

LARKSPUR FIRE PROTECTION DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS
December 31, 2019

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Independent Auditor's Report

Board of Directors
Larkspur Fire Protection District
Douglas County, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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 Larkspur Fire Protection District, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability/(Asset) – Fire and Police Pension Association – Statewide Defined Benefit Plan on page 30, the Schedule of District Contributions – Fire and Police Pension Association – Statewide Defined Benefit Plan on page 31, the Schedule of Changes in Net Pension Liability/(Asset) – FPPA - Volunteer Firefighters' Pension Plan on page 32, the Schedule of District Contributions – FPPA - Volunteer Firefighters' Pension Plan on page 33, and the Schedule of Net Pension Liability – FPPA – Volunteer Firefighters' Pension Plan on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 9, 2020

BASIC FINANCIAL STATEMENTS

LARKSPUR FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2019

ASSETS

Cash deposits - Unrestricted	\$ 1,761,234
Cash deposits - Restricted	73,009
Receivable from County Treasurer	24,605
Accounts receivable - Net of allowance for uncollectible accounts of \$216,056	72,019
Property tax receivable	3,012,879
Lease receivable	130,900
Intergovernmental receivable	169,065
Prepaid expenses	97,898
Capital assets, not being depreciated	167,671
Capital assets, being depreciated, net of accumulated depreciation	3,493,235
Total assets	9,002,515

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	763,712
Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	190,372
Total deferred outflows of resources	954,084

LIABILITIES

Accounts payable	11,602
Interest payable	4,761
Compensated absences	75,827
Long-term liabilities:	
Due within one year	218,994
Due in more than one year	1,399,215
Net pension liability - FPPA Statewide Defined Benefit Plan	203,227
Net pension liability - FPPA Volunteer Firefighters' Pension	663,105
Total liabilities	2,576,731

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	3,012,879
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	2,171
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	61,812
Total deferred inflows of resources	3,076,862

NET POSITION

Net investment in capital assets	2,042,697
Restricted for emergencies	96,500
Restricted for debt service	69,792
Unrestricted	2,094,017
Total net position	\$ 4,303,006

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

**LARKSPUR FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Public safety	\$ 2,964,948	\$ 232,242	\$ 30,105	\$ (2,702,601)
Interest and fiscal charges	62,246	-	-	(62,246)
Total	<u>\$ 3,027,194</u>	<u>\$ 232,242</u>	<u>\$ 30,105</u>	<u>(2,764,847)</u>

General revenues:

Taxes:	
Property taxes	2,703,872
Specific ownership taxes	271,450
Investment earnings	7,835
Deployment payments	172,411
Other	28,992
Insurance proceeds	116,220
Total general revenues	<u>3,300,780</u>
Change in net position	535,933
Net position - Beginning of year	3,767,073
Net position - End of year	<u>\$ 4,303,006</u>

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

**LARKSPUR FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash deposits - Unrestricted	\$ 1,761,234	\$ -	\$ -	\$ 1,761,234
Cash deposits - Restricted	-	73,009	-	73,009
Receivable from County Treasurer	24,605	-	-	24,605
Accounts receivable, net of allowance for uncollectible accounts of \$216,056	72,019	-	-	72,019
Property tax receivable	2,723,799	289,080	-	3,012,879
Lease receivable	130,900	-	-	130,900
Due from other funds	63,141	1,544	-	64,685
Intergovernmental receivable	169,065	-	-	169,065
Prepaid expenditures	97,898	-	-	97,898
TOTAL ASSETS	<u>\$ 5,042,661</u>	<u>\$ 363,633</u>	<u>\$ -</u>	<u>\$ 5,406,294</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 11,602	\$ -	\$ -	\$ 11,602
Due to other funds	-	-	64,685	64,685
Total liabilities	<u>11,602</u>	<u>-</u>	<u>64,685</u>	<u>76,287</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	2,723,799	289,080	-	3,012,879
Deferred revenue - lease	130,900	-	-	130,900
Total deferred inflows of resources	<u>2,854,699</u>	<u>289,080</u>	<u>-</u>	<u>3,143,779</u>
FUND BALANCES (DEFICIT)				
Nonspendable for prepaid items	97,898	-	-	97,898
Restricted for emergencies	96,500	-	-	96,500
Restricted for debt service	-	74,553	-	74,553
Unassigned	1,981,962	-	(64,685)	1,917,277
Total fund balances	<u>2,176,360</u>	<u>74,553</u>	<u>(64,685)</u>	<u>2,186,228</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,042,661</u>	<u>\$ 363,633</u>	<u>\$ -</u>	<u>\$ 5,406,294</u>

