purchased in the Candelas subdivision to serve as a substation to improve response times on medical calls until a permanent station is built in the area.
3. Truck 4 was replaced.

4. A medic unit was refurbished during 2019.
5. Construction in progress as of December 31, 2019 increased \$368,826 due to continuation of a fiber optic upgrade project, down payments on the refurbishment of ladder 6 and a new ambulance, equipment purchased for the new medic unit, and an access control system, offset by the placement of truck 4 into service and the write off of architectural and site costs for locations that have since been rejected as new station sites.
6. Other additions included new utility vehicles, equipment for new truck 4, and EMS equipment for several medic units.

Capital assets (net of accumulated depreciation) are classified as below:

	2019	2018
Land	\$ 1,611,285	\$ 860,338
Construction in progress	1,097,813	728,987
Buildings & improvements	15,558,069	15,533,579
Fire vehicles & equipment	4,412,814	4,356,141
Office & computer equipment	39,775	65,353
	<u>\$ 22,719,756</u>	<u>\$ 21,544,398</u>

For more detailed information on capital asset activity, refer to Note 3 in the Notes to Financial Statements.

### Long-Term Debt

The District's long-term debt as of December 31, 2019 totaled \$9,752,903, which includes lease revenue bond, compensated absences, the net pension liability, and the capital lease liability.

Significant long-term debt activity for the year 2019 is summarized as follows:

	2019	2018
Lease revenue bonds	\$ 4,105,000	\$ 5,072,000
Compensated absences	1,700,020	1,364,814
Net pension liability	3,893,170	2,610,466
Capital lease liability	54,713	64,449
	<u>\$ 9,752,903</u>	<u>\$ 9,111,729</u>

Current year activity included the District's \$967,000 payment of principal on the 2013 Revenue Bonds. In addition, the District's net pension liability related to the District's Volunteer Pension Fund and involvement in the Statewide Defined Benefit Plan increased \$1,282,704. See note 6 and 7 in the Notes to the Financial Statements for additional information.

For more detailed information on long-term debt and capital lease activity, refer to Note 4 in the Notes to the Financial Statements.

## General Fund

General fund balances as of December 31:

	2019	2018
<b>Assets</b>		
Current and other assets	\$ 50,583,526	\$ 45,457,000
Total assets	<u>50,583,526</u>	<u>45,457,000</u>
<b>Liabilities</b>		
Other liabilities	1,324,000	1,010,543
Due to pension trust fund	157,500	49,500
Total liabilities	<u>1,481,500</u>	<u>1,060,043</u>
<b>Deferred inflows of resources</b>		
Property tax revenue	31,305,043	27,339,666
EMS revenue	287,357	318,580
Unavailable revenue	-	11,533
Total deferred inflows of resources	<u>31,592,400</u>	<u>27,669,779</u>
Total liabilities and deferred inflows of resources:	<u>33,073,900</u>	<u>28,729,822</u>
<b>Fund Balances</b>		
Nonspendable	438,922	888,144
Restricted		
TABOR	1,050,489	1,026,708
Capital projects	5,729,169	5,419,861
Assigned	176,642	1,932,289
Unassigned	10,114,404	7,460,176
Total fund balance	<u>\$ 17,509,626</u>	<u>\$ 16,727,178</u>

At the end of the current fiscal year, the District reports a positive balance for all fund balance categories (nonspendable, restricted, assigned, and unassigned) for the general fund. Nonspendable fund balance decreased \$449,222 due to timing of year-end payments resulting in fewer prepaid items at the end of 2019.

The amount of fund balance restricted for TABOR increased by \$23,781 from the fiscal year 2018 balance due to higher expenses in 2019. The District's fund balance restricted for capital projects balance increased by \$309,308 from the 2018 balance due to tax revenues in the Candelas escrow fund offset by uses to bring substation 9 online to provide quicker response times in the northwest quadrant of the District.

The assigned fund balance decreased \$1,755,647 from the fiscal year 2018 balance due to fewer outstanding projects at the end of 2019. The 2019 unassigned balance relates to the final payment for a refurbished truck which was delivered in January 2020.

Unassigned fund balance, totaling \$10,114,404, represents the fund balance available for the District's ongoing service obligations to its citizens. This amount increased by \$2,654,228 during fiscal year 2019 as a result of increased EMS revenue due to supplemental Medicaid reimbursement and lower than expected operating costs.

Changes in fund balance for the years ended December 31:

	2019	2018
<b>Revenues</b>		
General property tax	26,131,959	25,839,303
Specific ownership tax	2,359,240	2,531,504
Incremental property tax	1,016,558	1,014,846
Investment earnings	416,992	312,790
Other revenue	5,128,870	4,541,413
Total revenue	<u>35,053,619</u>	<u>34,239,856</u>
<b>Expenses</b>		
Fire protection and emergency services	30,474,123	27,638,105
Capital outlay	2,722,736	1,242,909
Debt service	1,075,567	1,191,374
Capital lease payments	22,439	13,185
Total expenditures	<u>34,294,865</u>	<u>30,085,573</u>
Excess of revenues over expenditures	758,754	4,154,283
Other financing sources	23,694	87,023
Net change in fund balance	782,448	4,241,306
Fund balance, beginning of year	16,727,178	12,485,872
Fund balance, end of year	<u>\$ 17,509,626</u>	<u>\$ 16,727,178</u>

Property taxes increased by \$292,656 compared with 2018. Specific ownership taxes decreased by \$172,264 compared with 2018. Incremental property tax increased \$1,712 compared with 2018. Investment earnings increased \$104,202 compared with 2018. Other revenue increased \$587,457 compared with 2018 due to receipt of supplemental Medicaid reimbursement for EMS transports.

Expenses increased \$4,209,292 when compared with fiscal year 2018 due to increased operational and staffing costs.

**Fiduciary Fund Activities**

**Pension Fund**

The Pension Fund was established and continually funded to provide for the provision of retirement pension benefits for the volunteer firefighters of the District. The fund provides for the payment of benefits and the

expenses of providing those benefits. The primary funding source for the Pension Fund is the transfer of amounts of monies from the General Fund as designated by the Fire Protection Board of Directors. Additional funding is derived from the interest from previously invested assets of the fund and from the State of Colorado matching program.

### **Economic Factors and Next Year's Budgets and Rates**

The District's budget for 2020 shows property tax revenue of \$29,867,118 (less an allowance for uncollectible levies) for the General Fund based on as assessed valuation for the District of \$2,001,133,336 and a mill levy of 14.925 mills.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the District, COVID-19 may impact various parts of its 2020 operations and financial results, but the effects are currently unknown. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

### **Request for Information**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Arvada Fire Protection District, 7903 Allison Way, Arvada, CO 80005, Attn: Vikki Fininen

**Statement of Net Position**  
As of December 31, 2019

	Governmental Activities
<b>Assets:</b>	
Cash and investments	\$ 12,095,434
Restricted cash and investments	5,729,169
Accounts receivable	
Property taxes	29,879,431
Incremental property taxes	1,425,612
Specific ownership tax	191,694
EMS receivable, net of allowance (\$197,456)	783,104
Other	2,784
Prepaid items	438,922
Due from other governments	37,376
Non-depreciable assets	2,709,098
Depreciable assets, net of accumulated depreciation	20,010,658
Total assets	73,303,282
<b>Deferred outflows of resources:</b>	
Related to pension	9,692,220
Total deferred outflows of resources	9,692,220
<b>Liabilities:</b>	
Accounts payable	249,086
Accrued liabilities	1,074,914
Due to other funds	157,500
Long-term liabilities due within a year	
Compensated absences	1,700,020
Certificates of participation and bonds payable	990,000
Capital lease liability	24,842
Long-term liabilities greater than a year	
Certificates of participation and bonds payable	3,115,000
Net pension liability	3,893,170
Capital lease liability	29,871
Total liabilities	11,234,403
<b>Deferred inflows of resources:</b>	
Related to pension	628,923
Property tax revenue	31,305,043
Total deferred inflows of resources	31,933,966
Total liabilities and deferred inflows of resources	43,168,369
<b>Net position:</b>	
Net investment in capital assets	18,560,043
Restricted for:	
TABOR	1,050,489
Capital projects	5,729,169
Unrestricted	14,487,432
Total net position	\$ 39,827,133

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

**Statement of Activities**  
Year Ended December 31, 2019

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues & Changes In Net Position
<b>Governmental activities:</b>				
Fire protection and emergency services	\$ 31,455,410	\$ 4,787,457	\$ 114,654	\$ (26,553,299)
Interest on long-term debt	108,567	-	-	(108,567)
Total governmental activities	31,563,977	4,787,457	114,654	(26,661,866)
 <b>General revenues:</b>				
Property tax				26,131,959
Specific ownership tax				2,359,240
Incremental property tax				1,016,558
Investment earnings				416,992
Other income				196,823
Total general revenues				30,121,572
Change in net position				3,459,706
Net position, beginning of year				36,367,427
Net position, end of year				\$ 39,827,133

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

## Governmental Funds Balance Sheet

As of December 31, 2019

	General Fund
<b>Assets:</b>	
Cash	\$ 1,639,243
Restricted investments	5,729,169
Investments	10,456,191
Accounts receivable	
Property taxes	29,879,431
Incremental property tax	1,425,612
Specific ownership tax	191,694
EMS receivable, net of allowance (\$180,812)	783,104
Other	2,784
Prepaid items	438,922
Due from other governments	37,376
Total assets	\$ 50,583,526
 <b>Liabilities and deferred inflows of resources</b>	
<b>Liabilities</b>	
Accounts payable	\$ 249,086
Accrued liabilities	1,074,914
Due to pension trust fund	157,500
Total liabilities	1,481,500
 <b>Deferred inflows of resources:</b>	
Property tax revenue	31,305,043
EMS revenue	287,357
Total deferred inflows of resources	31,592,400
Total liabilities and deferred inflows of resources	33,073,900
 <b>Fund Balances</b>	
Nonspendable	438,922
Restricted	
TABOR	1,050,489
Capital projects	5,729,169
Assigned	176,642
Unassigned	10,114,404
Total fund balance	17,509,626
Total liabilities, deferred inflows of resources, and fund balance	\$ 50,583,526

