



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Arvada Fire Protection District
Arvada, Colorado
Fiscal Year Ended December 31, 2023

ARVADA FIRE PROTECTION DISTRICT
ARVADA, COLORADO

Annual Comprehensive Financial Report

Fiscal Year Ended
December 31, 2023

Prepared by Nicole Stewart

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INTRODUCTORY SECTION

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Certificate of Achievement for Excellence
in Financial Reporting (FY 2022)



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, 2022

Christopher P. Morill

Executive Director/CEO

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Arvada Fire Protection District Arvada, Colorado

Principal Elected Officials and Administrative Staff
May 24, 2024

District Board

James Whitfield	President
Dr. Leah Martin	Vice President
Joel Kingham	Treasurer
Ted Terranova	Secretary
Bob Loveridge	Director At Large

Administrative Staff

Kirk Lock	Fire Chief
Matt Osier	Deputy Chief
Nicole Stewart	Finance Director
Erik Lugenbill	Planning and Support Services Chief
Steven Parker	Fire Marshal

Organizational Chart



Arvada Fire Protection District
MAY 24, 2024





Letter of Transmittal

May 24, 2024

To: Board of Directors, Arvada Fire Protection District
Citizens of Arvada Fire Protection District
Fire Chief Dale Lock

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, 2023. The following Comprehensive Annual 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 Comprehensive Annual 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, 2023. 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 2023, the population of the District was approximately 121,000 citizens. The median household income was approximately \$92,669.

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 provide the highest level of professional services while preserving life, property, and the environment.” Our organizational values, as identified by our committed workforce, are “dedication, integrity, compassion, 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 2023, the District had nine fire stations and one substation and employed 177 paid line personnel, and 30 civilian and/or administrative personnel. There were six fire engines, six ALS ambulances, three brush trucks, two aerials, one hazardous materials response truck, one type III BME wildland engine, 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. The reaccreditation process began in the first quarter of 2024, and the district will undergo an inclusion vote in November of 2024.

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

Date	Action
July 3	Budget Instructions and Templates to Division Heads
July 23	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 23	Division Heads meet to review crossover items and strategic objective investments
July 31	Division Heads Submit Prelim Budgets to Finance Director
Week of August 4	Review with Division Heads, Admin and Fire Chief
Week of August 7	Group Meeting of Division Heads to Review Prelim Budget
August 25	Final Budget Submittals Due
October 4	Proposed Budget to District Board of Directors
December 14	Adoption of Budget by Board of Directors
On or before December 14	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 2023, approximately 74% 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 2023, EMS fees accounted for 16% of the District's revenue.

The median detached home price was \$445,000 during 2023. 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 increased slightly in 2023 compared to 2022 ending the year at a rate of 3.9% which is slightly below the rate of 3.2% for the State of Colorado. The Colorado and national economies exceed expectations at the end of 2023. Inflation slowed substantially, but Colorado remains higher than the nation due to upward pressure of the house market. Inflation at the end of 2023 was 1.4 percentage points higher than the nation's. Nearly half of this difference came from housing prices, which were up 5.8 percent year-over-year in Denver, compared to 5.2 percent for the nation (Colorado General Assembly December 2023 forecast).

Long-Term Financial Planning. The community-driven development of the 2024- 2028 Strategic Plan provides a management roadmap built on a shared vision and is structured for measurable results over the next five years to ensure the district is taking a proactive approach to risk reduction and emergency mitigation while ensuring the health and wellness of employees, planning a successful inclusion with the Fairmount Fire Protection District, and recruiting and retaining qualified members while sustaining organizational continuity.

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 2023, the District's long term debt totaled \$4,197,844, which includes lease revenue bond, compensated absences, subscription liability and lease liability.

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

Relevant Financial Policies. The board of directors has a primary responsibility to ensure the district manages funds wisely and in accordance with both public policy and public law. The board has retained a fire chief who is charged with the day-to-day administration of Arvada Fire and with carrying out the policies of the board. The board adopted financial policies, effective in January 2023. The purpose of these finance policies is to delineate the board policies necessary to guide Arvada Fire's banking, purchasing, and contract activities and is intended to ensure adequate and uniform control of Arvada Fire's fund management. Prior to, 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, 2022. This was the tenth 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 been prepared without the assistance of finance and human resources staff. I would like to express my appreciation to the Board of Directors and members of the Chief staff, including Fire Chief Dale Lock and Deputy Chief of Operations Matt Osier, 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
Chief Financial Officer



FINANCIAL SECTION

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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, 2023, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 24, 2024

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, 2023. 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 \$68,865,379 at the close of the fiscal year. Of this amount, \$33,581,998 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 \$25,969,003. Of this, \$22,661,475 is unassigned.
- Net position of government-type activities increased by \$5,856,301 as compared to the fiscal year end 2022 net position. The increase was largely due to an increase in investment earnings and sale of land.
- Total cash and investments increased by \$5,070,583 as compared to the fiscal year end 2022 cash balance. Cash and investments increased due primarily to revenues exceeding expenditures.
- Property tax revenues collected increased by \$443,620 due to growth in properties assessed (there was no change in assessed value for individual properties given that valuations are assessed every two years).
- Governmental fund expenditures increased by \$4,246,020 as compared to the governmental fund expenditures for fiscal year 2022 due to increased fire protection and emergency services costs as well as principal payments on debt.
- Capital outlay decreased by (\$802,366) compared to 2022.

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 39-63 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 64-70 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68,676,150 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 2023

District's Net Position as of December 31:

	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 74,506,579	\$ 72,008,153
Capital assets	36,154,098	33,757,832
Total assets	<u>110,660,677</u>	<u>105,765,985</u>
Deferred outflows of resources		
Related to pension	12,572,404	7,678,988
Total deferred outflows of resources	<u>12,572,404</u>	<u>7,678,988</u>
Liabilities		
Other liabilities	1,606,693	1,244,339
Long-term liabilities:		
Due within one year	3,060,346	3,000,053
Due greater than a year	3,106,652	3,628,442
Total liabilities	<u>7,773,691</u>	<u>7,872,834</u>
Deferred inflows of resources		
Related to pension	416,688	7,959,454
Property tax revenue	46,177,323	34,603,607
Total deferred inflows of resources	<u>46,594,011</u>	<u>42,563,061</u>
Total liabilities and deferred inflows of resources	<u>54,367,702</u>	<u>50,435,895</u>
Net position:		
Net investment in capital assets	33,890,187	30,545,551
Restricted	1,393,194	12,489,816
Unrestricted	33,581,998	19,973,711
Total net position	<u>\$ 68,865,379</u>	<u>\$ 63,009,078</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 \$3,344,636 due to the purchases of fire apparatus and equipment, offset by sale of land.

The amount restricted for TABOR reported in governmental activities increased by \$20,808 from the fiscal year 2022 balance. The District's net position restricted decreased related to no amounts restricted for capital projects in 2023 as well as no pension asset in 2023.

The remaining net position, totaling \$33,581,998, represents the unrestricted portion available for the District's ongoing obligations to its citizens. This amount increased by \$13,608,287, which was due to the FPPA pension asset in 2022 report as a net pension liability in 2023.

Governmental Activities

Governmental activities increased net position by \$5,856,301 during the most recent fiscal year. Key elements of this increase are as follows.

Changes in net position for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Program revenues		
Charges for services	\$ 7,504,528	\$ 6,916,320
Operating grants and contributions	299,866	814,772
General revenues		
Property tax	34,409,093	34,590,291
Specific ownership tax	2,533,889	2,449,168
Investment earnings	1,444,289	446,247
Other revenue	385,894	451,227
Gain on capital asset disposal	687,333	-
Total revenue	<u>47,264,892</u>	<u>45,668,025</u>
Expenses		
Fire protection and emergency services	41,356,627	35,354,491
Interest on long-term debt	51,964	20,039
Total expenses	<u>41,408,591</u>	<u>35,374,530</u>
Change in net position	5,856,301	10,293,495
Net position - beginning	<u>63,009,078</u>	<u>52,715,583</u>
Net position - ending	<u><u>\$ 68,865,379</u></u>	<u><u>\$ 63,009,078</u></u>

Property taxes decreased by (\$181,198) when compared to 2022. Specific ownership taxes increased by \$84,721 compared with 2022. Charges for services increased \$588,208 because more EMS transports occurred in 2023 than in 2022. Operating grants and contributions decreased (\$514,906) from the prior year due to a decrease in wildland fires in 2023.