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

**LARKSPUR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2019**

Total Governmental Fund Balances	<u>\$ 2,186,228</u>
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements. However, in the Statement of Net Position, the cost of these items are capitalized and expensed over their estimated lives through annual depreciation expense.</p>	
Capital assets, net of accumulated depreciation	<u>3,660,906</u>
<p>Revenue deferred in the funds because it is not available to pay for current period expenditures is earned in the government-wide statements.</p>	
	<u>130,900</u>
<p>Liabilities, including bonds, leases, compensated, accrued interest and a net pension obligation are not due in the current period and therefore are not reported in the governmental funds.</p>	
Bonds payable and bond premium - due in one year	(218,994)
Bonds payable and bond premium - due in more than one year	(1,399,215)
Accrued interest payable	(4,761)
Compensated absences	(75,827)
Net pension liability - FPPA Statewide Defined Benefit Plan	(203,227)
Net pension liability - FPPA Volunteer Firefighters' Pension	(663,105)
	<u>(2,565,129)</u>
<p>Pension-related deferred inflows and outflows of resources are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	(2,171)
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	(61,812)
Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	763,712
Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	190,372
	<u>890,101</u>
Net position - governmental activities	<u><u>\$ 4,303,006</u></u>

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

LARKSPUR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT) - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 2,414,060	\$ 289,812	\$ -	\$ 2,703,872
Specific ownership taxes	271,450	-	-	271,450
Net investment income	7,338	497	-	7,835
Service fees	375,888	-	-	375,888
Uncollectible service fees	(119,510)	-	-	(119,510)
Deployment payments	215,217	-	-	215,217
Lease payments	12,000	-	-	12,000
Grants	4,905	-	9,200	14,105
Special events and other	28,992	-	-	28,992
Total revenues	<u>3,210,340</u>	<u>290,309</u>	<u>9,200</u>	<u>3,509,849</u>
EXPENDITURES				
Current				
Fire administration	160,742	-	-	160,742
Wages and benefits	2,084,690	-	-	2,084,690
Volunteers	70,000	-	-	70,000
Communications	67,920	-	-	67,920
Training and prevention	18,221	-	-	18,221
Fleet	104,118	-	-	104,118
Operational equipment	22,935	-	-	22,935
Emergency management services	46,799	-	-	46,799
Physical properties	190,943	-	-	190,943
Capital Outlay - capitalized and non-capitalized	-	-	32,550	32,550
Debt service	-	269,485	-	269,485
Total expenditures	<u>2,766,368</u>	<u>269,485</u>	<u>32,550</u>	<u>3,068,403</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	<u>443,972</u>	<u>20,824</u>	<u>(23,350)</u>	<u>441,446</u>
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	116,220	-	-	116,220
Total other financing sources (uses)	<u>116,220</u>	<u>-</u>	<u>-</u>	<u>116,220</u>
NET CHANGE IN FUND BALANCE	560,192	20,824	(23,350)	557,666
FUND BALANCE - BEGINNING OF YEAR	1,616,168	53,729	(41,335)	1,628,562
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,176,360</u>	<u>\$ 74,553</u>	<u>\$ (64,685)</u>	<u>\$ 2,186,228</u>

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

**LARKSPUR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds excess of revenues over expenditures and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balances - Total governmental funds	<u>\$ 557,666</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Donated capital assets	16,000
Depreciation	(188,647)
	<u>(172,647)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenue	<u>(78,942)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	5,074
Accrued interest on long-term debt - Change in liability	666
Amortization of deferred loss on refunding	(3,366)
Pension income - FPPA Statewide Defined Benefit Plan	49,832
Pension expense - FPPA Volunteer Firefighters' Pension	(32,289)
	<u>19,917</u>
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position as the issuance of long-term debt increases liabilities and the repayment of long-term debt reduces liabilities in the statement of net position.	
Principal payment - bonds	200,000
Amortization of bond premium	9,939
	<u>209,939</u>
Change in net position	<u><u>\$ 535,933</u></u>

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

**LARKSPUR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Property taxes	\$ 2,414,319	\$ 2,414,060	\$ (259)
Specific ownership taxes	170,000	271,450	101,450
Net investment income	3,000	7,338	4,338
Grants	3,000	4,905	1,905
Service fees	190,000	375,888	185,888
Uncollectible service fees	-	(119,510)	(119,510)
Deployment payments	120,000	215,217	95,217
Lease payments	-	12,000	12,000
Special events and other	25,000	28,992	3,992
Total revenues	<u>2,925,319</u>	<u>3,210,340</u>	<u>285,021</u>
EXPENDITURES			
<i>Fire administration</i>			
Audit	9,000	8,500	500
Bank charges/fees	4,000	376	3,624
Bookkeeping/payroll	5,500	4,428	1,072
Consulting fees	-	-	-
County Treasurer's collection fees	37,000	36,213	787
Directors' fees	4,500	4,125	375
Dues/memberships	7,000	3,705	3,295
Election	8,500	-	8,500
Grant expenditures	-	-	-
Insurance	110,000	92,109	17,891
Legal fees	4,000	1,615	2,385
Office supplies	7,800	6,229	1,571
Miscellaneous	-	65	(65)
Morale and welfare	5,000	2,825	2,175
Wildland deployments	-	552	(552)
Total fire administration	<u>202,300</u>	<u>160,742</u>	<u>41,558</u>
<i>Wages and Benefits</i>			
Wages	1,626,000	1,648,358	(22,358)
Benefits	491,500	436,332	55,168
Total wages and benefits	<u>2,117,500</u>	<u>2,084,690</u>	<u>32,810</u>
<i>Volunteers</i>			
Incentive award program	10,000	8,000	2,000
Contribution to Firemen's Pension Fund	62,000	62,000	-
Total volunteers	<u>72,000</u>	<u>70,000</u>	<u>2,000</u>
<i>Communications</i>			
Communications/dispatch	28,000	19,894	8,106
IT/software maintenance	25,000	35,370	(10,370)
Telephone	4,000	2,710	1,290
Internet	5,000	5,592	(592)
Cable expense	1,100	928	172
Cellular	5,000	3,426	1,574
Pager service	-	-	-
DCSO Radio subscriber fee	-	-	-
DCSO Radio maintenance	1,000	-	1,000
Total communications	<u>69,100</u>	<u>67,920</u>	<u>1,180</u>

