



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Arvada Fire Protection District
Arvada, Colorado
Fiscal Year Ended December 31, 2021

ARVADA FIRE PROTECTION DISTRICT
ARVADA, COLORADO

Annual Comprehensive Financial Report

Fiscal Year Ended
December 31, 2021

Prepared by Nicole Stewart

This page intentionally left blank.

Table of Contents

| | |
|---|-----------|
| INTRODUCTORY SECTION | 5 |
| Certificate of Achievement for Excellence in Financial Reporting (FY 2020) | 7 |
| Principal Elected Officials and Administrative Staff..... | 9 |
| Organizational Chart | 10 |
| Letter of Transmittal..... | 11 |
| FINANCIAL SECTION | 16 |
| Independent Auditors' Report | 18 |
| Management's Discussion and Analysis..... | 21 |
| Basic Financial Statements | |
| <i>Government'Wide Financial Statements</i> | |
| Statement of Net Position | 31 |
| Statement of Activities | 32 |
| <i>Fund Financial Statements</i> | |
| Governmental Funds Balance Sheet..... | 33 |
| Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position..... | 34 |
| Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance | 35 |
| Changes in Fund Balance - Governmental Fund to the Statement of Activities | 36 |
| Statement of Fiduciary Net Position - Pension Trust Fund | 37 |
| Statement in Changes in Fiduciary Net Position - Pension Trust Fund | 38 |
| Notes to the Basic Financial Statements | 39 |
| REQUIRED SUPPLEMENTARY INFORMATION | 63 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund | 64 |
| Schedules of The District's Proportionate Share of The Net Pension Liability (Asset) Fire and Police Pension Association Statewide Defined Benefit Plan | 65 |
| Schedule of District Contributions | 66 |
| Schedule of Changes in Net Pension Liability and Related Ratios Volunteer Pension Fund..... | 67 |
| Schedule of Pension Contributions Volunteer Pension Fund | 68 |
| Volunteer Pension Plan Schedule of Investment Returns..... | 69 |
| OTHER SUPPLEMENTARY INFORMATION | 70 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 71 |

| | |
|--|-----------|
| STATISTICAL SECTION..... | 72 |
| Schedule Types..... | 74 |
| Schedule 1 - Net Position by Component | 75 |
| Schedule 2 - Changes in Net Position | 76 |
| Schedule 3 - Fund Balances of Governmental Funds | 77 |
| Schedule 4 - Changes in Fund Balance..... | 78 |
| Schedule 5 - Revenue Base-Taxable Assessed Value of Property Tax..... | 79 |
| Schedule 6 - Property Tax Actual v. Assessed..... | 80 |
| Schedule 7 - Revenue Rates: Direct and Overlapping Property Tax Rates..... | 81 |
| Schedule 8 - Principal Taxpayers..... | 82 |
| Schedule 9 - Property Tax Levies and Collections | 83 |
| Schedule 10 - Ratios of Outstanding Debt by Type..... | 84 |
| Schedule 11 - Ratios of General Bonded Debt..... | 85 |
| Schedule 12 - Last Fiscal Year Direct & Overlapping Debt..... | 86 |
| Schedule 13 - Margin of Legal Debt Limitations | 87 |
| Pledged-revenue coverage | 88 |
| Schedule 14 - Demographic and Economic Indicators | 89 |
| Schedule 15 – Principal Employers..... | 90 |
| Schedule 16 - Government Employees (by type) | 91 |
| Schedule 17 - Levels of Service Provided..... | 92 |
| Schedule 18 - Capital Assets | 93 |



INTRODUCTORY SECTION

This page intentionally left blank.

Certificate of Achievement for Excellence
in Financial Reporting (FY 2020)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Arvada Fire Protection District
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

This page intentionally left blank.

Arvada Fire Protection District Arvada, Colorado

Principal Elected Officials and Administrative Staff
May 26, 2022

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 |
| Nicole Stewart | Finance Director |
| Kevin Ferry | Planning and Support Services Chief |
| Steven Parker | Fire Marshal |

Organizational Chart



Arvada Fire Protection District
May 26, 2022





Letter of Transmittal

May 26, 2022

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, 2021. The following Annual Comprehensive Financial Report is being published as a follow-up to that audit.

The District and its management are held fully responsible for the contents of this Annual Comprehensive Financial Report. 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, 2021. 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 34.9 square miles in the City of Arvada, 2.6 square miles in the City of Wheat Ridge, and 5.2 square miles in unincorporated Jefferson County. In 2021, the population of the District was approximately 133,000 citizens. The median household income was approximately \$72,010.

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 2021, the District had eight fire stations and one substation and employed 157 paid line personnel, and 31 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:

| Date | Action |
|--|---|
| July 1 st | Budget Instructions and Templates to Division Heads |
| July 22 th | Preliminary Budget Submittals to Division Heads (from Section Heads or other contributors) Updated templates including June actual data provided to Division Heads |
| Week of July 25 th | Division Heads meet to review crossover items and strategic objective investments |
| August 1 st | Division Heads Submit Prelim Budgets to Finance Director |
| Week of August 1 st | Review with Division Heads, Admin and Fire Chief |
| Week of August 8 th | Group Meeting of Division Heads to Review Prelim Budget |
| August 29 th | Final Budget Submittals Due |
| October 5 th | Proposed Budget to District Board of Directors |
| December 7 th | Adoption of Budget by Board of Directors |
| On or before December 15 th | Certification of Mill Levy Filed with Jefferson County |

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 are budget to actual comparisons of the general fund and the pension fund included in this report.

ECONOMIC CONDITIONS

Local Economy. The District relies heavily on property tax as its primary revenue source, with EMS fees accounting for the largest portion of the District's secondary revenue sources. In 2021, approximately 73% 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 portion of the City of Wheat Ridge that is located in the District. In 2021, EMS fees accounted for 14.1% of the District's revenue.

The median detached home price was \$445,000 during 2021. The average household income remains 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 decreased slightly in 2021 compared to 2020 continuing to show recovery from impacts of the COVID-19 pandemic and ended the year at a rate of 5.90% which is slightly below the rate of 6.2% for 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. As of the end of 2021, the District's long term debt totaled \$5,044,652, which includes lease revenue bond, compensated absences, and capital lease liability.

In 2021, the District refinanced the 2013 bond series, resulting in a lower interest rate and freeing up funds (otherwise needed for the 2022 principal payment), to support the completion of new Station 9. 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, 2020. This was the ninth 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, Deb “Red” Schiferl, 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,

Nicole Stewart,
Finance Director



FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT

Board of Directors
Arvada Fire Protection District
Arvada, Colorado

Report on the Audit of the Financial Statements

Opinions

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 (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Arvada Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

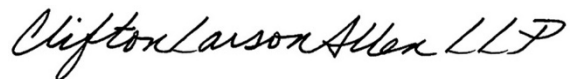
Supplementary Information

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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.

Other Information

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
May 26, 2022

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, 2021. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$52,715,583 at the close of the fiscal year. Of this amount, \$16,022,087 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 \$21,036,721. Of this, \$12,828,540 is unassigned.
- Net position of government-type activities increased by \$5,849,442 as compared to the fiscal year end 2020 net position. The increase was largely due to a decrease in pension expense.
- Total cash and investments decreased by (\$2,253,685) as compared to the fiscal year end 2020 cash balance. Cash and investments decreased due primarily to construction of stations 3 and 9.
- Property tax revenues collected increased by \$429,748 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 \$8,113,696 as compared to the governmental fund expenditures for fiscal year 2020 due to an increase in compensation costs, increased capital investments to support future growth in the District, and purchase of a new engine for the opening of station 9.
- Capital outlay decreased by (\$6,581,126) compared to 2020.

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 expenses 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 31-32 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 33-38 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 39-62 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 63-71 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 \$52,715,583 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 2021

District's Net Position as of December 31:

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|
| Assets | | |
| Current and other assets | \$ 62,306,711 | \$ 56,449,333 |
| Capital assets | <u>29,865,046</u> | <u>23,042,262</u> |
| Total assets | <u>92,171,757</u> | <u>79,491,595</u> |
| Deferred outflows of resources | | |
| Related to pension | <u>7,656,012</u> | <u>7,934,471</u> |
| Total deferred outflows of resources | <u>7,656,012</u> | <u>7,934,471</u> |
| Liabilities | | |
| Other liabilities | 1,171,640 | 636,303 |
| Long-term liabilities: | | |
| Due within one year | 1,880,261 | 2,930,560 |
| Due greater than a year | <u>3,164,391</u> | <u>2,581,525</u> |
| Total liabilities | <u>6,216,292</u> | <u>6,148,388</u> |
| Deferred inflows of resources | | |
| Related to pension | 5,989,210 | 2,681,923 |
| Property tax revenue | <u>34,906,684</u> | <u>31,729,614</u> |
| Total deferred inflows of resources | <u>40,895,894</u> | <u>34,411,537</u> |
| Total liabilities and deferred inflows of resources | <u>47,112,186</u> | <u>40,559,925</u> |
| Net position: | | |
| Net investment in capital assets | 26,279,058 | 19,753,977 |
| Restricted | 10,414,438 | 8,699,178 |
| Unrestricted | <u>16,022,087</u> | <u>18,412,986</u> |
| Total net position | <u>\$ 52,715,583</u> | <u>\$ 46,866,141</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 \$6,525,081 due to the construction costs for stations 3 and 9, and the replacement of two fire apparatus offset by ongoing depreciation.

The amount restricted for TABOR reported in governmental activities increased by \$15,963 from the fiscal year 2020 balance. The District's restricted for capital project balance decreased by (\$1,886,042) from the

2020 balance. The District's net position restricted for pension related items increased to \$4,697,720 from the year end 2020 balance.