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

**Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position**  
As of December 31, 2019

Fund balance per Governmental Fund Balance Sheet	\$ 17,509,626
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet:	22,719,756
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:	
Emergency medical service fees	287,357
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:	
Contribution subsequent to the measurement date	1,159,709
Change in investment earnings	2,052,626
Change in proportionate share	600,104
Change in experience	3,352,745
Change in actuarial assumptions	2,527,036
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the government fund:	
Change in investment earnings	(528,889)
Change in experience	(27,875)
Change in proportionate share	(72,159)
Some liabilities, including net pension liability and compensated absences, are not due and payable in the current period and therefore are not reported in the balance sheet:	
Net pension liability	(3,893,170)
Certificates of participation and bonds payable	(4,105,000)
Capital lease liability	(54,713)
Compensated absences	<u>(1,700,020)</u>
 Net Position per Statement of Net Position	 <u>\$ 39,827,133</u>

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

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance  
Year Ended December 31, 2019

	<u>General Fund</u>
Revenues:	
General property taxes	\$ 26,131,959
Specific ownership taxes	2,359,240
Incremental property tax	1,016,558
Investment earnings	416,992
EMS services	4,818,680
Grant revenue	37,314
Other revenue	272,876
Total revenues	35,053,619
Expenditures:	
Fire protection and emergency services	30,474,123
Capital outlay	2,722,736
Debt service:	
Principal	967,000
Interest	108,567
Capital lease payments	22,439
Total expenditures	34,294,865
Excess of revenues over expenditures	758,754
Other financing sources:	
Sale of capital assets	12,500
Capital lease issuance	11,194
Total other financing sources	23,694
Net change in fund balance	782,448
Fund balance, beginning of year	16,727,178
Fund balance, end of year	\$ 17,509,626

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

**Changes in Fund Balance - Governmental Fund  
to the Statement of Activities**

Year Ended December 31, 2019

Net change in governmental fund balance \$ 782,448

Governmental funds report capital outlay as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	2,722,736
Depreciation	(1,431,067)
Loss on Disposal of Capital Assets	(116,311)

Repayment of bond principal is reported as an expenditure in governmental funds and thus has the effect of reducing fund balance because current financial resources have been used. The principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Principal payments made	967,000
Capital lease payments	20,930

Governmental funds report issuance of capital leases as other financing sources. However, in the Statement of Net Position these issuances are reflected as debt obligations.

Capital lease issuance	(11,194)
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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:

Compensated absences	(335,206)
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Some items 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 fund. The (increases)/decreases in these activities consist of:

Pension expense	(481,083)
Employer pension contributions	1,384,209

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

Wildland reimbursement	(11,533)
Emergency medical services	(31,223)

Change in Net Position	<u>\$ 3,459,706</u>
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The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Position -  
Pension Trust Fund  
As of December 31, 2019

	<u>December 31, 2019</u>
Assets:	
Investments	
Domestic equities	\$ 5,445,855
Domestic fixed income securities	3,786,976
Mutual funds	958,052
Money market mutual funds	419,103
Total investments	<u>10,609,986</u>
Due from General Fund	157,500
Accrued interest receivable	<u>34,796</u>
Total assets	<u>10,802,282</u>
Net position:	
Net positions restricted for pensions	<u>\$ 10,802,282</u>

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

Statement in Changes in Fiduciary Net Position -  
Pension Trust Fund  
Year Ended December 31, 2019

	2019
<b>Additions:</b>	
Contributions from District	\$ 175,000
Contributions from the State of Colorado	157,500
Earnings on investments	234,790
Net appreciation (depreciation) in fair value of investments	1,506,612
Less: Investment related expenses	(30,577)
Net investment income	1,710,825
Total additions	2,043,325
 <b>Deductions:</b>	
Benefits paid to retirees	1,108,859
Administration of plan	1,211
Total deductions	1,110,070
Changes in plan net position	933,255
Net position, beginning of year	9,869,027
Net position, end of year	\$ 10,802,282

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

## Notes to the Basic Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Arvada Fire Protection District (the District) is a governmental entity formed under the laws of the State of Colorado to provide fire protection services within Jefferson County. The District is governed by a five-member Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. The financial reporting entity consists of the primary government and its component unit.

A primary government is any state, general-purpose local or special-purpose government, which meets the following criteria: a) it has a separately elected governing body; b) it is legally separate; and c) it is fiscally independent of other state and local governments. The financial reporting entity consists of the primary government and organizations for which the primary government is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Additionally, the primary government may choose to include an organization in the reporting entity that does not meet either of these criteria because the nature and significance of the component unit's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present the District (the primary government) and its component unit. The component unit included in the District's reporting entity is reported using the blended method. The blended method reports the financial data of the component unit as part of the primary government. The blended method is used when any of the following circumstances is present: 1) the component unit's governing body is substantively the same as the governing body of the primary government; and there is a financial benefit or burden relationship between the component unit and the primary government or management of the primary government has operational responsibility for the component unit; or 2) the component unit provides services entirely or almost entirely to the primary government, or 3) the component unit's total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The following component unit is presented in the accompanying financial statements:

*Arvada Fire Protection District Building Corporation (the Corporation) - The Corporation was formed to hold title to the property of the District and facilitate the operations of the District and support projects and initiatives that are organized and operated for similar purposes. The Corporation is controlled by the same elected Board of Directors as that of the District.*

### **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 nonfiduciary activities of the District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues consist of fire protection and emergency services and interest on long-term debt for the District.

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

Separate financial statements are provided for the governmental funds and the fiduciary funds, even though the latter are excluded from the District's government-wide financial statements.

### **Measurement Focus, Basis of Accounting and Basis of 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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grant and similar revenues are recognized as soon as all eligibility requirements 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 District considers emergency medical services (EMS) revenues to be available if they are collected within 90 days of the end of the current year.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Property taxes and other revenues are considered available if collected within 60 days of year-end. The major sources of revenue subject to accrual are property taxes and EMS revenue.

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.

All pension trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

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

Program revenues include fees for firefighting, EMS services, permits and inspections, other services provided by the District and operating grants received by the District during the fiscal year.

In the fund financial statements, the District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The District reports the following fiduciary fund:

The *Pension Trust Fund* is used to account for assets held by the District in a trustee capacity for the volunteer firefighter's retirement plan.

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

*Investments* – All investments are reported at fair value, amortized cost, or net asset value.

*Accounts Receivable* – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year but not received at year-end are identified as taxes receivable.

*Prepaid Items* – Prepaid items are paid in advance for services and are expensed as the services are rendered. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.

*Capital Assets* – Capital assets, which include land, vehicles and equipment, buildings, other improvements, office equipment, and construction in process are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of more than \$5,000 or more and an estimated useful life in excess of one year. Donated assets are recorded at their acquisition cost at the date of donation. Capital outlay from the statement of revenues, expenditures, and changes in fund balance in excess of what is capitalized on the statement of net position is charged to support services of the governmental activities.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Replacements or betterments (which improve or extend the lives of property) are capitalized. Maintenance and repairs of a routine nature are charged to expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings – Stations	40	years
Other Improvements	7-40	years
Office and Computer Equipment	5-10	years
Vehicles & Equipment	5-20	years

*Deferred outflows of resources* – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District has five items that qualify as a deferred outflow of resources related to GASB Statement No. 68: 1) contributions subsequent to the measurement date; 2) change in investment earnings; 3) change in proportionate share; 4) change in experience; and 5) change in actuarial assumptions. See Note 6 and 7 for additional information.

*Property taxes* – Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar is as follows:

Tax Year

Beginning of fiscal year for taxes

- January 1

Assessed valuation initially certified by County Assessor

- August 25

Property tax levy by Board of Directors for ensuing calendar year

- December 11

Tax levy certified by Controller to County Treasurer

- December 12

Collection Year

Mailing of tax bills (lien date)

- January 1

First installment due

- February 28

Taxes due in full (unless installments elected by taxpayer)

- April 30

Second installment due

- June 15

Property taxes are recorded initially as deferred inflow of resources in the year they are levied and measurable. The deferred inflows of resources relating to property taxes are recorded as revenue in the year they are available or collected. Property taxes are remitted to the District by the Jefferson County Treasurer by the tenth of the month following collections by the county.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Compensated Absences* – District employees are entitled to certain compensated absences based on their length of employment and classification. The District’s vacation policy requires vacation earned in the current year to be taken in the subsequent year. These compensated absences are recognized as current salary costs when paid in the governmental fund. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

The District has a liability for compensatory time. Employees of the District can be paid overtime or be paid as compensatory time. The compensatory time will not be granted or allowed to accumulate in excess of 48 hours per employee.

*Long-Term Debt* – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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

*Deferred inflow of resources* – In addition to liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has several items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. EMS revenue is recognized as a deferred inflow of resources in the period in which services are performed. Deferred inflows related to GASB Statement No. 68 have been recorded as of December 31, 2019: 1) change in experience; 2) change in proportionate share; and 3) change in investment earnings. See Notes 6 and 7 for additional information.

*Net Position/Fund Balances* – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed.

In the government-wide financials statements, net position includes net investment in the capital assets of the entity, and also shows restricted amounts related to TABOR and capital projects. The District had net investment in capital assets of \$18,560,043 as of December 31, 2019. The District held net position \$1,050,489 as of December 31, 2019 as restricted for TABOR. See Note 8 for additional information. Restricted net position for capital projects comprises funds received under an agreement for the provision of services within the Jefferson Center Metropolitan District No. 1 area (Candelas) and totaled \$5,729,169 as of December 31, 2019. See Note 8 for additional information.

