

**TIMBERLINE**  
**FIRE PROTECTION DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

## CONTENTS

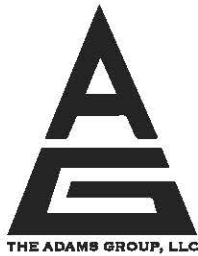
Independent Auditors' Report	2 - 3
Management's Discussion and Analysis	4 - 5
Basic Financial Statements	
Governmental Funds Balance Sheet/Statement of Net Position	6
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Net Position/Statement of Activities	7
Notes to the Financial Statements	8 - 23

## REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	24
Schedule of Changes in Net Pension Liability and Related Ratios – Volunteer Pension Trust Fund	25
Schedule of Contributions – Volunteer Pension Trust Fund	26
Schedule of the District's Proportionate Share of the Net Pension Liability – Statewide Defined Benefit Plan	27
Schedule of the District's Contributions and Related Ratios	28

## SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Replacement Fund	29
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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

Board of Directors  
Timberline Fire Protection District  
Black Hawk, Colorado

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

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

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, and the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions and Related Ratios on pages 4 through 5 and 24 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

July 21, 2020  
Denver, Colorado

*The Adams Group, LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section is the Timberline Fire Protection District's (the District) annual financial report's discussion and analysis of the District's financial performance from January 1, 2019 through December 31, 2019. Please read it in conjunction with the District's financial statements that follow this section.

The District was incorporated in April 1972 as a special district under the provisions of the Colorado Special District Act. The function of the District is to provide fire suppression, fire prevention and emergency rescue services to property and citizens within the District's jurisdiction and citizens passing through the jurisdiction with volunteer members located in rural Gilpin and Boulder Counties, Colorado.

### FINANCIAL HIGHLIGHTS

The General Fund and the Capital Fund operated slightly under budget in 2019. The District also incurred the costs of a successful de-Gallagher election in 2018 to ensure that revenues are stabilized far into the future. This election closed our Capital Fund effective January 1, 2019, the fund balance at year end was moved into the General Fund. Timberline was awarded a FEMA SAFER Grant for a full-time Recruitment and Retention Officer in late 2017, all wages and benefits for this individual are fully reimbursed via the grant.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts - management's discussion and analysis and the basic financial statements. There are two funds that make up the basic financial statements. These are the:

- General Fund
- Capital Replacement Fund

In prior years, the District has also reported the Pension Trust Fund, but no longer reports this fund as it is a component unit of the Fire and Police Pension Association (FPPA).

The General and Capital Replacement Funds are governmental funds. As noted above, the Capital Fund was closed effective January 1, 2019.

The basic financial statements include footnotes that are an integral part of the financial statements that provide detailed additional information.

The governmental fund (General Fund) provides both long-term and short-term information about the District's overall operating financial status. These statements explain how expenditures are financed and what remains for future spending. The governmental fund statements report information about the District as a whole using the modified accrual basis of accounting. The statement of net assets includes all of the government's assets and liabilities.

The governmental fund financial statements of the District are combined in the following summary. The District's services are funded primarily through property taxes levied by the District and collected by Gilpin and Boulder Counties. Property tax revenues changed slightly in 2019.

Under GASB 34, the District must report depreciation on capital assets; however, this does not require the outlay of funds. Administration expense increased slightly primarily in salaries, wages and benefits due to department staffing changes. All other expenditures were generally routine in Fire Fighting Equipment, Fire Prevention, Training, Communications, Medical, and Stations and Buildings.

## CONTACTING THE DISTRICT'S ADMINISTRATIVE OFFICE

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Administrative Office at 303-582-5768, located at Station 7, 660 Hwy 46, Gilpin County. The District's mailing address is Timberline Fire Protection District, 660 Hwy 46, Black Hawk, CO 80422. You will be put in contact with the appropriate official.

