

**LOVELAND RURAL FIRE PROTECTION DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2019**

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## **FINANCIAL SECTION**



## JOHN CUTLER & ASSOCIATES

Board of Directors  
Loveland Rural Fire Protection District  
Loveland Rural, Colorado

### INDEPENDENT AUDITORS' REPORT

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Loveland Rural Fire Protection District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 the Loveland Rural Fire Protection District, as of December 31, 2019, and the respective changes in financial position, thereof, 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 and required supplemental information on pages 22-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*John Cutler & Associates, LLC*

July 31, 2020

**Loveland Rural Fire Protection District  
Management's Discussion and Analysis  
December 31, 2019**

This section of the Loveland Rural Fire Protection District's (District) financial report provides management's narrative discussion and analysis of the financial activities of the District for the year ended December 31, 2019. The discussion focuses on the District's primary government.

**Financial Highlights**

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2,508,081; of this amount, \$430,076 represents the increase in net position for the year ended December 31, 2019.
- Total net position is comprised of the following:
  - o Invested in capital assets of \$655,519 includes property and equipment (capital assets) reduced by outstanding debt related to the purchase or construction of capital assets.
- The District had \$3,245,466 in expenses related to governmental activities with \$3,661,869 in general revenues to cover the cost to those programs.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

***Government-wide financial statements*** - The government-wide financial statements are designed to provide readers with a broad overview of the District's finance, in a manner like a private-sector business. These statements include the following: 1) *Statement of Net Position* - presents information on all the District's assets, liabilities, and deferred outflows and inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating; and 2) *Statement of Activities* - presents information showing how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide statements can be found on pages 1-2 of this report.

***Fund financial statements*** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the District is a governmental fund.

***Governmental Funds*** - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The District adopts an annual appropriated budget for its single fund as required by State Statute. The budgetary comparison statement is provided to demonstrate compliance with this budget.

The governmental funds statements can be found on pages 3-5 of this report.

**Notes to the financial statements** - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 6-21 of this report.

**Financial Analysis of the District as a Whole**

Net Position: The District’s combined net position increased \$430,076 between fiscal years 2019 and 2018.

**Summary of Net Position**

	<u>2019</u>	<u>2018</u>
Current Assets	\$7,255,587	\$4,889,491
Capital Assets	<u>1,617,330</u>	<u>1,779,596</u>
Total Assets	<u>8,872,917</u>	<u>6,669,087</u>
Deferred Outflows	<u>98,117</u>	<u>-</u>
Lease Obligation	961,811	1,111,811
Other Liabilities	<u>299,027</u>	<u>210,934</u>
Total Liabilities	<u>1,260,838</u>	<u>1,322,745</u>
Deferred Inflows Related to Pension	15,955	388
Deferred Revenue	<u>5,186,160</u>	<u>3,267,949</u>
	<u>5,202,115</u>	<u>3,268,337</u>
Invested in Capital Assets	655,519	667,785
Restricted - TABOR	110,000	95,490
Unrestricted	<u>1,742,562</u>	<u>1,314,730</u>
Total Net Position	<u>\$2,508,081</u>	<u>\$2,078,005</u>

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased from \$1,306,464 to \$1,739,617 at the end of 2019. The District's total revenues were \$3,675,542 representing an increase of \$242,671 or 7% compared to the prior year. A significant portion, 97%, of the District's revenues are in the form of taxes. The remaining revenues, 3%, are comprised of other sources which may vary widely from year to year.

The total cost of all programs and services was \$3,245,466 with an increase of \$166,877 or approximately 5%. Of the \$3,245,466, 90% of the total costs relate to services (firefighting).

### Changes in Net Position

	2019	2018	Change
General Revenues			
Property Taxes	\$ 3,274,853	\$ 3,094,340	\$ 180,513
Specific Ownership Taxes	283,550	264,174	19,376
Interest Income	51,976	37,434	14,542
Miscellaneous	65,163	36,923	28,240
Total Revenues	<u>3,675,542</u>	<u>3,432,871</u>	<u>242,671</u>
Expenses			
Fire Administration	154,342	124,940	29,402
Fire Fighting and Prevention	2,928,858	2,791,383	137,475
Depreciation	162,266	162,266	-
Total Expenses	<u>3,245,466</u>	<u>3,078,589</u>	<u>166,877</u>
Change in Net Position	<u>\$ 430,076</u>	<u>\$ 354,282</u>	<u>\$ 75,794</u>

### Financial Analysis of the District's Funds

**Governmental Fund** - The District's General Fund is reported in the fund statements with short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The ending fund balance was \$2,027,271. Of the year-end total, \$1,914,326 is unassigned indicating availability for continuing District service requirements. A reserved fund balance of \$110,000 is maintained to meet required TABOR emergency reserves.

