

**ESTES VALLEY FIRE  
PROTECTION DISTRICT**

**Financial Statements**

**December 31, 2019**

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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Estes Valley Fire Protection District  
Larimer County, Colorado

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Estes Valley Fire Protection District, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages IV – IX and the pension schedules on pages 66 – 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Estes Valley Fire Protection District's basic financial statements. The Schedule of Changes in Fiduciary Net Position – Budget and Actual for the Volunteer Pension Fund (the Supplementary Information) and the Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Dassio & Associates, P.C.*

June 23, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

As management of Estes Valley Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2019.

Based on the November 3, 2009, election results, the District was established by and in accordance with the Larimer County Court "Declaration of Organization" and "Decree of Formation" dated November 17, 2009. Effective January 1, 2010, the District assumed all responsibility for providing fire protection services, fire suppression and rescue services to the Town of Estes Park and the surrounding area of unincorporated Larimer County in accordance with the "Intergovernmental Agreement for Continuing Operations Between the Town of Estes Park and the Estes Valley Fire Protection District" dated December 8, 2009.

**Financial Highlights**

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,919,572 at the close of the fiscal year. Of this amount, \$927,437 is unrestricted and available to meet ongoing and future obligations of the District. Additionally, a 3.0% reserve, \$52,600 for emergencies required by Colorado Statute, is restricted in the general fund.
- As of the close of the current fiscal year, the District's General fund reported an ending fund balance of \$1,089,957 which decreased \$84,109 from the prior year.
- Total net position increased by \$380,428 over the prior year.
- Total governmental fund type cash and investments decreased by \$103,706 as compared to the prior year.
- Property tax revenue increased by \$3,587 as compared to the prior year.
- Sales tax revenue increased by \$72,590 as compared to the prior year.
- General fund expenditures increased by \$138,979 as compared to the prior year.
- At the end of the current fiscal year, assigned and unassigned fund balances for the general fund totaled \$956,780, or 50% of total general fund expenditures and transfers out.

**Overview of the Financial Statements**

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

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

***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 all the District's assets, liabilities and deferred outflows and inflows 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 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 government-wide financial statements identify functions of the District that are principally to be supported by ad valorem taxes and shared sales taxes (governmental activities). The governmental activities of the District include providing fire protection services.

The government-wide financial statements can be found on pages 1 – 2 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 legal requirements. All the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

***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 the 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 the 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

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund – the general fund.

The District adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the fund in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 3 – 8 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds provide the same type of information as the government-wide financial statements.

The fiduciary fund financial statements can be found on pages 9 – 10 of this report.

***Notes to 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 financial statements can be found on pages 11 – 59 of this report.

***Required supplementary information.*** The required supplementary information to address pension data and statistics required by GASB Statements 67 and 68 can be found on pages 60 – 73.

***Supplementary information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This supplementary information is located after the basic financial statements on page 74 of this report.

***Other Information.*** Other information includes the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$3,919,572 at the close of the most recent fiscal year.

**Summary of Net Position**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current and Other Assets	\$ 1,866,573	\$ 1,853,303
Capital Assets, Net	3,224,051	3,105,563
Net Pension Assets	-	61,193
Total Assets	5,090,624	5,020,059
<b>Deferred Outflows of Resources</b>		
Deferred Outflows of Resources Related to Pensions	516,346	263,683
<b>Liabilities</b>		
Current Liabilities	53,074	49,750
Noncurrent Liabilities	301,801	573,056
Net Pension Liability	475,038	423,896
Net OPEB Liability	9,050	7,868
Total Liabilities	838,963	1,054,570
<b>Deferred Inflows of Resources</b>		
Property Tax Revenues and Other Inflows	723,555	629,487
Deferred Inflows of Resources Related to Pensions	124,880	60,541
Total Deferred Inflows of Resources	848,435	690,028
<b>Net Position</b>		
Investment in Capital Assets	2,939,535	2,547,943
Restricted for Emergencies	52,600	47,000
Unrestricted	927,437	944,201
Total Net Position	\$ 3,919,572	\$ 3,539,144

The increase in assets is primarily due to the increase in capital assets acquired in the current year.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**Summary of Changes in Net Position**

	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues		
Charges for Services	\$ 109,154	\$ 16,093
Operating Grants and Donations	935,718	858,075
Capital Grants and Contributions		
General Revenues		
Property Taxes	629,104	625,517
Specific Ownership Tax	54,455	54,539
Gain on Disposition of Assets	85,000	-
Net Investment Income	16,412	14,774
Other	11,408	7,126
Total Revenues	<u>1,841,251</u>	<u>1,576,124</u>
Expenses		
Fire Protection and Emergency Services	<u>1,460,823</u>	<u>1,278,709</u>
Total Expenses	<u>1,460,823</u>	<u>1,278,709</u>
Change in Net Position	380,428	297,415
Net Position - Beginning of Year	<u>3,539,144</u>	<u>3,241,729</u>
Net Position - End of Year	<u>\$ 3,919,572</u>	<u>\$ 3,539,144</u>

The District's revenue in 2019 increased by \$265,127 over the previous year, an increase of roughly 17%. The increase is attributable to an increase in sales tax collections, coupled with the recognition of a gain on disposal of assets.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019**

**Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the District's governmental fund reported ending fund balances of \$1,089,957. \$133,177 of the fund balance is either nonspendable, restricted or committed to certain purposes. \$956,780 constitutes unassigned fund balance, which is available for spending at the District's discretion.

**Budgetary Highlights**

The District's total expenditures and other financing uses for 2019 in the general fund did not exceed appropriations. Actual expenditures were \$609,353 less than the budget. This is primarily attributable to cost savings recognized in district overhead expenditures.

**Capital Assets**

The District had \$3,224,051 in capital assets (net of accumulated depreciation) as of December 31, 2019. These capital assets include buildings, vehicles, educational statues and sculptures and equipment. During the year, the District invested \$355,240 in capital asset additions.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of Estes Valley Fire Protection District, 550 W. Eisenhower, Loveland, CO 80537.