### Summary of Governmental Net Position for 2019 and 2018

	2019	2018
<u>Assets</u>		
Current and other assets	\$ 2,112,647	\$ 1,928,008
Capital assets	2,311,800	2,547,505
Total assets	4,424,447	4,475,513
<u>Deferred Outflows of Resources</u>		
Pension related deferred outflows	213,685	127,360
<u>Liabilities</u>		
Accounts payable	126	23,210
Accrued interest payable	4,367	5,751
Net pension liability	410,554	192,310
Long-term liabilities	408,351	534,475
Total liabilities	823,398	755,746
<u>Deferred Inflows of Resources</u>		
Related to pension	13,065	0
Unavailable revenue - property taxes	1,049,858	1,010,038
Net Position	\$ 2,751,811	\$ 2,837,089
<u>Net Position</u>		
Invested in capital assets	1,903,449	2,007,279
Restricted for emergencies	56,959	52,743
Unrestricted	791,403	777,067
Net Position	\$ 2,751,811	\$ 2,837,089

### Summary of Governmental Revenues and Expenditures for 2019 and 2018

	2019	2018
Property taxes	\$ 921,352	\$ 911,822
Specific ownership taxes	72,613	63,072
Intergovernmental revenues	13,770	0
Investment earnings	4,205	2,867
Contributions and grants	130,779	107,663
Miscellaneous	35,716	167,333
Total Revenues	1,178,435	1,252,757
Administration	406,638	394,266
Depreciation	344,643	340,518
Fire Fighting	24,279	136,236
Training	33,534	25,282
Communications	7,667	3,919
Repair service	148,192	164,659
Medical	81,091	80,796
Stations and buildings	92,858	59,734
Pension fund contribution	112,393	42,888
Interest	12,418	15,690
Total Expenditures	1,263,713	1,263,988
Net Change in Net Position	(85,278)	(11,231)
Net Position - beginning of year	2,837,089	2,848,320
Net Position - end of year	\$ 2,751,811	\$ 2,837,089

**TIMBERLINE FIRE PROTECTION DISTRICT**  
**GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION**

December 31,					2019
	General Fund	Capital Replacement Fund	Total	Adjustments (Note 4)	Statement of Net Position
<u>Assets</u>					
Cash and cash equivalents	\$ 1,051,283	\$ 0	\$ 1,051,283	\$ 0	\$ 1,051,283
Cash with county treasurer	11,354	0	11,354	0	11,354
Property tax receivable	1,049,858	0	1,049,858	0	1,049,858
Accounts receivable	0	0	0	0	0
Prepaid expenses	152	0	152	0	152
<u>Capital Assets:</u>					
Land	0	0	0	125,065	125,065
Building	0	0	0	811,275	811,275
Equipment	0	0	0	1,319,367	1,319,367
Water storage	0	0	0	56,093	56,093
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,311,800</u>	<u>2,311,800</u>
Total Assets	<u>\$ 2,112,647</u>	<u>\$ 0</u>	<u>\$ 2,112,647</u>	<u>\$ 2,311,800</u>	<u>\$ 4,424,447</u>
<u>Deferred Outflows of Resources</u>					
Pension related deferred outflows	0	0	0	213,685	213,685
Total deferred outflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,685</u>	<u>213,685</u>
<u>Liabilities, Deferred Inflow of Resources and Fund Balance/Net Position</u>					
<u>Liabilities</u>					
Accounts payable	\$ 126	\$ 0	\$ 126	\$ 0	\$ 126
Accrued interest payable	0	0	0	4,367	4,367
Net pension liability	0	0	0	410,554	410,554
<u>Long-term liabilities</u>					
Due within one year	0	0	0	132,682	132,682
Due in more than one year	0	0	0	275,669	275,669
Total liabilities	<u>126</u>	<u>0</u>	<u>126</u>	<u>823,272</u>	<u>823,398</u>
<u>Deferred Inflows of Resources</u>					
Pension related deferred inflows	0	0	0	13,065	13,065
Unavailable property taxes	1,049,858	0	1,049,858	0	1,049,858
Total deferred inflows of resources	<u>1,049,858</u>	<u>0</u>	<u>1,049,858</u>	<u>13,065</u>	<u>1,062,923</u>
<u>Fund Balances/Net Position</u>					
Non-spendable	152	0	152	(152)	0
Restricted	56,959	0	56,959	(56,959)	0
Unassigned	1,005,552	0	1,005,552	(1,005,552)	0
Total fund balances	<u>1,062,663</u>	<u>0</u>	<u>1,062,663</u>	<u>(1,062,663)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,112,647</u>	<u>\$ 0</u>	<u>\$ 2,112,647</u>	<u>\$ (226,326)</u>	<u>\$ 1,886,321</u>
<u>Net Position:</u>					
Investment in capital assets, net of related debt				1,903,449	1,903,449
Restricted				56,959	56,959
Unrestricted				791,403	791,403
Total Net Position				<u>\$ 2,751,811</u>	<u>\$ 2,751,811</u>