The remaining net position, totaling \$16,022,087, represents the unrestricted portion available for the District's ongoing obligations to its citizens. This amount decreased by (\$2,390,899), which was due to favorability in EMS revenue and fire inspection fees offset by timing of escrow draws to support the construction projects.

Governmental Activities

Governmental activities increased net position by \$5,849,442 during the most recent fiscal year. Key elements of this increase are as follows.

Changes in net position for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Program revenues | | |
| Charges for services | \$ 6,203,596 | \$ 5,897,243 |
| Operating grants and contributions | 309,702 | 969,006 |
| General revenues | | |
| Property tax | 30,105,606 | 29,675,858 |
| Specific ownership tax | 2,479,144 | 2,383,584 |
| Incremental property tax | 1,481,164 | 1,382,868 |
| Investment earnings | 20,291 | 114,289 |
| Other revenue | 426,566 | 290,266 |
| Gain on Sale of Capital Asset | 101,611 | - |
| Total revenue | <u>41,127,680</u> | <u>40,713,114</u> |
| Expenses | | |
| Fire protection and emergency services | 35,223,706 | 33,588,937 |
| Interest on long-term debt | 54,532 | 85,169 |
| Total expenses | <u>35,278,238</u> | <u>33,674,106</u> |
| Change in net position | 5,849,442 | 7,039,008 |
| Net position - beginning | <u>46,866,141</u> | <u>39,827,133</u> |
| Net position - ending | <u>\$ 52,715,583</u> | <u>\$ 46,866,141</u> |

Property taxes increased by \$429,748 when compared to 2020. Specific ownership taxes increased by \$95,560 compared with 2020. Charges for services increased \$306,353 because more EMS transports occurred in 2021 than in 2020. Operating grants and contributions decreased (\$659,304) from prior year due to a decrease in wildland deployments and decrease in federal funds related to COVID-19.

Expenses increased \$1,604,132 when compared with fiscal year 2020 primarily due to increases in operational costs relating to fire protection and emergency services.

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 2021 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. A continued aggressive preventive maintenance program focused on maintaining peak performance for all District apparatus.

2021 actual performance varied slightly from planned. With a competitive construction industry, the District experienced timing constraints resulting in 2021 favorability on the expenditures. However, projects are expected to be complete next year. Revenue finished below budget. The District had higher EMS revenue and fire inspection fee revenue, however, this was offset by timing of escrow draws to support the construction projects.

Additionally, wildland deployments were down from prior year, normalizing from what had been an extraordinarily heavy year in 2020.

Capital Asset and Long-Term Debt Activity

Capital Assets

The District's capital assets at December 31, 2021 amounted to \$29,865,046, 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 26 percent due primarily to investments in new construction of station 3 and 9.

1. Construction of station 3 and 9.
2. Other additions included computer purchases, per the replacement schedule

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

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|----------------------|----------------------|
| Land | \$ 1,273,931 | \$ 1,611,285 |
| Construction in progress | 9,344,358 | 1,800,901 |
| Buildings & improvements | 14,205,453 | 14,976,237 |
| Fire vehicles & equipment | 4,833,932 | 4,604,948 |
| Office & computer equipment | 207,372 | 48,891 |
| | <u>\$ 29,865,046</u> | <u>\$ 23,042,262</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, 2021 totaled \$5,044,652, which includes lease revenue bond, compensated absences, and the capital lease liability.

Significant long-term debt activity for the year 2020 is summarized as follows:

| | <u>2021</u> | <u>2020</u> |
|-------------------------|---------------------|---------------------|
| Lease revenue bonds | \$ 3,115,000 | \$ 3,138,000 |
| Compensated absences | 1,832,714 | 1,869,092 |
| Capital lease liability | 96,938 | 40,684 |
| | <u>\$ 5,044,652</u> | <u>\$ 5,047,776</u> |

Current year activity included the District's \$23,000 payment of principal on the 2013 Revenue Bonds.

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

Net Pension Asset and Liability

The District's net pension asset's as of December 31, 2021 totaled (\$4,697,720). The net pension asset is related to the District's proportional share of the statewide defined benefit plan administered by the Fire and Police Pension Association (FPPA). The net liability is related to the District's volunteer pension fund.

The net liability (asset) of the pension plans is summarized below:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|-----------------------|---------------------|
| Statewide defined benefit plan | \$ (4,419,433) | \$ (1,112,381) |
| Volunteer pension plan | (278,287) | 464,309 |
| | <u>\$ (4,697,720)</u> | <u>\$ (648,072)</u> |

The District's position related to the volunteer pension fund moved from a pension liability to a pension asset during 2021, resulting in a total decrease in the liability of \$742,596. The District's net pension asset related to the statewide defined benefit plan increased \$3,307,052 in 2021. See Notes 6 and 7 in the Notes to the Financial Statements for additional information.

General Fund

General fund balances as of December 31:

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|
| Assets | | |
| Current and other assets | \$ 57,608,991 | \$ 55,336,952 |
| Total assets | <u>57,608,991</u> | <u>55,336,952</u> |
| Liabilities | | |
| Other liabilities | <u>1,171,640</u> | <u>636,303</u> |
| Total liabilities | <u>1,171,640</u> | <u>636,303</u> |
| Deferred inflows of resources | | |
| Property tax revenue | 34,906,684 | 31,729,614 |
| EMS revenue | 483,702 | 470,084 |
| Unavailable revenue | <u>10,244</u> | <u>19,747</u> |
| Total deferred inflows of resources | <u>35,400,630</u> | <u>32,219,445</u> |
| Total liabilities and deferred inflows of resources | <u>36,572,270</u> | <u>32,855,748</u> |
| Fund Balances | | |
| Nonspendable | 2,491,463 | 961,216 |
| Restricted | | |
| TABOR | 1,224,963 | 1,209,000 |
| Capital projects | 4,491,755 | 6,377,797 |
| Unassigned | <u>12,828,540</u> | <u>13,933,191</u> |
| Total fund balance | <u>\$ 21,036,721</u> | <u>\$ 22,481,204</u> |

At the end of the current fiscal year, the District reports a positive balance for all fund balance categories (nonspendable, restricted, and unassigned) for the general fund. Nonspendable fund balance increased \$1,530,247 due to timing of year-end payments resulting in more prepaid items at the end of 2021.

The amount of fund balance restricted for TABOR increased by \$15,963 from the fiscal year 2020 balance due to higher revenue and expenditures in 2021. The District's fund balance restricted for capital projects balance decreased by (\$1,886,042) from the 2020 balance due to tax revenues in the Candelas escrow fund offset by uses to purchase a new parcel of land on which to build a new station (station 9) to improve response times in the northwest quadrant of the district.

Unassigned fund balance, totaling \$12,828,540, represents the fund balance available for the District's ongoing service obligations to its citizens. This amount decreased by (\$1,104,651) during fiscal year 2021 as a result of increased expenditures for construction and vehicle replacement.

Changes in fund balance for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| Revenues | | |
| General property tax | \$ 30,105,606 | \$ 29,675,858 |
| Specific ownership tax | 2,479,144 | 2,383,584 |
| Incremental property tax | 1,481,164 | 1,382,868 |
| Investment earnings | 20,291 | 114,289 |
| Other revenue | <u>6,935,749</u> | <u>6,928,979</u> |
| Total revenue | 41,021,954 | 40,485,578 |
| Expenditures | | |
| Fire protection and emergency services | 34,262,036 | 32,464,728 |
| Capital outlay | 9,250,262 | 1,994,428 |
| Debt service | 77,532 | 1,052,169 |
| Capital lease payments | <u>61,210</u> | <u>26,019</u> |
| Total expenditures | <u>43,651,040</u> | <u>35,537,344</u> |
| Excess (deficiency) of revenues over expendi | (2,629,086) | 4,948,234 |
| Other financing sources | 1,184,603 | 23,344 |
| Net change in fund balance | (1,444,483) | 4,971,578 |
| Fund balance, beginning of year | <u>22,481,204</u> | <u>17,509,626</u> |
| Fund balance, end of year | <u><u>\$ 21,036,721</u></u> | <u><u>\$ 22,481,204</u></u> |

Property taxes increased by \$429,748 compared with 2020. Specific ownership taxes increased by \$95,560 compared with 2020. Incremental property tax increased \$98,296 compared with 2020. Investment earnings decreased (\$93,998) compared with 2020. Other revenue slightly increased \$6,770 compared with 2020.

Expenditures increased \$8,113,696 when compared with fiscal year 2020 primarily due to construction costs for station 3 and 9, and vehicle replacement schedule.

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 2022 shows property tax revenue of \$32,758,247 (less an allowance for uncollectible levies) for the General Fund based on as assessed valuation for the District of \$2,239,651,043 and a mill levy of 14.849 mills.

Events in the economy as well as long term impacts of the COVID-19 pandemic, are still unknown. The district will continue to monitor the potential economic impacts and align budget priorities according to the strategic plan.