## **BASIC FINANCIAL STATEMENTS**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2019**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Investments	\$ 889,155
Cash and Investments - Restricted	89,150
Receivable from County Treasurer	4,592
Intergovernmental Receivable	116,107
Prepaid Expense	44,027
Property Taxes Receivable	723,542
Capital Assets, Net	3,224,051
<b>Total Assets</b>	<b>5,090,624</b>
<b>Deferred Outflows of Resources</b>	
Pension Contributions Subsequent to Measurement Date	160,451
OPEB Contributions Subsequent to Measurement Date	619
Pension Related Deferrals	354,028
OPEB Related Deferrals	1,248
	<b>516,346</b>
<b>Liabilities</b>	
Accounts Payable	35,995
Accrued Payroll Liabilities	17,079
Noncurrent Liabilities:	
Due Within One Year	288,816
Due In More Than One Year	12,985
Net Pension Liability - Volunteer Pension Fund	319,735
Net Pension Liability - FPPA Pension Plan	47,470
Net Pension Liability - PERA Pension Plan	107,833
Net OPEB Liability	9,050
<b>Total Liabilities</b>	<b>838,963</b>
<b>Deferred Inflows of Resources</b>	
Property Taxes	723,542
Pension Related Deferrals	124,880
OPEB Related Deferrals	13
<b>Total Deferred Inflows of Resources</b>	<b>848,435</b>
<b>Net Position</b>	
Net Investment In Capital Assets	2,939,535
Restricted for Emergencies (TABOR)	52,600
Unrestricted	927,437
<b>Total Net Position</b>	<b>\$ 3,919,572</b>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2019**

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Permits, Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
<b>Governmental Activities</b>					<b>Governmental Activities</b>
Fire Protection and Emergency Services	\$ 1,460,823	\$ 109,154	\$ 935,718	\$ -	\$ (415,951)
Total Governmental Activities	<u>\$ 1,460,823</u>	<u>\$ 109,154</u>	<u>\$ 935,718</u>	<u>\$ -</u>	<u>(415,951)</u>
		<b>General Revenues:</b>			
			Property Taxes	629,104	
			Specific Ownership Taxes	54,455	
			Gain on Disposition of Assets	85,000	
			Unrestricted Investment Earnings	16,412	
			Miscellaneous	11,408	
			Total General Revenues	<u>796,379</u>	
			Changes In Net Position		380,428
			Net Assets - Beginning		<u>3,539,144</u>
			Net Position - Ending		<u>\$ 3,919,572</u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUND

December 31, 2019

	<b>General Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 889,155
Cash and Investments - Restricted	89,150
Receivable from County Treasurer	4,592
Intergovernmental Receivable	116,107
Prepaid Expenses	44,027
Property Taxes Receivable	723,542
<b>Total Assets</b>	<b>\$ 1,866,573</b>
<b>Liabilities</b>	
Accounts Payable	\$ 35,995
Accrued Payroll Liabilities	17,079
<b>Total Liabilities</b>	<b>53,074</b>
<b>Deferred Inflows of Resources</b>	
Property Taxes	723,542
<b>Fund Balances</b>	
Nonspendable	
Prepaid Expenses	44,027
Restricted	
Emergencies (TABOR)	52,600
Committed	
LOSAP	2,050
Contractual	34,500
Unassigned	956,780
<b>Total Fund Balances</b>	<b>1,089,957</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,866,573</b>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**December 31, 2019**

Total Fund Balances - Governmental Fund		\$ 1,089,957
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Capital Assets	\$ 4,357,294	
Accumulated Depreciation	(1,133,243)	
		3,224,051

Pension assets and liabilities and related deferred inflows and outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Balances at year-end are:

Net Pension Liability	(475,038)	
Net OPEB Liability	(9,050)	
Deferred outflows of resources related to pensions	354,028	
Deferred inflows of resources related to pensions	(124,880)	
Deferred outflows of resources related to OPEB	1,248	
Deferred inflows of resources related to OPEB	(13)	
Pension Contributions Subsequent to the Measurement Date	160,451	
OPEB Contributions Subsequent to the Measurement Date	619	
		(92,635)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at year-end are:

Compensated Absences	(17,285)	
Capital Lease Obligation	(284,516)	
		(301,801)

Net Position - Governmental Activities		\$ <u>3,919,572</u>
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The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND

For the Year Ended December 31, 2019

	<b>General Fund</b>
<b>Revenues</b>	
Sales Tax - Town Of Estes Park	\$ 915,003
Property Taxes	629,104
Specific Ownership Tax	54,455
Grants	18,600
Contributions and Donations	2,115
Plan Reviews and Inspection Income	60,522
Impact Fees	48,632
Proceeds from Sale of Assets	85,000
Net Investment Income	16,412
Miscellaneous Income	11,408
<b>Total Revenues</b>	<u>1,841,251</u>
<b>Expenditures</b>	
District Overhead	557,162
Operations Division	394,488
Training Division	92,615
Prevention Division	162,561
Debt Service	296,538
Capital Outlay	421,996
<b>Total Expenditures</b>	<u>1,925,360</u>
<b>Net Change in Fund Balances</b>	(84,109)
<b>Fund Balances - Beginning</b>	<u>1,174,066</u>
<b>Fund Balances - Ending</b>	<u><u>\$ 1,089,957</u></u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Fund \$ (84,109)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital outlay	\$ 355,240	
Depreciation expense	<u>(236,752)</u>	118,488

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Capital Lease - Principal Payment	273,104
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension expense - Change in:

Net Pension Asset	(61,193)	
Deferred Outflows Related to Pensions	251,967	
Deferred Outflows Related to OPEB	696	
Net pension liability	(51,142)	
Net OPEB Liability	(1,182)	
Deferred Inflows Related to Pensions	(64,471)	
Deferred Inflows Related to OPEB	<u>119</u>	74,794

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 governmental funds.