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

**TIMBERLINE FIRE PROTECTION DISTRICT**  
**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES/NET POSITION/STATEMENT OF ACTIVITIES**

For the Year Ended December 31,

	General Fund	Capital Replacement Fund	Total	Adjustments (Note 4)	2019 Statement of Activities
<b>Revenues</b>					
Taxes:					
Property taxes	\$ 921,352	\$ 0	\$ 921,352	\$ 0	\$ 921,352
Specific ownership taxes	72,613	0	72,613	0	72,613
Investment earnings	4,205	0	4,205	0	4,205
Intergovernmental revenues	13,770	0	13,770	0	13,770
Contributions and grants	130,779	0	130,779	0	130,779
Other income	31,833	0	31,833	0	31,833
Total revenues	<u>1,174,552</u>	<u>0</u>	<u>1,174,552</u>	<u>0</u>	<u>1,174,552</u>
<b>Expenditures/Expenses</b>					
Current:					
Administration	406,638	0	406,638	32,347	438,985
Fire fighting	21,042	0	21,042	315,533	336,575
Training	33,534	0	33,534	0	33,534
Communications	7,667	0	7,667	0	7,667
Repair service	148,192	0	148,192	0	148,192
Medical	81,091	0	81,091	0	81,091
Stations and buildings	92,858	0	92,858	0	92,858
Pension fund contribution	28,770	0	28,770	83,623	112,393
Debt service					
Principal	129,362	0	129,362	(129,362)	0
Interest	13,802	0	13,802	(1,384)	12,418
Capital expenditures	108,937	0	108,937	(108,937)	0
Total expenditures/expenses	<u>1,071,893</u>	<u>0</u>	<u>1,071,893</u>	<u>191,820</u>	<u>1,263,713</u>
<b>Special item</b>					
Proceeds from sale of asset	3,883	0	3,883	\$ 0	3,883
Excess (deficiency) of revenue over (under) expenditures	106,542	0	106,542	(106,542)	0
Other financing sources (uses)					
Operating transfers in (out)	111,215	(111,215)	0	0	0
Change in fund balance	217,757	(111,215)	106,542	(106,542)	0
Change in net position				(85,278)	(85,278)
Fund balances/Net position					
Beginning of the year	844,906	111,215	956,121		2,837,089
End of the year	<u>\$ 1,062,663</u>	<u>\$ 0</u>	<u>\$ 1,062,663</u>	<u>\$ 0</u>	<u>\$ 2,751,811</u>

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

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Timberline Fire Protection District (the District) is an independent local governmental unit incorporated under the laws of the State of Colorado and organized under a charter and governed by an elected board of directors to provide volunteer fire protection and emergency services within the boundaries of the District in Boulder and Gilpin counties in Colorado. High Country Fire Protection District changed its name to Timberline Fire Protection District on April 1, 2011. Pursuant to an election and intergovernmental agreement, the Colorado Sierra Fire Protection District (Sierra) and the Timberline Fire Authority (Authority) merged into the Timberline Fire Protection District. This also occurred on April 1, 2011.

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

Definition of reporting entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the exercise of oversight responsibility by a governmental unit's elected officials as the basic criterion for including a possible component governmental agency in a governmental unit's reporting entity. Oversight responsibility includes, but is not limited to, selection of governing authority, ability to significantly influence operations, financial interdependency and accountability for fiscal matters.

The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, interfund activity is eliminated from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements. (i.e., the governmental funds balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balances.)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses governmental funds and a fiduciary fund.

Governmental funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources of funds and uses the balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Capital Replacement Fund – The capital replacement fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. This fund was discontinued January 1, 2019.

Revenues – Exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, interest income is considered to be susceptible to accrual.

Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and non-exchange transactions (Continued)

have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expense/expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budgets

In accordance with the Colorado Budget Law, the District's Board of Directors holds public hearings in the Fall each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Budgets for the governmental fund types are adopted on a basis consistent with U.S. generally accepted accounting principles. For the year ended December 31, 2019, the Timberline Fire Protection District approved its 2019 budget in the Fall of 2018. This is in accordance with Colorado Budget Law.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Prepaid Expenses

Expenditures for insurance premiums on policies extending over more than one accounting period are amortized over the policy period.