(Continued)

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

**LARKSPUR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
(Continued)			
<i>Training and prevention</i>			
Fire/Life Safety/Mitigation education	1,000	2,950	(1,950)
Fire prevention equipment and supplies	3,000	2,926	74
Firefighter/Medical/Wildland training	24,000	10,525	13,475
Renewals	-	720	(720)
New certificates	-	1,100	(1,100)
Total training and prevention	<u>28,000</u>	<u>18,221</u>	<u>9,779</u>
<i>Fleet</i>			
Fuel - Fire/EMS/Admin.	27,000	19,102	7,898
Repairs and maintenance - Fire/EMS/Admin.	84,000	81,625	2,375
Wildland	11,000	3,391	7,609
Capital outlay	-	-	-
Total fleet	<u>122,000</u>	<u>104,118</u>	<u>17,882</u>
<i>Operational equipment</i>			
Firefighter supplies	8,400	11,047	(2,647)
SCBA	5,000	5,646	(646)
Equipment repairs and maintenance	3,000	388	2,612
PPE/Bunker gear	17,500	32	17,468
Wildland equipment and supplies	3,000	2,697	303
PILT grant expenses	-	3,125	(3,125)
Total operational equipment	<u>36,900</u>	<u>22,935</u>	<u>13,965</u>
<i>Emergency Management Services</i>			
Equipment repairs and maintenance	500	320	180
Medical equipment	4,500	2,952	1,548
Medical supplies	21,000	25,782	(4,782)
Ambulance licenses	375	375	-
Ambulance outside services/billing	24,000	17,113	6,887
Community/First Aid	1,500	257	1,243
Total emergency management services	<u>51,875</u>	<u>46,799</u>	<u>5,076</u>
<i>Physical properties</i>			
Utilities	43,450	38,680	4,770
Building repairs and maintenance	37,000	150,741	(113,741)
Building supplies	3,900	1,522	2,378
Total physical properties	<u>84,350</u>	<u>190,943</u>	<u>(106,593)</u>
Contingency	140,000	-	140,000
Total expenditures	<u>2,924,025</u>	<u>2,766,368</u>	<u>157,657</u>
EXCESS OF REVENUE (UNDER) EXPENDITURES	<u>1,294</u>	<u>443,972</u>	<u>442,678</u>
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	-	116,220	116,220
Total other financing sources (uses)	<u>-</u>	<u>116,220</u>	<u>116,220</u>
NET CHANGE IN FUND BALANCE	1,294	560,192	558,898
FUND BALANCE - BEGINNING OF YEAR	1,327,924	1,616,168	288,244
FUND BALANCE - END OF YEAR	<u>\$ 1,329,218</u>	<u>\$ 2,176,360</u>	<u>\$ 847,142</u>

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

LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - DEFINITION OF REPORTING ENTITY

Larkspur Fire Protection District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide fire protection services, including emergency medical services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, including a volunteer organization (Larkspur Volunteer Fire Auxiliary) that is not under the control of the District's Board of Directors. The District is not a component unit of any other primary governmental entity, including the Town of Larkspur.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of capital leases are recorded as a reduction in liabilities.

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 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax, specific ownership tax, ambulance transportation service fees and grant revenue. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the District.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition, construction or expansion of major capital facilities and for the acquisition of vehicles and equipment.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Budgets

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

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenue is recorded as revenue in the year the revenue is available or collected.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	50 years
Vehicles	5-15 years
Equipment	5 years

Compensated Absences

Compensated absences are recorded as current salary when paid. It is the District's policy that employees may carry over no more than the total hours of vacation accrued within one calendar year into the subsequent year. Unused vacation hours are paid upon termination. A liability has been recorded in the government-wide financial statements for the accumulated vacation hours.

Cash and Investments

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

LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Service Fees

The District provides emergency medical services within District boundaries. Emergency response related receivables are shown net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical collection trends.

