

**Greater Eagle Fire Protection District
Eagle, Colorado**

**Financial Statements
December 31, 2019**



**Greater Eagle Fire Protection District
Financial Report
December 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Greater Eagle Fire Protection District

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Greater Eagle Fire Protection District (the "District") as of and for the year ended December 31, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Greater Eagle Fire Protection District, as of December 31, 2019, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and the special revenue (impact fee) fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, the Statewide Defined Benefit Pension Trust Schedules of Funding Progress and Employer Contributions and the Volunteer Pension Schedules of Changes in Total Pension Liability and Total pension Liability in Section E 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 Management's Discussion and Analysis in Section B, the Statewide Defined Benefit Pension Trust Schedules of Funding Progress and Employer Contributions and the Volunteer Pension Schedules of Changes in Total Pension Liability and Total pension Liability in Section E 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison information in Section F is presented for purposes of additional analysis and is not a required part of the basic financial statements. The individual fund budgetary comparison is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 15, 2020**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Greater Eagle Fire Protection District

Management's Discussion and Analysis December 31, 2019

As management of Greater Eagle Fire Protection District (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.

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 four components: 1) government-wide financial statements; 2) fund financial statements; 3) notes to the financial statements; and 4) supplementary information.

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. Current year to prior year comparisons are presented below to help users evaluate the results of the District over the past two years.

The Statement of Net Position presents information on all the District's assets, deferred outflows, liabilities, and deferred inflows, 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 government'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.

The governmental activities of the District relate to the general operations of the District and related equipment and facilities. The government-wide financial statements can be found on pages C1 and C2 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. The District utilizes both governmental funds and a fiduciary fund.

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

Fiduciary fund: Fiduciary funds are used to account for funds held by the District for the benefit of other parties. The District uses a Pension Trust Fund to report the investments of the volunteer pension, the balances of which are held in trust for the beneficiaries. Since the balances reported in this fund are not for the benefit of the District they are not reported in the government-wide financial statements.

The District adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for the General Fund, Impact Fund, Capital Fund, and Pension Trust Fund on pages C3 through C5 and F1 and F2 of this report to demonstrate compliance with these budgets.

Required Supplementary Information about the pension plans is on page E1-E6.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page D1 of this report.

Government-wide Financial Analysis: The following table shows a condensed statement of net position as of December 31, 2019 and December 31, 2018 derived from the government-wide financial statements.

**Greater Eagle Fire Protection District
Net Position**

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets and Deferred Outflows:		
Current assets	7,010,171	6,197,926
Capital assets & deferred outflows	2,995,670	2,575,392
Total Assets & Def Outflows	10,005,841	8,773,318
Liabilities and Deferred Inflows:		
Current liabilities & deferred inflows	2,788,320	2,465,182
Long-term liabilities & deferred inflows	1,224,159	950,783
Total Liabilities & Def Inflows	4,012,479	3,415,965
Net Position:		
Net invested in capital assets	2,239,435	2,067,417
Restricted	1,163,832	1,298,320
Unrestricted	2,590,095	1,991,616
Total Net Position	5,993,362	5,357,353

The net position balance for the investment in capital assets, net of related debt represents the land, buildings, vehicles, and equipment, net of the related debt owed from financing such assets. The District uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. A significant portion of the Districts net position is reflected as restricted, the details of restrictions are presented at page C1. The District also has significant unrestricted net position which can be used for any lawful purpose of the District.

At the end of the current fiscal year, the District has positive net position in all categories.

The changes in net position for the years ended December 31, 2019 and December 31, 2018 is summarized in the following table:

**Greater Eagle Fire Protection District
Change in Net Position**

	Governmental Activities	
	2019	2018
Revenues:		
Property & Other Taxes	2,431,264	2,168,297
Resource Assignments	306,875	295,640
Interest and other income	514,868	314,417
Total Revenues	3,253,007	2,778,354
Expenses:		
Operations	696,103	649,226
Administration	184,997	203,973
Personnel	1,735,898	1,467,725
Interest	-	-
Total Expenses	2,616,998	2,320,924
Change in Net Position	636,009	457,430
Net Position- Beginning	5,357,353	4,899,923
Net Position- Ending	5,993,362	5,357,353

In both 2018 and 2019 the District showed an increase in net position as the District is accumulating funds for future capital replacements and additions.

Financial Analysis of the Districts Funds

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

Governmental funds: The focus of the Districts governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Districts financing requirements. In particular, assigned and unassigned fund balances may serve as a useful measure of a governments net resources available for spending at the end of the fiscal year.

General Fund revenues exceeded expenditures in 2019 by \$516,888, which was due to overall increases in revenues and from resource assignments. A portion of the excess funds were transferred to the capital fund and the remaining amounts were used to increase reserves for use in future years.

Capital Fund expenditures exceeded revenues by \$128,680 due to purchases of vehicles, equipment and station repairs. A transfer from the general fund resulted in a net increase in fund balance.

Impact Fee Fund revenues exceeded expenditures by \$105,235. A portion of the funds were transferred to the capital fund to pay expenses and the balance will be used to increase reserves for future years.

Fiduciary Funds: The Volunteer Pension Fund Net Position increased \$35,487 during the fiscal year and according to the actuarial study, as of December 31, 2019, the Volunteer Pension fund was actuarially sound.

Budget variances: The General Fund expenditures were less than budget due to savings in personnel and administration. The Capital and General Funds budgets were amended to account for additional expenses for Resource Assignments and transfers from the General Fund to the Capital Fund. Budget to actual statements for the each of the funds can be found on pages C3 through C5 and F1 through F2 of this report.

Capital assets: The Districts total net capital assets increased as capital additions exceeded depreciation expense. Additional information as well as a detailed classification of the Districts net capital assets can be found in Note IV.C. to the Financial Statements on page D12 of this report.