Compensated absences	<u>(1,849)</u>
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Change in Net Position - Governmental Activities	<u><u>\$ 380,428</u></u>
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The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GENERAL FUND**

**For the Year Ended December 31, 2019**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Sales Tax - Town of Estes Park	\$ 877,251	\$ 915,003	\$ 37,752
Property Taxes	629,487	629,104	(383)
Specific Ownership Tax	47,212	54,455	7,243
Grants	-	18,600	18,600
Wildland Fire Reimbursements	3,000	-	(3,000)
Contributions and Donations	1,000	2,115	1,115
Plan Reviews and Inspection Income	50,000	60,522	10,522
Impact Fees	58,000	48,632	(9,368)
Proceeds from Sale of Assets	80,000	85,000	5,000
Net Investment Income	10,000	16,412	6,412
Miscellaneous Income	20,000	11,408	(8,592)
<b>Total Revenues</b>	<b>1,775,950</b>	<b>1,841,251</b>	<b>65,301</b>
<b>Expenditures</b>			
<b>District Overhead</b>			
Professional Services and Fees	104,150	98,416	5,734
Salaries and Benefits	248,329	240,210	8,119
Insurance	53,836	40,700	13,136
Membership Dues and Subscriptions	8,671	10,029	(1,358)
Catering and Special Circumstances	13,700	8,690	5,010
Stations Maintenance	62,779	44,061	18,718
Data Processing Equipment	2,500	4,975	(2,475)
Miscellaneous Equipment	3,000	5,892	(2,892)
Member Recognition	14,500	6,414	8,086
Contingencies	10,000	-	10,000
Pension Expense	80,000	80,000	-
LOSAP	17,775	17,775	-
Subtotal District Overhead	<b>619,240</b>	<b>557,162</b>	<b>62,078</b>
<b>Operations Division</b>			
Salaries and Benefits	175,633	177,355	(1,722)
Maintenance Contracts	130,914	97,688	33,226
Equipment Acquisition	88,875	109,218	(20,343)
Supplies - Consumables	3,600	4,347	(747)
Catering and Special Circumstances	6,800	4,756	2,044
Firefighter Recruitment	3,450	1,124	2,326
Contingencies	5,000	-	5,000
Subtotal Operations Division	<b>414,272</b>	<b>394,488</b>	<b>19,784</b>

(Continued)

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GENERAL FUND**

**For the Year Ended December 31, 2019**

(Continued)

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Training Division</b>			
Salaries and Benefits	\$ 8,200	\$ 12,590	\$ (4,390)
Membership Dues and Subscriptions	3,418	2,745	673
Conferences	20,500	12,477	8,023
Internal Training	26,600	40,036	(13,436)
External Training	20,500	13,043	7,457
Supplies	5,500	4,826	674
Utilities - Training Site	-	3,874	(3,874)
Contingencies	5,000	3,024	1,976
Subtotal Training Division	<u>89,718</u>	<u>92,615</u>	<u>(2,897)</u>
<b>Prevention Division</b>			
Salaries and Benefits	163,914	150,324	13,590
Membership Dues and Subscriptions	2,115	1,896	219
Public Education	13,975	5,080	8,895
Fuels Mitigation Crew	64,941	5,261	59,680
Contingencies	5,000	-	5,000
Subtotal Prevention Division	<u>249,945</u>	<u>162,561</u>	<u>87,384</u>
<b>Debt Service</b>			
Lease Purchase - Principal	273,104	273,104	-
Lease Purchase - Interest	23,434	23,434	-
Subtotal Debt Service	<u>296,538</u>	<u>296,538</u>	<u>-</u>
<b>Capital Outlay</b>			
Fleet	590,000	121,792	468,208
Buildings and Grounds	275,000	300,204	(25,204)
Subtotal Capital Outlay	<u>865,000</u>	<u>421,996</u>	<u>443,004</u>
<b>Total Expenditures</b>	<u>2,534,713</u>	<u>1,925,360</u>	<u>609,353</u>
<b>Net Change in Fund Balance</b>	(758,763)	(84,109)	674,654
<b>Fund Balance - Beginning</b>	<u>1,623,090</u>	<u>1,174,066</u>	<u>(449,024)</u>
<b>Fund Balance - Ending</b>	<u>\$ 864,327</u>	<u>\$ 1,089,957</u>	<u>\$ 225,630</u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION  
VOLUNTEER PENSION FUND**

**December 31, 2019**

<b>Assets</b>	
Cash and Investments	\$ 1,720,553
<b>Total Assets</b>	<u>1,720,553</u>
<b>Net Position</b>	
Held in Trust for Pension Benefits	<u>1,720,553</u>
<b>Total Net Position</b>	<u>\$ 1,720,553</u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
VOLUNTEER PENSION FUND**

**For the Year Ended December 31, 2019**

**Additions**

Contributions:

Estes Valley FPD Contribution	\$ 80,000
State Participation Contribution	48,605
Total Contributions	<u>128,605</u>

Investment Income:

Interest and Dividends	44,967
Net Appreciation in Fair Value of Investments	136,971
Less Investment Expense	(13,854)
Total Net Investment Income	<u>168,084</u>

**Total Additions** 296,689

**Deductions**

Retiree Benefit Payments	129,573
Actuarial Study	9,000
Miscellaneous	1,902

**Total Deductions** 140,475

**Change in Plan Net Position** 156,214

**Plan Net Position - Beginning** 1,564,339

**Plan Net Position - Ending** \$ 1,720,553

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**NOTE 1 – DEFINITION OF REPORTING ENTITY**

The Estes Valley Fire Protection District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Larimer County on November 17, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection services, fire suppression, and rescue services in the Town of Estes Park (Town) and surrounding areas of unincorporated Larimer County.

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. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, including a volunteer organization, Estes Park Volunteer Fire Department, which provides services for the District, but is not under the control of the District's Board of Directors. The District is not a component unit of any other primary governmental entity, including the Town of Estes Park.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue and fees and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* include 1) charges to customers or applicants 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 revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statements. 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and shown as an operating expense. Expenditures for capital assets are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and payment for fire services. All other revenue items are measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following fiduciary fund type using the accrual basis of accounting:

The *Volunteer Pension Fund* is a pension trust fund and is used to account for transactions relating to assets held by the District in the capacity of trustee for its volunteer firefighters' pension plan.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors may modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments. Investments are carried at fair value.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**Capital Assets**

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	15 years
Vehicles	5-20 years
Educational statues and sculptures	7 years
Furniture and fixtures	7 -20 years
General and office equipment	20 years

**Property Taxes**

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. Property taxes are recorded as revenue in the year it is available or collected (the year it is levied for).