Deferred Outflows/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 that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68* (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets 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/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

LARKSPUR FIRE PROTECTION DISTRICT
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Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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 District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH DEPOSITS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank balance of \$1,873,773 and a carrying balance of \$1,834,243.

Cash and investments of \$73,009 held by the Debt Service Fund represent taxes levied for payment of debt service and are restricted for such purposes.

Investments

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

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

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

LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

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

As of December 31, 2019, the District had no investments.

NOTE 4 - CAPITAL ASSETS

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

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 167,671	\$ -	\$ -	\$ 167,671
	<u>167,671</u>	<u>-</u>	<u>-</u>	<u>167,671</u>
Capital assets, being depreciated				
Buildings	4,062,775	-	-	4,062,775
Vehicles	2,079,298	16,000	-	2,095,298
Equipment	615,340	-	-	615,340
Total capital assets, being depreciated	<u>6,757,413</u>	<u>16,000</u>	<u>-</u>	<u>6,773,413</u>
Less accumulated depreciation for				
Buildings	866,520	81,075	-	947,595
Vehicles	1,813,791	63,297	-	1,877,088
Equipment	411,220	44,275	-	455,495
Total accumulated depreciation	<u>3,091,531</u>	<u>188,647</u>	<u>-</u>	<u>3,280,178</u>
Total capital assets, being depreciated, net	<u>3,665,882</u>	<u>(172,647)</u>	<u>-</u>	<u>3,493,235</u>
Government capital assets, net	<u>\$ 3,833,553</u>	<u>\$ (172,647)</u>	<u>\$ -</u>	<u>\$ 3,660,906</u>

All depreciation expense relates to the public safety function.

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 5 - LONG-TERM OBLIGATIONS

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

	<u>Balance at December 31, 2018</u>	<u>New Issues</u>	<u>Retirements</u>	<u>Balance at December 31, 2019</u>	<u>Due Within One Year</u>
G.O. Bonds - Series 2011	\$ 1,780,000	\$ -	\$ 200,000	\$ 1,580,000	\$ 210,000
Premium on 2011 Bonds	48,147	-	9,938	38,209	8,994
Compensated absences	80,901	100,104	105,178	75,827	75,827
	<u>\$ 1,909,048</u>	<u>\$ 100,104</u>	<u>\$ 315,116</u>	<u>\$ 1,694,036</u>	<u>\$ 294,821</u>

The District's Debt Service Fund is used to liquidate the general obligation bonds and General Fund the compensated absences.

The detail of the outstanding debt follows:

\$3,035,000 General Obligation Refunding Bonds, Series 2011

On December 22, 2011, the District issued \$3,035,000 of General Obligation Refunding Bonds, Series 2011, to advance refund and defease (debt legally satisfied) the 2008 Capital Lease and the 2009 Capital Lease. The bonds bear interest at rates ranging from 2.00% to 4.00%. These bonds mature serially in annual installments on December 1 of each year which began in 2012. Interest is paid semiannually on June 1 and December 1 of each year, which commenced June 1, 2012.

Principal and interest on the general obligation bonds mature as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 210,000	\$ 57,137	\$ 267,137
2021	210,000	50,838	260,838
2022	225,000	42,437	267,437
2023	225,000	34,844	259,844
2024	225,000	26,969	251,969
2025-2026	485,000	28,812	513,812
	<u>\$ 1,580,000</u>	<u>\$ 241,037</u>	<u>\$ 1,821,037</u>

At December 31, 2019, the District had \$165,000 in authorized but unissued debt for refunding purposes.

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 6- FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$97,898 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the amount of \$96,500 in the General Fund is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 13).

The restricted fund balance in the Debt Service Fund in the amount of \$74,553 is to be used exclusively for debt service requirements (see Note 5).

Fund Balance Deficit

The Capital Projects Fund reported a fund balance deficit in the amount of \$64,685. This deficit is expected to be eliminated with a transfer from the General Fund in 2020.

NOTE 7 - NET POSITION

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

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had a net investment in capital assets of \$2,042,697.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

The District had \$166,292 of restricted net position as of December 31, 2018 as follows:

	Governmental Activities
Restricted net position:	
Emergencies (see Note 13)	\$ 96,500
Debt service (see Note 5)	<u>69,792</u>
	<u><u>\$ 166,292</u></u>

The District's unrestricted net position at December 31, 2019 totaled \$2,094,017.

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

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

The District pays annual premiums to the Pool for workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula.

The District continues to carry commercial insurance coverage for other risks of loss including liability, property and public officials' coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDBP 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.