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: Nicole Stewert

Statement of Net Position
As of December 31, 2021

| | Governmental Activities |
|--|----------------------------|
| Assets: | |
| Cash and investments | \$ 14,382,125 |
| Restricted cash and investments | 4,491,755 |
| Accounts receivable | |
| Property taxes | 33,255,681 |
| Incremental property taxes | 1,651,003 |
| Specific ownership tax | 143,965 |
| EMS receivable, net of allowance (\$221,718) | 1,130,103 |
| Other | 3,149 |
| Prepaid items | 2,491,463 |
| Due from other governments | 59,747 |
| Net pension asset | 4,697,720 |
| Non-depreciable assets | 10,618,289 |
| Depreciable assets, net of accumulated depreciation | 19,246,757 |
| Total assets | 92,171,757 |
| Deferred outflows of resources: | |
| Related to pension | 7,656,012 |
| Total deferred outflows of resources | 7,656,012 |
| Total assets and deferred outflows of resources | |
| | 99,827,769 |
| Liabilities: | |
| Accounts payable | 762,816 |
| Accrued liabilities | 408,824 |
| Long-term liabilities due within a year | |
| Compensated absences | 1,832,714 |
| Capital lease liability | 47,547 |
| Long-term liabilities greater than a year | |
| Bonds payable | 3,115,000 |
| Capital lease liability | 49,391 |
| Total liabilities | 6,216,292 |
| Deferred inflows of resources: | |
| Related to pension | 5,989,210 |
| Property tax levied for subsequent year | 34,906,684 |
| Total deferred inflows of resources | 40,895,894 |
| Total liabilities and deferred inflows of resources | |
| | 47,112,186 |
| Net position: | |
| Net investment in capital assets | 26,279,058 |
| Restricted for: | |
| TABOR | 1,224,963 |
| Capital projects | 4,491,755 |
| Net pension asset | 4,697,720 |
| Unrestricted | 16,022,087 |
| Total net position | \$ 52,715,583 |

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

Statement of Activities
Year Ended December 31, 2021

| | Program Revenues | | | Net (Expenses) |
|--|------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Revenues & Changes In Net Position |
| Governmental activities: | | | | |
| Fire protection and emergency services | \$ 35,223,706 | \$ 6,203,596 | \$ 309,702 | \$ (28,710,408) |
| Interest on long-term debt | 54,532 | - | - | (54,532) |
| Total governmental activities | 35,278,238 | 6,203,596 | 309,702 | (28,764,940) |
| General revenues: | | | | |
| Property tax | | | | 30,105,606 |
| Specific ownership tax | | | | 2,479,144 |
| Incremental property tax | | | | 1,481,164 |
| Investment earnings | | | | 20,291 |
| Other income | | | | 426,566 |
| Gain on Sale of Capital Asset | | | | 101,611 |
| Total general revenues | | | | 34,614,382 |
| Change in net position | | | | 5,849,442 |
| Net position, beginning of year | | | | 46,866,141 |
| Net position, end of year | | | | \$ 52,715,583 |

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

Governmental Funds Balance Sheet

As of December 31, 2021

| | General Fund |
|--|---------------|
| Assets: | |
| Cash | \$ 10,756,468 |
| Restricted investments | 4,491,755 |
| Investments | 3,625,657 |
| Accounts receivable | |
| Property taxes | 33,255,681 |
| Incremental property tax | 1,651,003 |
| Specific ownership tax | 143,965 |
| EMS receivable, net of allowance (\$221,718) | 1,130,103 |
| Other | 3,149 |
| Prepaid items | 2,491,463 |
| Due from other governments | 59,747 |
| Total assets | \$ 57,608,991 |
| Liabilities and deferred inflows of resources | |
| Liabilities: | |
| Accounts payable | \$ 762,816 |
| Accrued liabilities | 408,824 |
| Total liabilities | 1,171,640 |
| Deferred inflows of resources: | |
| Property tax levied for subsequent year | 34,906,684 |
| Unavailable Revenue - EMS revenue | 483,702 |
| Unavailable revenue - Other | 10,244 |
| Total deferred inflows of resources | 35,400,630 |
| Total liabilities and deferred inflows of resources | 36,572,270 |
| Fund Balance | |
| Nonspendable | 2,491,463 |
| Restricted | |
| TABOR | 1,224,963 |
| Capital projects | 4,491,755 |
| Unassigned | 12,828,540 |
| Total fund balance | 21,036,721 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 57,608,991 |

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, 2021

| | |
|--|----------------------|
| Fund balance per Governmental Fund Balance Sheet | \$ 21,036,721 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet: | 29,865,046 |
| Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds: | |
| Emergency medical service fees | 483,702 |
| Other - Wildland reimbursement | 10,244 |
| 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 | 1,403,757 |
| Change in proportionate share | 624,491 |
| Change in experience | 3,748,113 |
| Change in actuarial assumptions | 1,879,651 |
| 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 | (5,759,154) |
| Change in experience | (17,578) |
| Change in proportionate share | (212,478) |
| 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 asset (FPPA) | 4,419,433 |
| Net pension asset (volunteer plan) | 278,287 |
| Bonds payable | (3,115,000) |
| Capital lease liability | (96,938) |
| Compensated absences | (1,832,714) |
| Net Position per Statement of Net Position | <u>\$ 52,715,583</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, 2021

| | <u>General Fund</u> |
|--|---------------------|
| Revenues: | |
| General property taxes | \$ 30,105,606 |
| Specific ownership taxes | 2,479,144 |
| Incremental property tax | 1,481,164 |
| Investment earnings | 20,291 |
| EMS services | 6,189,978 |
| Grant revenue | 104,594 |
| Other revenue | 641,177 |
| Total revenues | 41,021,954 |
| Expenditures: | |
| Fire protection and emergency services | 34,262,036 |
| Capital outlay | 9,250,262 |
| Debt service: | |
| Principal | 23,000 |
| Interest | 54,532 |
| Capital lease payments | 61,210 |
| Total expenditures | 43,651,040 |
| Deficiency of revenues over expenditures | (2,629,086) |
| Other financing sources: | |
| Sale of capital assets | 1,067,139 |
| Capital lease issuance | 117,464 |
| Total other financing sources | 1,184,603 |
| Net change in fund balance | (1,444,483) |
| Fund balance, beginning of year | 22,481,204 |
| Fund balance, end of year | \$ 21,036,721 |

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, 2021

Net change in governmental fund balance \$ (1,444,483)

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 | 9,250,262 |
| Depreciation | (1,461,950) |
| Loss on Disposal of Capital Assets | (965,528) |

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 | 23,000 |
| Capital lease payments | 61,210 |

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 | (117,464) |
|------------------------|-----------|

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 | 36,378 |
|----------------------|--------|

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 | (1,338,926) |
| Employer pension contributions | 1,802,828 |

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

| | |
|--------------------------------|---------|
| Other - Wildland reimbursement | (9,503) |
| Emergency medical services | 13,618 |
| | 13,618 |

| | |
|------------------------|--------------|
| Change in Net Position | \$ 5,849,442 |
|------------------------|--------------|

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

Statement of Fiduciary Net Position -
Pension Trust Fund
As of December 31, 2021

| | <u>December 31, 2021</u> |
|--------------------------------------|--------------------------|
| Assets: | |
| Investments | |
| Domestic equities | \$ 5,906,615 |
| Domestic fixed income securities | 3,351,774 |
| Mutual funds | 1,928,103 |
| Money market mutual funds | <u>747,308</u> |
| Total investments | 11,933,800 |
| Accrued interest receivable | <u>25,163</u> |
| Total assets | <u>11,958,963</u> |
| Net position: | |
| Net position restricted for pensions | <u>\$ 11,958,963</u> |

Statement in Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2021

| | 2021 |
|--|---------------|
| Additions: | |
| Contributions from District | \$ 241,571 |
| Contributions from the State of Colorado | 157,500 |
| Earnings on investments | 236,638 |
| Net appreciation (depreciation) in fair value of investments | 1,234,442 |
| Less: Investment related expenses | (33,452) |
| Net investment income | 1,437,628 |
| Total additions | 1,836,699 |
| Deductions: | |
| Benefits paid to retirees | 1,061,574 |
| Administration of plan | 1,182 |
| Total deductions | 1,062,756 |
| Changes in plan net position | 773,943 |
| Net position, beginning of year | 11,185,020 |
| Net position, end of year | \$ 11,958,963 |

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 units. The component units included in the District's reporting entity are 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 units are 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. Separate audited financial statements of the Corporation are not issued. There was no financial activity for the Corporation for the fiscal year ended December 31, 2021.

Arvada Fire Protection District Pension Trust Fund (the Pension Trust Fund) – The Pension Trust Fund is a single employer defined benefit pension plan established by the District to provide pension benefits for its volunteer firefighters. The Pension Trust Fund 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 Pension Trust Fund is reported as a Fiduciary Fund. Separate audited financial statements of the Pension Trust Fund are not issued.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the activities of 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 value 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

| | | |
|-------------------------------|------|-------|
| 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 proportionate share; 3) change in experience; and 4) 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and fund balance 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, 2021: 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 \$26,279,058 as of December 31, 2021. The District held net position of \$1,224,963 as of December 31, 2021 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 \$4,491,755 as of December 31, 2021. 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.

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 \$2,491,463 in nonspendable fund balance as of December 31, 2021.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$5,716,718 restricted as of December 31, 2021.

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, 2021.

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 no assigned fund balance as of December 31, 2021.

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).

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.

Estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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 | \$ 10,756,468 |
| Investments | <u>20,051,212</u> |
| Total cash and investments | <u>\$ 30,807,680</u> |
| | |
| Governmental Funds | |
| Cash | \$ 10,756,468 |
| Restricted cash and investments | 4,491,755 |
| Investments | <u>3,625,657</u> |
| Total governmental funds | <u>18,873,880</u> |
| | |
| Fiduciary fund * | |
| Investments | <u>11,933,800</u> |
| Total fiduciary funds | <u>11,933,800</u> |
| | |
| Total cash and investments | <u>\$ 30,807,680</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, 2021, the District's cash deposits had a bank balance of \$12,484,043. None of this balance was exposed to custodial credit risk.