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**Compensated Absences**

The District has a policy that allows employees to accumulate paid time off and sick pay up to certain maximum hours as stated in the District's Personnel Policy Manual. Vacation above the maximum allowable carry over is forfeited. Sick leave above the maximum allowable carryover is converted to vacation on a 2-for-1 basis. Conversion of any excess sick time to vacation is done prior to the calculation of compensated absences. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

**Long Term Obligations**

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs, except any portion related to prepaid insurance costs, are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported 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 debt service expenditures.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualifies for reporting in this category. Accordingly, the items *pension and OPEB contributions subsequent to measurement date*, and *pension and OPEB related deferrals* are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and the fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue* and *pension and OPEB related deferrals*, are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Pensions**

**FPPA.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**PERA.** The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF's December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employee contribution rates for the LGDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

**Other Postemployment Benefits (OPEB).**

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**Net Position and Fund Equity**

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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*Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 889,155
Cash and Investments - Restricted - Held for Emergency Reserves and Contractual commitments	<u>89,150</u>
Total Cash and Investments	<u>\$ 978,305</u>

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 325,992
Investments	<u>652,313</u>
Total Cash and Investments	<u>\$ 978,305</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) 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 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are uninsured but collateralized. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's deposits had a bank balance of \$328,827 and a carrying balance of \$325,992.

## ESTES VALLEY FIRE PROTECTION DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

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#### Investments

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

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	<u>\$ 652,313</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unrefunded commitments, the redemption frequency is daily and there is no redemption notice period.

Pension Plan cash and investments are discussed separately under Note 7.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2019 follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Construction in Process	\$ 1,057,620	\$ 26,252	\$ 1,083,872	\$ -
Capital Assets Being Depreciated				
Buildings	710,831	-	-	710,831
Vehicles	1,925,581	1,083,872	(157,288)	2,852,165
General Equipment	431,959	328,988	(20,125)	740,822
Educational Statues and Sculptures	29,204	-	-	29,204
Office Equipment	24,272	-	-	24,272
Total Capital Assets Being Depreciated	<u>3,121,847</u>	<u>1,412,860</u>	<u>(177,413)</u>	<u>4,357,294</u>
Less Accumulated Depreciation for				
Buildings	47,973	47,389	-	95,362
Vehicles	792,413	139,800	(157,288)	774,925
General Equipment	196,735	44,734	(20,125)	221,344
Educational Statues and Sculptures	28,527	677	-	29,204
Office Equipment	8,256	4,152	-	12,408
Total Accumulated Depreciation	<u>1,073,904</u>	<u>236,752</u>	<u>(177,413)</u>	<u>1,133,243</u>
Total Capital Assets Being Depreciated, Net	<u>2,047,943</u>	<u>1,176,108</u>	<u>-</u>	<u>3,224,051</u>
Total Capital Assets, Net	<u>\$ 3,105,563</u>	<u>\$ 1,202,360</u>	<u>\$ 1,083,872</u>	<u>\$ 3,224,051</u>

All assets previously held by the Town were transferred to the District at net book value.

All depreciation expense was charged to the fire protection and emergency services program.

The Town has granted the use of the Dannels Fire Station to the District as part of the Special Use Permit between the Town and the United States Department of the Interior. In exchange for providing fire protection services, no fees or rent are charged to the District for the use of the Dannels Fire Station. On April 7, 2020, the Town's electors voted to sell the Dannels Fire Station to the District for \$1.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 – LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Capital Lease	\$ 557,620	\$ -	\$ 273,104	\$ 284,516	\$ 284,516
Compensated Absences	15,436	22,996	21,147	17,285	4,300
<b>Total Governmental Activities</b>	<u>\$ 573,056</u>	<u>\$ 22,996</u>	<u>\$ 294,251</u>	<u>\$ 301,801</u>	<u>\$ 288,816</u>

**Capital Lease**

On November 16, 2018, the District entered into a lease agreement in the amount of \$557,620 to finance a portion of the acquisition of a Pierce Ladder Truck. The lease is due in two (2) annual payments on November 16, 2019 and 2020, with interest at 4.21%.

The net present value of the minimum lease payments as of December 31, 2019 follow:

Year Ending December 31,	Payment Amount
<u>2020</u>	<u>\$296,538</u>
Less: Amount representing interest	<u>(12,022)</u>
Present Value of Minimum Lease Payments	<u>\$284,516</u>

**NOTE 6 – NET POSITION**

The District has net position consisting of three components – invested in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of obligations that are attributable to the acquisition, construction, or improvement of those assets, if any.

Net Investment in Capital Assets            \$ 2,939,535

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2019, as follows:

Restricted Net Position:

TABOR Emergencies (see Note 13)      \$ 52,600

The unrestricted component of net position as of December 31, 2019, totaled \$927,437.

**NOTE 7 – VOLUNTEERS’ FIRE PENSION FUND**

**Plan Descriptions and Provisions**

The District administers a single employer pension plan (the Plan) for the benefit of its volunteers as authorized by State statute. The Plan is defined as a defined benefit, single-employer, noncontributory plan and provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and governed by the Pension Fund Board of Trustees. The Plan’s assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan.

The Plan is governed by a Board of Directors which consists of the five District Board members and two individuals from the volunteer organization who are voted on by the volunteer organization members. The provisions of the Plan give the Board the right and authority to establish and amend the benefit provisions of the Plan.

Volunteer firefighters who attain both the age of fifty and complete twenty years of active service shall be eligible for a monthly pension, currently \$450. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Based on the Board’s discretion, surviving spouses may be eligible for benefits up to an amount of 100%. The Plan does not publish a separate stand-alone report but is included in these financial statements as a Pension Trust Fund.

The Plan’s Board of Directors may levy a tax of not more than one-half mill on the taxable property in the District. The State of Colorado makes contributions as established by the legislature and based on the District contributions. Currently, the State matches 90% of District contributions.

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**Employees Covered by Benefit Terms**

As of January 1, 2019 (the latest actuarial valuation performed), the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	30
Inactive Participants, Entitled to but not yet Receiving Benefits	8
Active Participants	29

**Actuarial Assumptions**

The actuarial assumptions that determined the total pension liability as of December 31, 2018 were based on the following:

	Valuation Date	
	January 1, 2019	January 1, 2017
Measurement date	December 31, 2018	December 31, 2017
Inflation	2.50%	2.50%
Salary increases including inflation	2.50%	2.50%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2018	RP - 2014 Healthy Annuitant and Employee Mortality Tables
Actuarial cost method	Entry Age Normal	Entry Age Normal

**Changes in Actuarial Assumptions Adopted January 1, 2019**

The mortality assumption was updated to the recently published tables by the Society of Actuaries (SOA) titled "Pub-2010 Public Retirement Plans Mortality Tables" for safety employees.