Interfund receivables/payables

Activity between funds that represent lending/borrowing arrangements are reported as due to/due from other funds. All interfund receivables/payables are expected to be liquidated within the next fiscal year.

Capital assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation is provided over the estimated useful lives using the straight-line method.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes

Property taxes are levied by December 15, on assessed valuation as of August 25 of each year and attach as an enforceable lien on January 1 of the following year. These taxes are due in full by April 30; however, they are not delinquent if paid in installments by February 28, and June 15. Taxes become delinquent after those dates and are subject to interest charges.

Property owners within the boundaries of the District have been assessed \$1,049,858 in taxes for 2020. Since these taxes are levied for operations during 2020, the taxes are classified as deferred inflows. Taxes are collected and remitted to the District by the Treasurer's office of Boulder and Gilpin Counties.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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. Accordingly, the item, *unavailable revenue*, is reported for taxes levied in the current year but collected or remitted to the District in the next fiscal period.

Capital leases

Leasing agreements, for which the economic substance is a financing arrangement, are recorded as capital leases. Accordingly, where the District is the lessee, the asset and corresponding obligation are recorded in the District's financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Fund balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted funds include amounts restricted for TABOR emergencies (\$32,610) and for water storage projects (\$24,349).

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of District's Board. The Board is the highest level of decision-making body for the district. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2019, the District has no committed funds.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance (Continued)

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. There are no assigned funds as of December 31, 2019.

*Unassigned* – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Tax, spending, and debt limitations

TABOR establishes revenue and spending limits, and imposes other specific requirements on state and local governments. In May 1998, the District's voters approved changes that reduced certain limits imposed by TABOR. As a result, the District is permitted to retain all revenues from all resources. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and volunteers and natural disasters. It carries commercial insurance coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

The Board of Directors and the Volunteer Firefighters volunteer their time and perform a variety of tasks that assist the District in its operations. No amounts have been reflected in the financial statements for such services.

NOTE 2 - CASH AND INVESTMENTS

The District has adopted Governmental Accounting Standards Board Statement No. 40, Deposits and Investment Risk Disclosure (GASB 40). GASB 40 established and modifies disclosure requirements related to investment risks including credit risk (custodial credit risk and concentrations of credit risk), interest rate risk and foreign currency risk.

The District maintains its investments and deposits with financial institutions in accordance with state statutes for the investment of public funds. Deposits are stated at cost, which approximates market value.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

A summary of deposits and investments at December 31, 2019, follows:

Checking – interest bearing	\$ 149,029
Investments	<u>902,254</u>
Total cash and investments	<u>\$ 1,051,283</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2019, the carrying amount and bank balance of the District's deposits were \$149,029 and \$171,665. Of the bank balances, \$171,665 was covered by FDIC insurance and \$0 was covered by the PDPA.

Investments

The District invests funds in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"). As an investment pool, it operates under the Colorado Revised Statutes (24-75-601.1). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (related A1 to better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00. The State Securities Commissioner administers and enforces all State statutes governing this pool. This fund is rated AAAM by Standard and Poor's Corporation.

*Interest Rate Risk* - Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The District has interest rate risk related to its investments in COLOTRUST. At December 31, 2019, COLOTRUST portfolio had a weighted average maturity of 55 to reset and 80 days to maturity, with an average year-to-date yield of 1.56%. At December 31, 2019 the net asset value (NAV) was 1.00011928. The COLOTRUST does not have any unfunded commitments, redemptions restrictions or redemption notice periods.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in general fixed assets during 2019:

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Capital assets, not being depreciated:				
Land	\$ 125,065	\$ 0	\$ 0	\$ 125,065
Capital assets, being depreciated:				
Building	1,457,673	15,794	0	1,473,467
Equipment	3,575,654	93,143	0	3,668,797
Water storage	<u>152,737</u>	<u>0</u>	<u>0</u>	<u>152,737</u>
Totals fixed assets	<u>5,186,064</u>	<u>108,937</u>	<u>0</u>	<u>5,295,001</u>
Accumulated depreciation:				
Building	629,845	32,347	0	662,192
Equipment	2,043,244	306,186	0	2,349,430
Water storage	90,534	6,110	0	96,644
Total depreciation	<u>2,763,623</u>	<u>344,643</u>	<u>0</u>	<u>3,108,266</u>
Net Fixed Assets	<u>2,422,441</u>	<u>(235,706)</u>	<u>0</u>	<u>2,186,735</u>
Total	<u>\$2,547,506</u>	<u>\$ (235,706)</u>	<u>\$ 0</u>	<u>\$2,311,800</u>