Expenses increased \$6,002,136 when compared with fiscal year 2022 primarily due increased FTEs and wage rate increases.

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 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 2023 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.
6. A robust mental health co-responder program.

2023 actual performance varied slightly from planned. Due to economic constraints, inflation continued to increase and supply and demand shortages continued to be a struggle for the district. Various purchases including equipment, supplies, and apparatus were impacted by these shortages and the favorability will allow for these purchases in the 2024 budget year. The district completed implementation of the new portable and mobile radios to align emergency subscriber units. Additionally, the Facility Conditions Index (FCI) study is in the final stages, and the district expects a full report to be delivered in the first quarter of 2024. Revenue finished better than plan, initiating a supplemental budget approval. Favorable interest rates allowed the district to collect more than anticipated. In addition, the district capitalized on the release of 6 acres of land. This additional revenue offset the increase in overtime in operations and unanticipated repairs and maintenance.

Capital Assets and Long-Term Debt Activity

Capital Assets

The District's capital assets at December 31, 2023 amounted to \$36,154,098, which included land, buildings, building improvements, equipment (including radio replacement), firefighting apparatus, SBITAs, and staff vehicles.

The total increase in the district's capital assets for the current year was approximately 7 percent due primarily to new apparatus purchases.

1. Superliner Ambulance, in service in February.
2. Two staff Ford F-150, placed in service in September.
3. Truck 54, placed in service in October 2023 (prepaid in 2022).
4. Type III BME Model 34 Wildland Engine, in service in December.
5. Motorola portable radios, in service in October.
6. Other additions included interior and exterior upgrades including carpet, plumbing, and sprinkler system repairs.
7. Other additions included computer purchases, per the replacement schedule.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 2,211,809	\$ 2,962,256
Buildings & improvements	24,575,122	24,854,517
Fire vehicles & equipment	8,394,511	5,143,141
Right-to-use equipment	65,748	106,069
Subscription-Based Information Technology Arrangements (SBITAs)	163,638	77,071
Office & computer equipment	743,270	691,849
	<u>\$ 36,154,098</u>	<u>\$ 33,834,903</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, 2023 totaled \$4,197,844, which includes lease revenue bonds, compensated absences, and the lease liability.

Significant long-term debt activity for the year 2023 is summarized as follows:

	<u>2023</u>	<u>2022</u>
Revenue bonds	\$ 2,101,000	\$ 3,115,000
Compensated absences	1,933,932	1,936,406
Subscription liability	115,278	77,071
Lease liability	47,634	97,281
	<u>\$ 4,197,844</u>	<u>\$ 5,225,758</u>

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

Net Pension Asset and Liability

The District's net pension liability as of December 31, 2023 totaled \$1,969,154. The net pension liability is related to the District's proportional share of the statewide defined benefit plan administered by the Fire and Police Pension Association (FPPA) and the District's volunteer pension fund.

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

	2023	2022
Statewide defined benefit plan	\$ 1,700,185	\$ (11,117,606)
Volunteer pension plan	268,969	1,479,808
	<u>\$ 1,969,154</u>	<u>\$ (9,637,798)</u>

See Notes 6 and 7 in the Notes to the Financial Statements for additional information.

General Fund

General fund balances as of December 31:

	2023	2022
Assets		
Current and other assets	\$ 74,506,579	\$ 60,890,547
Total assets	<u>\$ 74,506,579</u>	<u>\$ 60,890,547</u>
Liabilities		
Other liabilities	\$ 1,421,833	\$ 1,244,339
Due to pension trust fund	184,860	-
Total liabilities	<u>1,606,693</u>	<u>1,244,339</u>
Deferred inflows of resources		
Property tax revenue	46,177,323	34,603,607
EMS revenue	743,316	715,358
Unavailable revenue	10,244	10,244
Total deferred inflows of resources	<u>46,930,883</u>	<u>35,329,209</u>
Total liabilities and deferred inflows of resources	<u>48,537,576</u>	<u>36,573,548</u>
Fund Balances		
Nonspendable	29,238	2,058,707
Restricted		
TABOR	1,373,981	1,353,173
Employee Assistance	19,213	19,037
Committed	1,885,096	1,885,096
Unassigned	22,661,475	18,688,577
Total fund balance	<u>\$ 25,969,003</u>	<u>\$ 24,004,590</u>

At the end of the current fiscal year, the District reports a positive balance for all fund balance categories (nonspendable, restricted, committed, and unassigned) for the general fund.

The amount of fund balance restricted for TABOR increased by \$20,808 from the fiscal year 2022 balance due to higher revenues 2023. The District's committed fund balance was unchanged and relate to a contractual commitment to purchase two emergency response vehicles.

Unassigned fund balance, totaling \$22,661,475, represents fund balance available for the District's ongoing service obligations to its citizens. This amount increased by \$3,972,898 during 2023 as a result of increased revenue and decreased expenditures.

Changes in fund balance for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Revenues		
General property tax	\$ 34,721,502	\$ 34,277,882
Specific ownership tax	2,533,889	2,449,168
Investment earnings	1,444,289	446,247
Other revenue	<u>8,162,330</u>	<u>7,950,663</u>
Total revenue	46,862,010	45,123,960
Expenditures		
Fire protection and emergency services	40,536,080	36,613,406
Capital outlay	4,721,893	5,524,259
Debt service	<u>1,200,147</u>	<u>74,435</u>
Total expenditures	<u>46,458,120</u>	<u>42,212,100</u>
Excess (deficiency) of revenues over expenditures	403,890	2,911,860
Other financing sources	1,560,523	56,009
Net change in fund balance	1,964,413	2,967,869
Fund balance, beginning of year	<u>24,004,590</u>	<u>21,036,721</u>
Fund balance, end of year	<u>\$ 25,969,003</u>	<u>\$ 24,004,590</u>

General property taxes increased by \$443,620 when compared to 2022. Specific ownership taxes decreased by 84,721 compared with 2022. Other revenues increased by \$221,667 primarily due to due to more EMS transports occurring in 2023 than in 2022 which was slightly offset by a decrease in operational grants due to a slow wildfire season. Investment earnings increased by \$998,042 due to rising interest rates.

Expenses increased \$4,246,020 when compared with fiscal year 2022 primarily due to rising fire protection and emergency services costs.

Fiduciary Fund Activities

Pension Fund

The Pension Fund was established and continually funded to provide for the provision of retirement pension benefits for the retired 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 monitors key financial indicators, forecasts, and issues that have a major impact on District finances to ensure the long-term financial health of the district, while continuing to take steps to improve services to the community. The budget serves as the financial roadmap necessary to ensure the district accomplishes the strategic priorities outlined in the Strategic Plan.

The board adopted a \$58.4M budget, which represents a 31 percent increase in revenue and expenditure from the prior year. This increase is primarily due to property tax, the District's largest source of revenue, due to increases in assessed valuations from the county. All other revenue remains flat, and a placeholder remains in place for an intentional spending of reserves for the training center remodel.

In alignment with the Collective Bargaining Agreement (CBA) negotiated in 2023 and effective through 2025, the adopted budget has a seven percent pay increase for all employees. Additionally, all employees receive an additional two percent on their fifth, tenth, fifteenth, twentieth, twenty-fourth, and twenty-ninth years of service. The District added 12.5 full time equivalent (FTE), eleven firefighter/paramedics, one deputy of administration, and 0.5 fleet maintenance position. The addition of FTE is to support a high level of retirements expected in the next 3-5 years. The District continues to experience delays in apparatus, adding pressure to the five-year apparatus plan. It is important to the board and District staff that placeholders are still in place for apparatus replacement, capital improvements, and the remodel of the district's training center.