Long-term debt: The only long-term liabilities of the District are for compensated absences for accrued but unpaid employee vacation time and net pension liability for the Fire and Police Pension Fund and Volunteer Firefighter Fund. Details regarding the Districts long-term debt are located in Note IV. E. beginning on page D13 of this report.

Request for Information: This financial report is designed to provide a general overview of the Districts finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Greater Eagle Fire Protection District, c/o Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, CO 81632, (970) 926-6060.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Greater Eagle Fire Protection District
Balance Sheet/Statement of Net Position
December 31, 2019

	Primary Government				Adjustments	Statement of Net Position	Component Unit
	General Fund	Impact Fee Fund	Capital Fund	Total			Total
Assets:							
Cash and cash equivalents	500,391	-	-	500,391	-	500,391	48,298
Investments	342,807	1,052,104	2,424,791	3,819,702	-	3,819,702	-
Assessed taxes receivable	2,602,836	-	-	2,602,836	-	2,602,836	-
Property taxes receivable	11,081	-	-	11,081	-	11,081	-
Due from other governments	-	30,028	-	30,028	-	30,028	-
Prepaid expenses	46,133	-	-	46,133	-	46,133	-
Capital assets, net of accumulated depreciation	-	-	-	-	2,239,435	2,239,435	-
Total Assets	<u>3,503,248</u>	<u>1,082,132</u>	<u>2,424,791</u>	<u>7,010,171</u>	<u>2,239,435</u>	<u>9,249,606</u>	<u>48,298</u>
Deferred Outflows of Resources:							
Pension related deferred outflows	-	-	-	-	756,235	756,235	-
Total Deferred Outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,235</u>	<u>756,235</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>3,503,248</u>	<u>1,082,132</u>	<u>2,424,791</u>	<u>7,010,171</u>	<u>2,995,670</u>	<u>10,005,841</u>	<u>48,298</u>
Liabilities:							
Accounts payable	52,396	-	-	52,396	-	52,396	-
Accrued compensation	60,189	-	-	60,189	72,899	133,088	-
Net pension liability - cost share plan	-	-	-	-	161,364	161,364	-
Total pension liability - volunteer plan	-	-	-	-	973,864	973,864	-
Total Liabilities	<u>112,585</u>	<u>-</u>	<u>-</u>	<u>112,585</u>	<u>1,208,127</u>	<u>1,320,712</u>	<u>-</u>
Deferred Inflow of Resources:							
Unavailable property tax revenue	2,602,836	-	-	2,602,836	-	2,602,836	-
Pension related deferred inflows	-	-	-	-	88,931	88,931	-
Total Deferred Inflow of Resources:	<u>2,602,836</u>	<u>-</u>	<u>-</u>	<u>2,602,836</u>	<u>88,931</u>	<u>2,691,767</u>	<u>-</u>
Fund Balances/Net Position:							
Fund balance:							
Non-spendable	46,133	-	-	46,133	(46,133)		
Restricted for emergency	81,700	-	-	81,700	(81,700)		
Committed for impact activity	-	1,082,132	-	1,082,132	(1,082,132)		
Assigned for capital projects	-	-	2,424,791	2,424,791	(2,424,791)		
Unassigned	659,994	-	-	659,994	(659,994)		
Total fund balance	<u>787,827</u>	<u>1,082,132</u>	<u>2,424,791</u>	<u>4,294,750</u>	<u>(4,294,750)</u>		
Total Liabilities, Deferred Inflow of Resources and Fund Balance	<u>3,503,248</u>	<u>1,082,132</u>	<u>2,424,791</u>	<u>7,010,171</u>			
Net Position:							
Net investment in capital assets					2,239,435	2,239,435	-
Restricted for emergency					81,700	81,700	-
Restricted for impact activity					1,082,132	1,082,132	-
Unrestricted					2,590,095	2,590,095	48,298
Total Net Position					<u>5,993,362</u>	<u>5,993,362</u>	<u>48,298</u>

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

Greater Eagle Fire Protection District
Statement of Revenues, Expenditures and
Changes in Fund Balances/Statement of Activities
For the Year Ended December 31, 2019

	Primary Government					Statement of	Component
	General Fund	Impact Fee Fund	Capital Fund	Total	Adjustments	Activities	Unit Total
Revenues:							
Property taxes	2,306,272	-	-	2,306,272	-	2,306,272	-
Specific ownership taxes	124,992	-	-	124,992	-	124,992	-
Plan review fees	48,330	-	-	48,330	-	48,330	-
Impact fees	-	77,582	-	77,582	-	77,582	-
Land in lieu of impact fees	-	-	-	-	225,981	225,981	-
Investment income	33,553	27,653	35,190	96,396	-	96,396	-
Lease revenue	28,800	-	-	28,800	-	28,800	-
Service income	12,120	-	-	12,120	-	12,120	-
Grants and contributions	17,415	-	4,900	22,315	-	22,315	-
Resource assignment income	306,875	-	-	306,875	-	306,875	-
Other operating income	3,144	-	-	3,144	-	3,144	2,833
Total Revenues	<u>2,881,501</u>	<u>105,235</u>	<u>40,090</u>	<u>3,026,826</u>	<u>225,981</u>	<u>3,252,807</u>	<u>2,833</u>
Expenditures/Expenses:							
Operations	473,370	-	-	473,370	192,990	666,360	3,005
Administration	184,997	-	-	184,997	-	184,997	-
Personnel	1,706,246	-	-	1,706,246	29,652	1,735,898	-
Capital outlay	-	-	168,770	168,770	(139,027)	29,743	-
Total Expenditures/Expenses	<u>2,364,613</u>	<u>-</u>	<u>168,770</u>	<u>2,533,383</u>	<u>83,615</u>	<u>2,616,998</u>	<u>3,005</u>
Excess (Deficiency) of Revenues Over Expenditures	516,888	105,235	(128,680)	493,443	142,366	635,809	(172)
Other Financing (Uses):							
Transfer In (Out)	(310,000)	(37,638)	347,638	-	-	-	-
Sale of capital asset	-	-	200	200	-	200	-
Total Other Financing (Uses)	<u>(310,000)</u>	<u>(37,638)</u>	<u>347,838</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
Net Change in Fund Balance	206,888	67,597	219,158	493,643	(493,643)		
Change in Net Position					636,009	636,009	(172)
Fund Balance / Net Position:							
January 1	580,939	1,014,535	2,205,633	3,801,107	1,556,246	5,357,353	48,470
December 31	<u>787,827</u>	<u>1,082,132</u>	<u>2,424,791</u>	<u>4,294,750</u>	<u>1,698,612</u>	<u>5,993,362</u>	<u>48,298</u>