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

Credit Risk

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

NOTE 2 – CASH AND INVESTMENTS (continued)

- 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, 2021, the District had the following investments:

| <u>Investment</u> | <u>Rating - Moody's</u> | <u>Fair Value</u> | <u>Maturity</u> <u>less than 1 year</u> | <u>Percentage of</u> <u>Investment</u> |
|-------------------|-------------------------|---------------------|--|---|
| Colotrust | AAAm | \$ 3,625,657 | \$ 3,625,657 | 45% |
| Mutual Funds | AAAm | 4,491,755 | 4,491,755 | 55% |
| | | <u>\$ 8,117,412</u> | <u>\$ 8,117,412</u> | <u>100%</u> |

Fair Value

As of December 31, 2021, the District had invested \$3,625,657 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.

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.

NOTE 2 – CASH AND INVESTMENTS (continued)

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, 2021, is summarized below.

| | <u>12/31/2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>12/31/2021</u> |
|--|----------------------|---------------------|---------------------|------------------|----------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 1,611,285 | \$ - | \$ (337,354) | \$ - | \$ 1,273,931 |
| Construction in progress | 1,800,901 | 8,308,828 | - | (765,371) | 9,344,358 |
| Total capital assets not being depreciated | <u>3,412,186</u> | <u>8,308,828</u> | <u>(337,354)</u> | <u>(765,371)</u> | <u>10,618,289</u> |
| Capital asset being depreciated | | | | | |
| Vehicles and equipment | 18,153,324 | 235,885 | (182,900) | 714,810 | 18,921,119 |
| Fire stations | 14,409,954 | 108,897 | (620,513) | 25,000 | 13,923,338 |
| Improvements | 9,706,562 | 394,643 | - | 25,561 | 10,126,766 |
| Office and computer equipment | 734,984 | 202,009 | (45,458) | - | 891,535 |
| Total capital assets being depreciated | <u>43,004,824</u> | <u>941,434</u> | <u>(848,871)</u> | <u>765,371</u> | <u>43,862,758</u> |
| Accumulated depreciation | | | | | |
| Vehicles and equipment | (13,548,376) | (626,144) | 87,333 | | (14,087,187) |
| Fire stations | (5,952,479) | (417,831) | 87,906 | | (6,282,404) |
| Improvements | (3,187,800) | (374,447) | - | | (3,562,247) |
| Office and computer equipment | (686,093) | (43,528) | 45,458 | | (684,163) |
| Total accumulated depreciation | <u>(23,374,748)</u> | <u>(1,461,950)</u> | <u>220,697</u> | <u>-</u> | <u>(24,616,001)</u> |
| Total capital assets, net | <u>\$ 23,042,262</u> | <u>\$ 7,788,312</u> | <u>\$ (965,528)</u> | <u>\$ -</u> | <u>\$ 29,865,046</u> |

Depreciation expense of \$1,461,950 for December 31, 2021 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, 2021.

| | <u>12/31/2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/2021</u> | <u>Due in one year</u> |
|----------------------------------|---------------------|---------------------|-----------------------|---------------------|------------------------|
| 2013 Series Lease | | | | | |
| Revenue Bonds (direct borrowing) | \$ 3,138,000 | \$ - | \$ (23,000) | \$ 3,115,000 | \$ - |
| Compensated absences | 1,869,092 | 2,839,297 | (2,875,675) | 1,832,714 | 1,832,714 |
| Capital leases | 40,684 | 117,464 | (61,210) | 96,938 | 47,547 |
| Total long-term liabilities | <u>\$ 5,047,776</u> | <u>\$ 2,956,761</u> | <u>\$ (2,959,885)</u> | <u>\$ 5,044,652</u> | <u>\$ 1,880,261</u> |

NOTE 4 – LONG-TERM DEBT (continued)

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. In the event of default, the interest rate on the bonds would increase to the default rate of prime rate plus 4.00 percent per annum. The District amended this agreement on June 16, 2021, which resulted in a coupon rate of 1.17% and principal payments getting deferred until 2023.

Bond payments to maturity are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|---------------------|-------------------|---------------------|
| 2022 | \$ - | \$ 36,446 | \$ 36,446 |
| 2023 | 1,014,000 | 36,446 | 1,050,446 |
| 2024 | 1,038,000 | 24,582 | 1,062,582 |
| 2025 | 1,063,000 | 12,437 | 1,075,437 |
| | <u>\$ 3,115,000</u> | <u>\$ 109,910</u> | <u>\$ 3,224,910</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, 2021, accumulated depreciation on these copiers was \$24,772. The lease calls for total annual payments of \$6,575 over five years at an implied interest rate of 2.38 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, 2021, accumulated depreciation on these computers was \$7,463. The lease calls for total annual payments of \$3,906 at an implied interest rate of 3.00 percent.

On August 26, 2020, 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 \$10,813. As of December 31, 2021, accumulated depreciation on these computers was \$3,379. The lease calls for total annual payments of \$2,909 at an implied interest rate of 3.00 percent.

On August 10, 2021, 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 \$117,464. As of December 31, 2021, accumulated depreciation on these computers was \$10,126. The lease calls for total annual payments of \$36,742 at an implied interest rate of 3.00 percent.

NOTE 4 – LONG-TERM DEBT (continued)

Future minimum payments on these leases are as follows:

| | <u>Principal Payments</u> | <u>Interest Payments</u> | <u>Total Minimum Lease Payments</u> |
|------|-------------------------------|------------------------------|---|
| 2022 | \$ 47,547 | \$ 2,564 | \$ 50,111 |
| 2023 | 39,493 | 1,387 | 40,880 |
| 2024 | 9,898 | 332 | 10,230 |
| | <u>\$ 96,938</u> | <u>\$ 4,283</u> | <u>\$ 101,221</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, 2021. 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 2021, the District is covered by the Pool for workers compensation and property and casualty coverage. 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 and property and casualty 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 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 \$750 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$37.50 per month for every year of service. Survivor's death benefits range from \$150 monthly benefit

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

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 \$1,500).

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, 2021, the District contributed \$241,571 to the plan and the State of Colorado contributed a total of \$157,500.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 196 |
| Inactive Plan Members Entitled to But | |
| Not Yet Receiving Benefits | 1 |
| Active Employees | - |
| Total | <u>197</u> |

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2021 were based the actuarial valuation as of January 1, 2021 rolled forward to a measurement date of December 31, 2021:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | The actuarially determined contribution is based on a 15 year closed amortization schedule, effective January 1, 2017 |
| Remaining Amortization Period | 11 years remaining as of January 1, 2021 |
| Asset Valuation Method | Fair value |
| Inflation | Implicit |
| Salary Increases | N/A |
| 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.

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

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 1.84 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, 2021.

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

| Investment | Fair Value | Maturity | | | Percentage of Investment | |
|-------------------|---------------------|-------------------|---------------------|---------------------|--------------------------|----------------|
| | | Less than 1 year | 1-5 yrs | 6-10 yrs | | |
| Corporate bonds | \$ 2,011,241 | \$ 360,720 | \$ 998,998 | \$ 651,523 | \$ - | 60.01% |
| US Treasury notes | 1,149,352 | 406,835 | 311,052 | 431,465 | - | 34.29% |
| US agency bonds | 191,181 | - | 191,181 | - | - | 5.70% |
| | <u>\$ 3,351,774</u> | <u>\$ 767,555</u> | <u>\$ 1,501,231</u> | <u>\$ 1,082,988</u> | <u>\$ -</u> | <u>100.00%</u> |

In addition, the Pension Plan had \$5,906,615 invested in equities, \$1,928,103 invested in mutual funds, and \$747,308 invested in money market mutual funds, to which the concept of maturity does not apply, as of December 31, 2021.

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

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, 2021, the Plan’s annual money-weighted rate of return on plan investments, net of investment expense, was 13.15 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.

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.

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

| Investment | Credit Rating (S&P) | | | | | |
|---------------------------|--------------------------------|---------------------|---------------------|-------------------|---------------------|-------------------|
| | Fair Value | N/A | AAA | AA/AA- | A+/A/A- | BBB |
| Equities | \$ 5,906,615 | \$ 5,906,615 | \$ - | \$ - | \$ - | \$ - |
| Corporate bonds | 2,011,241 | | 185,835 | 239,798 | 1,437,091 | 148,517 |
| Mutual funds | 1,928,103 | 1,928,103 | - | - | - | - |
| US Treasury obligations | 1,149,352 | - | 1,149,352 | - | - | - |
| US agency bonds | 191,181 | - | 191,181 | - | - | - |
| Money market mutual funds | 747,308 | 747,308 | - | - | - | - |
| | <u>\$ 11,933,800</u> | <u>\$ 8,582,026</u> | <u>\$ 1,526,368</u> | <u>\$ 239,798</u> | <u>\$ 1,437,091</u> | <u>\$ 148,517</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. The investment in JP Morgan Hedged Equity Mutual fund exceeds 5% of the total investments and makes up 8.7% 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 providing specific guidelines for fixed income managers.

Fair Value

As of December 31, 2021, the Pension Plan had the following fair value measurements including investments.

| Investment Type | Fair Value | Level 1 | Level 2 |
|---------------------------------|----------------------|---------------------|---------------------|
| Equities | \$ 5,906,615 | \$ 5,906,615 | \$ - |
| Corporate bonds | 2,011,241 | - | 2,011,241 |
| US Treasury securities | 1,149,352 | 1,149,352 | - |
| US agency bonds | 191,181 | 191,181 | - |
| Mutual funds | 1,928,103 | 1,928,103 | - |
| Investments by fair value level | <u>\$ 11,186,492</u> | <u>\$ 9,175,251</u> | <u>\$ 2,011,241</u> |

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

In addition, the Pension Plan had \$747,308 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, 2021.