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

Administration	\$ 32,347
Fire fighting	<u>312,296</u>
	<u>\$ 344,643</u>

NOTE 4 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds and the government-wide statement of net position and statement of activities follows:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Also, current year additions are an expenditure in the funds, but are capitalized and depreciated over their respective useful lives in the statement of net position. As a result, \$2,311,800 was adjusted to increase capital assets in the statement of net position, and \$108,937 was adjusted to decrease current year expenditures in the statement of activities. An adjustment was also made to record current year depreciation of \$344,643 in the statement of activities. An adjustment was made to record the capital lease payable net of principal payments and accrued interest payable. A final adjustment was made to record a net pension asset and a net pension related deferred outflow for the District's pension plan.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS

The District maintains the following separately administered pension plans:

Plan Name	Plan Type
Volunteer Firefighters' Pension Plan	Agent multiple-employer defined benefit
Statewide Defined Benefit Plan	Cost-sharing multiple-employer defined benefit plan
Statewide Hybrid Plan-Defined Benefit Component	Cost-sharing multiple-employer defined benefit plan

The defined benefit plans are administered by the Fire and Police Pension Association of Colorado ("FPPA"). It is reported in the FPPA comprehensive annual financial report (CAFR). The CAFR of the FPPA may be obtained by contacting FPPA at 5290 DTC parkway, Suite 100, Greenwood Village, Colorado 80111-2721.

Volunteer Firefighters' Pension Plan

Plan Description - The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statute.

Benefits Provided - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a full benefit monthly pension of \$200. Any firefighter who has completed ten to twenty years of active service shall be eligible for a benefit of \$10 for each year served. The Volunteer Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter.

Spouses of deceased firefighters receive benefits equal to one-half those of a firefighter. Benefits are determined by the Volunteer Firefighter Pension Board.

State of Colorado Fire and Police Pension Association-Defined Benefit Plan

Plan Description - The District contributes to the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the FPPA for the District's paid permanent staff.

The SWDB provides retirement benefits for member and beneficiaries. Death and disability coverage are provided for plan members through the Statewide Death and Disability Plan, which is also administered by the FPPA. All paid permanent firefighters are members of the Statewide Death and Disability Plan.

Plan Benefits - The benefits requirements of plan members and the District are established by State statute. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary of each of the credited service up to ten years, plus 2.5% of 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% or the Consumer Price Index.

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

*Plan Contributions* - Contribution rates for the SWDB plan are set by State statute. Employer contribution rates can only be amended by State statute. Member contribution rates can be amended by State statute or election of the membership.

The contribution rate is 9% of covered salary for all plan members and 8% for the District. Beginning 2015, member contribution rates will increase 0.5% annually through 2022 to a total of 12% percent of base salary. The Districts contribution will remain at 8% resulting in a combined rate of 20% in 2022.

The Districts contributions to the Volunteer Plan and the SWDB plan were \$15,000 and 12,260, respectively, for the year ended December 31, 2019.

*All Defined Benefit Plans*

Employees Covered by Benefit Terms- Employee membership data related to the Volunteer Plan, as of January 1, 2019 was as follows:

Retirees and beneficiaries currently receiving benefits	56
Terminated employees entitled to but not yet receiving	2
Active plan members	<u>7</u>
Total	<u><u>65</u></u>

Pension Assets and Liabilities - At December 31, 2019, the Volunteer Plan reported a net pension liability of \$369,959. 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.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

At December 31, 2019, the District reported a net pension liability of \$40,595 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the District's proportion was 0.0321%, which was an increase of 0.0119% from its proportion measured as of December 31, 2017.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2019, the District recognized expense of \$92,115 related to the Volunteer Plan and pension revenue of \$8,492 related to the SWDB.