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

FUND FINANCIAL STATEMENTS



Greater Eagle Fire Protection District
Statement of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	<u>2019</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2018</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property taxes	2,310,897	2,310,897	2,306,272	(4,625)	2,063,085
Specific ownership taxes	113,381	113,381	124,992	11,611	105,212
Plan review fees	30,000	30,000	48,330	18,330	40,931
Investment income	23,500	23,500	33,553	10,053	24,321
Lease revenue	28,800	28,800	28,800	-	28,800
Service income	8,000	8,000	12,120	4,120	2,166
Grants and contributions	11,500	11,500	17,415	5,915	599
Resource assignment income	50,000	273,000	306,875	33,875	295,640
Other operating income	23,000	23,000	3,144	(19,856)	1,315
Total Revenues	<u>2,599,078</u>	<u>2,822,078</u>	<u>2,881,501</u>	<u>59,423</u>	<u>2,562,069</u>
Expenditures:					
Operations:					
Fire fighting	166,005	166,005	121,235	44,770	123,551
Apparatus	70,650	70,650	74,557	(3,907)	66,640
Communication	46,496	46,496	40,859	5,637	43,348
Fire prevention	11,871	11,871	5,106	6,765	5,039
Insurance	35,000	35,000	19,875	15,125	33,084
General overhead	52,160	52,160	53,871	(1,711)	47,714
Resource assignment	23,501	144,400	157,867	(13,467)	135,343
Total Operations	<u>405,683</u>	<u>526,582</u>	<u>473,370</u>	<u>53,212</u>	<u>454,719</u>
Administration:					
Professional services	119,000	119,000	80,131	38,869	102,303
Board administration	11,040	11,040	7,053	3,987	7,567
Office equipment	7,873	7,873	6,119	1,754	7,481
General overhead	21,196	21,196	22,383	(1,187)	24,586
Treasurer's fees	69,417	69,417	69,290	127	61,997
Staff development	500	500	-	500	-
Miscellaneous	700	700	21	679	39
Total Administration	<u>229,726</u>	<u>229,726</u>	<u>184,997</u>	<u>44,729</u>	<u>203,973</u>

(Continued)

Greater Eagle Fire Protection District
Statement of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)
(Continued)

	<u>2019</u>			<u>2018</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures (continued):					
Personnel:					
Payroll and benefits	1,552,045	1,552,045	1,539,099	12,946	1,358,913
Insurance	61,200	61,200	44,897	16,303	52,599
Volunteers	45,800	45,800	38,560	7,240	46,388
Pension	84,252	84,252	83,690	562	77,303
Total Personnel	<u>1,743,297</u>	<u>1,743,297</u>	<u>1,706,246</u>	<u>37,051</u>	<u>1,535,203</u>
Total Expenditures	<u>2,378,706</u>	<u>2,499,605</u>	<u>2,364,613</u>	<u>134,992</u>	<u>2,193,895</u>
Excess (Deficiency) of Revenues Over Expenditures	220,372	322,473	516,888	194,415	368,174
Other Financing Sources (Uses):					
Transfers out	<u>(121,200)</u>	<u>(202,880)</u>	<u>(310,000)</u>	<u>(107,120)</u>	<u>(128,000)</u>
Total Other Financing Sources (Uses):	<u>(121,200)</u>	<u>(202,880)</u>	<u>(310,000)</u>	<u>(107,120)</u>	<u>(128,000)</u>
Net Change in Fund Balance	99,172	119,593	206,888	87,295	240,174
Fund Balance - January 1	<u>485,729</u>	<u>485,729</u>	<u>580,939</u>	<u>95,210</u>	<u>340,765</u>
Fund Balance - December 31	<u><u>584,901</u></u>	<u><u>605,322</u></u>	<u><u>787,827</u></u>	<u><u>182,505</u></u>	<u><u>580,939</u></u>

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

Greater Eagle Fire Protection District
Statement of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue (Impact Fee) Fund
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	<u>2019</u>			Final Budget Variance Positive (Negative)	<u>2018</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental - Impact fees	50,000	50,000	77,582	27,582	149,411
Investment income	15,000	15,000	27,653	12,653	19,691
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>105,235</u>	<u>40,235</u>	<u>169,102</u>
Expenditures:					
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	65,000	65,000	105,235	40,235	169,102
Other Financing Sources (Uses):					
Transfers out	(51,500)	(51,500)	(37,638)	13,862	-
Total Other Financing Sources (Uses):	<u>(51,500)</u>	<u>(51,500)</u>	<u>(37,638)</u>	<u>13,862</u>	<u>-</u>
Net Change in Fund Balances	13,500	13,500	67,597	54,097	169,102
Fund Balance - January 1	<u>1,049,433</u>	<u>1,049,433</u>	<u>1,014,535</u>	<u>(34,898)</u>	<u>845,433</u>
Fund Balance - December 31	<u><u>1,062,933</u></u>	<u><u>1,062,933</u></u>	<u><u>1,082,132</u></u>	<u><u>19,199</u></u>	<u><u>1,014,535</u></u>