The service accrual assumption was updated to 0.5 years of service per calendar year to better reflect anticipated plan experience.

The termination assumption was changed to reflect the anticipated percentage of employees expected to attain 10 and 20 years of service, and to correspond with the updated service accrual assumption.

There have been no significant changes between the valuation date and the fiscal year end.

ESTES VALLEY FIRE PROTECTION DISTRICT

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**Discount Rate**

<b>Measurement date</b>	<b><u>December 31, 2018</u></b>	<b><u>December 31, 2017</u></b>
Discount rate	5.50%	5.50%
Long-term-expected rate of return, net of of investment expense	5.50%	5.50%
Bond Buyer General Obligation 20- Bond Municipal Bond Index	4.10%	3.44%

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments in that the District has entered into a Trust Agreement with the WIN Advisor Group, Inc. to oversee the pension fund investments. Therefore, the pension investments are not limited to those described in Note 3 applicable to local governments. A majority of the Plan's investments are invested in mutual funds, commercial paper, and exchange trade funds. The investment funds and exchange trade funds are unrated as each fund is comprised of many different types of investments.

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 65,256
Investments	<u>1,655,297</u>
Total Cash and Investments	<u>\$ 1,720,553</u>

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Investments consist of the following:

	<u>Maturity</u>	<u>Fair Value</u>
	No stated	
Mutual funds	maturity	\$ 686,943
Municipal Bonds	2024-2025	231,482
Certificates of deposit	2020-2024	634,115
U.S. Treasury	2021	102,757
		<u>\$ 1,655,297</u>

The calculation of realized gains (losses) 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.

Rate of Return

For the plan year ended December 31, 2018, the Plan's annual money-weighted rate of return on plan investments, net of investment expense, was (6.38)%. 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. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment

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basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan's purpose.

**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.

**Changes in the Net Pension Liability**

At December 31, 2018, the fiduciary net position as a percentage of total pension liability was 83.03%.

**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 5.50%, 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 (4.50%) or one percentage point higher (6.50%) than the current rate.

	<b>1% Decrease 4.50%</b>	<b>Current Discount Rate 5.50%</b>	<b>1% Increase 6.50%</b>
Total Pension Liability	\$ 2,105,452	\$ 1,884,074	\$ 1,700,566
Fiduciary Net Position	1,564,339	1,564,339	1,564,339
Net Pension Liability	<u>\$ 541,113</u>	<u>\$ 319,735</u>	<u>\$ 136,227</u>

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

For the year ended December 31, 2019, the District recognized pension expense of \$28,828. At December 31, 2019, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (91,829)
Changes of assumptions or other inputs	4,574	(32,544)
Net difference between projected and actual earnings on pension plan investments	170,524	-
Contributions subsequent to the measurement date	128,605	-
Total	\$ 303,703	\$ (124,373)

\$128,605 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31,**

2020	\$ 25,986
2021	5,249
2022	9,708
2023	12,492
2024	(2,710)
	\$ 50,725

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**NOTE 8 – EMPLOYEE RETIREMENT PLANS**

**Fire and Police Statewide Defined Benefit Plan (FPPA)**

**Defined Benefit Pension Plan**

**General Information about the Pension Plan**

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

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

**Description of Benefits**

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

The annual normal retirement benefit is 2% 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% 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% or the Consumer Price Index.

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In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2016, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0%. The reentry Separate Retirement Account contribution rate was set at 3.70%.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% 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% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

**Contributions**

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10.0% and 8.0%, respectively, of base salary for a total contribution rate of 18.0% in 2018. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.50% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

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Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5% of base salary in 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

The contribution rate for members and employers of affiliated social security employers is 5% and 4%, respectively, of base salary for a total contribution rate of 9.00% in 2018. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Contributions to the Plan from the District were \$24,152 for the year ended December 31, 2019.

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

At December 31, 2019, the District reported a net pension liability of \$47,470 for its proportionate share of the SWDB collective net pension asset. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating Districts, actuarially determined. At December 31, 2018, the District's proportion was 0.0375471775%, which was a decrease of 0.0049878567% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$11,087.

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At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 60,995	\$ (507)
Changes of assumptions or other inputs	45,973	-
Net difference between projected and actual earnings on pension plan investments	37,342	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,765	-
Contributions subsequent to the measurement date	24,152	N/A
Total	\$ 178,227	\$ (507)

\$24,152 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31,**

2020	28,667
2021	20,871
2022	17,980
2023	28,840
2024	14,754
Thereafter	42,456
	\$ 153,568

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**Actuarial assumptions**

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

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	N/A
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for

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each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. 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 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.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

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**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate**

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

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.00%</b>	<b>Discount Rate</b>	<b>8.00%</b>
	<b>7.00%</b>	<b>7.00%</b>	<b>8.00%</b>
Proportionate share of the net pension liability	<u>\$ 184,083</u>	<u>\$ 47,470</u>	<u>\$ (65,848)</u>

The expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

**Pension Plan Fiduciary Net Position**

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

**Deferred Compensation Plan**

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by the FPPA. Participation in the plan is optional for all District employees. The plan allows the employees to defer a portion of their salary until future years. The District's contributions to the FPPA administered 457 plan for the years ended December 31, 2019, 2018, and 2017 were \$-0-, \$-0-, and \$4,590 respectively.

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**Public Employees' Retirement Association of Colorado (PERA)**

**Defined Benefit Pension Plan**

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Benefits Provided as of December 31, 2018**

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance

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based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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**Contributions Provisions as of December 31, 2019**

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary.

The employer contribution requirements are summarized in the table below:

<b>Contributions</b>	<b>Rate <sup>1</sup></b>
Employer contribution rate	10.00%
Amount of Employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24- 51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
<b>Total Employer Contribution Rate to the LGDTF</b>	<b>12.68%</b>

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$7,694 for the year ended December 31, 2019.

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

At December 31, 2019, the District reported a liability of \$107,833 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the District proportion was 0.0085771536% which was an increase of 0.0007858343% from its proportion measured as of December 31, 2017.