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

| | Increase/(Decrease) | | |
|--|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance at 12/31/2020 | \$ 11,649,329 | \$ 11,185,020 | \$ 464,309 |
| Changes for the year | | | |
| Interest | 691,215 | - | 691,215 |
| Difference in expected and actual experience | - | - | - |
| Changes in benefit terms | 401,706 | - | 401,706 |
| Contributions - Employer | - | 241,571 | (241,571) |
| Contributions - State | - | 157,500 | (157,500) |
| Net Investment Income | - | 1,437,628 | (1,437,628) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,061,574) | (1,061,574) | - |
| Administrative Expenses | - | (1,182) | 1,182 |
| Net Changes | 31,347 | 773,943 | (742,596) |
| Balance at 12/31/2021 | <u>\$ 11,680,676</u> | <u>\$ 11,958,963</u> | <u>\$ (278,287)</u> |

The Plan’s fiduciary net position as a percentage of total pension liability is 102.4% for the fiscal year ended December 31, 2021.

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.

NOTE 6 – VOLUNTEERS’ FIREFIGHTERS PENSION FUND (continued)

| | 1% Decrease <u>(5.00%)</u> | Current Discount Rate <u>(6.00%)</u> | 1% Increase <u>(7.00%)</u> |
|--|-------------------------------|--|-------------------------------|
| District's Net Pension Liability/(Asset) | \$ 771,723 | \$ (278,287) | \$ (1,177,119) |

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

For the year ended December 31, 2021, the District recognized pension expense of (\$25,744). At December 31, 2021, the District reported deferred inflows of resources related to pensions from the following sources:

| <u>Description</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | \$ - | \$ 1,219,761 |
| Total | <u>\$ -</u> | <u>\$ 1,219,761</u> |

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

| <u>Year Ended December 31</u> | <u>Deferred Amounts</u> |
|-------------------------------|-------------------------|
| 2022 | \$ (312,754) |
| 2023 | (489,062) |
| 2024 | (260,660) |
| 2025 | (157,285) |
| Total | <u>\$ (1,219,761)</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 is 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.

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

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 annual comprehensive 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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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 or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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

Members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of base salary for a total contribution rate of 20.0 percent in 2021. 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 pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a

total of 13 percent of pensionable earnings. Contributions to the SWDB plan from the District were \$1,403,757 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported an asset of \$4,419,433 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2020, the District's proportion was 2.03566 percent, which was an increase of 0.06881 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of (\$1,494,336). At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 3,748,113 | \$ 17,578 |
| Changes of Assumptions | 1,879,651 | - |
| Net Difference Between Projected and Actual Earning of Pension Plan Investments | - | 4,539,393 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 624,491 | 212,478 |
| District Contributions Subsequent to the Measurement Date | 1,403,757 | - |
| Total | <u>\$ 7,656,012</u> | <u>\$ 4,769,449</u> |

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

\$1,403,757 in total reported as deferred outflows of resources related to pension resulting from District contributions subsequent to measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31</u> | <u>Deferred Amounts</u> |
|-------------------------------|-------------------------|
| 2022 | \$ (454,281) |
| 2023 | 160,469 |
| 2024 | (603,232) |
| 2025 | 170,341 |
| 2026 | 881,944 |
| Thereafter | <u>1,327,565</u> |
| Total | <u>\$ 1,482,806</u> |

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | <u>Total Pension Liability</u> | <u>Actuarial Determined Contributions</u> |
|--------------------------------------|--------------------------------|---|
| Actuarial Valuation Date | January 1, 2021 | January 1, 2020 |
| 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% | 7.0% |
| Projected Salary Increases* | 4.25% - 11.25% | 4.25% - 11.25% |
| Cost of Living Adjustments (COLA) | 0% | 0% |
| *Includes Inflation at | 2.5% | 2.5% |

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement 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.

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. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------|-------------------|--|
| Global Equity | 39.00% | 8.23% |
| Equity Long/Short | 8.00% | 6.87% |
| Private Markets | 26.00% | 10.63% |
| Fixed Income | 10.00% | 4.01% |
| Absolute Return | 5.00% | 5.25% |
| Managed Futures | 10.00% | 5.60% |
| Cash | 2.00% | 2.32% |
| Totals | 100.00% | |

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 (Asset) 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) | \$ 4,447,465 | \$ (4,419,433) | \$ (11,762,331) |

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

Pension Plan Fiduciary Net Position

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

Changes Between the Measurement Date of the Net Pension Asset and December 31, 2021

During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. The stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension asset of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

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 \$395,087 for the fiscal year ended December 31, 2021.

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 \$196,492 for fiscal year ended December 31, 2021, 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 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.

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

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.



**REQUIRED SUPPLEMENTARY
INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual General Fund
 FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>Budget</u> | | |
|---|----------------------------|----------------------|--------------------|
| | <u>Original and Final*</u> | <u>Actual</u> | <u>Variance</u> |
| Revenues: | | | |
| General property taxes | \$ 29,780,225 | \$ 30,105,606 | \$ 325,381 |
| Specific ownership taxes | 2,000,000 | 2,479,144 | 479,144 |
| Incremental property taxes | 7,550,730 | 1,481,164 | (6,069,566) |
| Investment earnings | - | 20,291 | 20,291 |
| EMS services | 5,196,204 | 6,189,978 | 993,774 |
| Grant revenue | - | 104,594 | 104,594 |
| Other revenue | 520,340 | 641,177 | 120,837 |
| Total revenues | <u>45,047,499</u> | <u>41,021,954</u> | <u>(4,025,545)</u> |
| Expenditures: | | | |
| Administration | 4,224,460 | 4,251,010 | (26,550) |
| Support Services | 1,504,865 | 1,348,020 | 156,845 |
| Maintenance | 1,551,467 | 1,522,012 | 29,455 |
| Fire Marshals Office | 884,564 | 864,016 | 20,548 |
| Operations | 26,203,525 | 26,276,978 | (73,453) |
| Debt Service | | | |
| Principal | 963,000 | 23,000 | 940,000 |
| Interest | 137,000 | 54,532 | 82,468 |
| Capital lease payments | 21,888 | 61,210 | (39,322) |
| Capital outlay | 11,745,813 | 9,250,262 | 2,495,551 |
| Total expenditures | <u>47,236,582</u> | <u>43,651,040</u> | <u>3,585,542</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,189,083)</u> | <u>(2,629,086)</u> | <u>(440,003)</u> |
| Other financing sources: | | | |
| Sale of capital assets | 2,189,083 | 1,067,139 | (1,121,944) |
| Capital lease issuance | - | 117,464 | 117,464 |
| Total other sources: | <u>2,189,083</u> | <u>1,184,603</u> | <u>(1,004,480)</u> |
| Net change in fund balance | <u>-</u> | <u>(1,444,483)</u> | <u>(1,444,483)</u> |
| Fund balance, beginning of year | | <u>22,481,204</u> | |
| Fund balance, end of year | | <u>\$ 21,036,721</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 Seven Fiscal Years**

| Fiscal Year | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Plan Measurement Date | December 31, 2020 | December 31, 2019 | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 | December 31, 2014 | December 31, 2013 |
| (Entity)'s Proportion of the Net Pension Liability (Asset) | 2.035663049% | 1.966854560% | 2.063881817% | 2.263830174% | 2.471391535% | 2.409300425% | 2.523700761% | 2.303557422% |
| (Entity)'s Proportionate Share of the Net Pension Liability (Asset) | \$ (4,419,433) | \$ (1,112,381) | \$ 2,609,313 | \$ (3,256,877) | \$ 893,009 | \$ (42,472) | \$ (2,848,187) | \$ (2,059,810) |
| (Entity)'s Covered Payroll | \$ 16,334,914 | \$ 14,508,507 | \$ 13,825,058 | \$ 13,496,402 | \$ 12,679,926 | \$ 11,693,552 | \$ 10,950,731 | \$ 10,418,508 |
| (Entity)'s Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (27.1%) | (7.7%) | 18.9% | (24.1%) | 7.0% | (0.4%) | (26.0%) | (19.8%) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 106.7% | 101.9% | 95.2% | 106.3% | 98.2% | 100.1% | 106.8% | 105.8% |