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

**Greater Eagle Fire Protection District
Statement of Fiduciary Net Position
Volunteer Pension Fund
For the Year Ended December 31, 2019**

Assets:	
Investments at fair value:	
Group annuity contracts on equity index account	<u>832,937</u>
Total Assets	<u>832,937</u>
Net Position	
Restricted for pensions	<u>832,937</u>
Total Net Position	<u><u>832,937</u></u>

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

Greater Eagle Fire Protection District
Statement of Changes in Fiduciary Net Position
Volunteer Pension Fund
For the Year Ended December 31, 2019

Additions	
Contributions	39,559
Net investment income	23,565
Cash Surrender of life insurance	<u>166</u>
Total Additions	<u>63,290</u>
Deductions	
Benefits paid to participants or beneficiaries	23,175
Administrative expense	<u>4,628</u>
Total Deductions	<u>27,803</u>
Net increase (decrease) in fiduciary net position	35,487
Net Position - beginning	<u>797,450</u>
Net Position - ending	<u><u>832,937</u></u>

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

**Greater Eagle Fire Protection District
Statement of Net Position
Component Unit
December 31, 2019**

	Eagle Volunteer Fire Department
Assets:	
Current:	
Cash and investments - Unrestricted	<u>48,298</u>
Total Assets	<u><u>48,298</u></u>
Liabilities and Net Position:	
Net Position:	
Unrestricted	<u>48,298</u>
Total Liabilities and Net Position	<u><u>48,298</u></u>

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

**Greater Eagle Fire Protection District
Statement of Revenues, Expenses
and Changes in Net Position
Component Unit
For the Year Ended December 31, 2019**

	Eagle Volunteer Fire Department
Operating Revenues:	
Donations/fundraising	2,550
Investment income	<u>283</u>
Total Operating Revenues	<u>2,833</u>
Operating Expenses:	
Operations and maintenance	<u>3,005</u>
Total Operating Expense	<u>3,005</u>
Change in Net Position	(172)
Net Position - January 1	<u>48,470</u>
Net Position - December 31	<u><u>48,298</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019

I. Summary of Significant Accounting Policies

The Greater Eagle Fire Protection District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within its boundaries, which are in Eagle County, Colorado.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant aspects of the government's accounting policies are described below.

A. Reporting Entity/Component Unit

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

As a result, the Eagle Volunteer Fire Department organization ("Volunteer Organization") is included in these financial statements as a component unit, as the sole purpose of the Volunteer Organization is to aid the District with needed funding to carry out operations.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital: restricted and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The *Special Revenue Fund (Impact Fee Fund)* accounts for impact fees collected for legally restricted expenditures to provide the facilities necessary to accommodate growth within the District's boundaries.

The *Capital Fund* is used to account for apparatus replacements and capital projects.

The District reports the following fiduciary fund which is not included in the government-wide statements since the resources of the fund are not available to the District:

The *Pension Fund* accounts for the volunteer pension investments.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District's investments are authorized to be invested or deposited in any legal investment or depository specified by state statutes. Examples of such investments may include:

- U.S. Treasury Obligations
- Federal Instrumentality Securities
- FDIC-insured Certificates of Deposit
- Corporate Bonds
- Prime Commercial Paper
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Restricted and Unrestricted Resources

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

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as unavailable revenue.

5. Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Capital Assets (continued)

Capital expenditures for projects are capitalized when construction in progress is complete.

Buildings, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Vehicles	15
Fire equipment (excluding vehicles)	5-10
Office equipment	5

6. Pensions

The District participates in the Statewide Defined Benefit Plan (the "SWDB") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan. The District also sponsors a single employer defined benefit plan for its volunteer firefighters. The net pension (asset) 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 plans 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.

7. Compensated Absences

Earned but unused paid time off is 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. Compensated absences are being paid from the General Fund.

8. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report 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 District has one item that qualifies for reporting in this category, which is the pension-related deferred outflow reported in the government-wide statement of net position.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Outflows and Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for this type of reporting, pension-related deferred inflows and unavailable revenues from property taxes.

9. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All reimbursements are reported as transfers.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements to conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. One element of the reconciling column accounts for capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds. \$2,239,435 represents the net book value of capital assets of \$5,115,305 net of accumulated depreciation of \$2,875,870 at December 31, 2019.

Other adjustments represent the net pension liabilities of \$161,364 and \$973,864 representing the District's portion of the net pension liability of the cost-sharing multiple-employer defined benefit plan and of the District's liability for the volunteer plan, respectively. These adjustments are required because long-term liabilities are not due and payable for the current period and therefore are not reported in the funds. Another long-term liability of \$72,899 is for additional accrued compensation.

Other elements include deferred outflows of resources of \$756,235 for the cost share pension plan, and deferred inflows of resources of \$88,931 which consists of \$1,724 and \$87,207 for the District's cost share and volunteer pension plans, respectively. See also notes IV.G.1. and IV.G.2 for additional information related to the pension plans.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities includes a reconciling column. One element of the reconciliation column accounts for governmental funds reporting capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense of \$192,990 is reported. Additionally, the adjustment for capitalized expenditures is \$139,027.

The net change to personnel costs of \$29,652 is due to the change in the accrual for accrued compensation which resulted in an adjustment of \$4,536 and the adjustments for pension expense (revenue) for the cost-sharing pensions at \$(43,600) and the volunteer pensions of \$68,716.