In the fund financial statements, governmental funds report committed fund balances when the Board of Directors formally commits resources for a specific purpose through passage of a resolution. The Board of Directors has delegated to the Fire Chief the authority to assign fund balances to be used for specific purposes. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, District policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, including items that are not expected to be converted to cash. The District had \$438,922 in nonspendable fund balance as of December 31, 2019.

Restricted fund balance includes amounts where constraints have been placed on the use of resources by either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District had \$6,779,658 restricted as of December 31, 2019.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of formal action (for example, resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District had no committed balances as of December 31, 2019.

Assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The Board of Directors adopted a fund balance policy and as part of the policy delegated the authority to the Fire Chief to assign amounts to be used for specific purposes. The District had assigned fund balance of \$176,642 as of December 31, 2019.

Unassigned fund balance represents residual fund balance that has not been restricted, committed, or assigned.

*Budget Information* - The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Finance Director of the District presents the proposed balanced budget for the fiscal year commencing the following January 1 to the Board of Directors. The operating budget includes proposed expenditures and the means of financing them for each fund of the District.

Public hearings are conducted to obtain taxpayer comments.

Prior to December 15, the Board of Directors legally adopts the budget through the passage of a resolution. This resolution authorizes a lump-sum expenditure budget for each fund and this aggregate expenditure budget then becomes the level of control upon which expenditures cannot legally exceed appropriations. An appropriation resolution is also adopted for each individual fund.

The budgets for all governmental funds are adopted on a modified accrual basis consistent with generally accepted accounting principles (GAAP).

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The budget for the Pension Trust Fund is adopted to fulfill statutory requirements and is prepared on a GAAP basis.

All appropriations lapse at year-end per State statutes.

**NOTE 2 – CASH AND INVESTMENTS**

The following is the reconciliation between the cash and investments recorded in the financial statements and the amounts reported in this footnote:

Deposits with financial institutions	\$ 1,639,243
Investments	26,795,346
Total cash and investments	<u>\$ 28,434,589</u>
Governmental Funds	
Cash	\$ 1,639,243
Restricted cash and investments	5,729,169
Investments	10,456,191
Total governmental funds	<u>17,824,603</u>
Fiduciary fund *	
Investments	10,609,986
Total fiduciary funds	<u>10,609,986</u>
Total cash and investments	<u>\$ 28,434,589</u>

\*See note 6 for cash and investment information of the fiduciary fund.

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a carrying balance of \$1,639,243.

The District has not adopted a formal investment policy; however, it follows state statutes regarding investments.

## NOTE 2 – CASH AND INVESTMENTS (continued)

### Credit Risk

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

### Interest Rate Risk

Interest rate risk is the risk that market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has not adopted a formal interest rate risk policy; however, it follows state statutes regarding investments.

As of December 31, 2019, the District had the following investments:

Investment	Rating - Moody's	Fair Value	Maturity less than 1 year	Percentage of Investment
Colotrust	AAAm	\$ 10,456,191	\$ 10,456,191	65%
Mutual Funds	AAAm	5,729,169	5,729,169	35%
		<u>\$ 16,185,360</u>	<u>\$ 16,185,360</u>	<u>100%</u>

### Fair Value

As of December 31, 2019, the District had invested \$10,456,191 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

**NOTE 2 – CASH AND INVESTMENTS** (continued)

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor’s and measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

The District’s investment in a money market mutual fund is tax dollars held for future development of a fire house in the Candelas Development (See Note 8). The money market mutual fund is valued at amortized cost and based on the valuation method; additional disclosures are not required under GASB Statement No. 72.

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, is summarized below.

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Capital assets not being depreciated				
Land	\$ 860,338	\$ 750,947	\$ -	\$ 1,611,285
Construction in progress	728,987	741,241	(372,415)	1,097,813
Total capital assets not being depreciated	<u>1,589,325</u>	<u>1,492,188</u>	<u>(372,415)</u>	<u>2,709,098</u>
Capital asset being depreciated				
Vehicles and equipment	16,877,424	810,271	(177,800)	17,509,895
Fire stations	11,853,081	620,513	-	12,473,594
Improvements	11,270,901	172,179	-	11,443,080
Office and computer equipment	672,667	-	(5,150)	667,517
Total capital assets being depreciated	<u>40,674,073</u>	<u>1,602,963</u>	<u>(182,950)</u>	<u>42,094,086</u>
Accumulated depreciation				
Vehicles and equipment	(12,521,283)	(637,287)	61,489	(13,097,081)
Fire stations	(4,748,155)	(396,818)	-	(5,144,973)
Improvements	(2,842,248)	(371,384)	-	(3,213,632)
Office and computer equipment	(607,314)	(25,578)	5,150	(627,742)
Total accumulated depreciation	<u>(20,719,000)</u>	<u>(1,431,067)</u>	<u>66,639</u>	<u>(22,083,428)</u>
Total capital assets, net	<u>\$ 21,544,398</u>	<u>\$ 1,664,084</u>	<u>\$ (488,726)</u>	<u>\$ 22,719,756</u>

Depreciation expense of \$1,431,067 for December 31, 2019 is allocated to the fire protection and emergency services function.

#### NOTE 4 – LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2019.

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>	<u>Due in one year</u>
2013 Series Lease					
Revenue Bonds	\$ 5,072,000	\$ -	\$ (967,000)	\$ 4,105,000	\$ 990,000
Compensated absences	1,364,814	1,748,504	(1,413,298)	1,700,020	1,700,020
Capital leases	64,449	11,194	(20,930)	54,713	24,842
Total long-term liabilities	<u>\$ 6,501,263</u>	<u>\$ 1,759,698</u>	<u>\$ (2,401,228)</u>	<u>\$ 5,859,733</u>	<u>\$ 2,714,862</u>

#### Tax-Exempt Direct Purchase Lease Revenue Bonds, Series 2013A, 2013B, and 2013C

On August 5, 2013, the District entered into a Lease Agreement with the Arvada FPD Building Corporation (“Corporation”). The Corporation was created to facilitate the issuance of tax-exempt direct purchase lease revenue bonds Series 2013A, Series 2013B, and Series 2013C. The facilities financed with the bonds were leased to the District from the Corporation. The Corporation, as a component unit to the District, will issue up to \$9,500,000 in tax-exempt direct purchase lease revenue bonds, of which Series 2013B qualified under the provisions of sections 141-150 of the Internal Revenue Code as a “Build America Bond”, for the interest credit of thirty-five (35%) percent. The bonds were issued under a Mortgage and Loan Agreement between the District and Wells Fargo Bank, NA, as Trustee. The interest is payable annually at a rate of 2.38 percent on January 1 and July 1 of each year, commencing on January 1, 2014 through July 1, 2023. The net proceeds of \$9,500,000 are restricted to be used to finance the acquisition and remodeling of fire stations and equipment.

Bond payments to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 990,000	\$ 85,918	\$ 1,075,918
2021	1,014,000	62,070	1,076,070
2022	1,038,000	37,652	1,075,652
2023	1,063,000	12,650	1,075,650
	<u>\$ 4,105,000</u>	<u>\$ 198,290</u>	<u>\$ 4,303,290</u>

#### CAPITAL LEASES

The District entered into a Lease Agreement with AllCopy Products for the purpose of procuring two copiers to support administrative functions at the District’s headquarters building. The value of the assets at acquisition was \$30,964. As of December 31, 2019, accumulated depreciation on these copiers was \$12,386. The lease calls for total annual payments of \$6,575 over five years at an implied interest rate of 2.38 percent.

On July 17, 2018, the District entered into a lease agreement with Hewlett-Packard Financial Services Company for computers for medic units. The value of the assets at acquisition was \$45,458. As of December

**NOTE 4 – LONG-TERM DEBT** (continued)

31, 2019, accumulated depreciation on these computers was \$21,466. The lease calls for total annual payments of \$15,864 at an implied interest rate of 3.00 percent.

On October 4, 2019, the District entered into a lease agreement with Hewlett-Packard Financial Services Company for computers for medic units. The value of the assets at acquisition was \$11,194. As of December 31, 2019, accumulated depreciation on these computers was \$0 as they were placed into service subsequent to December 31, 2019. The lease calls for total annual payments of \$3,906 at an implied interest rate of 3.00 percent.

Future minimum payments on these leases are as follows:

	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Minimum Lease Payments</u>
2020	\$ 24,842	\$ 1,177	\$ 26,019
2021	19,221	514	19,735
2022	10,325	156	10,481
2023	325	1	326
	<u>\$ 54,713</u>	<u>\$ 1,848</u>	<u>\$ 56,561</u>

**NOTE 5 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District utilizes commercial insurance for property and liability coverage. Claims have not exceeded coverage in the last three years. Legal counsel and management report that there are no legal actions in process that would have a material effect on these financial statements.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. In 2019, the District is only covered by the Pool for workers compensation. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for workers compensation coverage. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds which the pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 6 – VOLUNTEERS' FIREFIGHTERS PENSION FUND**

**Plan Descriptions and Provisions**

The District, on behalf of its volunteer firefighters, contributes to a single employer defined benefit

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

pension plan (the Plan). The Plan is administered by a Board of seven (7) Trustees composed of five (5) District Board members and two (2) volunteer firefighters selected in accordance with Colorado State Statutes. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions for such plans. The Plan is included as a Pension Trust fund of the District and the Pension Trust does not issue separate statements.

The Plan provides retirement, survivor, death and funeral benefits. Retirement benefit for a member is \$725 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$36.25 per month for every year of service. Survivor’s death benefits range from \$150 monthly benefit payment to 50 percent of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment equal to two monthly payments (maximum of \$1,450).

Volunteer firefighters must maintain a minimum training participation in the fire department of 36 hours each year to qualify for a year of service. Participant’s credited service is the sum of their years of service within the District. There are no contributions by the volunteer firefighters. The District contributes such amounts as are deemed necessary under the entry age actuarial cost method to provide the retirement plan with sufficient assets to meet the benefits to be paid to plan participants. For the year ended December 31, 2019, the District contributed \$175,000 to the plan and the State of Colorado contributed a total of \$207,000 (\$49,500 to match 90% of the District’s 2017 contribution and \$157,500 to match 90% of the District’s 2018 contribution).