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For the year ended December 31, 2019, the District recognized pension expense of \$(3,231). At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,509	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	14,043	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,303	-
Contributions subsequent to the measurement date	7,694	N/A
Total	\$ 32,549	\$ -

\$7,694 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31,</b>	
2020	\$ 13,045
2021	3,362
2022	783
2023	7,665
	\$ 24,855

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*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real wage growth	1.10%
Wage Inflation	3.50%
Salary increases, including wage inflations	3.50% - 10.45%
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad-hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) compounded annually, thereafter	0% through 2019 and 1.5%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

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Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>Discount Rate</b>	<b>8.25%</b>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Proportionate share of the net pension liability	<u>\$ 164,962</u>	<u>\$ 107,833</u>	<u>\$ 60,039</u>

**Pension plan fiduciary net position**

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Changes between the measurement date of the net pension liability and December 31, 2019**

During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees’ Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019 and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

**NOTE 9– OTHER POST-EMPLOYMENT BENEFITS**

**Health Care Trust Fund**

*Plan Description* – Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly, Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including

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the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

***PERA Benefit Structure***

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

***DPS Benefit Structure***

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

**Contributions**

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$619 for the year ended December 31, 2019.

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**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2019, the District reported a liability of \$9,050 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District proportion was 0.00066515730% percent, which was an increase of 0.0000597353% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized OPEB expense of \$986. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 33	\$ (13)
Changes of assumptions or other inputs	63	-
Net difference between projected and actual earnings on pension plan investments	52	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,100	-
Contributions subsequent to the measurement date	619	N/A
Total	<u>\$ 1,867</u>	<u>\$ (13)</u>

\$619 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31,</b>	
2020	\$ 261
2021	261
2022	261
2023	297
2024	147
2025	8
	\$ 1,235

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB	
plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

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The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
United Healthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
United Healthcare Medicare HMO	400

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All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

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Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

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**Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$8,800	\$9,050	\$9,337

**Discount rate**

The discount rate used to measure the total OPEB liability was 7.2%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

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- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

**Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate**

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>Discount Rate</b>	<b>8.25%</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Proportionate share of the net OPEB liability	\$ 10,126	\$ 9,050	\$ 8,130

**OPEB plan fiduciary net position**

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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**NOTE 10 - Length of Service Award Program (LOSAP)**

On January 1, 2018, the District created the Hero Plus Program (HPP) in accordance with Internal Revenue Code Section 457(e)(11). The program is administered by Lincoln Financial Group Trust Company, Inc. (LFG). On January 26, 2018, funds held by the District to service the LOSAP liability in the amount of \$92,146 were transferred to LFG.

The funds were placed in an irrevocable Rabbi Trust. Concurrently, LFG placed the funds into the respective qualified individuals' accounts. The District will fund the HPP annually based upon the individual amounts earned each year.

During the year ended December 31, 2019, the District transferred \$17,775 to the HPP.

**NOTE 11 – INTERGOVERNMENTAL AGREEMENTS**

The District has entered into intergovernmental agreements with the Town as a result of the District's organization and the continuation of fire protection services for the Town. Specifically, the Town has agreed to remit to the District 7% of sales tax revenue it receives. These taxes are remitted to the District monthly. During 2019, 2018, and 2017, the District received \$915,003, \$842,413, and \$775,270, respectively, in sales taxes from the Town.

The Town provides dispatching and communication services to the District for an appropriate annual amount to be agreed upon by the parties during September of each calendar year for the subsequent year. Further, the Town agrees to allow the District to occupy and use the Dannels Fire Station and the Estes Park Fire Training Area. The District shall comply with all terms and conditions of the Special Use Permit between the United States Department of the Interior and the Town dated April 29, 1996, with the exception of certain landscaping responsibilities to be maintained by the District. During 2019, the District paid the Town \$19,096 for dispatching services.

During 2019, the Town continued to provide essential support services such as information technology support and fleet maintenance at an agreed upon amount which is set annually. The total amount paid to the Town for these services in 2019 was \$37,276.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

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**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters.

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

The District pays annual premiums to the Pool for public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the 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.

The District continues to carry commercial insurance for all other risks of loss. The District did not have any claim settlements in excess of coverage in any of the past three fiscal years.

**NOTE 13 – TAX, SPENDING AND DEBT LIMITATIONS**

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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.

On November 3, 2009, a majority of the District's electors authorized the District to collect, retain and spend all revenues and other funds from any revenue source, provided that the District's 1.95 mill levy tax rate shall not be increased without further voter approval and the

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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revenues from all such sources be spent as voter approved revenue changes and as an exception to the limits which would otherwise apply, including without limitation to TABOR.

On November 6, 2018, a majority of the District's electors approved the following ballot question: Shall Estes Valley Fire Protection District be authorized to offset revenue losses from refunds, abatements and changes to the percentage of actual valuation used to determine assessed valuation (in particular to offset revenues that would otherwise be lost due to the "Gallagher Amendment" to the Colorado constitution) by increasing its operating mill levy beginning in collection year 2020 and annually thereafter, so that to the extent possible the actual tax revenue collected is the same as if such changes had not occurred?

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% 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 14 – RELATED PARTIES**

Certain members of the Board of Directors own local companies with which the District conducts business. The total amount paid for these services during the year ended December 31, 2019 totaled \$1,220.

**NOTE 15 – SUBSEQUENT EVENT**

The District evaluated its December 31, 2019 financial statements for subsequent events through the date of the financial statements were issued. As a result of the spread of the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, economic uncertainties have arisen which are likely to negatively impact sales tax revenue and other revenue sources. Other financial impacts could occur though such potential impact is unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

<b>Measurement period ending December 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total Pension Liability</b>			
Service Cost	\$ 30,655	\$ 30,655	\$ 40,090
Interest on Total Pension Liability	108,785	108,395	109,590
Effect of economic/demographic gains or losses	(97,738)	-	(39,766)
Effect of assumptions changes or inputs	(40,482)	-	13,724
Benefit payments	(127,097)	(136,697)	(135,192)
Net Change in Total Pension Liability	(125,877)	2,353	(11,554)
Total Pension Liability - Beginning	2,009,951	2,007,598	2,019,152
Total Pension Liability - Ending (a)	<u>\$ 1,884,074</u>	<u>\$ 2,009,951</u>	<u>\$ 2,007,598</u>
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 128,605	\$ 128,605	\$ 118,605
Net investment income	(106,028)	100,852	90,802
Benefit payments	(127,097)	(136,697)	(135,192)
Administrative expense	(3,947)	(9,246)	(3,606)
Net Change in Plan Fiduciary Net Position	(108,467)	83,514	70,609
Plan Fiduciary Net Position - Beginning	1,672,806	1,589,292	1,518,683
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,564,339</u>	<u>\$ 1,672,806</u>	<u>\$ 1,589,292</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 319,735</u>	<u>\$ 337,145</u>	<u>\$ 418,306</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	83.03%	83.23%	79.16%
<b>Covered Payroll</b>	N/A	N/A	N/A
<b>Contributions as a Percentage of Covered Payroll</b>	N/A	N/A	N/A