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 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Contractually Required Contribution | \$ 1,403,757 | \$ 1,308,050 | \$ 1,159,709 | \$ 1,106,005 | \$ 1,059,345 | \$ 1,011,852 | \$ 934,722 | \$ 874,960 | \$ 833,481 | \$ 731,202 |
| Contributions in Relation to the | | | | | | | | | | |
| Contractually Required Contribution | 1,403,757 | 1,308,050 | 1,159,709 | 1,106,005 | 1,059,345 | 1,011,852 | 934,722 | 874,960 | 833,481 | 731,202 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 16,553,272 | \$ 16,334,914 | \$ 14,508,507 | \$ 13,825,058 | \$ 13,496,402 | \$ 12,679,926 | \$ 11,693,552 | \$ 10,950,731 | \$ 10,418,508 | \$ 9,140,043 |
| Contributions as a Percentage of Covered Payroll | 8.50% | 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 Seven Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Total pension liability | | | | | | | | |
| Service cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,693 |
| Interest | 691,215 | 692,445 | 715,504 | 695,493 | 718,861 | 742,123 | 764,259 | 769,999 |
| Changes in benefit terms | 401,706 | - | - | - | - | 464,773 | - | - |
| Difference in experience levels | - | (38,480) | - | (189,955) | - | (56,500) | - | 251,535 |
| Changes in assumptions | - | - | - | (1,224,733) | 66,293 | 1,742,884 | - | - |
| Benefit payments | (1,061,574) | (1,090,774) | (1,108,859) | (1,132,934) | (1,138,950) | (1,153,200) | (1,113,167) | (1,122,932) |
| Net change in total pension liability | 31,347 | (436,809) | (393,355) | (1,852,129) | (353,776) | 1,740,080 | (348,908) | (99,705) |
| Total pension liability - beginning | 11,649,329 | 12,086,138 | 12,479,493 | 14,331,622 | 14,685,398 | 12,945,318 | 13,294,226 | 13,393,931 |
| Total pension liability - ending | 11,680,676 | 11,649,329 | 12,086,138 | 12,479,493 | 14,331,622 | 14,685,398 | 12,945,318 | 13,294,226 |
| Plan fiduciary net position | | | | | | | | |
| Contributions - District | 241,571 | 175,000 | 175,000 | 175,000 | 55,000 | 55,000 | 55,000 | 55,000 |
| Contributions - State | 157,500 | 157,500 | 157,500 | 49,500 | 49,500 | 49,500 | 49,500 | 49,500 |
| Net investment income | 1,437,628 | 1,142,215 | 1,710,824 | (246,379) | 1,148,852 | 347,688 | 15,868 | 663,496 |
| Benefit payments | (1,061,574) | (1,090,774) | (1,108,859) | (1,132,934) | (1,138,950) | (1,153,200) | (1,113,167) | (1,122,934) |
| Administrative expense | (1,182) | (1,202) | (1,211) | (32,793) | (43,001) | (35,529) | (7,000) | (797) |
| Net change in plan fiduciary net position | 773,943 | 382,739 | 933,254 | (1,187,606) | 71,421 | (736,541) | (999,799) | (355,735) |
| Plan fiduciary net position - beginning balance | 11,185,020 | 10,802,281 | 9,869,027 | 11,056,633 | 10,985,212 | 11,721,753 | 12,721,552 | 13,077,287 |
| Plan fiduciary net position - ending balance | 11,958,963 | 11,185,020 | 10,802,281 | 9,869,027 | 11,056,633 | 10,985,212 | 11,721,753 | 12,721,552 |
| Net Pension Liability | \$ (278,287) | \$ 464,309 | \$ 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 | 102.4% | 96.0% | 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 | 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 | 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 Seven Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------|---------------------|-------------------|------------------|------------------|-------------------|--------------------|--------------------|------------------|
| Actuarially determined contribution | \$ 58,388 | \$ 324,309 | \$ 324,309 | \$ 292,236 | \$ 292,236 | \$ 58,965 | \$ 58,965 | \$ 115,356 |
| Contributions in relation of the | | | | | | | | |
| actuarially determined contribution | 399,071 | 332,500 | 224,500 | 224,500 | 104,500 | 104,500 | 104,500 | 104,500 |
| Contribution Deficiency (Excess) | <u>\$ (340,683)</u> | <u>\$ (8,191)</u> | <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 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 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 | Fair 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 | 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. |

Volunteer Pension Plan Schedule of Investment Returns

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 13.15% | 10.86% | 17.65% | -2.23% |

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, 2021

| | Pension Trust Fund | | |
|--|----------------------------|----------------|------------------|
| | Original & Final Budget | Actual | Variance |
| Additions: | | | |
| Contributions from the District | \$ 175,000 | \$ 241,571 | \$ 66,571 |
| Contributions from the State of Colorado | 157,500 | 157,500 | - |
| Earnings on investments | 258,620 | 236,638 | (21,982) |
| Net increase (decrease) on investments | - | 1,234,442 | 1,234,442 |
| Less: Investment related expenses | (32,736) | (33,452) | (716) |
| Totals | 558,384 | 1,836,699 | 1,278,315 |
| Deductions: | | | |
| Benefits paid to retirees | 1,112,578 | 1,061,574 | 51,004 |
| Administration of fund | 15,000 | 1,182 | 13,818 |
| Totals | 1,127,578 | 1,062,756 | 64,822 |
| Changes in plan net position | \$ (569,194) | \$ 773,943 | \$ 1,213,493 |



STATISTICAL SECTION

This page intentionally left blank.

STATISTICAL SECTION

The statistical section of Arvada Fire Protection District's annual comprehensive 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 annual comprehensive financial report for the fiscal year ended December 31, 2012.

Schedule 1 - Net Position by Component

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in capital asset | \$12,004,394 | \$15,776,547 | \$14,750,864 | \$15,617,869 | \$16,259,213 | \$16,028,680 | \$16,472,398 | \$18,560,043 | \$19,753,977 | \$ 26,279,058 |
| Restricted | 3,589,411 | 1 | 3,080,647 | 7,443,974 | 8,623,655 | 9,100,994 | 9,703,446 | 6,779,658 | 8,699,178 | 10,414,438 |
| Unrestricted | 5,906,326 | 6,748,679 | 4,338,073 | 2,597,476 | 1,923,040 | 3,163,667 | 10,191,583 | 14,487,432 | 18,412,986 | 16,022,087 |
| Total | <u>\$21,500,131</u> | <u>\$22,525,227</u> | <u>\$22,169,584</u> | <u>\$25,659,319</u> | <u>\$26,805,908</u> | <u>\$28,293,341</u> | <u>\$36,367,427</u> | <u>\$39,827,133</u> | <u>\$46,866,141</u> | <u>\$ 52,715,583</u> |
| Primary Government | | | | | | | | | | |
| Net Investment in capital asset | \$12,004,394 | \$15,776,547 | \$14,750,864 | \$15,617,869 | \$16,259,213 | \$16,028,680 | \$16,472,398 | \$18,560,043 | \$19,753,977 | \$ 26,279,058 |
| Restricted | 3,589,411 | 1 | 3,080,647 | 7,443,974 | 8,623,655 | 9,100,994 | 9,703,446 | 6,779,658 | 8,699,178 | 10,414,438 |
| Unrestricted | 5,906,326 | 6,748,679 | 4,338,073 | 2,597,476 | 1,923,040 | 3,163,667 | 10,191,583 | 14,487,432 | 18,412,986 | 16,022,087 |
| Total | <u>\$21,500,131</u> | <u>\$22,525,227</u> | <u>\$22,169,584</u> | <u>\$25,659,319</u> | <u>\$26,805,908</u> | <u>\$28,293,341</u> | <u>\$36,367,427</u> | <u>\$39,827,133</u> | <u>\$46,866,141</u> | <u>\$ 52,715,583</u> |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Expenses: | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Fire Protection | \$19,329,559 | \$16,356,633 | \$22,789,085 | \$22,915,841 | \$27,681,961 | \$28,210,282 | \$26,449,532 | \$31,455,410 | \$33,588,937 | \$ 35,223,706 |
| Interest on long-term debt | 429,568 | 389,627 | 415,637 | 263,190 | 182,747 | 157,982 | 133,374 | 108,567 | 85,169 | 54,532 |
| Amortization of bond discount | 17,088 | 16,371 | - | - | - | - | - | - | - | - |
| Total governmental activities expense | 19,776,215 | 16,762,631 | 23,204,722 | 23,179,031 | 27,864,708 | 28,368,264 | 26,582,906 | 31,563,977 | 33,674,106 | 35,278,238 |
| Total-Primary government expense | 19,776,215 | 16,762,631 | 23,204,722 | 23,179,031 | 27,864,708 | 28,368,264 | 26,582,906 | 31,563,977 | 33,674,106 | 35,278,238 |
| Program Revenues: | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Fire Protection | 871,580 | 2,465,429 | 2,855,815 | 3,045,130 | 3,289,037 | 3,688,644 | 3,998,752 | 4,787,457 | 5,897,243 | 6,203,596 |
| Operating Grants and Contributions | - | - | - | 376,706 | 738,141 | 291,396 | 659,410 | 114,654 | 969,006 | 309,702 |
| Total governmental activities revenue | 871,580 | 2,465,429 | 2,855,815 | 3,421,836 | 4,027,178 | 3,980,040 | 4,658,162 | 4,902,111 | 6,866,249 | 6,513,298 |
| Total-Primary government revenue | 871,580 | 2,465,429 | 2,855,815 | 3,421,836 | 4,027,178 | 3,980,040 | 4,658,162 | 4,902,111 | 6,866,249 | 6,513,298 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | (18,904,635) | (14,297,202) | (20,348,907) | (19,757,195) | (23,837,550) | (24,388,224) | (21,924,744) | (26,661,866) | (26,807,857) | (28,764,940) |
| Total-Primary government | (18,904,635) | (14,297,202) | (20,348,907) | (19,757,195) | (23,837,550) | (24,388,224) | (21,924,744) | (26,661,866) | (26,807,857) | (28,764,940) |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities | 21,303,926 | 20,265,407 | 20,751,633 | 21,257,259 | 24,984,119 | 25,875,657 | 29,998,830 | 30,121,572 | 33,846,865 | 34,614,382 |
| Total-Primary government | 21,303,926 | 20,265,407 | 20,751,633 | 21,257,259 | 24,984,119 | 25,875,657 | 29,998,830 | 30,121,572 | 33,846,865 | 34,614,382 |
| Total change in net position | | | | | | | | | | |
| Governmental activities | 2,399,291 | 5,968,205 | 402,726 | 1,500,064 | 1,146,589 | 1,487,433 | 8,074,086 | 3,459,706 | 7,039,008 | 5,849,442 |
| Total-Primary government | \$ 2,399,291 | \$ 5,968,205 | \$ 402,726 | \$ 1,500,064 | \$ 1,146,589 | \$ 1,487,433 | \$ 8,074,086 | \$ 3,459,706 | \$ 7,039,008 | \$ 5,849,442 |