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	198
Inactive Plan Members Entitled to But	
Not Yet Receiving Benefits	5
Active Employees	-
Total	<u>203</u>

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2019 were based on contribution rates as of January 1, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level amount, closed
Remaining Amortization Period	15 years, closed
Asset Valuation Method	Market value
Inflation	Implicit
Salary Increases	N/A

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

Investment Rate of Return	6.00%
Retirement Age	50% rate assumed until 65 at which 100% retirement is assumed

**Mortality rate**

Mortality rate is assumed according to RP-2014 for annuitants, adjusted back to 2006 with Scale MP-2014 and projected forward to 2018 with Scale MP-2017, fully generational using the ultimate rates from Scale MP-2017.

**Single Discount rate**

A single discount rate of 6.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.00 percent and municipal bond rate of 2.75 percent. The projection of cash flows used to determine this Single Discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2119.

**Investments**

The Plan is a noninsured trust retirement plan, with a bank or trust company authorized to exercise trust powers in Colorado as trustee. As such, the Plan’s assets are invested using the “Colorado Uniform Prudent Investor Act” found in the provisions of Part 3 of Article 1 of Title 15, C.R.S.

The Plan assets are invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill, and caution. Investment decisions should be evaluated within the context of the entire portfolio (rather than on an individual investment basis) and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan’s purpose.

Separate accounts, mutual funds, and other investment vehicles may be used based upon the most favorable approach for the Plan’s circumstances, assuming the vehicle meets the fiduciary standard and specific guidelines for the manager. It is recognized that if a pooled fund is used, the fund’s investment manager, rather than the Plan, sets the fund’s investment policies, strategies, objectives, guidelines, and restrictions.

The investments of the Trust are reported at fair value. Securities are valued at the last reported sales price at current exchange rates or the quoted market price as of December 31, 2019.

The Plan’s investment portfolio consists of the following types of investments:

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

Investment	Fair Value	Maturity			Percentage of Investment
		Less than 1 year	1-5 yrs	6-10 yrs	
Corporate bonds	\$ 2,103,605	\$ 300,569	\$ 988,299	\$ 814,737	55.55%
US Treasury notes	1,279,146	226,512	899,499	153,135	33.78%
US agency bonds	148,281	-	-	148,281	3.91%
State and local government bonds	255,944	-	255,944	-	6.76%
	<u>\$ 3,786,976</u>	<u>\$ 527,081</u>	<u>\$ 2,143,742</u>	<u>\$ 1,116,153</u>	<u>100.00%</u>

In addition, the Pension Plan had \$5,445,855 invested in equities, \$958,052 invested in mutual funds, and \$419,103 invested in money market mutual funds, to which the concept of maturity does not apply, as of December 31, 2019.

The calculation of realized gains (loss) is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Investment policy**

The Plan has an investment policy that regulates investments by hiring a qualified investment consultant to oversee qualified investment management firms who manage the assets of the Plan. The investment policy establishes an investment strategy, investment objectives, and investment guidelines for all assets.

The investment strategy is designed to be consistent with the safety and return objectives of the Plan and meets the requirements of C.R.S 31-30-113.

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Trust board by a majority vote of its members.

**Rate of Return**

For the year ended December 31, 2019, the Plan’s annual money-weighted rate of return on plan investments, net of investment expense, was 17.65 percent. The money-weight rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Investment risk factors**

There are many factors that can affect the value of investments. Some, such as custodial risk, concentration risk, and foreign currency risk, may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings, performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates. The Plan has established investment policies to provide the basis for the management of a prudent investment program appropriate to the particular needs of the Plan.

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

**Credit risk**

Credit risk is the risk that an issuer or other party to an investment will not fulfill its obligation to the Plan. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the Board. The Plan assets will be invested in accordance with the “Colorado Uniform Prudent Investor Act” found in the provisions of Part 3 of Article 1 of Title 15, C.R.S. The Plan assets shall be invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill, and caution. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan’s purpose. The Plan does not own any derivative investments.

Investment	Credit Rating (S&P)					
	Fair Value	N/A	AAA	AA/AA-	A+/A/A-	BBB
Equities	\$ 5,445,855	\$ 5,445,855	\$ -	\$ -	\$ -	\$ -
Corporate bonds	2,103,605		106,459	445,011	1,088,401	463,734
Mutual funds	958,052	958,052	-	-	-	-
US Treasury obligations	1,279,146	-	1,279,146	-	-	-
US agency bonds	148,281	-	-	148,281	-	-
State and local government bonds	255,944	-	-	255,944	-	-
Money market mutual funds	419,103	419,103	-	-	-	-
	<u>\$ 10,609,986</u>	<u>\$ 6,823,010</u>	<u>\$ 1,385,605</u>	<u>\$ 849,236</u>	<u>\$ 1,088,401</u>	<u>\$ 463,734</u>

**Custodial risk**

The Plan has no custodial credit risk. All securities are registered in the name of the Pension Trust as the Trustee for the Plan and held by third-party safekeeping agents. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Concentration of credit risk**

The Pension Fund’s investment policy does not limit investments in any one issuer, nor does it limit the concentration. No investments in any one issuer exceeds 5 percent of the total investments or 5 percent of the Pension Trust Fund’s net position.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan’s investment policy manages its exposure to fair value losses arising from rising interest rates by

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

providing specific guidelines for fixed income managers.

**Fair Value**

As of December 31, 2019, the Pension Plan had the following fair value measurements including investments.

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>
Equities	\$ 5,445,855	5,445,855	\$ -
Corporate bonds	2,103,605	-	2,103,605
US Treasury securities	1,279,146	1,279,146	-
US agency bonds	148,281	148,281	-
Mutual funds	958,052	-	958,052
State and local government bond:	255,944	-	255,944
Investments by fair value level	<u>\$ 10,190,883</u>	<u>\$ 6,873,282</u>	<u>\$ 3,317,601</u>

In addition, the Pension Plan had \$419,103 invested in money market mutual funds, which are not leveled within the GASB Statement No. 72 hierarchy and are measured at amortized cost as of December 31, 2019.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be achieved to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows: Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date. Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3: Unobservable inputs for an asset or liability.

**Changes in the Net Pension Liability**

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)**

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2018	\$ 12,479,493	\$ 9,869,027	\$ 2,610,466
Changes for the year			
Interest	715,504	-	715,504
Difference in expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions - Employer	-	175,000	(175,000)
Contributions - State	-	157,500	(157,500)
Net Investment Income	-	1,710,824	(1,710,824)
Benefit Payments, Including Refunds of Employee Contributions	(1,108,859)	(1,108,859)	-
Administrative Expenses	-	(1,211)	1,211
Net Changes	(393,355)	933,254	(1,326,609)
Balance at 12/31/2019	\$ 12,086,138	\$ 10,802,281	\$ 1,283,857

*Sensitivity of the net pension liability to the changes in the discount rate.* The following table presents the net pension liability of the District, calculated using the discount rate of 6.00 percent, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.00 percent) or one percentage point higher (7.00 percent) than the current rate.

	Current		
	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
District's Net Pension Liability	\$ 2,411,781	\$ 1,283,857	\$ 322,624

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

For the year ended December 31, 2019, the District recognized pension expense of \$91,403. At December 31, 2019, the District reported deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	\$ -	\$ 528,889
Total	\$ -	\$ 528,889

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

**NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND** (continued)

<u>Year Ended December 31</u>	<u>Deferred Amounts</u>
2020	\$ (91,889)
2021	(156,505)
2022	(52,094)
2023	(228,401)
Total	<u>\$ (528,889)</u>

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN**

**State Fire and Police Pension Plan (FPPA)**

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage are provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA’s website at <http://www.fppaco.org>.

**Description of Benefits**

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN (continued)**

percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Contributions**

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 18.5 percent in 2019 (contribution year), and at the rate of 10 percent and 8 percent in 2018 (actuarial measurement year). In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the SWDB plan from the District were \$1,159,709 for the year ended December 31, 2019.

**Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the District reported a net pension liability of \$2,609,313 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2018, the District's proportion was 2.064 percent, which was a decrease of 0.200 percent from its proportion measured as of December 31, 2017. For the year ended December 31, 2019, the District recognized pension expense of \$389,682. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN** (continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Experience	\$ 3,352,745	\$ 27,875
Changes of Assumptions	2,527,036	-
Net Difference Between Projected and		
Actual Earning of Pension Plan Investments	2,052,626	-
Changes in Proportion and Differences		
Between District Contributions and		
Proportionate Share of Contributions	600,104	72,159
District Contributions Subsequent to the		
Measurement Date	1,159,709	-
Total	<u>\$ 9,692,220</u>	<u>\$ 100,034</u>

\$1,159,709 in total reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Amounts
2020	\$ 1,561,588
2021	1,133,089
2022	974,178
2023	1,571,127
2024	796,839
Thereafter	2,395,656
Total	<u>\$ 8,432,477</u>

**Actuarial Assumptions**

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN (continued)**

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.5%
Projected Salary Increases*	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2018 are summarized in the following table:

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN (continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37%	8.03%
Equity Long/Short	9%	6.45%
Illiquid Alternatives	24%	10.00%
Fixed Income	15%	2.90%
Absolute Return	9%	5.08%
Managed Futures	4%	5.35%
Cash	2%	2.52%
Totals	100%	

**Discount rate**

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

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,118,603	\$ 2,609,313	\$ (3,619,507)

**Pension Plan Fiduciary Net Position**

Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at [www.fppaco.org](http://www.fppaco.org).