In addition, the District reported deferred outflows of resources and deferred inflows of resources from the following sources for each plan:

	Deferred Outflow of Resources	Deferred Inflow of Resources
<b>Volunteer Plan</b>		
Net difference between projected and actual earnings on Plan investments	\$ 63,014	\$ 0
Change in assumptions	0	0
Difference between expected and actual experience	0	0
District contributions subsequent to the measurement date	15,000	0
Total	\$ 78,014	\$ 0
<b>SWDB</b>		
Differences between expected and actual experience	\$ 52,161	\$ 434
Changes in assumptions	39,316	0
Net difference between projected and actual earnings on Plan investments	31,934	0
Changes in proportion and differences between District contributions and proportionate share of contributions	0	12,631
District contributions subsequent to the measurement date	12,260	0
Total	\$ 135,671	\$ 13,065

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

The District's contributions subsequent to the measurement date, \$15,000 for the Volunteer Plan and \$12,260 for SWDB plan will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

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

<u>Year ending December 31:</u>	<u>Volunteer Plan</u>	<u>SWDB</u>
2020	\$ 28,192	\$ 22,650
2021	8,870	15,984
2022	1,725	13,511
2023	24,227	22,799
2024	0	10,752
Thereafter	0	24,650
Total	<u>\$ 63,014</u>	<u>\$ 110,346</u>

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows. For the Volunteer Plan the inflation rate was changed from 3% and the mortality tables for the January 1, 2019 valuation. Beginning January 1, 2019, the mortality tables for the SWDB and SWH were also changed.

	<u>Volunteer Plan</u>	<u>Total Pension Liability</u>	<u>SWDB Actuarial Determined Contributions</u>
Measurement date	December 31, 2018	December 31, 2018	December 31, 2018
Actuarial valuation date	January 1, 2019	January 1, 2019	January 1, 2018
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open	N/A	Level % of Payroll, Open
Remaining amortization period	20 years	N/A	30 years
Asset valuation method	5 year smoothed market	N/A	N/A
Inflation	2.50%	2.50%	2.50%
Salary increases	N/A	4.25% - 11.25%	4.0% - 14.0%
Investment rate of return	7.00%	7.00%	7.50%

Volunteer Plan Mortality

**Pre-retirement:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality.

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

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

SWDB Plan Mortality

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

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

For both plans, the long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following tables:

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

Volunteer Plan		
Asset Class	Target Allocation	Long-Term Expected Nominatl Rate of Return
Cash	2%	2.52%
Fixed Income	15%	2.90%
Managed Futures	4%	5.35%
Absolute Return	9%	5.08%
Equity Long/Short	9%	6.45%
Global Equity	37%	8.03%
Private Markets	24%	10.00%
Total	<u>100%</u>	

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

*Discount Rate* – For the purpose of the valuation for the Volunteer Plan, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71%, resulting in a single discount rate of 7.00%. The discount rate used to measure the total pension liability was 7.00% for the SWDB plan. For the SWDB plan, 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 rate based on the FPPA Board’s funding policy.

Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in District’s Net Pension Liability* - Changes in the District’s net pension liability for the Volunteer Plan for the year ended December 31, 2019 were as follows, based on a measurement date of December 31, 2018:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liabilities
	[a]	[b]	[a]-[b]
<u>Volunteer Plan</u>			
Balance, December 31, 2018	\$ 1,917,685	\$ 1,725,375	\$ 192,310
Changes for the year:			
Service cost	9,048	0	9,048
Interest	137,847	0	137,847
Net investment income	0	2,145	(2,145)
Contributions - employer	0	20,000	(20,000)
Benefit payments including refunds of employee contributions	(171,443)	(171,443)	0
Difference between expected and actual experience of Total Pension Liability	(30,341)	0	(30,341)
Changes in assumptions	68,613	0	68,613
Administrative expense	0	(14,627)	14,627
State of Colorado supplemental discretionary payment	0	0	0
Net changes	13,724	(163,925)	177,649
Balance, December 31, 2019	<u>\$ 1,931,409</u>	<u>\$ 1,561,450</u>	<u>\$ 369,959</u>

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following presents the District's net pension liability or the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	6.0%	\$ 543,259
1% decrease	6.0%	\$ 543,259
Current discount rate	7.0%	369,959
1% increase	8.0%	221,250

NOTE 6 - LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities	\$ 537,713	\$ 0	\$ 129,362	\$ 408,351	\$ 132,682