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund is adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

- (1) For the 2019 budget, prior to August 25, 2018, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2018 only once by a single notification to the District.
- (2) On or before October 15, 2018 the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2019 budget, prior to December 15, 2018, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitation which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that of the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2019. The District has reserved a portion of its December 31, 2019, year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$81,700, which is the approximate required reserve at December 31, 2019.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In May 2006, the District's electorate approved an increase to the District's annual ad valorem property tax mill levy to allow up to a total of 10 mills and approved an exemption from the TABOR limitation on revenue.

On November 6, 2018 the District's electorate approved an increase to the District's annual ad valorem property tax mill levy to allow a total of 11 mills which will be adjusted annually to offset revenue losses from refunds, abatements changes in the law or the methods of calculating the ratio of valuation for assessment with the all District revenues collected and retained notwithstanding any revenue limits from TABOR.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

C. Gallagher Amendment

In November 1982, Colorado voters approved an amendment (the "Gallagher Amendment") to Article X of the Colorado Constitution. The Gallagher Amendment sets guidelines to establish the proportionate total statewide assessed valuations for residential and non-residential property, with required adjustments to assessment rates to maintain the respective valuations for assessment such that approximately 45% of property tax collections would come from residential property and 55% to come from non-residential property. Further, the Gallagher Amendment requires that the non-residential assessment rate applied to actual values be fixed at 29% with the residential assessment rate ("RAR") to be adjusted to hold the 45% / 55% split constant. Because of the increase in residential property values in Colorado, the RAR has historically trended downward, which, in combination with TABOR's set mill levy rate, may limit the amount of property taxes the District can generate annually.

In 2017, the State Legislature lowered the RAR from 7.96% to 7.22% for the 2018 – 2019 assessment period. This caused an approximately 9.3% loss of revenue for Colorado special districts, offset by increases, if any, in property values. In 2019, the Colorado State Legislature will review new values and set a new RAR to be applied in 2020-21. A publication issued by the Colorado Legislative Council Staff on April 12, 2019 states that the Colorado Division of Property Taxation estimates a RAR of 7.15% for 2019 and 2020, which would be a 1% reduction in property tax generated, assuming property values remain constant. The election question approved in 2018, see Note III. B., allowed the District to adjust the mill levy for collection in 2020 to offset this decline.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Pursuant to its charter, the District has adopted, by ordinance, an investment policy governing the types of institutions and investments with which it may deposit funds and transact business. Under this policy, the District may invest in federally insured banks, debt obligations of the U. S. Government, its agencies and instrumentalities, governmental mutual fund, pools including 2a7-like pools, and repurchase agreements subject to policy requirements.

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of balances of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. At year end, the District had the following deposits, investments and maturities:

	Standard and Poor's Rating	Carrying amounts	Maturities	
			Less than one year	Less than five years
Deposits:				
Checking	Not rated	\$ 500,391	-	-
Investments:				
Certificates of Deposit	Not rated	1,424,000	-	1,424,000
Investment pools	AAAm	2,395,702	-	-
Total		<u>\$ 4,320,093</u>	<u>-</u>	<u>1,424,000</u>

Investments Measured at Net Asset Value

COLOTRUST	\$ 2,395,702
Total	<u>\$ 2,395,702</u>

The District's holdings in investment pools are comprised of balances with COLOTRUST, which is an investment vehicle, established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U. S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U. S. Treasury securities. The District has no regulatory oversight for the pools.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the District has limited its interest rate risk.

Credit Risk: State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would expect to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk: The District diversifies its investments by security type and institution. Investment may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding District funds must provide the District with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible depository.

B. Receivables

The District had the following receivables, net of applicable uncollectible accounts:

	General Fund
Current Receivables:	
Property taxes, net	\$ 2,613,917
Intergovernmental	30,028
Gross Receivables	2,643,945
Less: Allowance for uncollectible	-
Total per Government-wide Financial Statements	\$ 2,643,945

Governmental funds report unearned revenue in connection with receivables for inflows of resources that are not considered to be available to liquidate liabilities of the current period. Unearned revenue is comprised of the following:

	General Fund
Deferred Inflow of Resources:	
Unavailable property tax revenue	\$ 2,602,836

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 90,000	225,981	-	315,981
Total capital assets, not being depreciated	<u>90,000</u>	<u>225,981</u>	<u>-</u>	<u>315,981</u>
Capital assets, being depreciated:				
Fire stations and improvements	1,237,144	9,269	-	1,246,413
Vehicles	2,963,465	95,944	-	3,059,409
Equipment	459,688	33,814	-	493,502
Total capital assets, being depreciated	<u>4,660,297</u>	<u>139,027</u>	<u>-</u>	<u>4,799,324</u>
Less accumulated depreciation for:				
Fire stations and improvements	451,585	38,878	-	490,463
Vehicles	1,964,056	130,764	-	2,094,820
Equipment	267,239	23,348	-	290,587
Total accumulated depreciation	<u>2,682,880</u>	<u>192,990</u>	<u>-</u>	<u>2,875,870</u>
Total capital assets, being depreciated, net	<u>1,977,417</u>	<u>(53,963)</u>	<u>-</u>	<u>1,923,454</u>
Total capital assets, net	<u>\$ 2,067,417</u>	<u>172,018</u>	<u>-</u>	<u>2,239,435</u>

Depreciation expense was charged to functions of the District as follows:

Operations	\$ 192,990
	<u>\$ 192,990</u>

D. Tower Lease

On December 8, 1999, the District entered into a lease agreement with CommNet Cellular Inc. d/b/a Verizon Wireless ("Verizon") to provide Verizon a location to operate a communication tower. The agreement was amended May 29, 2013 and January 16, 2017. Effective with the second amendment, terms include rent at \$2,400 per month, continuing for five years. The agreement will automatically renew for four, five-year terms, with one-year terms following the final renewal period unless terminated per the agreement. Rent will increase by ten percent (10%) in each renewal term through the final renewal and then by two percent (2%) for one-year terms after the final renewal. For the year ended 2019, the District received rental payments of \$28,800

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-term Obligations

1. Changes in Long-term Obligations

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Pension Liability (Asset)					
Net pension liability (asset) - cost share plan	\$ (209,285)	370,649	-	161,364	-
Total pension liability (asset) - volunteer plan	831,238	142,626	-	973,864	-
Total pension liability(asset)	<u>621,953</u>	<u>513,275</u>	<u>-</u>	<u>1,135,228</u>	<u>-</u>
Compensated absences	68,363	4,536	-	72,899	-
Total	<u><u>\$ 690,316</u></u>	<u><u>517,811</u></u>	<u><u>-</u></u>	<u><u>1,208,127</u></u>	<u><u>-</u></u>

F. Interfund Activity

Transfers between funds are as follows on the fund financials:

<u>Transferred From:</u>	<u>Transferred To:</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Fund	\$ 310,000	Capital reserve funding
Impact Fee Fund	Capital Fund	<u>37,638</u>	Capital outlay
Total		<u><u>\$ 347,638</u></u>	

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

1. FPPA Statewide Defined Benefit Plan

Plan Description: The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers contributed at a rate of 10.0% and 8%, respectively of base salary for a total contribution rate of 18.0% through the measurement date December 31, 2018. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 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. 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 21.5% of base salary through 2017. It is a local decision on who pays the additional 4% contribution. Per the member 2014 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%.

Benefits: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits (continued): 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, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.7%.

A member is eligible for an early retirement after 30 years of service or at age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Net Pension (Asset) Liability: At December 31, 2019, the District's reported a net (asset) liability of \$161,364 as its proportionate share of the Plan's net pension (asset) liability. The Plan's fiduciary net position is currently exceeded by the total pension liability, resulting in a liability reported by the District. The net pension liability was measured as of December 31 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension liability was based on the District's contributions to the Plan for calendar year 2018, relative to the total contributions of participating employers to the Plan.

At December 31, 2018, The District's proportionate share was 0.127634%, compared to 0.145473% at December 31, 2017.

For the year ended December 31, 2019, the District recognized net pension expense (revenue) of \$(43,600).

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension (Asset) Liability (continued): 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	\$ 207,339	1,724
Change of assumptions or other inputs	156,276	-
Net difference between projected and actual earnings on pension plan investments	126,937	-
Changes in proportionate share of contributions	74,646	-
Difference between actual and reported contributions recognized	1,737	-
Contributions subsequent to measurement date	74,349	-
	\$ 641,284	1,724

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension (asset) liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as a component of pension expense as follows:

Year Ended December 31,	Amortization
2020	\$ 103,221
2021	76,722
2022	66,895
2023	103,811
2024	55,928
thereafter	158,634
	\$ 565,211

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions: The collective total pension liability and actuarially determined contributions in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2019	2018
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term investment Rate of Return*	7.0	7.5%
Projected Salary Increases	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and 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.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued): The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	37.00%	8.03%
Equity Long / Short	9.00%	6.45%
Illiquid Alternatives	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the 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.

Discount rate: 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).

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan (continued)

Discount rate (continued): For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (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 percent.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate: The following presents the collective net pension liability of the plan and the proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Collective net pension liability (asset)	\$ 490,270,474	\$ 126,427,453	\$(175,373,752)
Proportionate share of net pension liability (asset)	\$ 625,750	\$ 161,364	\$ (223,836)

Pension plan fiduciary net position: Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

2. Volunteer Firefighters’ Pension Plan

Plan Description: The plan, effective January 1, 1989, is a single-employer defined benefit pension plan available to provide retirement income for volunteer fire fighters in recognition of their service to the District, the plan sponsor. The plan is administered by a Board of Trustees composed of one member from the District’s Board of Directors and two volunteer firefighter members, in accordance with Colorado state statutes.

Eligibility: A volunteer firefighter must be at least 18 years-old, satisfactorily pass the probation period, volunteer forty-eight (48) hours per month and complete thirty-six (36) hours of training annually

Service: One year of duty meeting eligibility requirements as described above.

As of the April 20, 2019 actuarial report for the January 1, 2019 valuation date, the Plan includes nineteen active members, three vested, terminated members and eight retired members receiving benefits.

**Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)**

IV. Detailed Notes on All Funds (continued)

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

2. Volunteer Firefighters' Pension Plan (continued)

Funding Policy: The District contributes to the Plan based on actuarially recommended annual required contributions. The District has no funding obligation, nor has it established a trust for contributions.

Benefits: The Plan provides for a monthly retirement benefit of \$22.50 for each year of past and future service up to a maximum monthly benefit of \$450. The plan also provides for the District to be liable for the monthly retirement benefit of volunteers' service in other districts. The plan, in addition to the monthly retirement benefit, provides \$10,000 of life insurance for each volunteer. The normal retirement is at age 50 with the completion of twenty (20) years of service.

The Plan provides for early retirement in the event of disability and provides for a death benefit of \$10,000 to the beneficiary in the event of death. The volunteers become fully vested at the end of ten years of service and reaching the age of 50 (normal retirement age).