**NOTE 7 - STATE FIRE AND POLICE PENSION PLAN** (continued)

**Deferred Compensation Plan**

The District has entered into a Code Section 457 Eligible Deferred Compensation Plan for paid firefighters who are employees. The plan is administered by FPPA. The plan is open to all eligible employees of the District. On January 3, 2017, the District's Board of Directors approved an increase of an additional 4 percent in the District's match up to 6 percent of the eligible members deferral amounts based on the employees' includible compensation. The 6 percent match is made during the period an employee participates in the Deferred Retirement Option Plan (DROP Plan). The District contributed \$371,036 for the fiscal year ended December 31, 2019.

**Paid Employees' Pension Fund**

The District has established a Money Purchase Plan, which is a defined contribution pension plan, which is not affiliated with the Colorado Fire and Police Pension Association. The plan covers all employees who are not firefighters and maintains a separate account for each member and provides retirement benefits for that member. Plan provisions and contribution requirements are established and may be amended by the District Board of Directors. There is no liability for benefits under the plan beyond the District's matching payments.

Plan members and the District are required to contribute at a rate set by the plan. The contribution rate for members is 10 percent of covered salary and for the District is 10 percent of covered salary. The District contributed \$169,515 for fiscal year ended December 31, 2019, which was equal to the required contribution.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

**Intergovernmental Agreements**

On May 7, 2001, the District entered into an Intergovernmental Agreement (IGA) with the City of Arvada. Pursuant to the IGA, the District has agreed to provide fire and emergency services to all areas within the current and future jurisdiction and boundaries of the City.

The District, City of Arvada, Arvada Urban Renewal Authority and Jefferson Center Metropolitan District No. 1 entered into an agreement for provision of services within the Jefferson Center Metropolitan District No. 1 area, Candelas. The provision of fire protection services within the area is to be paid by that portion of the incremental property taxes attributable to the District, in order that the District may use such monies to pay for fire protection services within the area. The incremental taxes collected within the area by the Jefferson County Treasurer is held in a joint account with Jefferson Center Metropolitan District No. 1 for future construction of a fire station in the Development. See Note 2.

In May 2016, the District entered into an Intergovernmental Agreement (IGA) establishing the Jefferson County Communications Center Authority which established a separate legal entity named the Jefferson County Communications Center Authority (Jeffcom). The purpose of Jeffcom is to provide, within the Jeffcom Service Area, Emergency Services reporting, Emergency Services dispatching, Emergency Services communications, and coordination and support services between members and between Members and

**NOTE 8 – COMMITMENTS AND CONTINGENCIES** (continued)

Service Users. Members include a) Arvada Fire Protection District; b) West Metro Fire Protection District; c) Evergreen Fire Protection District; d) City of Arvada; e) City of Wheat Ridge; f) City of Golden; g) City of Lakewood; and h) Jefferson County Sheriff's Office. Jeffcom's primary focus is to promote the safety of the public within the Jeffcom Service Area and to promote the safety of the law enforcement personnel, firefighters, and emergency medical services personnel of Members and Service Users. The term of the agreement is unlimited and shall continue until terminated. The agreement may be terminated at any time by written agreement of all Members, or all Members except one, who are a party to the agreement at the time of such termination.

**TABOR**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 5, 2002, a majority of the District's electors authorized the District to collect, retain and expend all revenues and other funds collected from its ad valorem property tax and any other revenue source, effective January 1, 2003, and every year thereafter, as a voter approved revenue change and exception to the State limits which would otherwise apply, including without limitation the revenue and spending limits Article X, Section 20 of the Colorado Constitution, the 5-1/2 percent property tax limit of section 29-1-301, Colorado Revised Statutes, or any other state law.

**Note 9 – Subsequent Events**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the District, COVID-19 may impact various parts of its 2020 operations and financial results, but the effects are currently unknown. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual General Fund  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget Original*	Budget Final*	Actual	Variance
<b>Revenues:</b>				
General property taxes	\$ 26,084,563	\$ 26,084,563	\$ 26,131,959	\$ 47,396
Specific ownership taxes	2,000,000	2,000,000	2,359,240	359,240
Incremental property taxes	-	-	1,016,558	1,016,558
Investment earnings	-	-	416,992	416,992
EMS services	3,300,000	3,300,000	4,818,680	1,518,680
Grant revenue	-	-	37,314	37,314
Other revenue	8,556,797	8,556,797	272,876	(8,283,921)
Total revenues	<u>39,941,360</u>	<u>39,941,360</u>	<u>35,053,619</u>	<u>(4,887,741)</u>
<b>Expenditures:</b>				
Administration	3,797,229	3,797,229	3,953,383	(156,154)
Support Services	1,379,718	1,379,718	1,226,336	153,382
Maintenance	1,434,400	1,434,400	2,008,170	(573,770)
Fire Marshals Office	857,500	818,265	785,883	32,382
Operations	22,537,863	22,577,098	22,522,791	54,307
Debt Service				
Principal	967,000	967,000	967,000	-
Interest	133,000	133,000	108,567	24,433
Capital outlay	8,834,650	8,834,650	2,722,736	6,111,914
Total expenditures	<u>39,941,360</u>	<u>39,941,360</u>	<u>34,294,865</u>	<u>5,646,495</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>758,754</u>	<u>758,754</u>
<b>Other financing sources:</b>				
Sale of capital assets	-	-	12,500	12,500
Capital lease issuance	-	-	11,194	11,194
Total other sources:	<u>-</u>	<u>-</u>	<u>23,694</u>	<u>23,694</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>782,448</u>	<u>782,448</u>
Fund balance, beginning of year			<u>16,727,178</u>	
Fund balance, end of year			<u>\$ 17,509,626</u>	

\* The basis of budgeting used by the District is the same as GAAP.

Schedules of The District's Proportionate Share of The Net Pension Liability (Asset)  
 Fire and Police Pension Association Statewide Defined Benefit Plan  
 Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013*
District's proportion of the net pension liability (asset)	2.064%	2.264%	2.471%	2.409%	2.432%	2.399%
District's proportionate share of the net pension liability (asset)	2,609,313	(3,256,877)	893,009	(42,472)	(2,744,755)	(2,144,882)
District's covered payroll	13,825,058	13,496,402	12,679,926	11,693,552	10,950,731	10,418,508
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.87%	-24.13%	7.04%	-0.36%	-25.06%	-20.59%
Plan fiduciary net position as a percentage of the total pension liability	95.23%	106.34%	98.21%	100.10%	106.80%	105.80%

\*The amounts presented for each fiscal year were determined as of December 31. Information prior to 2013 is not available.

**Schedule of District Contributions**  
**Fire and Police Pension Association Statewide Defined Benefit Plan**

**Last Ten Fiscal Years**

**Schedule of District Contributions**  
**Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution	\$ 1,159,709	\$ 1,106,005	\$ 1,059,345	\$ 1,011,852	\$ 934,722	\$ 874,960	\$ 833,481	\$ 731,202	\$ 629,931	\$ 559,528
Contributions in Relation to the										
Contractually Required Contribution	1,159,709	1,106,005	1,059,345	1,011,852	934,722	874,960	833,481	731,202	629,931	559,528
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 13,825,058	\$ 13,825,058	\$ 13,496,402	\$ 12,679,926	\$ 11,693,552	\$ 10,950,731	\$ 10,418,508	\$ 9,140,043	\$ 7,874,015	\$ 6,994,105
Contributions as a Percentage of										
Covered Payroll	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%

\*The amounts presented for each fiscal year were determined as of December 31.

**Schedule of Changes in Net Pension Liability and Related Ratios Volunteer Pension Fund  
Last Six Fiscal Years**

	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,693
Interest	715,504	695,493	718,861	742,123	764,259	769,999
Changes in benefit terms	-	-	-	464,773	-	-
Difference in experience levels	-	(189,955)	-	(56,500)	-	251,535
Changes in assumptions	-	(1,224,733)	66,293	1,742,884	-	-
Benefit payments	(1,108,859)	(1,132,934)	(1,138,930)	(1,153,200)	(1,113,167)	(1,122,932)
Net change in total pension liability	(393,355)	(1,852,129)	(353,776)	1,740,080	(348,908)	(99,705)
Total pension liability - beginning	12,479,493	14,331,622	14,685,398	12,945,318	13,294,226	13,393,931
Total pension liability - ending	12,086,138	12,479,493	14,331,622	14,685,398	12,945,318	13,294,226
<b>Plan fiduciary net position</b>						
Contributions - District	175,000	175,000	55,000	55,000	55,000	55,000
Contributions - State	157,500	49,500	49,500	49,500	49,500	49,500
Net investment income	1,710,824	(246,379)	1,148,852	347,688	15,868	663,496
Benefit payments	(1,108,859)	(1,132,934)	(1,138,930)	(1,153,200)	(1,113,167)	(1,122,934)
Administrative expense	(1,211)	(32,793)	(43,001)	(35,529)	(7,000)	(797)
Net change in plan fiduciary net position	933,254	(1,187,606)	71,421	(736,541)	(999,799)	(355,735)
Plan fiduciary net position - beginning balance	9,869,027	11,056,633	10,985,212	11,721,753	12,721,552	13,077,287
Plan fiduciary net position - ending balance	10,802,281	9,869,027	11,056,633	10,985,212	11,721,753	12,721,552
Net Pension Liability	\$ 1,283,857	\$ 2,610,466	\$ 3,274,989	\$ 3,700,186	\$ 1,223,565	\$ 572,674
Plan fiduciary net position as a percentage of the total pension liability	89.4%	79.1%	77.1%	74.8%	90.5%	95.7%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years.  
However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

## Schedule of Pension Contributions Volunteer Pension Fund

Last Six Fiscal Years

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 324,309	\$ 292,236	\$ 292,236	\$ 58,965	\$ 58,965	\$ 115,356
Contributions in relation of the actuarially determined contribution	224,500	224,500	104,500	104,500	104,500	104,500
Contribution Deficiency (Excess)	<u>\$ 99,809</u>	<u>\$ 67,736</u>	<u>\$ 187,736</u>	<u>\$ (45,535)</u>	<u>\$ (45,535)</u>	<u>\$ 10,856</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

### Notes to schedules

#### Valuation date:

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years

#### Methods and assumptions used to determine the contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Amount, closed
Remaining Amortization Period	13 Years
Asset Valuation Method	Market Value
Inflation	Implicit
Salary Increases	N/A
Investment Rate of Return	6.00%
Retirement Age	50% rate assumed until age 65 at which 100% retirement is assumed

#### Mortality

For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55-64, a blend of previous tables. All tables are generationally projected with Scale BB.