General Information about the SWDBP

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

LARKSPUR FIRE PROTECTION DISTRICT
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Benefits provided. FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Early: 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

The SWDBP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has six payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Vested members with more than 5 years of service and non-vested members with less than 5 years of service may elect to withdraw their member contribution accounts upon termination of employment with all FPPA employers; waiving rights to any lifetime retirement benefits earned. The member's contributions plus 5% interest may be refunded to the member with all other contributions being forfeited. If a refund is chosen, stabilization reserve account monies and all employer contributions are forfeited.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit

LARKSPUR FIRE PROTECTION DISTRICT
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adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Contributions. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute and are 8% of the employee's base salary. Member contribution rates can be amended by statute or by election of the membership. In 2018, eligible employees were required to contribute 10.0% of their FPPA base salary, and as a result of the 2014 Member Contributions Election, the plan member contribution rate will increase by 0.5% of covered salary each year through 2022. Contributions to the SWDBP from the District were \$84,719 for the year ended December 31, 2019.

Annually, at the discretion of the Board of Directors of FPPA, the difference between the combined member/employer contributions and the actuarially determined contribution rate may be allocated to the stabilization reserve account (SRA). If the cost of the SWDBP exceeds the combined member/employer contribution rate, funds from the SRA may be used to make up the shortfall. Amounts set aside in the SRA are allocated to individual accounts for each member. A member may receive the amounts in this individual account upon election of Normal, Early or Vested retirement.

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

At December 31, 2019, the District reported a liability of \$203,227 for its proportionate share of the 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 District contributions to the SWDBP for the calendar year 2018 relative to the total contributions of participating employers to the SWDBP.

At the December 31, 2019, the District's proportion was .1607458436 percent, which was a decrease of 0.0200280517 percent from its proportion as of December 31, 2018.

For the year ended December 31, 2019, the District recognized pension income of \$49,832. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**LARKSPUR FIRE PROTECTION DISTRICT
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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 261,129	\$ 2,171
Changes of assumptions and other inputs	196,819	-
Net difference between projected and actual earnings on pension plan investments	159,869	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	61,176	-
Contributions subsequent to the measurement date	<u>84,719</u>	<u>-</u>
 Total	 <u><u>\$ 763,712</u></u>	 <u><u>\$ 2,171</u></u>

The \$84,719 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an decrease 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 related to pensions will be recognized in pension expense as follows:

Year Ending December 31

2019	\$ 125,606
2020	92,232
2021	79,855
2022	126,349
2023	66,043
2024	65,924
2025	54,801
2026	44,088
2027	<u>21,924</u>
	<u><u>\$ 676,822</u></u>

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Not applicable
Amortization Period	Not applicable
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to

**LARKSPUR FIRE PROTECTION DISTRICT
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2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale of all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the PR-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. On-duty mortality rate is 0.00020.

The FPPA Board completed an actual experience study and approved changes to the actuarial assumptions effective January 1, 2019. The inflation rate remained at 2.5 percent. The investment rate of return was reduced from 7.50 percent to 7.00 percent which increased the cost of pension benefits. The change in the investment return assumption reflects the reduced real return expectations from the recent capital market data.

The SWDBP's 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 return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	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	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.0 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 established the contractually required rates under Colorado Statutes. Based on those assumptions, the SWDBP's fiduciary net position was projected to be available to make all 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.

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the District's proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 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:

	6.00%	7.00%	8.00%
Proportionate share of the net pension (asset) liability	<u>\$ 788,089</u>	<u>\$ 203,227</u>	<u>\$ (281,906)</u>

Pension plan fiduciary net position. Detailed information about the SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1098 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 2.7% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.7% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, employees remit 1.35% of the required contributions and the District makes the remaining 1.35% contribution. For the years ending December 31, 2019, 2018 and 2017, the District's contributions to the SWD&DP were \$17,421, \$12,097 and \$13,642, respectively, equal to their required contributions for each year.

NOTE 11 – DEFERRED COMPENSATION PLAN

All paid firefighters are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, 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 benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants 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

**LARKSPUR FIRE PROTECTION DISTRICT
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Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

NOTE 12 – VOLUNTEER FIGHTERS' PENSION FUND - FPPA ADMINISTERED

Volunteer Firefighters' Pension Plan

General Information about the Volunteer Firefighters' Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan (VFPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension asset, 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 VFPP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighters' Pension Plan Board of Trustees is comprised of the five Directors of the District and two District representatives that are either a volunteer, a retired volunteer, or an active retiree firefighter. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes. The Board of Trustees has adopted the following schedule of monthly benefits, which was in effect at December 31, 2019:

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Normal Retirement Benefit (monthly)	\$ 695.00
Extended Service (amount per year of service)	
5% of normal, for 10 additional years	\$ 34.75
Vested Retirement Benefit (monthly)	
With 10 to 20 years of service, amount	
per year of service per minimum vesting years	\$ 34.75
Disability Retirement Benefit (monthly)	
Short term disability for line of duty injury	\$ 347.50
Long term disability for line of duty - Lifetime	\$ 695.00
Survivor benefit	
Death before retirement eligible	\$ 347.50
Death after normal retirement	\$ 347.50
Death after normal retirement with extended	
service (amount per year of service)	\$ 17.38
Death after vested retirement with 10-20 years	
of service (amount per year of service)	\$ 17.38
Death after disability retirement	\$ 347.50
Funeral Benefits (lump sum)	\$ 1,390.00

At December 31, 2019, there are 30 retired volunteers/beneficiaries receiving benefits and 3 active volunteers.