The District's budget for 2024 shows property tax revenue of \$41,007,099 (less an allowance for uncollectible levies) for the General Fund based on as assessed valuation for the District of \$2,607,331,470 and a mill levy of 15.728 mills.

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 Stewart

Statement of Net Position

As of December 31, 2023

	Governmental Activities
Assets:	
Cash and investments	\$ 26,682,766
Restricted cash	19,213
Accounts receivable	
Property taxes	46,177,323
Specific ownership tax	145,488
EMS receivable, net of allowance (\$231,847)	1,350,675
Other	11,986
Prepaid items	29,238
Due from other governments	89,890
Non-depreciable assets	2,211,809
Depreciable assets, net of accumulated depreciation and amortization	33,942,289
Total assets	110,660,677
Deferred outflows of resources:	
Related to pension	12,572,404
Total deferred outflows of resources	12,572,404
Total assets and deferred outflows of resources	123,233,081
Liabilities:	
Accounts payable	618,273
Accrued liabilities	803,560
Due to pension trust fund	184,860
Long-term liabilities due within a year	
Compensated absences	1,933,932
Bonds payable	1,038,000
Subscription liability	66,767
Lease Liability	21,647
Long-term liabilities greater than a year	
Bonds payable	1,063,000
Net pension liability	1,969,154
Subscription liability	48,511
Lease liability	25,987
Total liabilities	7,773,691
Deferred inflows of resources:	
Related to pension	416,688
Property tax levied for subsequent year	46,177,323
Total deferred inflows of resources	46,594,011
Total liabilities and deferred inflows of resources	54,367,702
Net position:	
Net investment in capital assets	33,890,187
Restricted for:	
TABOR	1,373,981
Employee Assistance	19,213
Unrestricted	33,581,998
Total net position	\$ 68,865,379

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

Statement of Activities

Year Ended December 31, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues & Changes In Net Position
Governmental activities:				
Fire protection and emergency services	\$ 41,356,627	\$ 7,504,528	\$ 299,866	\$ (33,552,233)
Interest on long-term debt	51,964	-	-	(51,964)
Total governmental activities	41,408,591	7,504,528	299,866	(33,604,197)
General revenues:				
Property tax				34,409,093
Specific ownership tax				2,533,889
Investment earnings				1,444,289
Other income				385,894
Gain on sale of capital assets				687,333
Total general revenues				39,460,498
Change in net position				5,856,301
Net position, beginning of year				63,009,078
Net position, end of year				\$ 68,865,379

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

Governmental Funds Balance Sheet

As of December 31, 2023

	General Fund
Assets:	
Cash	\$ 2,440,161
Restricted Cash	19,213
Investments	24,242,605
Accounts receivable	
Property taxes	46,177,323
Specific ownership tax	145,488
EMS receivable, net of allowance (\$231,847)	1,350,675
Other	11,986
Prepaid items	29,238
Due from other governments	89,890
Total assets	\$ 74,506,579
Liabilities and deferred inflows of resources	
Liabilities:	
Accounts payable	\$ 618,273
Accrued liabilities	803,560
Due to pension trust fund	184,860
Total liabilities	1,606,693
Deferred inflows of resources:	
Property tax levied for subsequent year	46,177,323
Unavailable revenue - EMS revenue	743,316
Unavailable revenue - Other	10,244
Total deferred inflows of resources	46,930,883
Total liabilities and deferred inflows of resources	48,537,576
Fund Balance:	
Nonspendable - Prepaid items	29,238
Restricted for:	
TABOR	1,373,981
Employee assistance	19,213
Committed - contractual obligation	1,885,096
Unassigned	22,661,475
Total fund balance	25,969,003
Total liabilities, deferred inflows of resources, and fund balance	\$ 74,506,579

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, 2023

Fund balance per Governmental Fund Balance Sheet	\$ 25,969,003
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet:	36,154,098
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:	
Emergency medical service fees	743,316
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:	
Contributions subsequent to the measurement date	1,748,508
Change in investment	4,009,003
Change in proportionate share	956,411
Change in experience	3,680,313
Change in actuarial assumptions	2,178,169
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the government fund:	
Change in experience	(208,687)
Change in proportionate share	(208,001)
Some liabilities, including net pension liability and compensated absences, are not due and payable in the current period and therefore are not reported in the balance sheet:	
Net pension liability (FPPA)	(1,700,185)
Net pension liability (volunteer plan)	(268,969)
Bonds payable	(2,101,000)
Subscription liability	(115,278)
Lease liability	(47,634)
Compensated absences	(1,933,932)
Net Position per Statement of Net Position	<u>\$ 68,865,379</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, 2023

	General Fund
Revenues:	
General property taxes	\$ 34,721,502
Specific ownership taxes	2,533,889
Investment earnings	1,444,289
EMS services	7,476,570
Grant revenue	11,299
Other revenue	674,461
Total revenues	46,862,010
Expenditures:	
Fire protection and emergency services	40,536,080
Capital outlay	4,721,893
Debt service:	
Principal	1,148,183
Interest	51,964
Total expenditures	46,458,120
Excess of revenues over expenditures	403,890
Other financing sources:	
Proceeds from sale of capital assets	1,437,780
Subscriptions	122,743
Total other financing sources	1,560,523
Net change in fund balance	1,964,413
Fund balance, beginning of year	24,004,590
Fund balance, end of year	\$ 25,969,003

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, 2023

Net change in governmental fund balance	\$ 1,964,413
<p>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:</p>	
Capital outlay	4,721,893
Depreciation and amortization	(1,652,251)
Book value of disposed capital assets	(750,447)
<p>The issuance of long-term debt (e.g., bonds, notes and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:</p>	
Issuance of subscriptions	(122,743)
Principal payments on subscriptions	84,536
Principal payments on leases	49,647
Principal payments on revenue bonds	1,014,000
<p>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:</p>	
Compensated absences	2,474
<p>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:</p>	
Pension expense	(1,124,678)
Employer pension contributions	1,953,908
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund:</p>	
Property taxes	(312,409)
Emergency medical services	27,958
Change in Net Position	\$ 5,856,301

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

Statement of Fiduciary Net Position -
Pension Trust Fund
As of December 31, 2023

	<u>December 31, 2023</u>
Assets:	
Investments	
Domestic equities	\$ 5,612,696
Domestic fixed income securities	3,113,701
Mutual funds	1,332,585
Money market mutual funds	<u>287,307</u>
Total investments	10,346,289
Due from general fund	184,860
Accrued interest receivable	<u>36,142</u>
Total assets	<u>10,567,291</u>
Net position:	
Net position restricted for pensions	<u><u>\$ 10,567,291</u></u>

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

Statement in Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2023

	2023
Additions:	
Contributions from District	\$ 205,400
Contributions from the State of Colorado	184,860
Earnings on investments	236,131
Net appreciation (depreciation) in fair value of investments	1,259,505
Less: Investment related expenses	(30,162)
Net investment income	1,465,474
Total additions	1,855,734
Deductions:	
Benefits paid to retirees	1,062,123
Administration of plan	1,152
Total deductions	1,063,275
Changes in plan net position	792,459
Net position, beginning of year	9,774,832
Net position, end of year	\$ 10,567,291

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

Notes to the Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

As required by accounting principles generally accepted in the United States of America (U.S. 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, 2023.

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 and the pension trust fund 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.

Adoption of New Accounting Standards

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The District adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in the District reporting a SBITA asset and SBITA liability disclosed in Note 3 and 4, respectively.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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

Leases - The District is a lessee for a noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

SBITAs - SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term.