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

<u>2015</u>	<u>2014</u>
\$ 40,090	\$ 39,112
109,045	108,438
-	-
-	-
<u>(143,152)</u>	<u>(131,939)</u>
5,983	15,611
2,013,169	1,997,558
<u>\$ 2,019,152</u>	<u>\$ 2,013,169</u>
\$ 128,605	\$ 102,705
(32,207)	8,168
(143,152)	(131,939)
(7,914)	(3,051)
<u>(54,668)</u>	<u>(24,117)</u>
1,573,351	1,597,468
<u>\$ 1,518,683</u>	<u>\$ 1,573,351</u>
<u>\$ 500,469</u>	<u>\$ 439,818</u>

75.21%

78.15%

N/A

N/A

N/A

N/A

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF NET PENSION LIABILITY  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability</b>		
Total Pension Liability	\$ 1,884,074	\$ 2,009,951
Fiduciary Net Position	1,564,339	1,672,806
Net Pension Liability	<u>\$ 319,735</u>	<u>\$ 337,145</u>
<b>Fiduciary Net Position as a % of Total Pension Liability</b>	83.03%	83.23%
<b>Covered Payroll</b>	N/A	N/A
<b>Net Pension Liability as a % of Covered Payroll</b>	N/A	N/A
The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the actuarial assumptions below.		
Investment Rate of Return	5.50%	5.50%
Cost of Living Adjustments	None	None
<b>Other Key Actuarial Assumptions:</b>		
Actuarial valuation date	January 1, 2019	January 1, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar - Closed	Level Dollar - Closed
Remaining Amortization Period	18 years	20 years
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Inflation	2.50%	2.50%
Salary Increases	N/A	N/A
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2018	RP-2014 Healthy Annuitant and Employee Mortality Tables

\* Information is not currently available for prior years; additional years will be displayed as they become available.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 2,007,598	\$ 2,019,152	\$ 2,013,169	\$ 1,997,558
1,589,292	1,518,683	1,573,351	1,597,468
<u>\$ 418,306</u>	<u>\$ 500,469</u>	<u>\$ 439,818</u>	<u>\$ 400,090</u>
79.16%	75.21%	78.15%	79.97%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
5.50%	5.50%	5.50%	5.50%
None	None	None	None
January 1, 2017	January 1, 2015	January 1, 2015	January 1, 2015
Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Level Dollar - Closed	Level Dollar - Closed	Level Dollar - Closed	Level Dollar - Closed
20 years	22 years	22 years	22 years
Market Value of Assets	Market Value of Assets	Market Value of Assets	Market Value of Assets
2.50%	2.50%	2.50%	2.50%
N/A	N/A	N/A	N/A
RP-2014 Healthy Annuitant and Employee Mortality Tables	RP-2014 Healthy Annuitant and Employee Mortality Tables	RP-2014 Healthy Annuitant and Employee Mortality Tables	RP-2014 Healthy Annuitant and Employee Mortality Tables

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS**

<b>Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2010	\$ 113,656	\$ 146,133	\$ (32,477)	N/A	N/A
2011	\$ 78,565	\$ 130,298	\$ (51,733)	N/A	N/A
2012	\$ 78,565	\$ 128,605	\$ (50,040)	N/A	N/A
2013	\$ 71,135	\$ 128,605	\$ (57,470)	N/A	N/A
2014	\$ 71,135	\$ 102,705	\$ (31,570)	N/A	N/A
2015	\$ 81,151	\$ 128,605	\$ (47,454)	N/A	N/A
2016	\$ 81,151	\$ 118,605	\$ (37,454)	N/A	N/A
2017	\$ 76,302	\$ 128,605	\$ (52,303)	N/A	N/A
2018	\$ 76,302	\$ 128,605	\$ (52,303)	N/A	N/A
2019	\$ 50,677	\$ 128,605	\$ (77,928)	N/A	N/A

Note, full valuations are performed biannually on odd numbered years. The members of the plan are volunteers, so as such there is no covered payroll.

\* Includes State Fire pension contribuion

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Net Money- Weighted Rate of Return</b>
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	0.53%
2015	-2.11%
2016	6.12%
2017	6.48%
2018	-6.38%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND**

**LAST 10 YEARS \***

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net Pension Liability (Asset)	0.0375471775%	0.0425350342%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 47,470	\$ (61,193)
Covered Payroll	\$ 251,513	\$ 248,806
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	18.874%	(24.595)%
Calculation of Collective Net Pension Liability:		
Total Pension Liability	\$ 2,653,120,261	\$ 2,269,410,684
Plan Fiduciary Net Position	2,526,692,808	2,413,276,447
Net Pension Liability (Asset)	<u>\$ 126,427,453</u>	<u>\$ (143,865,763)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	95.23%	106.34%

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
0.0530987259%	0.0459829131%	0.0539194697%	0.0553693995%
\$ 19,187	\$ (811)	\$ (60,853)	\$ (49,511)
\$ 282,784	\$ 223,653	\$ 242,475	\$ 240,488
6.785%	(0.363)%	(25.097)%	(20.588)%
\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
1,985,393,043	1,848,724,853	1,765,758,630	1,623,049,809
<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
98.21%	(100.10)%	(106.83)%	(105.83)%

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2013	\$ 19,239	\$ 19,239	\$ -	\$ 240,488	8.00%
2014	\$ 19,398	\$ 19,398	\$ -	\$ 242,475	8.00%
2015	\$ 17,892	\$ 17,892	\$ -	\$ 223,653	8.00%
2016	\$ 22,623	\$ 22,623	\$ -	\$ 282,784	8.00%
2017	\$ 19,904	\$ 19,904	\$ -	\$ 248,806	8.00%
2018	\$ 20,121	\$ 20,121	\$ -	\$ 251,513	8.00%
2019	\$ 24,152	\$ 24,152	\$ -	\$ 301,900	8.00%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