Total Volunteer Pension Liability: For the year ended December 31, 2019, the District net volunteer pension liability includes the following components:

Total volunteer pension liability	\$	973,864
Net volunteer pension liability	\$	<u>973,864</u>

For the year ended December 31, 2019, the Plan recognized the following changes in the total pension liability:

Volunteer Pension	2019
Beginning Total Pension Liability	831,238
Service cost	70,729
Interest	22,543
Difference between expected and actual experience	(54,441)
Changes of assumptions	131,373
Benefit payments and expense	<u>(27,578)</u>
Change in Total Pension Liability	142,626
Ending Total Pension Liability	<u>\$ 973,864</u>

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Volunteer Firefighters' Pension Plan (continued)

Total Volunteer Pension Liability (continued): For the year ended December 31, 2019, the District recognized expense (revenue) of \$68,716. Additionally, the following deferred outflows of resources and deferred inflows of resources related to the Plan are recognized:

Volunteer Pension related:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	39,570
Change of assumptions	114,951	47,637
	\$ 114,951	87,207

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

Year Ended December 31,	Amortization
2020	\$ 3,022
2021	3,022
2022	3,022
2023	3,022
2024	3,022
thereafter	12,634
	\$ 27,744

Actuarial Information: The total pension liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions-Volunteers	Total Pension Liability
Inflation	0.0%
Investment rate of return	2.75%*
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

* Net of pension plan investment expense, including inflation.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds (continued)

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

2. Volunteer Firefighters' Pension Plan (continued)

Sensitivity of the net pension liability to change in the discount rate: The following presents the net pension liability calculated using the discount rate of 2.75%, as well as the net pension liability if it were calculated using a discount rate that is one-percentage point lower (1.75%) or one-percentage point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Net volunteer pension liability	\$ 1,043,268	973,864	902,906

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

B. Deferred Compensation Plan – Section 457 Plan

The District offers its employees an additional voluntary deferred compensation plan created in accordance with IRC section 457 (the "457 Plan"). The plan is administrated by FPPA. The 457 Plan is available to all paid staff and permits participants to defer a portion of their salary to future years. All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The District does not contribute to the 457 Plan.

The individual participants determine investment decisions within the 457 Plan and, therefore, the 457 Plan's investment concentration varies between participants. FPPA, as Trustee of the 457 Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the 457 Plan. Consequently, the 457 Plan is not part of the District's financial statements.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

C. Statewide Death and Disability Plan

Plan Description: The Statewide Death and Disability Plan (“SWDD”) is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the SWDD may include part-time police and fire employees. Contributions to the SWDD are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the SWDD. The SWDD was established in 1980 pursuant to Colorado Revised Statutes and currently has 268 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2018, who are covered by Social Security and have elected supplementary coverage by the SWDD plan. The SWDD plan assets are included in the Fire & Police Members’ Benefit Investment Fund.

SWDD benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy: Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD. Contributions may be increased 0.1 percent biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7 percent of base salary. The contribution rate increased to 2.8 percent of base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7 percent contribution is paid entirely by the District. The District paid \$27,673 on-behalf of members to the SWDD at December 31, 2019.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

Greater Eagle Fire Protection District
Notes to the Financial Statements
December 31, 2019
(Continued)

V. Other Information (continued)

D. Defined Contribution State-wide Money Purchase Retirement Plan

The Plan: The SWMP became effective on January 1, 1995. Participants can choose from various investments selected by the Self-Directed Plan Committee pursuant to the fund structure approved by the board of directors, as well as mutual funds or other investments offered through a Self-Directed Brokerage Account.

Contributions: The contribution rate for members and the District is a minimum of 8% of covered salaries. The District contributed \$9,341 for 2019. Member contributions vest immediately and employer contributions vest at the rate of 20% per year and are fully vested after five years. As of December 31, 2019, the District had one partially vested employee participating in the SWMP. Unvested District contributions for employees who leave employment before five years are reserved in a forfeiture account to pay the administrative expenses of the Plan. Forfeitures may be carried forward from one plan year to the next for up to five years. After five years, forfeitures not used to pay the administrative expenses of the plan must be used to reduce the District's required contributions to the plan. There were no forfeitures during the year ended December 31, 2019.

E. Plan Review, Permit and Inspection Fees

The District's Fire Marshall provides plan review, permits and inspections services related to fire safety in the Towns of Eagle and Gypsum. Eagle is within the boundaries of the District. As of December 17, 2017, Gypsum and the District entered into an agreement for these services. The term of this agreement is through December 31, 2018 and is renewable for up to five additional one-year terms, unless terminated by either party.

F. 2020 Apparatus Purchase

On May 17, 2019, the District entered into a purchase agreement with Boise Mobile Equipment ("BME") for the purchase of a Type 3 engine in the amount of \$318,150. The agreement requires delivery within one year of the date of the agreement with certain exceptions allowed. Late delivery, outside of the allowed exceptions, will be subject to a \$50 per day deduction to the purchase price. Additionally, the District may cancel the purchase, at its sole discretion, at any time if it is determined to be in its best interests and convenience. As of the date of these financial statements, May 1, 2020, the delivery date is expected to be potentially extended due to the coronavirus pandemic, an allowed exception. The District anticipates a lease purchase agreement for the full purchase of the apparatus, but a lease purchase agreement has not been finalized and is anticipated to be negotiated upon establishment of the final delivery date.