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

Schedule 3 - Fund Balances of Governmental Funds

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ 1,632,781 | \$ 594,299 | \$ 429,695 | \$ 759,122 | \$ 888,144 | \$ 438,922 | \$ 961,216 | \$ 2,491,463 |
| Restricted | - | - | 3,080,647 | 3,631,628 | 4,476,340 | 5,234,991 | 6,446,569 | 6,779,658 | 7,586,797 | 5,716,718 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 643,644 | 685,702 | - | - | - | - | 1,500,000 | 176,642 | - | - |
| Unassigned | 5,337,338 | 11,142,821 | 3,389,407 | 3,598,071 | 5,736,786 | 6,491,759 | 7,892,465 | 10,114,404 | 13,933,191 | 12,828,540 |
| Total General Fund | \$ 5,980,982 | \$ 11,828,523 | \$ 8,102,835 | \$ 7,823,998 | \$ 10,642,821 | \$ 12,485,872 | \$ 16,727,178 | \$ 17,509,626 | \$ 22,481,204 | \$ 21,036,721 |
| Other Governmental Funds | | | | | | | | | | |
| Debt Service | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | 1 | 1 | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 3,589,411 | - | - | - | - | - | - | - | - | - |
| Total Other Governmental Funds | \$ 3,589,411 | \$ 1 | \$ 1 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | | |
| General property taxes | | \$19,814,311 | \$18,452,703 | \$18,493,424 | \$18,773,217 | \$22,279,606 | \$22,322,218 | \$25,839,303 | \$26,131,959 | \$29,675,858 | \$30,105,606 |
| Specific ownership taxes | | 1,321,605 | 1,411,087 | 1,517,027 | 1,611,859 | 1,695,956 | 2,275,969 | 2,531,504 | 2,359,240 | 2,383,584 | 2,479,144 |
| Investment earnings | | 130,781 | 116,698 | 46,772 | 8,518 | 44,525 | 100,861 | 312,790 | 416,992 | 114,289 | 20,291 |
| Grant Contributions | | - | - | - | 7,038 | 430,040 | 19,724 | 16,251 | 37,314 | 185,575 | 104,594 |
| EMS fees | | - | 1,990,544 | 2,954,336 | 3,006,089 | 3,301,491 | 3,679,522 | 3,680,172 | 4,818,680 | 5,714,516 | 6,189,978 |
| Candelas tax | | - | 243,550 | 472,352 | 521,073 | 716,679 | 720,852 | 1,014,846 | 1,016,558 | 1,382,868 | 1,481,164 |
| Other income | | 908,809 | 516,254 | 357,017 | 699,808 | 563,468 | 435,657 | 844,990 | 272,876 | 1,028,888 | 641,177 |
| Total Revenues | | \$22,175,506 | \$22,730,836 | \$23,840,928 | \$24,627,602 | \$29,031,765 | \$29,554,803 | \$34,239,856 | \$35,053,619 | \$40,485,578 | \$41,021,954 |
| Expenditures | | | | | | | | | | | |
| Fire protection | | 16,919,383 | 14,853,022 | 21,409,513 | 21,651,129 | 23,368,306 | 25,848,267 | 27,638,105 | 30,474,123 | 32,464,728 | 34,599,390 |
| Capital outlay | | 3,359,610 | 4,943,109 | 1,522,547 | 1,539,399 | 1,564,918 | 692,603 | 1,242,909 | 2,722,736 | 1,994,428 | 8,912,908 |
| Debt Service: | | | | | | | | | | | |
| Principal | | 960,000 | 3,990,000 | 748,000 | 5,145,000 | 1,009,000 | 1,033,000 | 1,058,000 | 967,000 | 967,000 | 23,000 |
| Interest | | 426,953 | 388,783 | 366,884 | 297,969 | 270,718 | 157,982 | 133,374 | 108,567 | 85,169 | 54,532 |
| Capital lease payments | | - | - | - | - | - | - | 13,185 | 22,439 | 26,019 | 61,210 |
| Bond Issuance Costs | | - | - | - | 17,872 | - | - | - | - | - | - |
| Total Expenditures | | \$21,665,946 | \$24,174,914 | \$24,046,944 | \$28,651,369 | \$26,212,942 | \$27,731,852 | \$30,085,573 | \$34,294,865 | \$35,537,344 | \$43,651,040 |
| Other financing sources (uses) | | | | | | | | | | | |
| Total other financing sources (uses) | | - | 3,702,209 | 3,028,931 | 3,746,000 | - | 20,100 | 87,023 | 23,694 | 23,344 | 1,184,603 |
| Total changes in fund balances | | \$ 509,560 | \$ 2,258,131 | \$ 2,822,915 | \$ (277,767) | \$ 2,818,823 | \$ 1,843,051 | \$ 4,241,306 | \$ 782,448 | \$ 4,971,578 | \$ (1,444,483) |
| Ratio of total debt service to noncapital expen | | 7.58% | 22.77% | 4.95% | 20.08% | 5.19% | 4.40% | 4.13% | 3.41% | 3.14% | 0.22% |

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.

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

Revenue Base-Taxable Assessed Value of Property Tax

| <i>Class of Property</i> | Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | <i>Taxable Rate</i> |
|-----------------------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Vacant Land | \$ | 25,087,814 | \$ 28,399,181 | \$ 28,962,450 | \$ 58,603,905 | \$ 45,666,559 | 29.00% |
| Residential | | 796,093,929 | 817,468,200 | 835,490,577 | 1,034,820,100 | 1,062,355,682 | 7.96% |
| Commercial | | 269,110,099 | 269,272,292 | 263,879,513 | 279,233,242 | 362,882,099 | 29.00% |
| Industrial | | 124,652,119 | 120,655,560 | 115,003,593 | 123,467,993 | 37,891,437 | 29.00% |
| Agricultural | | 4,034,915 | 3,806,671 | 3,683,123 | 3,209,490 | 3,111,722 | 29.00% |
| Natural Resources | | 158 | 187 | 237 | 238 | 238 | 29.00% |
| State Assessed | | 55,738,321 | 59,981,746 | 62,677,434 | 68,152,014 | 68,260,705 | 29.00% |
| Total Assessed Value | \$ | 1,274,717,355 | 1,299,583,837 | 1,309,696,927 | 1,567,486,982 | 1,580,168,442 | |
| Total Direct Rate | | 15.86% | 15.77% | 15.58% | 15.11% | 14.85% | |

| <i>Class of Property</i> | Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 | <i>Taxable Rate</i> |
|-----------------------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Vacant Land | \$ | 61,953,210 | 40,572,899 | 43,368,420 | 42,992,092 | 44,733,224 | 29.00% |
| Residential | | 1,205,151,569 | 1,239,208,185 | 1,430,132,236 | 1,449,968,705 | 1,601,068,781 | 7.15% |
| Commercial | | 468,120,686 | 469,828,006 | 519,221,821 | 519,861,487 | 576,781,284 | 29.00% |
| Industrial | | 45,923,593 | 45,044,466 | 51,395,700 | 56,586,742 | 80,373,873 | 29.00% |
| Agricultural | | 3,670,226 | 3,164,644 | 3,706,613 | 3,748,602 | 3,623,185 | 29.00% |
| Natural Resources | | 245 | 208 | 249 | 249 | 227 | 29.00% |
| State Assessed | | 72,309,763 | 71,253,449 | 88,935,767 | 95,551,448 | 96,112,344 | 29.00% |
| Total Assessed Value | \$ | 1,857,129,292 | 1,869,071,857 | 2,136,760,806 | 2,168,709,325 | 2,402,692,918 | |
| Total Direct Rate | | 15.35% | 15.05% | 14.92% | 14.95% | 14.85% | |

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 | |
| 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% |
| 2020 | 2,004,041,702 | 22,189,879,760 | 164,667,623 | 568,542,164 | 2,168,709,325 | 22,758,421,924 | 14.95% |
| 2021 | 2,240,576,896 | 24,597,765,376 | 162,116,022 | 570,381,124 | 2,402,692,918 | 25,168,146,500 | 14.85% |

Source: Jefferson County Assessor

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

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

Revenue Rates: Direct and Overlapping Property Tax Rates

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Direct | | | | | | | | | | |
| Arvada Fire Protection District | 15.86% | 15.77% | 15.58% | 15.11% | 14.85% | 15.35% | 15.05% | 14.92% | 14.95% | 14.85% |
| Overlapping | | | | | | | | | | |
| 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 | 50.62% | 50.24% | 50.71% | 50.17% | 47.49% | 45.94% | 42.88% | 49.42% | 47.07% | 47.04% |

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

Schedule 8 - Principal Taxpayers

| Taxpayers | 2021 | | | 2012 | | |
|--|----------------|------|---------------------------|----------------|------|---------------------------|
| | Assessed Value | Rank | % of Total Assessed Value | Assessed Value | Rank | % of Total Assessed Value |
| Public Service Co of Colorado | 65,676,650 | 1 | 2.73% | 22,437,436 | 7 | 1.76% |
| W PT Arvada VII LLC | 15,403,205 | 2 | 0.64% | | | |
| Rocky Mountain Bottle Company | 10,850,453 | 3 | 0.45% | 9,639,251 | 1 | 0.76% |
| Plains End II LLC | 7,947,500 | 4 | 0.33% | | | |
| Plains End LLC | 7,828,600 | 5 | 0.33% | | | |
| Qwest | 7,138,020 | 6 | 0.30% | | | |
| Solana Olde Town Holdings LLC | 6,795,360 | 7 | 0.28% | | | |
| ADLP 80th LLC | 6,293,261 | 8 | 0.26% | 3,449,840 | 5 | 0.27% |
| Lee Street Owner LLC | 6,285,708 | 9 | 0.26% | | | |
| Timberline LLC | 6,141,455 | 10 | 0.26% | 2,291,000 | 4 | 0.18% |
| Primestar Solar | | | | 8,063,032 | 2 | 0.63% |
| Inland Western Arvada, LLC | | | | 6,979,343 | 3 | 0.55% |
| Arvada Structures, LLC | | | | 2291000 | 4 | 0.18% |
| ADLP 80th LLC | | | | 3,449,840 | 5 | 0.27% |
| Cobe Cardiovascular Operating Co, Inc. | | | | 3,420,260 | 6 | 0.27% |
| Target Corporation | | | | 2857660 | 8 | 0.22% |
| Kohls Department Stores Inc. | | | | 1794520 | 9 | 0.14% |
| Costco Wholesale Corporation | | | | 2731220 | 10 | 0.21% |