The District recognizes SBITA assets with an initial value of \$5,000. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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 assets that applies to future periods. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 assets that applies to future periods. 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, 2023: 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 employee assistance. The District had net investment in capital assets of \$33,890,187 as of December 31, 2023. The District held net position of \$1,373,981 and \$19,213 as of December 31, 2023 as restricted for TABOR and for employee assistance, respectively.

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 \$29,238 in nonspendable fund balance as of December 31, 2023.

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 \$1,393,194 restricted as of December 31, 2023.

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 \$1,885,096 committed as of December 31, 2023.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2023.

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	\$ 2,459,374
Investments	34,588,894
Total cash and investments	<u>\$ 37,048,268</u>
Governmental Funds	
Cash	\$ 2,440,161
Restricted cash	19,213
Investments	24,242,605
Total governmental funds	<u>26,701,979</u>
Fiduciary Fund *	
Investments	10,346,289
Total fiduciary funds	<u>10,346,289</u>
Total cash and investments	<u>\$ 37,048,268</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, 2023, the District's cash deposits had a bank balance of \$2,931,914. 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, 2023, the District had the following investments:

<u>Investment</u>	<u>Rating - Moody's</u>	<u>Fair Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Percentage of Investment</u>
Colostrust	AAAm	<u>\$ 24,242,605</u>	<u>\$ 24,242,605</u>	<u>100%</u>

Fair Value

As of December 31, 2023, the District had invested \$24,242,605 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 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, is summarized below.

	<u>12/31/2022*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>12/31/2023</u>
Capital assets not being depreciated					
Land	\$ 2,962,256	\$ -	\$ (750,447)	\$ -	\$ 2,211,809
Total capital assets not being depreciated	<u>2,962,256</u>	<u>-</u>	<u>(750,447)</u>	<u>-</u>	<u>2,211,809</u>
Capital asset being depreciated					
Vehicles and equipment	19,867,025	3,933,893	-	-	23,800,918
Fire stations	25,294,998	89,796	-	-	25,384,794
Improvements	10,285,664	484,376	-	-	10,770,040
Right-to-Use lease equipment	148,217	-	(4,213)	-	144,004
SBITA asset	77,071	122,743	-	-	199,814
Office and computer equipment	1,370,188	91,085	-	-	1,461,273
Total capital assets being depreciated	<u>57,043,163</u>	<u>4,721,893</u>	<u>(4,213)</u>	<u>-</u>	<u>61,760,843</u>
Accumulated depreciation/amortization					
Vehicles and equipment	(14,723,884)	(682,523)	-	-	(15,406,407)
Fire stations	(6,800,468)	(520,789)	-	-	(7,321,257)
Improvements	(3,925,677)	(332,778)	-	-	(4,258,455)
SBITA asset	-	(36,176)	-	-	(36,176)
Right-to-Use lease equipment	(42,148)	(40,321)	4,213	-	(78,256)
Office and computer equipment	(678,339)	(39,664)	-	-	(718,003)
Total accumulated depreciation/amortization	<u>(26,170,516)</u>	<u>(1,652,251)</u>	<u>4,213</u>	<u>-</u>	<u>(27,818,554)</u>
Total capital assets, net	<u>\$ 33,834,903</u>	<u>\$ 3,069,642</u>	<u>\$ (750,447)</u>	<u>\$ -</u>	<u>\$ 36,154,098</u>

Depreciation/amortization expense of \$1,652,251 for December 31, 2023 is allocated to the fire protection and emergency services function.

*As a result of implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, as of January 1, 2023, \$77,071 was added to the beginning balance presented above for SBITA asset. As the adjustment to the beginning balance for these assets is offset by an equal amount of liabilities, the District does not report a restatement of beginning net position for the implementation of GASB 96.

NOTE 4 – LONG-TERM DEBT

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

	<u>12/31/2022*</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2023</u>	<u>Due in One Year</u>
2013 Series Lease					
Revenue Bonds (direct borrowing)	\$ 3,115,000	\$ -	\$ (1,014,000)	\$ 2,101,000	\$ 1,038,000
Compensated absences	1,936,406	2,042,920	(2,045,394)	1,933,932	1,933,932
Subscription liability	77,071	122,743	(84,536)	115,278	66,767
Lease liability	97,281	-	(49,647)	47,634	21,647
Total long-term liabilities	<u>\$ 5,225,758</u>	<u>\$ 2,165,663</u>	<u>\$ (3,193,577)</u>	<u>\$ 4,197,844</u>	<u>\$ 21,647</u>

*As a result of implementation of GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*, as of January 1, 2023, \$77,071 was added to the beginning balance presented above for SBITA asset. As the adjustment to the beginning balance for these liabilities is offset by an equal amount of assets, the District does not report a restatement of beginning net position for the implementation of GASB 96.

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 1.17 percent on January 1 and July 1 of each year, commencing on January 1, 2014 through July 1, 2025. 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.

Bond payments to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,038,000	\$ 24,582	\$ 1,062,582
2025	1,063,000	12,437	1,075,437
	<u>\$ 2,101,000</u>	<u>\$ 37,019</u>	<u>\$ 2,138,019</u>

Lease Liability

The District leases equipment under noncancellable agreements that expire between 2023 and 2027. The total future minimum lease payments for these leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>
2024	\$ 21,647	\$ 769	\$ 22,416
2025	10,585	448	11,033
2026	10,822	211	11,033
2027	4,580	17	4,597
	<u>\$ 47,634</u>	<u>\$ 1,445</u>	<u>\$ 49,079</u>

NOTE 4 – LONG-TERM DEBT (continued)

Subscription Liability

The District subscribes to various software under a noncancelable agreements for which the right to use the software expires between November 2025 and June 2028. The total future minimum subscription payments for the subscriptions are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Minimum Subscription Payments</u>
2024	\$ 66,767	\$ 1,737	\$ 68,504
2025	33,565	519	34,084
2026	7,368	316	7,684
2027	7,578	107	7,685
	<u>\$ 115,278</u>	<u>\$ 2,679</u>	<u>\$ 117,957</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, 2023. 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 2023, the District is covered by the Pool for workers compensation and property and casualty coverage. Settled claims have not exceeded coverage.

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 – VOLUNTEER 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.

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

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 a \$150 to \$375 monthly benefit payment depending on different variables. Funeral benefit to the family members is a one-time payment equal to two monthly payments (maximum of \$1,500).

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, 2023, the District contributed \$205,400 to the plan and the State of Colorado contributed a total of \$184,860.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	190
Inactive Plan Members Entitled to But	
Not Yet Receiving Benefits	-
Active Employees	-
Total	<u>190</u>

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2023 were based on the actuarial valuation as of January 1, 2023 rolled forward to a measurement date of December 31, 2023:

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	9 years remaining as of January 1, 2023
Asset Valuation Method	Market 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

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

Mortality Rate

Mortality rate is assumed according to Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

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 3.77 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 all future benefit payments.

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, 2023.

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	\$ 1,833,432	\$ 629,245	\$ 837,279	\$ 366,908	\$ -	58.88%
U.S. treasury notes	591,663	145,244	323,804	122,615	-	19.00%
U.S. agency bonds	688,606	443,395	245,211	-	-	22.12%
	<u>\$ 3,113,701</u>	<u>\$ 1,217,884</u>	<u>\$ 1,406,294</u>	<u>\$ 489,523</u>	<u>\$ -</u>	<u>100.00%</u>

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

In addition, the Pension Plan had \$5,612,696 invested in equities, \$1,332,585 invested in mutual funds, and \$287,307 invested in money market mutual funds, to which the concept of maturity does not apply, as of December 31, 2023.