Contributions. The District makes contributions based upon District established benefits; the needs and best interest of the District, the VFPP, and the VFPP beneficiaries; and funding requirements based upon a biennial actuarial study. VFPP members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District made contributions for the year ended December 31, 2019 in the amount of \$62,000.

Net Pension Liability

Actuarial assumptions. The District's net pension liability was based on an actuarial valuation performed as of January 1, 2019 and a measurement date of December 31, 2018. The total pension liability for the December 31, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

Actuarial Assumptions:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5 - year smoothed fair value
Inflation	3.0%
Projected salary increases	N/A
Investment rate of return	7.0% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	

Pre-retirement mortality was based on the 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales for all years, 50% multiplier for off-duty mortality. Post retirement mortality was based on the 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled mortality based on 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the ultimate rates of the scale for all years.

* Plans that are heavily weighted with retiree liabilities use amortization period based on the expected remaining lifetime of the participants.

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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

Single Discount Rate. Projected benefit payments are 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).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.0%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.0%.

Changes in the Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2019 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/18	\$ 2,071,093	\$ 1,531,576	\$ 539,517
Changes for the year:			
Service cost	12,330	-	12,330
Interest on the total pension liability	149,322	-	149,322
Difference between expected and actual experience	(39,431)	-	(39,431)
Changes in assumptions or other inputs	83,200	-	83,200
Benefit payments	(175,557)	(175,557)	-
District contributions	-	62,000	(62,000)
State of Colorado contributions	-	28,338	(28,338)
Pension plan net investment income	-	(116)	116
Administrative expense	-	(8,389)	8,389
Net Changes	<u>29,864</u>	<u>(93,724)</u>	<u>123,588</u>
Balances at 12/31/19	<u>\$ 2,100,957</u>	<u>\$ 1,437,852</u>	<u>\$ 663,105</u>

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what 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:

	6.00%	7.00%	8.00%
Sensitivity of the net pension (asset) liability	<u>\$ 878,953</u>	<u>\$ 663,105</u>	<u>\$ 481,216</u>

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the District recognized pension expense of \$32,289.

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,586
Net difference between projected and actual earnings on pension plan investments	118,696	57,226
Changes in assumptions or other inputs	9,676	-
Contributions subsequent to the measurement date	62,000	-
Total	\$ 190,372	\$ 61,812

The \$62,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase 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 related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31</u>	
2020	\$ 31,321
2021	9,697
2022	3,233
2023	22,309
	\$ 66,560

NOTE 13 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

**LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

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

On November 5, 1996, the voters of the District approved increasing the District's mill levy to increase property taxes \$110,000 annually for general operating expenditures and authorized the District to collect and spend or retain all revenue received in 1996 and subsequent years without regard to any limitations under TABOR or any other Colorado law.

On May 5, 1998, the voters of the District approved increasing the District's mill levy to increase property taxes \$190,000 annually beginning in 1998 for collection in 1999 for salary and benefits paid to firefighters. Such charge is considered to be a voter approved revenue change and an exception to statutory and constitutional limitations which would otherwise apply.

On November 1, 2011, the voters of the District approved increasing the District's mill levy to increase property taxes \$680,354 annually, and by whatever additional amounts are annually raised thereafter by imposing an additional mill levy of 3.950 mills upon taxable property within the District beginning in 2015 for collection in 2016 for general operating and capital expenses. Such charge is considered to be a voter approved revenue change and an exception to statutory and constitutional limitations which would otherwise apply.

On November 3, 2015, the voters of the District approved increasing the District's mill levy to increase property taxes \$680,354 annually, and by whatever additional amounts are annually raised thereafter by imposing an additional mill levy of 3.950 mills upon taxable property within the District beginning in 2015 for collection in 2016 for general operating and capital expenses. Such charge is considered to be a voter approved revenue change and an exception to statutory and constitutional limitations which would otherwise apply.

On November 6, 2018, the voters of the District approved the following ballot issue: In order to sustain adequate fire, rescue, and emergency medical services, and only in the event that the residential assessment rate is reduced below the current rate established pursuant to Section 3 of Article X of the Colorado Constitution, shall the Larkspur Fire Protection District be permitted to adjust its property tax mill levy to offset any resulting decrease in revenue, and shall the District be permitted to adjust its property tax mill levy to match and be capped by Colorado's Statutory Rate Study recommendation and shall such tax proceeds be collected and spent by the District as voter approved revenue and spending changes in each year, without regard to any constitutional or statutory spending or revenue limitations including those contained in Article X, Section 20 of the Colorado Constitution and Section 29-1-301, Colorado Revised Statutes.