## Volunteer Pension Plan Schedule of Investment Returns

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	17.65%	-2.23%	10.46%

This schedule is presented to illustrate the requirement to show information for three years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with current GASB standards, they should not be reported.



## **OTHER SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Pension Trust Fund		
	Original & Final Budget	Actual	Variance
<b>Additions:</b>			
Contributions from the District	\$ 175,000	\$ 175,000	\$ -
Contributions from the State of Colorado	157,500	157,500	-
Earnings on investments	225,764	234,790	9,026
Net increase (decrease) on investments	301,571	1,506,612	1,205,041
Less: Investment related expenses	(22,009)	(30,577)	(8,568)
Totals	837,826	2,043,325	1,205,499
<b>Deductions:</b>			
Benefits paid to retirees	1,174,069	1,108,859	65,210
Administration of fund	15,000	1,211	13,789
Totals	1,189,069	1,110,070	78,999
Changes in plan net position	\$ (351,243)	\$ 933,255	\$ 1,126,500



## STATISTICAL SECTION

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# STATISTICAL SECTION

The statistical section of Arvada Fire Protection District's comprehensive annual financial report shows trends and detailed information to be used to understand what the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

## Schedule Types

### **Financial Trends**

Trends allow the reader to see the past performance of the District. The past performance is a strong predictor of future performance.

### **Revenue Capacity**

The reader can use these schedules to interpret the District's ability to generate property taxes.

### **Debt Capacity**

The schedules can be used to analyze the current level of debt held by the District, as well as the ability to issue new debt in the future.

### **Demographic and Economic Information**

This section provides the reader useful information regarding the socio-economic environment of the different entities that the District covers.

### **Operating Information**

The reader can use this information, including the size of the workforce, levels of service, and capital assets, to assess the size and nature of operations of the District.

### **Sources**

Unless otherwise stated, the following information has been derived from the District's audit reports from the relevant year. The audit report includes the financial statements, MD&A, RSI, and Other Supplementary Information. In 2013, the District created the first comprehensive annual financial report for the fiscal year ended Dec. 31, 2012.

## Schedule 1 - Net Position by Component

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in capital assets	\$ 5,717,363	\$ 9,183,045	\$ 12,004,394	\$ 15,776,547	\$ 14,750,864	\$ 15,617,869	\$ 16,259,213	\$ 16,028,680	\$ 16,472,398	\$ 18,560,043
Restricted	1,331,629	1,340,249	3,589,411	1	3,080,647	7,443,974	8,623,655	9,100,994	9,703,446	6,779,658
Unrestricted	8,979,851	8,577,546	5,906,326	6,748,679	4,338,073	2,597,476	1,923,040	3,163,667	10,191,583	14,487,432
<b>Total</b>	<b>\$ 16,028,843</b>	<b>\$ 19,100,840</b>	<b>\$ 21,500,131</b>	<b>\$ 22,525,227</b>	<b>\$ 22,169,584</b>	<b>\$ 25,659,319</b>	<b>\$ 26,805,908</b>	<b>\$ 28,293,341</b>	<b>\$ 36,367,427</b>	<b>\$ 39,827,133</b>
<b>Primary Government</b>										
Net Investment in capital assets	\$ 5,717,363	\$ 9,183,045	\$ 12,004,394	\$ 15,776,547	\$ 14,750,864	\$ 15,617,869	\$ 16,259,213	\$ 16,028,680	\$ 16,472,398	\$ 18,560,043
Restricted	1,331,629	1,340,249	3,589,411	1	3,080,647	7,443,974	8,623,655	9,100,994	9,703,446	6,779,658
Unrestricted	8,979,851	8,577,546	5,906,326	6,748,679	4,338,073	2,597,476	1,923,040	3,163,667	10,191,583	14,487,432
<b>Total</b>	<b>\$ 16,028,843</b>	<b>\$ 19,100,840</b>	<b>\$ 21,500,131</b>	<b>\$ 22,525,227</b>	<b>\$ 22,169,584</b>	<b>\$ 25,659,319</b>	<b>\$ 26,805,908</b>	<b>\$ 28,293,341</b>	<b>\$ 36,367,427</b>	<b>\$ 39,827,133</b>

Note: The large shift in restricted was the result of debt pay-off to construct and remodel new and existing facilities.

## Schedule 2 - Changes in Net Position

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>										
<b>Governmental activities</b>										
Fire Protection	\$ 13,780,402	\$ 16,847,270	\$ 19,329,559	\$ 16,356,633	\$ 22,789,085	\$ 22,915,841	\$ 27,681,961	\$ 28,210,282	\$ 26,449,532	\$ 31,455,410
Interest on long-term debt	393,337	407,939	429,568	389,627	415,637	263,190	182,747	157,982	133,374	108,567
Amortization of bond discount	14,257	17,088	17,088	16,371	-	-	-	-	-	-
Total governmental activities expense	14,187,996	17,272,297	19,776,215	16,762,631	23,204,722	23,179,031	27,864,708	28,368,264	26,582,906	31,563,977
<b>Total-Primary government expense</b>	<b>14,187,996</b>	<b>17,272,297</b>	<b>19,776,215</b>	<b>16,762,631</b>	<b>23,204,722</b>	<b>23,179,031</b>	<b>27,864,708</b>	<b>28,368,264</b>	<b>26,582,906</b>	<b>31,563,977</b>
<b>Program Revenues:</b>										
<b>Governmental activities</b>										
Fire Protection	467,678	221,989	871,580	2,465,429	2,855,815	3,045,130	3,289,037	3,688,644	3,998,752	4,787,457
Operating Grants and Contributions	-	-	-	-	-	376,706	738,141	291,396	659,410	114,654
Total governmental activities revenue	467,678	221,989	871,580	2,465,429	2,855,815	3,421,836	4,027,178	3,980,040	4,658,162	4,902,111
<b>Total-Primary government revenue</b>	<b>467,678</b>	<b>221,989</b>	<b>871,580</b>	<b>2,465,429</b>	<b>2,855,815</b>	<b>3,421,836</b>	<b>4,027,178</b>	<b>3,980,040</b>	<b>4,658,162</b>	<b>4,902,111</b>
<b>Net (expense) revenue</b>										
Governmental activities	(13,720,318)	(17,050,308)	(18,904,635)	(14,297,202)	(20,348,907)	(19,757,195)	(23,837,530)	(24,388,224)	(21,924,744)	(26,661,866)
Total-Primary government	(13,720,318)	(17,050,308)	(18,904,635)	(14,297,202)	(20,348,907)	(19,757,195)	(23,837,530)	(24,388,224)	(21,924,744)	(26,661,866)
<b>General revenues and other changes in net position</b>										
Governmental activities	13,049,973	20,124,544	21,303,926	20,265,407	20,751,633	21,257,259	24,984,119	25,875,657	29,998,830	30,121,572
Total-Primary government	13,049,973	20,124,544	21,303,926	20,265,407	20,751,633	21,257,259	24,984,119	25,875,657	29,998,830	30,121,572
<b>Total change in net position</b>										
Governmental activities	(670,345)	3,074,236	2,399,291	5,968,205	402,726	1,500,064	1,146,589	1,487,433	8,074,086	3,459,706
Total-Primary government	<u>\$ (670,345)</u>	<u>\$ 3,074,236</u>	<u>\$ 2,399,291</u>	<u>\$ 5,968,205</u>	<u>\$ 402,726</u>	<u>\$ 1,500,064</u>	<u>\$ 1,146,589</u>	<u>\$ 1,487,433</u>	<u>\$ 8,074,086</u>	<u>\$ 3,459,706</u>

Note: Long-term debt was not established until 2007.

### Schedule 3 - Fund Balances of Governmental Funds

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 600,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,089,401	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	1,632,781	594,299	429,695	759,122	888,144	438,922
Restricted	-	-	-	-	3,080,647	3,631,628	4,476,340	5,234,991	6,446,569	6,779,658
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	648,623	643,644	685,702	-	-	-	-	1,500,000	-
Unassigned	-	5,220,631	5,337,338	11,142,821	3,389,407	3,598,071	5,736,786	6,491,759	7,892,465	10,291,046
<b>Total General Fund</b>	<b>\$ 3,689,866</b>	<b>\$ 5,869,254</b>	<b>\$ 5,980,982</b>	<b>\$ 11,828,523</b>	<b>\$ 8,102,835</b>	<b>\$ 7,823,998</b>	<b>\$ 10,642,821</b>	<b>\$ 12,485,872</b>	<b>\$ 16,727,178</b>	<b>\$ 17,509,626</b>
<b>Other Governmental Funds</b>										
<b>Debt Service</b>										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	6,763,580	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	1	1	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	4,181,817	3,589,411	-	-	-	-	-	-	-
<b>Total Other Governmental Funds</b>	<b>\$ 6,763,580</b>	<b>\$ 4,181,817</b>	<b>\$ 3,589,411</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Fund balance presentation changed with implementation of GASB Statement 54.

Note: Long-term debt (and the Debt Service Fund) was not established until 2007.

Note: The shift in unassigned to restricted reflects the change in the Debt Service Fund since the Debt Service Fund cannot show a positive unassigned amount.

Note: The large shift in restricted was the result of debt pay-off to construct and remodel new and existing facilities.