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, 2023, the Plan's annual money-weighted rate of return on plan investments, net of investment expense, was 14.98 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 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

Investment	Credit Rating (S&P)					
	Fair Value	N/A	AAA	AA/AA-	A+/A/A-	BBB
Equities	\$ 5,612,696	\$ 5,612,696	\$ -	\$ -	\$ -	\$ -
Corporate bonds	1,833,432	-	71,972	145,457	1,104,518	511,485
Mutual funds	1,332,585	1,332,585	-	-	-	-
U.S. treasury obligations	591,663	-	591,663	-	-	-
U.S. agency bonds	688,606	-	688,606	-	-	-
Money market mutual funds	287,307	287,307	-	-	-	-
	<u>\$ 10,346,289</u>	<u>\$ 7,232,588</u>	<u>\$ 1,352,241</u>	<u>\$ 145,457</u>	<u>\$ 1,104,518</u>	<u>\$ 511,485</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 exceeded 5% of the total investments and makes up 5.2% of the Pension Trust Fund's net position, respectively.

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, 2023, the Pension Plan had the following fair value measurements including investments.

Investment Type	Fair Value	Level 1	Level 2
Equities	\$ 5,612,696	\$ 5,612,696	\$ -
Corporate bonds	1,833,432	-	1,833,432
U.S. treasury securities	591,663	591,663	-
U.S. agency bonds	688,606	688,606	-
Mutual funds	1,332,585	1,332,585	-
Investments by fair value level	<u>\$ 10,058,982</u>	<u>\$ 8,225,550</u>	<u>\$ 1,833,432</u>

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

In addition, the Pension Plan had \$287,307 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, 2023.

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 12/31/2022	\$ 11,254,640	\$ 9,774,832	\$ 1,479,808
Changes for the year			
Interest	643,875	-	643,875
Difference in expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contributions - Employer	-	205,400	(205,400)
Contributions - State	-	184,860	(184,860)
Net Investment Income	-	1,465,606	(1,465,606)
Benefit Payments, Including Refunds of Employee Contributions	(1,062,255)	(1,062,255)	-
Administrative Expenses	-	(1,152)	1,152
Net Changes	(418,380)	792,459	(1,210,839)
Balance at 12/31/2023	<u>\$ 10,836,260</u>	<u>\$ 10,567,291</u>	<u>\$ 268,969</u>

The Plan’s fiduciary net position as a percentage of total pension liability is 96% for the fiscal year ended December 31, 2023.

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 – VOLUNTEER FIREFIGHTERS PENSION FUND (continued)

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's Net Pension Liability/(Asset)	<u>\$ 1,207,903</u>	<u>\$ 268,969</u>	<u>\$ (539,970)</u>

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

For the year ended December 31, 2023, the District recognized pension expense of \$342,384. At December 31, 2023, the District reported deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>\$ 161,533</u>	<u>\$ -</u>

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

Year Ended December 31,	Deferred Amounts
2024	\$ (7,564)
2025	95,808
2026	253,095
2027	(179,806)
Total	<u>\$ 161,533</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. As of August 5, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDB became effective January 1, 1980. Most full-time, paid firefighters of the district are members of the SWDB, and all newly hired firefighters have to be enrolled in the SWDB plan.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SWDB is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

Subsequent to the measurement date, the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan were combined to form the Statewide Retirement Plan effective January 1, 2023, based on House Bill 22-1034. The Statewide Defined Benefit Plan became the Defined Benefit Component of the Statewide Retirement Plan.

Description of Benefits

SWDB provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 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 for Urban Wage Earners and Clerical Workers.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited 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

Through December 31, 2023, 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. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 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. In 2023, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent.

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

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 21.7 percent of pensionable earnings in 2023. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.75 percent, respectively, of pensionable earnings for a total contribution rate of 10.75 percent in 2023. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by SWDB in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SWDB. Contributions to the SWDB from the District were \$1,748,508 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a net pension liability of \$1,700,185 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the District's proportion was 1.91546 percent, which was a decrease of 0.13600 percent from its proportion measured as of December 31, 2021.

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

For the year ended December 31, 2023, the District recognized pension expense of (\$1,467,062). At December 31, 2023, 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	\$ 3,680,313	\$ 208,687
Changes of Assumptions	2,178,169	-
Net Difference Between Projected and Actual Earning of Pension Plan Investments	3,847,470	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	956,411	208,001
District Contributions Subsequent to the Measurement Date	1,748,508	-
Total	\$ 12,410,871	\$ 416,688

\$1,748,508 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Amounts
2024	\$ 1,015,834
2025	1,751,007
2026	2,420,830
2027	3,294,401
2028	747,244
Thereafter	1,016,359
Total	\$ 10,245,675

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

Actuarial Assumptions

The total pension liability in the January 1, 2023 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, 2023	January 1, 2022
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%	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.

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).

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

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income	10.00%	5.45%
Absolute Return	9.00%	6.49%
Fixed Income - Credit	5.00%	6.90%
Cash	1.00%	3.92%
Totals	<u>100.00%</u>	

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)	<u>\$ 11,720,859</u>	<u>\$ 1,700,185</u>	<u>\$ (6,600,176)</u>

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>.

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 \$492,137 for the fiscal year ended December 31, 2023.

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 \$230,850 for fiscal year ended December 31, 2023, 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.

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

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.

On May 12, 2023, the district entered into an Intergovernmental Agreement (IGA) with Fairmount Fire Protection District (Fairmount). This resulted in the District providing operation and administrative services to Fairmount. The term of the agreement is unlimited and shall continue until terminated. The agreement may be terminated at any time by written notice by either party, the merger of the two parties is completed, or the merger process is terminated by either party. A ballot question is expected to occur in 2024, which depending on the outcome, could result in the District and Fairmount merging.

TABOR

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

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

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

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

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

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.

On October 19, 2022, the District signed a contractual agreement to purchase two emergency response vehicles for a total purchase price of \$1,885,096. Delivery of these vehicles is expected to occur in 2024 for which payment is due upon completion. The commitment is shown on the balance sheet as committed fund balance.



REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual General Fund
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original*	Final*		
Revenues:				
General property taxes	\$ 34,028,939	\$ 32,528,939	\$ 34,721,502	\$ 2,192,563
Specific ownership taxes	2,000,000	2,000,000	2,533,889	533,889
Investment earnings	-	1,020,000	1,444,289	424,289
EMS services	6,631,328	6,631,328	7,476,570	845,242
Grant revenue	-	-	11,299	11,299
Other revenue	1,682,614	4,600,095	674,461	(3,925,634)
Total revenues	<u>44,342,881</u>	<u>46,780,362</u>	<u>46,862,010</u>	<u>81,648</u>
Expenditures:				
Administration	1,625,316	1,625,316	1,822,703	(197,387)
External Organization	2,756,610	2,756,610	2,739,776	16,834
Supplemental Benefits	1,362,329	1,362,329	1,237,673	124,656
Support Services	1,848,621	1,848,624	1,508,500	340,124
Maintenance	2,391,922	2,591,922	2,547,405	44,517
Fire Marshals Office	963,519	963,520	923,303	40,217
Operations	28,249,183	29,486,664	29,534,894	(48,230)
Mental Health CO-responder Program	321,304	321,300	221,826	99,474
Debt Service				
Principal	1,039,787	1,039,787	1,148,183	(108,396)
Interest	33,340	33,340	51,964	(18,624)
Capital outlay	3,750,950	4,750,950	4,721,893	29,057
Total expenditures	<u>44,342,881</u>	<u>46,780,362</u>	<u>46,458,120</u>	<u>322,242</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>403,890</u>	<u>403,890</u>
Other financing sources:				
Sale of capital assets	-	-	1,437,780	1,437,780
Subscriptions	-	-	122,743	122,743
Total other sources:	<u>-</u>	<u>-</u>	<u>1,560,523</u>	<u>1,560,523</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,964,413</u>	<u>\$ 1,964,413</u>
Fund balance, beginning of year			<u>24,004,590</u>	
Fund balance, end of year			<u>\$ 25,969,003</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 Ten Fiscal Years