NOTE 14 – LEASE RECEIVABLE

On July 19, 2018, the District entered into a lease agreement with the Town of Larkspur (Town) for the use and purchase of land owned by the District. The term of the lease commenced August 1, 2018 and continues until December 31, 2027. The Town has the option to purchase the property for the sum of \$1 at any time subsequent to the Town's having fulfilled all its payment obligations to the District pursuant to this agreement.

Payments are to be made to the District in the total amount of \$147,900 payable as follows: 1) monthly payments of \$1,000 per month, principal only with no interest thereon, shall begin on

LARKSPUR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

August 1, 2018 and shall continue to be paid on the first of the month until December 1, 2026 totaling \$101,000, plus 2) a payment in the amount of \$46,900 principal only with no interest thereon due and payable on or before December 31, 2027, unless a different date for the final payment is agreed to by the parties.

NOTE 15 – SUBSEQUENT EVENT

On January 31, 2020, the District entered into an Equipment Lease/Purchase Agreement (Agreement) with NBH Bank. The lease commences January 31, 2020 and expires February 1, 2030. Payment dates begin February 1, 2021 and continue annually thereafter until expiration date or prior redemption. Annual payments include interest at 3.14%. The District has an option purchase price in varying amounts throughout the lease. Lease proceeds along with District funds will be used to purchase a new fire engine.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST SIX FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	16.0745844%	0.1807739%	0.1889279%	0.1846098%	0.2338607%	0.2414880%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 203,227	\$ (260,072)	\$ 68,267	\$ (3,254)	\$ (263,929)	\$ (215,935)
District's Covered Payroll	\$ 1,075,465	\$ 895,999	\$ 1,059,445	\$ 957,828	\$ 1,051,674	\$ 1,048,878
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	18.90%	-29.03%	6.44%	-0.34%	-25.10%	-20.59%
Calculation of Collective Net Pension Liability (Asset):						
Total Pension Liability (Asset)	\$ 2,653,120,261	\$ 2,269,410,684	\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
Plan Fiduciary Net Position	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630	1,623,049,809
Net Pension Liability (Asset)	<u>\$ 126,427,453</u>	<u>\$ (143,865,763)</u>	<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	95.23%	106.34%	98.21%	100.10%	106.83%	105.83%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior four years was not available to report.

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 84,719	\$ 71,680	\$ 84,592	\$ 76,626	\$ 74,804	\$ 84,134	\$ 83,910
Contributions in Relation to the Contractually Required Contribution	(84,719)	(71,680)	(84,592)	(76,626)	(74,804)	(84,134)	(83,910)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$1,075,464	\$ 895,999	\$1,059,445	\$ 957,828	\$ 935,050	\$1,051,674	\$1,048,878
Contributions as a Percentage of Covered Payroll	7.88%	8.00%	7.98%	8.00%	8.00%	8.00%	8.00%

NOTE: Information for the prior three years was not available to report.

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST FIVE FISCAL YEARS**

Measurement period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 12,330	\$ 12,330	\$ 26,869	\$ 26,869	\$ 62,231
Interest on the total pension liability	149,322	150,267	151,771	151,266	152,352
Difference between expected and actual experience	(39,431)	-	(75,981)	-	(279,914)
Changes in assumptions or other inputs	83,200	-	59,866	-	(420,121)
Benefit payments	<u>(175,557)</u>	<u>(174,862)</u>	<u>(176,008)</u>	<u>(166,934)</u>	<u>(168,104)</u>
Net Change in Total Pension Liability	29,864	(12,265)	(13,483)	11,201	(653,556)
Total Pension Liability - Beginning	2,071,093	2,083,358	2,096,841	2,085,640	2,739,196
Total Pension Liability - Ending (a)	<u>\$2,100,957</u>	<u>\$2,071,093</u>	<u>\$2,083,358</u>	<u>\$2,096,841</u>	<u>\$2,085,640</u>
Plan Fiduciary Net Position					
District contributions	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000
State of Colorado contributions	28,338	28,338	28,338	28,338	28,338
Pension plan net investment income	(116)	198,919	72,591	26,619	97,254
Benefit payments	(175,557)	(174,862)	(176,008)	(166,934)	(168,104)
Administrative expense	<u>(8,389)</u>	<u>(9,542)</u>	<u>(2,470)</u>	<u>(4,773)</u>	<u>(2,615)</u>
Net Change in Plan Fiduciary Net Position	(93,724)	104,853	(15,549)	(54,750)	16,873
Plan Fiduciary Net Position - Beginning	<u>1,531,576</u>	<u>1,426,723</u>	<u>1,442,272</u>	<u>1,497,022</u>	<u>1,480,149</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$1,437,852</u>	<u>\$1,531,576</u>	<u>\$1,426,723</u>	<u>\$1,442,272</u>	<u>\$1,497,022</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 663,105</u>	<u>\$ 539,517</u>	<u>\$ 656,635</u>	<u>\$ 654,569</u>	<u>\$ 588,618</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.44%	73.95%	68.48%	68.78%	71.78%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

NOTE: Information for the prior five years was not available to report.