The activity of the District's long-term obligations is as follows:

Capital Leases

On January 30, 2013, the District entered into a capital lease obligation to five pumpers valued at \$1,908,554. The District sold existing equipment as part of the planned rotation of equipment and financed the remaining \$1,262,886. The lease is on an annual basis for 10 years with payments of \$143,163, due August 1st, consisting of principal and interest, with a rate of 2.567%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases as of December 31, 2019 are as follows:

Equipment	\$ 1,908,554
Less accumulated depreciation	(1,240,559)
Total	\$ 667,995

The lease purchase agreements do not constitute general obligation debts of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, are as follows:

	Governmental Activities
2020	\$ 132,682
2021	136,088
2022	139,581
Total capital lease obligation	\$ 408,351

NOTE 7 - NEW ACCOUNTING PRONOUNCEMENTS

In May 2020, GASB issued Statement No. 95 Postponement of Effective Date of Certain Authoritative Guidance to provide temporary relief to governments and stakeholders in light of the COVID-19 pandemic (see Note 7). The following effective dates have been postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update - 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update - 2019
- Implementation Guide No. 2019-2, Fiduciary Activities

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

TIMBERLINE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 - SUBSEQUENT EVENT

*Global COVID-19 Pandemic*

The 2020 outbreak of COVID-19 has been declared a pandemic and has spread to multiple global regions. The impact of this pandemic has been extensive in many aspects of society, which has resulted in significant disruptions to the global economy. In an effort to halt the outbreak of COVID-19, many governments around the world have encouraged or required that people only leave their home for essential tasks and many businesses have announced closures. This may have a negative impact on the District, the magnitude and duration of which is uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

TIMBERLINE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GENERAL FUND

For the Years Ended December 31,

2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes:			
Property taxes	\$ 919,698	\$ 921,352	\$ 1,654
Specific ownership taxes	40,500	72,613	32,113
Investment earnings	1,000	4,205	3,205
Intergovernmental revenues	0	13,770	13,770
Contribution and grants	116,044	130,779	14,735
Miscellaneous	24,257	31,833	7,576
	<u>1,101,499</u>	<u>1,174,552</u>	<u>73,053</u>
Total revenues			
Expenditures			
Current:			
Administration	447,324	406,638	40,686
Fire fighting	35,000	21,042	13,958
Training	35,000	33,534	1,466
Communications	5,000	7,667	(2,667)
Repair service	168,093	148,192	19,901
Medical	92,094	81,091	11,003
Stations and buildings	67,982	92,858	(24,876)
Pension fund contributions	15,000	28,770	(13,770)
Debt service			
Principal	129,362	129,362	0
Interest	13,802	13,802	0
Capital outlay	92,842	108,937	(16,095)
	<u>1,101,499</u>	<u>1,071,893</u>	<u>29,606</u>
Total expenditures			
Special item			
Proceeds from sale of asset	0	3,883	3,883
	<u>0</u>	<u>3,883</u>	<u>3,883</u>
Excess (deficiency) of revenue over (under) expenditures	0	106,542	47,330
Other financing sources (uses) operating transfers in	0	111,215	111,215
	<u>0</u>	<u>111,215</u>	<u>111,215</u>
Net change in fund balances	<u>\$ 0</u>	217,757	<u>\$ 158,545</u>
Fund balances – January 1		844,906	
Fund balances – December 31		<u>\$ 1,062,663</u>	

TIMBERLINE FIRE PROTECTION DISTRICT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
VOLUNTEER PENSION TRUST FUND  
LAST 10 FISCAL YEARS\*