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 Amount | Total Collections to Date | |
|-------------|----------------|--|-----------|-----------------------------|---------------------------|-----------|
| | | Amount | % of levy | | Amount | % of levy |
| 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 | 22,298,271 | 99.71% |
| 2018 | 26,466,347 | 25,911,818 | 97.90% | 54,261 | 25,966,079 | 98.11% |
| 2019 | 26,281,428 | 26,079,848 | 99.23% | 66,849 | 26,146,697 | 99.49% |
| 2020 | 29,867,118 | 29,609,009 | 99.14% | - | 29,609,009 | 99.14% |
| 2021 | 30,195,635 | 29,925,313 | 99.10% | - | 29,925,313 | 99.10% |

Source: Jefferson County Treasurer

Schedule 10 - Ratios of Outstanding Debt by Type

| Fiscal Year | Governmental Activities | | | | | | | Business- Type Activities | Total Debt | % of | |
|-------------|-------------------------|----------------|-----------------|--------|------------|------|---------------|---------------------------------|------------|------|--|
| | Lease | | Certificates of | | Personal | | | | | | |
| | Revenue | Capital Leases | Participation | Income | Per Capita | | | | | | |
| 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 | \$ 5,072,000 | \$ 64,449 | \$ - | \$ - | \$ - | \$ - | \$ 5,136,449 | 1.01% | \$ 43.42 | | |
| 2019 | \$ 4,105,000 | \$ 54,713 | \$ - | \$ - | \$ - | \$ - | \$ 4,159,713 | 0.74% | \$ 30.93 | | |
| 2020 | \$ 3,138,000 | \$ 40,684 | \$ - | \$ - | \$ - | \$ - | \$ 3,178,684 | 0.54% | \$ 23.42 | | |
| 2021 | \$ 3,115,000 | \$ 96,938 | \$ - | \$ - | \$ - | \$ - | \$ 3,211,938 | 0.59% | \$ 0.54 | | |

Source: Avada 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 |
|-------------|--------------------------|-------------------------------|-------|---------------------------------------|------------|
| 2012 | - | - | - | 0% | - |
| 2013 | - | - | - | 0% | - |
| 2014 | - | - | - | 0% | - |
| 2015 | - | - | - | 0% | - |
| 2016 | - | - | - | 0% | - |
| 2017 | - | - | - | 0% | - |
| 2018 | - | - | - | 0% | - |
| 2019 | - | - | - | 0% | - |
| 2020 | - | - | - | 0% | - |
| 2021 | - | - | - | 0% | - |

Source: Arvada Fire Protection District Finance Division

Schedule 12 - Last Fiscal Year Direct & Overlapping Debt

| <u>Jurisdiction</u> | <u>Debt Outstanding</u> | <u>% applicable to District</u> | <u>Estimated share of outstanding debt</u> |
|--|-------------------------|---------------------------------|--|
| Direct | | | |
| Arvada Fire Protection District | \$ 3,115,000 | 100% | \$ 3,115,000 |
| Overlapping | | | |
| City of Arvada | - | 74.2% | - |
| Jefferson County School District R-1 | 686,050,000 | 5.2% | 35,674,600 |
| Subtotal Overlapping | <u>686,050,000</u> | | <u>35,674,600</u> |
| Total Direct and Overlapping Debt | \$ 689,165,000 | | \$ 38,789,600 |

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 | | Total net debt | | Margin | Total net debt applicable to the limit as |
|-------------|----------------------------|----------------|---------------|----------------|---------------|--------|---|
| | | limit | applicable to | limit | applicable to | | |
| 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% |
| 2020 | 2,168,709,325 | - | - | - | - | - | 0.00% |
| 2021 | 2,402,692,918 | - | - | - | - | - | 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

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

Schedule 14 - Demographic and Economic Indicators

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Population | 106,673 | 109,157 | 110,580 | 111,559 | 115,368 | 117,308 | 118,300 | 134,479 | 135,743 | 120,492 |
| Total personal income (in thousands of dollars) | 3,297,902 | 3,374,698 | 3,164,689 | 3,683,566 | 4,158,093 | 4,388,610 | 4,720,052 | 5,592,444 | 5,906,585 | 5,454,673 |
| Per capita personal income | 30,916 | 30,916 | 28,619 | 33,019 | 36,042 | 37,411 | 39,899 | 41,586 | 43,513 | 45,270 |
| Unemployment rate | 8.00% | 6.50% | 4.60% | 3.00% | 3.00% | 2.60% | 2.80% | 2.20% | 7.80% | 5.90% |

** Note: The City of Arvada represents 73% 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

| Name | Fiscal Year | | % of Total Employment represented |
|---------------------------------------|-------------|------|-----------------------------------|
| | 2021 | 2012 | |
| 1 King Soopers (all locations) | 1,109 | 678 | 1.65% |
| 2 City of Arvada | 703 | 353 | 1.05% |
| 3 Walmart | 350 | 351 | 0.52% |
| 4 Sundryne Corporation | 328 | 225 | 0.49% |
| 5 LivaNova (formerly Sorin Group USA) | 320 | 225 | 0.48% |
| 6 Target (all locations) | 300 | 218 | 0.45% |
| 7 Parker Personal Care Homes Inc | 262 | 200 | 0.39% |
| 8 Home Depot | 221 | 189 | 0.33% |
| 9 Costco | 210 | 155 | 0.31% |
| 10 Wanco Inc | 180 | 155 | 0.27% |
| | | | |
| 1 City of Arvada | 678 | 678 | 1.19% |
| 2 Sundryne Corporation | 353 | 353 | 0.62% |
| 3 Sorin Group | 351 | 351 | 0.61% |
| 4 Home Depot | 225 | 225 | 0.39% |
| 5 Super Target | 225 | 225 | 0.39% |
| 6 Sam's Club | 218 | 218 | 0.38% |
| 7 Pridemark Ambulance | 200 | 200 | 0.35% |
| 8 Costco | 200 | 200 | 0.35% |
| 9 Mark VII Equipment | 189 | 189 | 0.33% |
| 10 King Soopers | 155 | 155 | 0.27% |

Sources: City of Arvada - Email Vesta

Schedule 16 - Government Employees (by type)

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|------|------|------|------|------|
| Career Line Personnel | 132 | 131 | 134 | 138 | 145 | 152 | 149 | 155 | 159 | 157 |
| Civilian (Admin) Personnel | 43 | 40 | 40 | 38 | 46 | 46 | 29 | 28 | 29 | 31 |
| Volunteer Personnel | 37 | 29 | 20 | 9 | 5 | 3 | 2 | 2 | 1 | 6 |
| Board of Directors (elected officials) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

Source: Anvada Fire Protection District Administration Division, Human Resources

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

Schedule 17 - Levels of Service Provided

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Levels of service provided | | | | | | | | | | |
| ISO (Insurance Services Organization) Rating | 3 | 3 | 3 | 3 | 3 | 3/9 | 2/2X | 2/2X | 2/2X | 1/1X |
| Fire Inspections Performed | 1,277 | 1,240 | 1,459 | 593 | 1,357 | 1,282 | 2,593 | 1,964 | 2,496 | 2,186 |
| Fire Investigations Performed | - | 56 | 38 | 67 | 77 | 39 | 59 | 39 | 46 | 67 |
| Calls responded to: | | | | | | | | | | |
| Fires (Residential, Structure, Other) | 250 | 185 | 153 | 197 | 232 | 204 | 89 | 204 | 283 | 284 |
| Other Incidents (Emergency Medical, False Mutual Aid, Hazardous Response, etc.) | 8,425 | 11,557 | 13,310 | 14,490 | 14,698 | 14,876 | 15,307 | 15,446 | 15,871 | 17,407 |
| Total Response Calls | 8,675 | 11,742 | 13,463 | 14,687 | 14,930 | 15,080 | 15,396 | 15,650 | 16,154 | 17,691 |
| Total Property Damage from Fires | \$ 2,281,440 | \$ 447,690 | \$ 1,188,665 | \$ 1,887,520 | \$ 2,112,162 | \$ 3,913,409 | \$ 1,373,049 | \$ 2,783,986 | \$ 4,273,601 | \$ 3,749,823 |

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

| Capital Assets | Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|-------------|------|------|------|------|------|------|------|------|------|------|
| Fire Stations | | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Storage Facilities/Other Buildings | | 4 | 4 | 5 | 5 | 9 | 9 | 9 | 10 | 10 | 10 |
| Vacant Land Parcels | | 2 | 2 | 2 | 2 | 2 | 4 | 5 | 5 | 5 | 2 |
| Fire Engines | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| Aerial Trucks | | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 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 | 1 | 1 |
| Brush Trucks | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Other Vehicles (including reserve) | | 44 | 42 | 39 | 38 | 43 | 41 | 39 | 41 | 41 | 41 |
| Ambulances | | 4 | 4 | 4 | 5 | 5 | 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.