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 90,338	\$ 90,338	\$ 90,338	\$ 90,338	\$ 121,660
Contributions in relation to the actuarially required contribution:					
District contribution	62,000	62,000	62,000	62,000	62,000
State of Colorado contribution	28,338	28,338	28,338	28,338	28,338
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,322</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5 - year smoothed fair value
Inflation	3.0%
Projected salary increases	N/A
Investment rate of return	7.5% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	

Pre-retirement mortality was based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality, post retirement mortality was based on the RP-2000 Combined Mortality Table, with Blue Collar Adjustment and the mortality of disabled retirees was based on the RP-2000 Disabled Mortality Table. All tables projected with Scale AA.

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY
FPPA - VOLUNTEER FIREFIGHTER PENSION PLAN
LAST FIVE FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 2,100,957	\$ 2,071,093	\$ 2,083,358	\$ 2,096,841	\$ 2,085,640
Plan Fiduciary Net Position	(1,437,852)	(1,531,576)	(1,426,723)	(1,442,272)	(1,497,022)
Net Pension Liability	<u>\$ 663,105</u>	<u>\$ 539,517</u>	<u>\$ 656,635</u>	<u>\$ 654,569</u>	<u>\$ 588,618</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	<u>68.44%</u>	<u>73.95%</u>	<u>68.48%</u>	<u>68.78%</u>	<u>71.78%</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior five years was not available to report.

SUPPLEMENTAL INFORMATION

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Property taxes	\$ 290,211	\$ 289,812	\$ (399)
Interest income	249	497	248
Total revenues	<u>290,460</u>	<u>290,309</u>	<u>(151)</u>
EXPENDITURES			
Bond principal	200,000	200,000	-
Bond interest	73,138	65,137	8,001
Paying agent fees	200	-	200
County Treasurer's collection fees	4,279	4,348	(69)
Total expenditures	<u>277,617</u>	<u>269,485</u>	<u>8,132</u>
NET CHANGE IN FUND BALANCE	12,843	20,824	7,981
FUND BALANCE - BEGINNING OF YEAR	53,285	53,729	444
FUND BALANCE - END OF YEAR	<u>\$ 66,128</u>	<u>\$ 74,553</u>	<u>\$ 8,425</u>

**LARKSPUR FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Grants	\$ -	\$ 9,200	\$ 9,200
	<u>-</u>	<u>9,200</u>	<u>9,200</u>
EXPENDITURES			
Capital outlay			
Equipment - non-capitalizable	67,000	32,550	34,450
Total expenditures	<u>67,000</u>	<u>32,550</u>	<u>34,450</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	<u>(67,000)</u>	<u>(23,350)</u>	<u>43,650</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	140,000	-	(140,000)
Total other financing sources (uses)	<u>140,000</u>	<u>-</u>	<u>(140,000)</u>
NET CHANGE IN FUND BALANCE	73,000	(23,350)	(96,350)
FUND BALANCE - BEGINNING OF YEAR	145,660	(41,335)	(186,995)
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 218,660</u>	<u>\$ (64,685)</u>	<u>\$ (283,345)</u>

OTHER INFORMATION

**LARKSPUR FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2019**

<u>Year ending December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percent Collected</u>
		<u>General *</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2006	\$114,218,240	13.156	0.000	\$ 1,502,655	\$ 1,493,338	99.4%
2007	\$115,915,861	13.243	0.000	\$ 1,535,074	\$ 1,499,941	97.7%
2008	\$129,420,034	13.345	0.000	\$ 1,727,136	\$ 1,723,314	99.8%
2009	\$137,909,840	13.207	0.000	\$ 1,821,417	\$ 1,811,193	99.4%
2010	\$143,296,280	13.137	0.000	\$ 1,882,454	\$ 1,876,396	99.7%
2011	\$142,420,100	13.159	0.000	\$ 1,874,078	\$ 1,862,049	99.4%
2012	\$122,275,610	13.150	2.250	\$ 1,887,701	\$ 1,874,957	99.3%
2013	\$122,039,300	13.263	2.250	\$ 1,893,135	\$ 1,876,705	99.1%
2014	\$121,615,316	13.167	2.250	\$ 1,874,964	\$ 1,869,306	99.7%
2015	\$121,436,340	13.134	2.250	\$ 1,868,176	\$ 1,869,124	100.1%
2016	\$133,444,740	13.110	2.049	\$ 2,022,833	\$ 2,022,696	100.0%
2017	\$136,216,140	17.071	2.049	\$ 2,604,453	\$ 2,599,476	99.8%
2018	\$139,263,530	17.104	2.049	\$ 2,667,047	\$ 2,661,331	99.8%
2019	\$141,635,540	17.059	2.049	\$ 2,760,371	\$ 2,703,872	98.0%
Estimated for year ending December 31, 2020	\$158,573,700	17.176	1.823	\$ 3,012,879		

* Includes a mill levy for refunds and abatements.