Measurement period ending December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 9,048	\$ 9,048	\$ 16,736	\$ 16,736	\$ 21,725
Interest	137,847	139,440	119,977	120,768	117,944
Benefit changes	0	0	222,964	0	115,215
Differences between expected and actual experience	(30,341)	0	2,491	0	(79,054)
Changes of assumptions	68,613	0	65,641	0	0
Benefit payments including refunds of employee contributions	(171,443)	(168,096)	(161,072)	(135,505)	(135,921)
Net changes	13,724	(19,608)	266,737	1,999	39,909
Total pension liability-beginning	1,917,685	1,937,293	1,670,556	1,668,557	1,628,648
Total pension liability-ending	<u>\$ 1,931,409</u>	<u>\$ 1,917,685</u>	<u>\$ 1,937,293</u>	<u>\$ 1,670,556</u>	<u>\$ 1,668,557</u>
Plan Fiduciary Net Position					
Net investment income	\$ 20,000	\$ 230,521	\$ 86,515	\$ 28,455	\$ 115,299
Contributions - employer	2,145	15,300	15,300	17,837	15,300
Benefit payments including refunds of employee contributions	(171,443)	(168,096)	(161,072)	(135,505)	(135,921)
Administrative expense	(14,627)	(15,078)	(2,872)	(1,200)	(3,025)
State contributions	0	13,770	16,053	13,770	41,220
Net changes	(163,925)	76,417	(46,076)	(76,643)	32,873
Plan fiduciary net position-beginning	1,725,375	1,648,958	1,695,034	1,771,677	1,738,804
Plan fiduciary net position-ending	1,561,450	1,725,375	1,648,958	1,695,034	1,771,677
Net pension liability/(asset)-ending	<u>\$ 369,959</u>	<u>\$ 192,310</u>	<u>\$ 288,335</u>	<u>\$ (24,478)</u>	<u>\$ (103,120)</u>
Plan fiduciary net position as a percentage of total pension liability	80.85%	89.97%	85.12%	101.47%	106.18%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

\*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
VOLUNTEER PENSION TRUST FUND  
LAST 10 FISCAL YEARS\*

Fiscal year ending December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 32,541	\$ 32,541	\$ 6,032	\$ 6,032	\$ 15,179
Actual contribution	<u>15,000</u>	<u>20,000</u>	<u>29,070</u>	<u>31,353</u>	<u>31,607</u>
Contribution excess (deficit)	<u>\$ (17,541)</u>	<u>\$ (12,541)</u>	<u>\$ 23,038</u>	<u>\$ 25,321</u>	<u>\$ 16,428</u>
 Covered payroll	 N/A	 N/A	 N/A	 N/A	 N/A
 Actual contribution as a percentage of covered employee payroll	 N/A	 N/A	 N/A	 N/A	 N/A

\*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION  
LIABILITY  
STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability	0.03210%	0.02010%	0.0115%	0.0173%	0.0237%	0.0372%
District's proportionate share of the collective net pension liability (asset)	\$ 40,595	\$ (28,979)	\$ 4,140	\$ 306	\$ 26,716	\$ 33,281
Covered-employee payroll	\$ 152,425	\$ 152,425	\$ 152,425	\$ 152,425	\$ 84,025	\$ 106,450
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	26.63%	(19.01%)	2.72%	0.20%	31.80%	31.26%
Plan fiduciary net pension as a percentage of the total pension liability	99.85%	106.30%	98.21%	100.10%	106.80%	105.80%

\*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS  
LAST 10 FISCAL YEARS\*

Fiscal year ending December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 15,000	\$ 12,194	\$ 12,194	\$ 12,194	\$ 29,070	\$ 56,520	\$ 80,500
Contributions in relation to the statutorily required contributions	<u>17,222</u>	<u>12,194</u>	<u>12,194</u>	<u>12,194</u>	<u>31,607</u>	<u>56,520</u>	<u>86,300</u>
Contribution deficit (excess)	<u>\$ 2,222</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,537)</u>	<u>\$ 0</u>	<u>\$ (5,800)</u>
Covered payroll	\$ 187,500	\$ 152,425	\$ 152,425	\$ 152,425	\$ 84,025	\$ 106,450	\$ 161,663
Contribution as a percentage of covered payroll	8%	8%	8%	8%	8%	8%	8%

\*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

## **SUPPLEMENTARY INFORMATION**

TIMBERLINE FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
CAPITAL REPLACEMENT FUND

For the Year Ended December 31,	2019		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 0	\$ 0	\$ 0
Grant	0	0	0
Intergovernmental revenues	0	0	0
Other income	0	0	0
Investment earnings	0	0	0
Total revenues	0	0	0
<u>Expenditures</u>			
Capital outlay	0	0	0
Debt service			
Principal	0	0	0
Interest	0	0	0
Current:			
Fire fighting	0	0	0
Administration	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenue over (under) expenditures	\$ 0		\$ 0
Other financing sources (uses) operating transfers out	0	(111,215)	(111,215)
Fund balances – January 1		111,215	
Fund balances – December 31		\$ 0	