REQUIRED SUPPLEMENTARY INFORMATION



Greater Eagle Fire Protection District
Schedule of District's Proportionate Share of Net Pension (Asset) Liability
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Measurement period ending December 31,	2018	2017	2016	2015	2014	2013
District's portion of the net pension (asset) liability	0.127634%	0.145473%	0.156038%	0.158319%	0.187187%	0.197674%
District's proportionate share of the net pension (asset) liability	161,364	(209,285)	56,370	(2,791)	(211,254)	-
District's covered payroll	854,950	825,175	825,175	772,688	859,175	875,338
District's proportionate share of the net pension asset as a percentage of its covered payroll	18.87%	-25.36%	6.83%	-0.36%	-24.59%	0.00%
Plan fiduciary net position as a percentage of the total pension (asset) liability	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

**Greater Eagle Fire Protection District
Schedule of District Contributions
Statewide Defined Benefit Plan
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

<u>Fiscal ending December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	74,349	68,396	66,014	66,014	61,815	68,734	70,027
Contributions in relation to the contractually required contribution	<u>(74,349)</u>	<u>(68,396)</u>	<u>(66,014)</u>	<u>(66,014)</u>	<u>(61,815)</u>	<u>(68,734)</u>	<u>(70,027)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	929,363	854,950	825,175	825,175	772,688	859,175	875,338
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014

**Greater Eagle Fire Protection District
Schedule of Changes in Total Pension Liability
Volunteer Firefighter's Pension
Last 10 Fiscal Years ***

Measurement period ending December 31,	2019	2018
Total Pension Liability, January 1st	831,238	822,176
Service cost	70,729	60,146
Interest	22,543	30,073
Difference between expected and actual experience	(54,441)	(1)
Changes of assumptions	131,373	(52,760)
Benefit payments and expense	<u>(27,578)</u>	<u>(28,396)</u>
Net Change Total Pension Liability	<u>142,626</u>	<u>9,062</u>
Total Pension Liability, December 31st	<u><u>973,864</u></u>	<u><u>831,238</u></u>

*Information is only available beginning in fiscal year 2018.

**Greater Eagle Fire Protection District
Schedule of District's Total Pension Liability
Volunteer Firefighter's Pension
Last 10 Fiscal Years ***

Measurement period ending December 31,	2019	2018
Total pension liability	973,864	831,238
District's covered payroll	N/A	N/A
Total pension liability as a percentage of covered payroll	N/A	N/A
Plan fiduciary net position as a percentage of the total pension (asset) liability**	0.00%	0.00%

*Information is only available beginning in fiscal year 2018

** No assets are accumulated in an irrevocable trust to pay pension benefits.

**Greater Eagle Fire Protection District
Notes to the Required Supplementary Information
December 31, 2019**

I. Schedule of District's Proportionate Share of the Net Pension Liability

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

No changes.

2. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

No changes.

2. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

Effective January 1, 2016, 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 occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. 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.

3. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

**Greater Eagle Fire Protection District
Notes to the Required Supplementary Information
December 31, 2019**

II. Notes to the Schedule of District Contributions

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

III. Notes to the Schedule of Changes in Total Pension Liability – Volunteer Firefighter’s Pension

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

The discount rate, 2.75%, for the rolled forward measurement at December 31, 2018 changed from the discount rate, of 3.71%, used at the measurement of January 1, 2019.

2. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

The discount rate, 3.71%, for the rolled forward measurement at December 31, 2018 changed from the discount rate, of 4.75%, used at the measurement of January 1, 2018.

B. Changes of benefit terms

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

IV. Notes to the Schedule of District’s Total Pension Liability Volunteer Firefighter’s Pension

A. Changes to assumptions or other inputs

No changes during the years presented above.

B. Changes of benefit terms

No changes during the years presented above.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented above.

SUPPLEMENTARY INFORMATION



Greater Eagle Fire Protection District
Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual
Capital Fund
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	<u>2019</u>			Final Budget Variance Positive (Negative)	<u>2018</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Grant proceeds	-	-	4,900	4,900	13,385
Investment income	27,000	27,000	35,190	8,190	33,798
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>40,090</u>	<u>13,090</u>	<u>47,183</u>
Expenditures:					
Capital outlay	211,522	211,522	168,770	42,752	193,138
Total Expenditures	<u>211,522</u>	<u>211,522</u>	<u>168,770</u>	<u>42,752</u>	<u>193,138</u>
Excess (Deficiency) of Revenues Over Expenditures	(184,522)	(184,522)	(128,680)	55,842	(145,955)
Other Financing Sources (Uses):					
Sale of capital asset	26,000	26,000	200	(25,800)	-
Transfers in	172,700	254,380	347,638	93,258	128,000
Total Other Financing Sources (Uses):	<u>198,700</u>	<u>280,380</u>	<u>347,838</u>	<u>67,458</u>	<u>128,000</u>
Net Change in Fund Balances	14,178	95,858	219,158	123,300	(17,955)
Fund Balance - January 1	<u>2,153,228</u>	<u>2,153,228</u>	<u>2,205,633</u>	<u>52,405</u>	<u>2,223,588</u>
Fund Balance - December 31	<u><u>2,167,406</u></u>	<u><u>2,249,086</u></u>	<u><u>2,424,791</u></u>	<u><u>175,705</u></u>	<u><u>2,205,633</u></u>

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

Greater Eagle Fire Protection District
Schedule of Additions, Deductions and Changes in Net Position - Budget and Actual
Pension Fund
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
Additions:					
State grant	17,334	17,334	21,724	4,390	19,564
District contribution/transfer	23,300	23,300	17,835	(5,465)	24,138
Investment income	22,000	22,000	23,565	1,565	22,393
Cash surrender of life insurance	1,050	1,050	166	(884)	3,380
Total Additions	63,684	63,684	63,290	(394)	69,475
Deductions:					
Administrative fees	1,350	1,350	1,310	40	1,290
Benefits	22,950	22,950	23,175	(225)	22,950
Life insurance premiums	4,800	4,800	3,318	1,482	4,780
Contingency	5,000	5,000	-	5,000	-
Total Deductions	34,100	34,100	27,803	6,297	29,020
Change in Net Position - Budget Basis	29,584	29,584	35,487	5,903	40,455
Net Position - January 1	794,715	794,715	797,450	2,735	756,995
Net Position - December 31	824,299	824,299	832,937	8,638	797,450

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