## Schedule 4 - Changes in Fund Balance

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
General property taxes	\$ 12,148,930	\$ 18,863,877	\$ 19,814,311	\$ 18,452,703	\$ 18,493,424	\$ 18,773,217	\$ 22,279,606	\$ 22,322,218	\$ 25,839,303	\$ 26,131,959
Specific ownership taxes	841,206	1,247,555	1,321,605	1,411,087	1,517,027	1,611,859	1,695,956	2,275,969	2,531,504	2,359,240
Investment earnings	59,837	85,549	130,781	116,698	46,772	8,518	44,525	100,861	312,790	416,992
Grant Contributions	-	-	-	-	-	7,038	430,040	19,724	16,251	37,314
EMS fees	-	-	-	1,990,544	2,954,336	3,006,089	3,301,491	3,679,522	3,680,172	4,818,680
Candelas tax	-	-	-	243,550	472,352	521,073	716,679	720,852	1,014,846	1,016,558
Other income	467,678	221,989	908,809	516,254	357,017	699,808	563,468	435,657	844,990	272,876
<b>Total Revenues</b>	<b>\$ 13,517,651</b>	<b>\$ 20,418,970</b>	<b>\$ 22,175,506</b>	<b>\$ 22,730,836</b>	<b>\$ 23,840,928</b>	<b>\$ 24,627,602</b>	<b>\$ 29,031,765</b>	<b>\$ 29,554,803</b>	<b>\$ 34,239,856</b>	<b>\$ 35,053,619</b>
<b>Expenditures</b>										
Fire protection	12,463,898	15,549,849	16,919,383	14,853,022	21,409,513	21,651,129	23,368,306	25,848,267	27,638,105	30,474,123
Capital outlay	479,036	3,865,191	3,359,610	4,943,109	1,522,547	1,539,399	1,564,918	692,603	1,242,909	2,722,736
Debt Service:										
Principal	1,080,000	915,000	960,000	3,990,000	748,000	5,145,000	1,009,000	1,033,000	1,058,000	967,000
Interest	267,887	416,629	426,953	388,783	366,884	297,969	270,718	157,982	133,374	108,567
Capital lease payments	-	-	-	-	-	-	-	-	13,185	22,439
Bond Issuance Costs	-	-	-	-	-	17,872	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 14,290,821</b>	<b>\$ 20,746,669</b>	<b>\$ 21,665,946</b>	<b>\$ 24,174,914</b>	<b>\$ 24,046,944</b>	<b>\$ 28,651,369</b>	<b>\$ 26,212,942</b>	<b>\$ 27,731,852</b>	<b>\$ 30,085,573</b>	<b>\$ 34,294,865</b>
<b>Other financing sources (uses)</b>										
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,702,209</b>	<b>3,028,931</b>	<b>3,746,000</b>	<b>-</b>	<b>20,100</b>	<b>87,023</b>	<b>23,694</b>
<b>Total changes in fund balances</b>	<b>\$ (773,170)</b>	<b>\$ (327,699)</b>	<b>\$ 509,560</b>	<b>\$ 2,258,131</b>	<b>\$ 2,822,915</b>	<b>\$ (277,767)</b>	<b>\$ 2,818,823</b>	<b>\$ 1,843,051</b>	<b>\$ 4,241,306</b>	<b>\$ 782,448</b>
<b>Ratio of total debt service to noncapital expenditure</b>	<b>9.76%</b>	<b>7.89%</b>	<b>7.58%</b>	<b>22.77%</b>	<b>4.95%</b>	<b>20.08%</b>	<b>5.19%</b>	<b>4.40%</b>	<b>4.13%</b>	<b>3.41%</b>

Note: The Candelas property tax is part of general property tax tracked separately to provide services in that area.

Note: EMS service (and fees) were not started until March 2013.

Note: Long-term debt was not established until 2007.

## Schedule 5 - Revenue Base-Taxable Assessed Value of Property Tax

Fiscal Year	2010	2011	2012	2013	2014	Taxable Rate
<i>Class of Property</i>						
Vacant Land	\$ 26,118,900	\$ 26,086,924	\$ 25,087,814	\$ 28,399,181	\$ 28,962,450	29.00%
Residential	806,828,713	789,791,032	796,093,929	817,468,200	835,490,577	7.96%
Commercial	280,246,877	262,250,200	269,110,099	269,272,292	263,879,513	29.00%
Industrial	132,095,441	127,652,092	124,652,119	120,655,560	115,003,593	29.00%
Agricultural	3,711,030	4,104,293	4,034,915	3,806,671	3,683,123	29.00%
Natural Resources	157	157	158	187	237	29.00%
State Assessed	64,270,574	56,893,550	55,738,321	59,981,746	62,677,434	29.00%
<b>Total Assessed Value</b>	<b>\$ 1,313,271,692</b>	<b>\$ 1,266,778,248</b>	<b>\$ 1,274,717,355</b>	<b>\$ 1,299,583,837</b>	<b>\$ 1,309,696,927</b>	
<b>Total Direct Rate</b>	<b>16.07%</b>	<b>15.88%</b>	<b>15.86%</b>	<b>15.77%</b>	<b>15.58%</b>	
	2015	2016	2017	2018	2019	Taxable Rate
<i>Class of Property</i>						
Vacant Land	\$ 58,603,905	\$ 45,666,559	\$ 61,953,210	\$ 40,572,899	\$ 43,368,420	29.00%
Residential	1,034,820,100	1,062,355,682	1,205,151,569	1,239,208,185	1,430,132,236	7.20%
Commercial	279,233,242	362,882,099	468,120,686	469,828,006	519,221,821	29.00%
Industrial	123,467,993	37,891,437	45,923,593	45,044,466	51,395,700	29.00%
Agricultural	3,209,490	3,111,722	3,670,226	3,164,644	3,706,613	29.00%
Natural Resources	238	238	245	208	249	29.00%
State Assessed	68,152,014	68,260,705	72,309,763	71,253,449	88,935,767	29.00%
<b>Total Assessed Value</b>	<b>\$ 1,567,486,982</b>	<b>\$ 1,580,168,442</b>	<b>\$ 1,857,129,292</b>	<b>\$ 1,869,071,857</b>	<b>\$ 2,136,760,806</b>	
<b>Total Direct Rate</b>	<b>15.11%</b>	<b>14.85%</b>	<b>15.35%</b>	<b>15.05%</b>	<b>14.92%</b>	

Source: Jefferson County Assessor

## Schedule 6 - Property Tax Actual v. Assessed

Fiscal Year	Real Property		Personal Property		Total		Total Direct Tax Rate
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
2010	1,186,211,199	11,444,254,577	127,060,493	438,139,631	1,313,271,692	11,882,394,208	16.07%
2011	1,148,478,556	11,158,851,421	118,299,692	407,929,972	1,266,778,248	11,566,781,393	15.88%
2012	1,153,101,002	11,232,238,885	121,616,353	419,366,734	1,274,717,355	11,651,605,619	15.86%
2013	1,174,378,285	11,400,563,163	125,205,552	431,743,283	1,299,583,837	11,832,306,446	15.77%
2014	1,188,433,731	14,662,603,222	121,263,196	418,148,952	1,309,696,927	15,080,752,174	15.58%
2015	1,441,950,839	14,404,151,613	125,536,143	432,883,252	1,567,486,982	14,837,034,864	15.11%
2016	1,455,691,638	14,702,500,844	124,476,804	429,230,072	1,580,168,442	15,131,730,916	14.85%
2017	1,724,350,292	18,528,557,850	132,779,000	457,876,871	1,857,129,292	18,986,434,721	15.35%
2018	1,735,139,754	18,921,334,635	133,932,103	462,426,157	1,869,071,857	19,383,760,792	15.05%
2019	1,986,012,332	21,918,678,873	150,748,474	520,477,172	2,136,760,806	22,439,156,045	14.92%

Source: Jefferson County Assessor

Note: Data for 2016 and prior years differs from that reported in 2016 CAFR due to correction of a formula error in the 2016 CAFR.

## Schedule 7 - Revenue Rates: Direct and Overlapping Property Tax Rates

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Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Direct</b>										
Arvada Fire Protection District	16.07%	15.88%	15.86%	15.77%	15.58%	15.11%	14.85%	15.35%	15.05%	14.92%
<b>Overlapping</b>										
City of Arvada	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%	4.31%
Jefferson County School District	48.21%	48.72%	50.62%	50.24%	50.71%	50.17%	47.49%	45.94%	42.88%	49.42%

Source: Jefferson County Assessor, City of Arvada, Jefferson County, Jefferson County School District

## Schedule 8 - Principal Taxpayers

Taxpayers	2019			2010		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Public Service Co of Colorado	55,729,865	1	2.61%	11,185,190	5	0.85%
W PT Arvada VII LLC	7,513,813	2	0.35%	7,105,000	7	0.54%
Millercoors LLC	7,030,296	3	0.33%	3,823,320	6	0.29%
Qwest	6,812,510	4	0.32%	13,162,000	2	1.00%
Solana Olde Town Holdings LLC	6,795,360	5	0.32%			0.00%
Dillon Companies LLC	5,763,344	6	0.27%			0.00%
Livanova Inc	5,319,876	7	0.25%			
Rocky Mountain Bottle Company	5,193,402	8	0.24%	12,352,060	4	
Walmart Real Estates Business Trust	4,924,644	9	0.23%			
Seagate Panorama Assoc LLC	4,907,963	10	0.23%			
Plains End II LLC				21,624,100	1	1.65%
Plains End LLC				12,727,400	3	0.97%
Comcast of Colorado IX Inc				3,804,820	8	0.29%
Rocky Mountain Capital Group LLC				3,656,900	9	0.28%
Cobe Cardiovascular Operating Co Inc				3,484,640	10	0.27%

Source: Jefferson County Assessor

## Schedule 9 - Property Tax Levies and Collections

Fiscal Year	Amount of Levy	Collections within the Fiscal Year of the Levy		Collections in later periods Amount	Total Collections to Date	
		Amount	% of levy		Amount	% of levy
2010	12,440,952	12,104,879	97.30%	47,547	12,152,426	97.68%
2011	12,225,981	11,900,350	97.34%	100,345	12,000,695	98.16%
2012	18,910,492	18,408,537	97.35%	79,534	18,488,071	97.77%
2013	18,333,349	17,793,933	97.06%	152,323	17,946,256	97.89%
2014	18,736,730	18,210,926	97.19%	32,233	18,243,159	97.37%
2015	18,784,952	18,506,875	98.52%	21,304	18,528,179	98.63%
2016	22,252,276	22,246,497	99.97%	-	22,246,497	99.97%
2017	22,363,580	22,291,268	99.68%	(7,003)	22,284,265	99.65%
2018	26,466,347	25,911,818	97.90%	(54,261)	25,857,557	97.70%
2019	26,281,428	26,079,848	99.23%	-	26,079,848	99.23%

Source: Jefferson County Treasurer

### **Mill Levy Increases**

(1) In 2010 the District's voters approved to increase the general mill levy beginning in 2011 from 9.480 mills to 14.71 mills. Reasons for the increase include the following: staffing and associated operational costs, capital improvement costs, and reinstatement of the apparatus replacement program.