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**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND**

**LAST 10 YEARS \***

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net Pension Liability (Asset)	0.0085771536%	0.0077913193%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 107,833	\$ 86,751
Covered Payroll	\$ 55,974	\$ 48,795
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	192.648%	177.787%
Calculation of Collective Net Pension Liability (\$ in thousands):		
Total Pension Liability	\$ 5,228,602	\$ 5,396,516
Plan Fiduciary Net Position	3,971,389	4,283,086
Net Pension Liability	<u>\$ 1,257,213</u>	<u>\$ 1,113,430</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	79.37%

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
0.0072101098%	0.0074611716%	0.0077168726%	0.0081999535%
\$ 97,361	\$ 82,191	\$ 69,167	\$ 67,479
\$ 43,798	\$ 42,439	\$ 42,285	\$ 43,748
222.296%	193.669%	163.573%	154.245%
\$ 5,123,847	\$ 4,762,090	\$ 4,647,777	\$ 4,517,239
3,773,506	3,660,509	3,751,468	3,694,318
<u>\$ 1,350,341</u>	<u>\$ 1,101,581</u>	<u>\$ 896,309</u>	<u>\$ 822,921</u>
73.65%	76.87%	80.72%	81.78%

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2013	\$ 5,547	\$ 5,547	\$ -	\$ 43,748	12.68%
2014	\$ 5,362	\$ 5,362	\$ -	\$ 42,285	12.68%
2015	\$ 5,381	\$ 5,381	\$ -	\$ 42,439	12.68%
2016	\$ 5,554	\$ 5,554	\$ -	\$ 43,798	12.68%
2017	\$ 6,187	\$ 6,187	\$ -	\$ 48,795	12.68%
2018	\$ 7,098	\$ 7,098	\$ -	\$ 55,974	12.68%
2019	\$ 7,694	\$ 7,694	\$ -	\$ 60,680	12.68%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERA - HEALTH CARE TRUST FUND  
LAST TEN YEARS \***

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net OPEB Liability	0.0006651573%	0.0006054220%	0.0005534823%
District Proportionate Share of the Net OPEB Liability	\$ 9,050	\$ 7,868	\$ 7,176
Covered Payroll	\$ 55,974	\$ 48,795	\$ 43,798
Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	16.168%	16.125%	16.384%
Calculation of Collective Net Pension Liability (\$ in thousands):			
Total OPEB Liability	\$ 1,639,734	\$ 1,575,822	\$ 1,556,762
Plan Fiduciary Net Position	279,192	276,222	260,228
Net OPEB Liability	<u>\$ 1,360,542</u>	<u>\$ 1,299,600</u>	<u>\$ 1,296,534</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	17.03%	17.53%	16.72%

The amounts presented for each fiscal year were determined as of December 31st, the measurement date used by the District.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA - HEALTH CARE TRUST FUND  
LAST TEN YEARS \***

<b>Year Ending December 31,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2013	\$ 447	\$ 447	\$ -	\$ 43,748	1.02%
2014	\$ 430	\$ 430	\$ -	\$ 42,285	1.02%
2015	\$ 432	\$ 432	\$ -	\$ 42,439	1.02%
2016	\$ 447	\$ 447	\$ -	\$ 43,798	1.02%
2017	\$ 498	\$ 498	\$ -	\$ 48,795	1.02%
2018	\$ 571	\$ 571	\$ -	\$ 55,974	1.02%
2019	\$ 619	\$ 619	\$ -	\$ 60,680	1.02%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**SUPPLEMENTARY INFORMATION**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
BUDGET AND ACTUAL  
VOLUNTEER PENSION FUND**

**For the Year Ended December 31, 2019**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Additions</b>			
Interest and Dividends	\$ 90,000	\$ 44,967	\$ (45,033)
Net Appreciation (Depreciation) in Fair Value of Investments	-	136,971	136,971
Estes Valley FPD Contribution	80,000	80,000	-
State Participation Contribution	48,605	48,605	-
<b>Total Additions</b>	<b>218,605</b>	<b>310,543</b>	<b>91,938</b>
<b>Deductions</b>			
Retiree Benefit Payments	150,000	129,573	20,427
Audit Fees	2,500	-	2,500
Actuarial Study	-	9,000	(9,000)
Investment Fees	1,500	13,854	(12,354)
Miscellaneous	5,000	1,902	3,098
Retiree Death Benefit Payments	800	-	800
Contingency	2,700	-	2,700
<b>Total Deductions</b>	<b>162,500</b>	<b>154,329</b>	<b>8,171</b>
<b>Change in Plan Net Position</b>	<b>56,105</b>	<b>156,214</b>	<b>100,109</b>
<b>Plan Net Position - Beginning</b>	<b>1,727,863</b>	<b>1,564,339</b>	<b>(163,524)</b>
<b>Plan Net Position - Ending</b>	<b>\$ 1,783,968</b>	<b>\$ 1,720,553</b>	<b>\$ (63,415)</b>

See the Accompanying Independent Auditor's Report

## **OTHER INFORMATION**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND  
PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2011	2012	\$ 297,268,990	1.950	0.000	1.950	\$ 579,675	\$ 575,944	99.36%
2012	2013	296,738,190	1.950	0.000	1.950	578,639	577,955	99.88%
2013	2014	282,549,790	1.950	0.000	1.950	550,972	547,294	99.33%
2014	2015	274,499,120	1.950	0.000	1.950	535,273	531,439	99.28%
2015	2016	302,715,411	1.950	0.000	1.950	590,295	585,765	99.23%
2016	2017	304,403,755	1.950	0.000	1.950	593,587	590,780	99.53%
2017	2018	322,076,550	1.950	0.000	1.950	628,049	625,517	99.60%
2018	2019	322,813,933	1.950	0.000	1.950	629,487	629,104	99.94%
Estimated for year ending December 31, 2020		\$ 371,047,013	1.950	0.000	1.950	\$ 723,542		

**Note:**

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**Source:** Larimer County Assessor and Treasurer