Fiscal Year	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
(Entity)'s Proportion of the Net Pension Liability (Asset)	1.915465196%	2.051469554%	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)	\$ 1,700,185	\$ (11,117,606)	\$ (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	\$ 18,441,142	\$ 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
(Entity)'s Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	9.2%	(67.2%)	(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	97.6%	116.2%	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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,748,508	\$ 1,499,833	\$ 1,403,757	\$ 1,308,050	\$ 1,159,709	\$ 1,106,005	\$ 1,059,345	\$ 1,011,852	\$ 934,722	\$ 874,960
Contributions in Relation to the										
Contractually Required Contribution	1,748,508	1,499,833	1,403,757	1,308,050	1,159,709	1,106,005	1,059,345	1,011,852	934,722	874,960
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 18,441,142	\$ 16,762,699	\$ 16,553,272	\$ 16,334,914	\$ 14,508,507	\$ 13,825,058	\$ 13,496,402	\$ 12,679,926	\$ 11,693,552	\$ 10,950,731
Contributions as a Percentage of Covered Payroll	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

*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 Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 643,875	668,174	691,215	692,445	715,504	695,493	718,861	742,123	764,259	769,999
Interest	-	-	401,706	-	-	-	-	464,773	-	-
Changes in benefit terms	-	(44,590)	-	(38,480)	-	(189,955)	-	(56,500)	-	251,535
Difference in experience levels	-	55,393	-	-	-	(1,224,733)	66,293	1,742,884	-	-
Changes in assumptions	(1,062,255)	(1,105,013)	(1,061,574)	(1,090,774)	(1,108,859)	(1,132,934)	(1,138,930)	(1,153,200)	(1,113,167)	(1,122,932)
Benefit payments	(418,380)	(426,036)	31,347	(436,809)	(393,355)	(1,852,129)	(353,776)	1,740,080	(348,908)	(99,705)
Net change in total pension liability	11,254,640	11,680,676	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 - beginning	10,836,260	11,254,640	11,680,676	11,649,329	12,086,138	12,479,493	14,331,622	14,685,318	12,945,318	13,294,226
Total pension liability - ending										
Plan fiduciary net position										
Contributions - District	205,400	205,400	241,571	175,000	175,000	175,000	55,000	55,000	55,000	55,000
Contributions - State	184,860	184,860	157,500	157,500	157,500	49,500	49,500	49,500	49,500	49,500
Net investment income	1,465,606	(1,468,123)	1,437,628	1,142,215	1,710,824	(246,379)	1,148,852	347,688	15,868	663,496
Benefit payments	(1,062,255)	(1,105,013)	(1,061,574)	(1,090,774)	(1,108,859)	(1,132,934)	(1,138,930)	(1,153,200)	(1,113,167)	(1,122,934)
Administrative expense	(1,152)	(1,255)	(1,182)	(1,202)	(1,211)	(32,793)	(43,001)	(35,529)	(7,000)	(797)
Net change in plan fiduciary net position	792,459	(2,184,131)	773,943	382,739	933,254	(1,187,606)	71,421	(736,541)	(999,799)	(355,735)
Plan fiduciary net position - beginning balance	9,774,832	11,958,963	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	10,567,291	9,774,832	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	\$ 268,969	\$ 1,479,808	\$ (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	97.5%	86.9%	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	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	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 Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 212,536	\$ 107,859	\$ 58,388	\$ 324,309	\$ 324,309	\$ 292,236	\$ 292,236	\$ 58,965	\$ 58,965	\$ 115,356
Contributions in relation of the actuarially determined contribution	390,260	390,260	399,071	332,500	224,500	224,500	104,500	104,500	104,500	104,500
Contribution Deficiency (Excess)	\$ (177,724)	\$ (282,401)	\$ (340,683)	\$ (8,191)	\$ 99,809	\$ 67,736	\$ 187,736	\$ (45,535)	\$ (45,535)	\$ 10,856
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	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 11 Years
- Asset Valuation Method Market Value
- Inflation Implicit
- Salary Increases N/A
- Investment Rate of Return 6.00%
- Retirement Age 50% rate assumed until age 65 at which 100% retirement is assumed
- Mortality Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

Volunteer Pension Plan Schedule of Investment Returns

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	14.98%	-12.29%	13.15%

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, 2023

	Pension Trust Fund		
	Original & Final Budget	Actual	Variance
Additions:			
Contributions from the District	\$ 205,400	\$ 205,400	\$ -
Contributions from the State of Colorado	184,860	184,860	-
Earnings on investments	177,238	236,131	58,893
Net increase (decrease) on investments	-	1,259,505	1,259,505
Less: Investment related expenses	(31,980)	(30,162)	1,818
Totals	535,518	1,855,734	1,320,216
Deductions:			
Benefits paid to retirees	1,104,886	1,062,123	42,763
Administration of fund	15,000	1,152	13,848
Totals	1,119,886	1,063,275	56,611
Changes in plan net position	\$ (584,368)	\$ 792,459	\$ 1,263,605



STATISTICAL SECTION

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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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in capital assets	\$14,750,864	\$15,617,869	\$16,259,213	\$16,028,680	\$16,472,398	\$18,560,043	\$19,753,977	\$26,279,058	\$30,545,551	\$ 33,890,187
Restricted	3,080,647	7,443,974	8,623,655	9,100,994	9,703,446	6,779,658	8,699,178	10,414,438	12,489,816	1,393,194
Unrestricted	4,338,073	2,597,476	1,923,040	3,163,667	10,191,583	14,487,432	18,412,986	16,022,087	19,973,711	33,581,998
Total	<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>	<u>\$63,009,078</u>	<u>\$ 68,865,379</u>
Primary Government										
Net Investment in capital assets	\$14,750,864	\$15,617,869	\$16,259,213	\$16,028,680	\$16,472,398	\$18,560,043	\$19,753,977	\$26,279,058	\$30,545,551	\$ 33,890,187
Restricted	3,080,647	7,443,974	8,623,655	9,100,994	9,703,446	6,779,658	8,699,178	10,414,438	12,489,816	1,393,194
Unrestricted	4,338,073	2,597,476	1,923,040	3,163,667	10,191,583	14,487,432	18,412,986	16,022,087	19,973,711	33,581,998
Total	<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>	<u>\$63,009,078</u>	<u>\$ 68,865,379</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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses:										
Governmental activities										
Fire Protection	\$22,789,085	\$22,915,841	\$27,681,961	\$28,210,282	\$26,449,532	\$31,455,410	\$33,588,937	\$35,223,706	\$35,354,491	\$41,545,856
Interest on long-term debt	415,637	263,190	182,747	157,982	133,374	108,567	85,169	54,532	20,039	51,964
Total governmental activities expense	<u>23,204,722</u>	<u>23,179,031</u>	<u>27,864,708</u>	<u>28,368,264</u>	<u>26,582,906</u>	<u>31,563,977</u>	<u>33,674,106</u>	<u>35,278,238</u>	<u>35,374,530</u>	<u>41,597,820</u>
Total-Primary government expense	<u>23,204,722</u>	<u>23,179,031</u>	<u>27,864,708</u>	<u>28,368,264</u>	<u>26,582,906</u>	<u>31,563,977</u>	<u>33,674,106</u>	<u>35,278,238</u>	<u>35,374,530</u>	<u>41,597,820</u>
Program Revenues:										
Governmental activities										
Fire Protection	2,855,815	3,045,130	3,289,037	3,688,644	3,998,752	4,787,457	5,897,243	6,203,596	6,916,320	7,504,528
Operating Grants and Contributions	-	376,706	738,141	291,396	659,410	114,654	969,006	309,702	814,772	299,866
Total governmental activities revenue	<u>2,855,815</u>	<u>3,421,836</u>	<u>4,027,178</u>	<u>3,980,040</u>	<u>4,658,162</u>	<u>4,902,111</u>	<u>6,866,249</u>	<u>6,513,298</u>	<u>7,731,092</u>	<u>7,804,394</u>
Total-Primary government revenue	<u>2,855,815</u>	<u>3,421,836</u>	<u>4,027,178</u>	<u>3,980,040</u>	<u>4,658,162</u>	<u>4,902,111</u>	<u>6,866,249</u>	<u>6,513,298</u>	<u>7,731,092</u>	<u>7,804,394</u>
Net (expense) revenue										
Governmental activities	<u>(20,348,907)</u>	<u>(19,757,195)</u>	<u>(23,837,530)</u>	<u>(24,388,224)</u>	<u>(21,924,744)</u>	<u>(26,661,866)</u>	<u>(26,807,857)</u>	<u>(28,764,940)</u>	<u>(27,643,438)</u>	<u>(33,793,426)</u>
Total-Primary government	<u>(20,348,907)</u>	<u>(19,757,195)</u>	<u>(23,837,530)</u>	<u>(24,388,224)</u>	<u>(21,924,744)</u>	<u>(26,661,866)</u>	<u>(26,807,857)</u>	<u>(28,764,940)</u>	<u>(27,643,438)</u>	<u>(33,793,426)</u>
General revenues and other changes in net position										
Governmental activities	20,751,633	21,257,259	24,984,119	25,875,657	29,998,830	30,121,572	33,846,865	34,614,382	37,936,933	39,460,498
Total-Primary government	<u>20,751,633</u>	<u>21,257,259</u>	<u>24,984,119</u>	<u>25,875,657</u>	<u>29,998,830</u>	<u>30,121,572</u>	<u>33,846,865</u>	<u>34,614,382</u>	<u>37,936,933</u>	<u>39,460,498</u>
Total change in net position										
Governmental activities	402,726	1,500,064	1,146,589	1,487,433	8,074,086	3,459,706	7,039,008	5,849,442	10,293,495	5,667,072
Total-Primary government	<u>\$ 402,726</u>	<u>\$ 1,500,064</u>	<u>\$ 1,146,589</u>	<u>\$ 1,487,433</u>	<u>\$ 8,074,086</u>	<u>\$ 3,459,706</u>	<u>\$ 7,039,008</u>	<u>\$ 5,849,442</u>	<u>\$ 10,293,495</u>	<u>\$ 5,667,072</u>