## Schedule 10 - Ratios of Outstanding Debt by Type

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Fiscal Year	Governmental Activities		Business-Type Activities		Total Debt	% of Personal Income	Per Capita
	Capital Lease	Certificates of Participation					
2010	\$ -	\$ 10,430,000	\$ -	\$ -	\$ 10,430,000	3.24%	\$ 96.09
2011	\$ -	\$ 9,515,000	\$ -	\$ -	\$ 9,515,000	2.87%	\$ 89.40
2012	\$ -	\$ 8,555,000	\$ -	\$ -	\$ 8,555,000	2.59%	\$ 80.20
2013	\$ 13,150,000	\$ -	\$ -	\$ -	\$ 13,150,000	3.90%	\$ 120.47
2014	\$ 9,571,000	\$ -	\$ -	\$ -	\$ 9,571,000	3.02%	\$ 86.55
2015	\$ 8,172,000	\$ -	\$ -	\$ -	\$ 8,172,000	2.22%	\$ 73.25
2016	\$ 7,163,000	\$ -	\$ -	\$ -	\$ 7,163,000	1.72%	\$ 62.09
2017	\$ 6,130,000	\$ -	\$ -	\$ -	\$ 6,130,000	1.40%	\$ 52.26
2018	\$ 5,136,449	\$ -	\$ -	\$ -	\$ 5,136,449	1.09%	\$ 43.42
2019	\$ 4,159,713	\$ -	\$ -	\$ -	\$ 4,159,713	0.74%	\$ 30.93

Source: Arvada Fire Protection District Finance Division

### Schedule 11 - Ratios of General Bonded Debt

---

Fiscal Year	General Obligation Bonds	Certificates of Participation	Total	% of Actual Taxable Value of Property	Per Capita
2010	-	-	-	0%	-
2011	-	-	-	0%	-
2012	-	-	-	0%	-
2013	-	-	-	0%	-
2014	-	-	-	0%	-
2015	-	-	-	0%	-
2016	-	-	-	0%	-
2017	-	-	-	0%	-
2018	-	-	-	0%	-
2019	-	-	-	0%	-

Source: Arvada Fire Protection District Finance Division

Schedule 12 - Last Fiscal Year Direct & Overlapping Debt

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<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>% applicable to District</u>	<u>Estimated share of outstanding debt</u>
<b>Direct</b>			
Arvada Fire Protection District	\$ 4,159,713	100%	\$ 4,159,713
<b>Overlapping</b>			
City of Arvada	-	74.2%	-
Jefferson County School District R-1	730,629,404	5.2%	37,992,729
<b>Subtotal Overlapping</b>	730,629,404		37,992,729
<b>Total Direct and Overlapping Debt</b>	\$ 734,789,117		\$ 42,152,442

Source: Jefferson County School District, City of Arvada, Arvada Fire Protection District Finance Division

Note: Overlapping governments are represented in at least a portion of Arvada Fire Protection District. The percentage of the incorporated area is used to calculate the estimated share of overlapping debt.

Note: Since this information is provided by other governmental agencies and not a single reporting unit, the District can not verify the accuracy or completeness of the information presented.

### Schedule 13 - Margin of Legal Debt Limitations

---

Fiscal Year	Assessed Value of Property	Total net debt applicable to limit	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a
2010	1,313,271,692	-	-	-	0.00%
2011	1,266,778,248	-	-	-	0.00%
2012	1,274,717,355	-	-	-	0.00%
2013	1,299,583,837	-	-	-	0.00%
2014	1,309,696,927	-	-	-	0.00%
2015	1,567,486,982	-	-	-	0.00%
2016	1,580,168,442	-	-	-	0.00%
2017	1,857,129,292	-	-	-	0.00%
2018	1,869,071,857	-	-	-	0.00%
2019	2,136,760,806	-	-	-	0.00%

Source: Jefferson County Assessor, Colorado Revised Statutes

Note: The debt limit is \$2 million or 50% of total assessed value per Colorado Revised Statutes 32-1-1101(6). The District participates in debt that does not fit this debt limitation.

## Pledged-revenue coverage

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Note: Arvada Fire Protection District does not have pledged revenue.

## Schedule 14 - Demographic and Economic Indicators

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population	108,539	106,433	106,673	109,157	110,580	111,559	115,368	117,308	118,300	134,479
Total personal income (in thousands of dollars)	3,216,987	3,316,346	3,297,902	3,374,698	3,164,689	3,683,566	4,158,093	4,388,610	4,720,052	5,592,444
Per capita personal income	29,639	31,159	30,916	30,916	28,619	33,019	36,042	37,411	39,899	41,586
Unemployment rate	9.80%	8.30%	8.00%	6.50%	4.60%	3.00%	3.00%	2.60%	2.80%	2.20%

\*\*Note: The City of Arvada represents 74% of the District and is the most relevant information.

Sources: Arvada Economic Development Association, Colorado Department of Labor and Employment, Bureau of Labor Statistics, esri

## Schedule 15 – Principal Employers

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	Fiscal Year	2019	
Name	Number of Person Employed	% of Total Employment represented	
1 King Soopers (all locations)	1,109	1.63%	
2 City of Arvada	665	0.98%	
3 Walmart	404	0.60%	
4 Target (all locations)	300	0.44%	
5 Parker Personal Care Homes Inc	273	0.40%	
6 McDonald's (all locations)	252	0.37%	
7 Sorin Group USA	250	0.37%	
8 Home Depot	221	0.33%	
9 Costco	210	0.31%	
10 Sundyne Corporation	200	0.29%	

	Fiscal Year	2010	
1 City of Arvada	691	1.32%	
2 Sorin Group USA	351	0.67%	
3 Sundyne Corporation	323	0.62%	
4 Pridemark Ambulance	268	0.51%	
5 Costco	225	0.43%	
6 Target (all locations)	220	0.42%	
7 Home Depot	195	0.37%	
8 Mark VII Equipment	186	0.36%	
9 King Soopers	175	0.34%	
10 Sam's Club	155	0.30%	

Sources: City of Arvada

### Schedule 16 - Government Employees (by type)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Career Line Personnel	97	120	132	131	134	138	145	152	149	155
Civilian (Admin) Personnel	35	40	43	40	40	38	46	46	29	28
Volunteer Personnel	57	43	37	29	20	9	5	3	2	2
Board of Directors (elected officials)	5	5	5	5	5	5	5	5	5	5

Source: Arvada Fire Protection District Administration Division, Human Resources

Note: All numbers reflected are headcounts at year-end.

## Schedule 17 - Levels of Service Provided

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Levels of service provided</b>										
ISO (Insurance Services Organization) Rating	3	3	3	3	3	3	3	3/9	2/2X	2/2X
Fire Inspections Performed	1,941	2,051	1,277	1,240	1,459	593	1,357	1,282	2,593	1,964
Fire Investigations Performed	-	-	-	56	38	67	77	39	59	39
<b>Calls responded to:</b>										
Fires (Residential, Structure, Other)	216	251	250	185	153	197	232	204	89	204
Other Incidents (Emergency Medical, False Ala Mutual Aid, Hazardous Response, etc.)	7,662	8,048	8,425	11,557	13,310	14,490	14,698	14,876	15,307	15,446
<b>Total Response Calls</b>	7,878	8,299	8,675	11,742	13,463	14,687	14,930	15,080	15,396	15,650
<b>Total Property Damage from Fires</b>	\$ 753,700	\$ 3,215,563	\$ 2,281,440	\$ 447,690	\$ 1,188,665	\$ 1,887,520	\$ 2,112,162	\$ 3,913,409	\$ 1,373,049	\$ 2,783,986

Source: Arvada Fire Protection District Support Services and Community Risk Reduction Divisions Note:

From 2010-2012, an interim Fire Marshall was in place and statistics for investigations were not properly recorded.

Note: In 2015, we had a smaller workforce that resulted in less fire inspections performed.

We also had an unusually large number of fires that required investigation.

Schedule 18 - Capital Assets

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Capital Assets</b>										
Fire Stations	8	8	8	8	8	8	8	8	8	8
Storage Facilities/Other Buildings	3	4	4	4	5	5	9	9	9	10
Vacant Land Parcels	2	2	2	2	2	2	2	4	5	5
Fire Engines	6	6	6	6	6	6	6	6	6	5
Aerial Trucks	3	2	2	2	2	1	1	1	1	2
Hazardous Material Truck	1	1	1	1	1	1	1	1	1	1
Technical Rescue Truck	1	1	1	1	1	1	1	1	1	1
Rescue Pumper	-	-	-	-	-	1	1	1	1	1
Brush Trucks	2	2	2	2	2	2	2	2	2	2
Other Vehicles (including reserves)	33	36	44	42	39	38	43	41	39	41
Ambulances	-	-	4	4	4	5	5	5	5	5

Source: Arvada Fire Protection District Maintenance and Administration Divisions

Note: Prior to 2011, there was no recordkeeping of vehicles maintained.

Insurance records account for 2008-2011 when new software was purchased to track vehicles.