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

Schedule 3 - Fund Balances of Governmental Funds

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,632,781	\$ 594,299	\$ 429,695	\$ 759,122	\$ 888,144	\$ 438,922	\$ 961,216	\$ 2,491,463	\$ 2,058,707	\$ 29,238
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	1,372,210	1,393,194
Committed	-	-	-	-	-	-	-	-	1,885,096	1,885,096
Assigned	-	-	-	-	1,500,000	176,642	-	-	-	-
Unassigned	3,389,407	3,598,071	5,736,786	6,491,759	7,892,465	10,114,404	13,933,191	12,828,540	18,688,577	22,661,475
Total General Fund	\$ 8,102,835	\$ 7,823,998	\$10,642,821	\$12,485,872	\$16,727,178	\$17,509,626	\$22,481,204	\$21,036,721	\$24,004,590	\$25,969,003
Other Governmental Funds										
Debt Service										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1	1	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Other Governmental Funds	\$ 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$18,493,424	\$18,773,217	\$22,279,606	\$22,322,218	\$25,839,303	\$26,131,959	\$29,675,858	\$30,105,606	\$34,277,882	\$34,721,502
Specific ownership taxes	1,517,027	1,611,859	1,695,956	2,275,969	2,531,504	2,359,240	2,383,584	2,479,144	2,449,168	2,533,889
Investment earnings	46,772	8,518	44,525	100,861	312,790	416,992	114,289	20,291	446,247	1,444,289
Grant Contributions	-	7,038	430,040	19,724	16,251	37,314	185,575	104,594	17,393	11,299
EMS fees	2,954,336	3,006,089	3,301,491	3,679,522	3,680,172	4,818,680	5,714,516	6,189,978	6,684,664	7,476,570
Candelas tax	472,352	521,073	716,679	720,852	1,014,846	1,016,558	1,382,868	1,481,164	-	-
Other income	357,017	699,808	563,468	435,657	844,990	272,876	1,028,888	641,177	1,248,606	674,461
Total Revenues	23,840,928	24,627,602	29,031,765	29,554,803	34,239,856	35,053,619	40,485,578	41,021,954	45,123,960	46,862,010
Expenditures										
Fire protection	21,409,513	21,651,129	23,368,306	25,848,267	27,638,105	30,474,123	32,464,728	34,599,390	36,613,406	40,556,080
Capital outlay	1,522,547	1,539,399	1,564,918	692,603	1,242,909	2,722,736	1,994,428	8,912,908	5,524,259	4,721,893
Debt Service:										
Principal	748,000	5,145,000	1,009,000	1,033,000	1,058,000	967,000	967,000	23,000	54,396	1,148,183
Interest	366,884	297,969	270,718	157,982	133,374	108,567	85,169	54,532	20,039	51,964
Capital lease payments	-	-	-	-	13,185	22,439	26,019	61,210	-	-
Bond Issuance Costs	-	17,872	-	-	-	-	-	-	-	-
Total Expenditures	24,046,944	28,651,369	26,212,942	27,731,852	30,085,573	34,294,865	35,537,344	43,651,040	42,212,100	46,458,120
Other financing sources (uses)										
Total other financing sources (uses)	3,028,931	3,746,000	-	20,100	87,023	23,694	23,344	1,184,603	56,009	1,560,523
Total changes in fund balances	\$ 2,822,915	\$ (277,767)	\$ 2,818,823	\$ 1,843,051	\$ 4,241,306	\$ 782,448	\$ 4,971,578	\$ (1,444,483)	\$ 2,967,869	\$ 1,964,413
Ratio of total debt service to noncapital expenditures	4.95%	20.08%	5.19%	4.40%	4.18%	3.48%	3.21%	0.40%	0.20%	2.88%

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

<i>Class of Property</i>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<i>Taxable Rate</i>
Vacant Land	\$ 28,962,450	\$ 58,603,905	\$ 45,666,559	\$ 61,953,210	\$ 40,572,899	29.00%
Residential	835,490,577	1,034,820,100	1,062,355,682	1,205,151,569	1,239,208,185	7.96%
Commercial	263,879,513	279,233,242	362,882,099	468,120,686	469,828,006	29.00%
Industrial	115,003,593	123,467,993	37,891,437	45,923,593	45,044,466	29.00%
Agricultural	3,683,123	3,209,490	3,111,722	3,670,226	3,164,644	29.00%
Natural Resources	237	238	238	245	208	29.00%
State Assessed	62,677,434	68,152,014	68,260,705	72,309,763	71,253,449	29.00%
Total Assessed Value	\$ 1,309,696,927	\$ 1,567,486,982	\$ 1,580,168,442	\$ 1,857,129,292	\$ 1,869,071,857	
Total Direct Rate	15.58%	15.11%	14.85%	15.35%	15.05%	

<i>Class of Property</i>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<i>Taxable Rate</i>
Vacant Land	\$ 43,368,420	\$ 42,992,092	\$ 44,733,224	\$ 44,234,283	\$ 55,883,937	29.00%
Residential	1,430,132,236	1,449,968,705	1,601,068,781	1,569,158,236	1,924,282,078	7.15%
Commercial	519,221,821	519,861,487	576,781,284	571,017,646	577,686,563	29.00%
Industrial	51,395,700	56,586,742	80,373,873	78,902,657	72,125,223	29.00%
Agricultural	3,706,613	3,748,602	3,623,185	3,079,417	3,058,529	29.00%
Natural Resources	249	249	227	227	220	29.00%
State Assessed	88,935,767	95,551,448	96,112,344	112,564,755	10,510,103	29.00%
Total Assessed Value	\$ 2,136,760,806	\$ 2,168,709,325	\$ 2,402,692,918	\$ 2,378,957,221	\$ 2,643,546,653	
Total Direct Rate	14.92%	14.95%	14.85%	14.89%	15.73%	

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	
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%
2022	2,201,144,197	24,801,574,705	177,813,024	624,199,330	2,378,957,221	25,425,774,035	14.89%
2023	2,643,546,663	31,298,692,967	196,872,095	718,471,640	2,840,418,758	32,017,164,607	15.73%

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

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Direct										
Arvada Fire Protection District	15.58%	15.11%	14.85%	15.35%	15.05%	14.92%	14.95%	14.85%	14.89%	15.73%
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	50.71%	50.17%	47.49%	45.94%	42.88%	49.42%	47.07%	47.04%	46.13%	45.52%

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

Schedule 8 - Principal Taxpayers

Taxpayers	2023			2014		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Public Service Co of Colorado	\$279,397,735	1	10.57%	\$ 26,900,657	3	2.05%
Public Service Co of Colorado	247,315,900	2	9.36%			
Lockheed Martin Corp	91,188,715	3	3.45%			
Martin Marietta Corp	70,815,673	4	2.68%			
MillerCoors USA LLC	53,860,437	5	2.04%			
Colorado Mills Mall Limited Prtner	42,657,914	6	1.61%			
Kore Westmoor Center Inc	34,912,693	7	1.32%			
CoorsTek Inc	30,579,234	8	1.16%			
B33 Belmar LLC	28,852,011	9	1.09%			
MillerCoors LLC	26,721,352	10	1.01%			
Rocky Mountain Bottle Company				7,352,162	1	0.56%
Inland Western Arvada, LLC				6,826,107	2	0.52%
Rocky Mountain Capital Group LLC				2,347,840	4	0.18%
ADLP 80th LLC				3,494,500	5	0.27%
Target Corporation				2,857,660	6	0.22%
Cobe Cardiovascular Operating Co, Inc.				3,161,000	7	0.24%
GP Retail I LLC				2,947,792	8	0.23%
Neodyne Industries				2,833,778	9	0.22%
Costco Wholesale Corporation				2,731,220	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 Periods		Total Collections to Date	
		Amount	% of Levy	Amount	% of Levy	Amount	% of Levy
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%
2022	33,255,681	33,175,951	99.76%	-		33,175,951	99.76%
2023	41,007,099	40,749,983	99.37%	-		40,749,983	99.37%

Source: Jefferson County Treasurer

Schedule 10 - Ratios of Outstanding Debt by Type

Fiscal Year	Governmental Activities				Leases	SBITAs	Certificates of Participation		Business-Type Activities	Total Debt	% of Personal Income	
	Bonds	Capital Leases	Leases	Leases			Participation	Participation			Income	Per Capita
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%	23.42	
2022	3,115,000	-	97,281	-	-	-	-	-	3,212,281	0.55%	25.82	
2023	2,101,000	-	47,634	-	115,278	-	-	-	2,148,634	0.33%	17.70	

Source: Anvada 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
2014	\$ -	\$ -	\$ -	0%	-
2015	-	-	-	0%	-
2016	-	-	-	0%	-
2017	-	-	-	0%	-
2018	-	-	-	0%	-
2019	-	-	-	0%	-
2020	-	-	-	0%	-
2021	-	-	-	0%	-
2022	-	-	-	0%	-
2023	-	-	-	0%	-

Source: Avada 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	\$ 2,148,634	100%	\$ 2,148,634
Overlapping			
City of Arvada	-	74.2%	-
Jefferson County School District R-1	845,712,673	5.2%	43,977,059
Subtotal Overlapping	<u>845,712,673</u>		<u>43,977,059</u>
Total Direct and Overlapping Debt	\$ 847,861,307		\$ 46,125,693

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

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

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

Schedule 13 - Margin of Legal Debt Limitations

Fiscal Year	Assessed Value of Property	Total net debt applicable to limit	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
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	2,136,760,806	-	-	-	0.00%
2019	2,136,760,806	-	-	-	0.00%
2020	2,168,709,325	-	-	-	0.00%
2021	2,402,692,918	-	-	-	0.00%
2022	2,378,957,221	-	-	-	0.00%
2023	2,840,418,758	-	-	-	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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Population	110,580	111,559	115,368	117,308	118,300	134,479	135,743	120,492	124,402	121,414
Total personal income	\$3,164,689	\$3,683,566	\$4,158,093	\$4,388,610	\$4,720,052	\$5,592,444	\$5,906,585	\$5,454,673	\$5,844,779	\$6,426,686
(in thousands of dollars)										
Per capita personal income	28,619	33,019	36,042	37,411	39,899	41,586	43,513	45,270	46,983	52,932
Unemployment rate	4.60%	3.00%	3.00%	2.60%	2.80%	2.20%	7.80%	5.90%	2.80%	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

	Fiscal Year <u>2023</u>		% of Total Employment <u>represented</u>
	<u>Name</u>	Number of Person <u>Employed</u>	
1	King Soopers (All locations)	1,109	1.61%
2	City of Arvada	711	1.03%
3	Walmart	350	0.51%
4	Sundyne Corporation	328	0.48%
5	LivaNova (formerly Sorin Group USA)	320	0.46%
6	Target (All locations)	300	0.43%
7	Mc Donalds (all locations)	228	0.33%
8	Home Depot	221	0.32%
9	Costco	210	0.30%
10	Wanco Inc	180	0.26%
	Fiscal Year <u>2014</u>		
1	City of Arvada	672	0.62%
2	Pridemark Ambulance	370	0.34%
3	Sundyne Corporation	353	0.32%
4	Sorin Group	294	0.27%
5	Costco	234	0.21%
6	Home Depot	200	0.18%
7	Super Target	200	0.18%
8	Sam's Club	156	0.14%
9	Target	124	0.11%
10	Mark VII Equipment	95	0.09%

Sources: City of Arvada

Schedule 16 - Government Employees (by type)

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Career Line Personnel	134	138	145	152	149	155	159	157	157	177
Civilian (Admin) Personnel	40	38	46	46	29	28	29	29	29	30
Volunteer Personnel	20	9	5	3	2	2	1	20	28	28
Board of Directors (elected officials)	5	5	5	5	5	5	5	5	5	5

Source: Arvada Fire Protection District Administration Division, Human Resources

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

Note: In 2021, Dave's Locker volunteers are now accounted for in volunteer personnel.

Schedule 17 - Levels of Service Provided

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Levels of service provided										
ISO (Insurance Services Organization) Rating	3	3	3	43,168	2/2X	2/2X	2/2X	1/1X	1/1X	1/1X
Fire Inspections Performed	1,459	593	1,357	1,282	2,593	1,964	2,496	2,186	2,013	1,943
Fire Investigations Performed	38	67	77	39	59	39	46	67	82	71
Calls responded to:										
Fires (Residential, Structure, Other)	153	197	232	204	89	204	283	284	218	218
Other Incidents (Emergency Medical, False Alarms, Mutual Aid, Hazardous Response, etc.)	13,310	14,490	14,698	14,876	15,307	15,446	15,871	17,407	17,418	17,387
Total Response Calls	13,463	14,687	14,930	15,080	15,396	15,650	16,154	17,691	17,636	17,605
Total Property Damage from Fires	\$ 1,188,665	\$ 1,887,520	\$ 2,112,162	\$ 3,913,409	\$ 1,373,049	\$ 2,783,986	\$ 4,273,601	\$ 3,749,823	\$ 5,072,031	\$ 3,835,254

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Capital Assets										
Fire Stations	8	8	8	8	8	8	8	8	9	9
Storage Facilities/Other Buildings	5	5	9	9	9	10	10	10	11	11
Vacant Land Parcels	2	2	2	4	5	5	5	2	2	2
Fire Engines	6	6	6	6	6	5	5	5	5	6
Aerial Trucks	2	1	1	1	1	2	2	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	2
Rescue Pumper	0	1	1	1	1	1	1	1	1	1
Brush Trucks	2	2	2	2	2	2	2	2	3	3
Other Vehicles (including reserves)	39	38	43	41	39	41	41	41	41	44
Ambulances	4	5	5	5	5	5	5	5	6	6

Source: Arvada Fire Protection District Maintenance and Administration Divisions



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