### General Fund Budgetary Highlights

The adopted General Fund budget for fiscal 2019 was \$3,410,420 in expenditures. This was \$227,432 more than the previous budget.

The General Fund adopted and complied with financial policies approved by the Board of Directors to maintain core District services.

## Capital Assets

At the end of 2019, the District had invested \$1,617,330 in capital assets, including a building and apparatus, net of depreciation. This amount represents a net decrease of \$162,266 from 2018. The entire decrease is attributable to 2019 annual depreciation.

### Capital Assets - Governmental Activities

	<u>2019</u>	<u>2018</u>
Leased Apparatus	\$ 1,411,811	\$ 1,411,811
Buildings	<u>822,309</u>	<u>822,309</u>
Total Assets	<u>2,234,120</u>	<u>2,234,120</u>
Accumulated Depreciation	<u>(616,790)</u>	<u>(454,524)</u>
Net Capital Assets	<u><u>\$ 1,617,330</u></u>	<u><u>\$ 1,779,596</u></u>

### Economic Factors and Next Year's Budgets and Rates

Amounts being appropriated in the General Fund for 2020 are \$3,694,263 for expenditures and revenues of \$4,076,820. If these estimates are realized, the District's budgetary fund balance is expected to increase by \$382,557 by the close of the 2020 fiscal year.

### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Loveland Rural Fire Protection District, c/o Pinnacle Consulting Group, Inc., 550 W. Eisenhower Blvd., Loveland, CO 80537.

## **BASIC FINANCIAL STATEMENTS**

LOVELAND RURAL FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,042,457
Receivables	
Property Taxes	5,186,160
Accounts	24,025
Prepaid Expenses	2,945
Capital Assets, depreciated, net of accumulated depreciation	<u>1,617,330</u>
 TOTAL ASSETS	 <u>8,872,917</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Volunteer Pension	<u>98,117</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>98,117</u>
LIABILITIES	
Accounts Payable	42,156
Noncurrent Liabilities	
Net Pension Liability - Volunteer Pension	256,871
Capital Lease	
Due in One Year	150,000
Due in More than One Year	<u>811,811</u>
 TOTAL LIABILITIES	 <u>1,260,838</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	5,186,160
Related to Volunteer Pension	<u>15,955</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>5,202,115</u>
NET POSITION	
Net Investment in Capital Assets	655,519
Restricted for Emergencies	110,000
Unrestricted	<u>1,742,562</u>
 TOTAL NET POSITION	 <u><u>\$ 2,508,081</u></u>

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

LOVELAND RURAL FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Capital Grants and Contributions	Revenues and Changes in Net Position
PRIMARY GOVERNMENT				Governmental
<b>Governmental Activities</b>				Activities
Fire Administration	\$ 154,342	\$ -	\$ -	\$ (154,342)
Fire Fighting and Prevention	3,071,279	13,673	-	(3,057,606)
Interest on Long Term Debt	19,845	-	-	(19,845)
 Total Governmental Activities	 <u>\$ 3,245,466</u>	 <u>\$ 13,673</u>	 <u>\$ -</u>	 <u>(3,231,793)</u>
GENERAL REVENUES				
Property Taxes				3,274,853
Specific Ownership Taxes				283,550
Interest				51,976
Other				51,490
TOTAL GENERAL REVENUES				<u>3,661,869</u>
CHANGE IN NET POSITION				430,076
NET POSITION, Beginning				<u>2,078,005</u>
NET POSITION, Ending				<u>\$ 2,508,081</u>

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

LOVELAND RURAL FIRE PROTECTION DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2019

	<u>GENERAL FUND</u>
ASSETS	
Cash and Investments	\$ 2,042,457
Property Taxes Receivable	5,186,160
Accounts Receivable	24,025
Prepaid Expenses	<u>2,945</u>
TOTAL ASSETS	<u><u>\$ 7,255,587</u></u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	
LIABILITIES	
Accounts Payable	<u>\$ 42,156</u>
TOTAL LIABILITIES	<u>42,156</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>5,186,160</u>
FUND BALANCE	
Fund Balance	
Nonspendable	2,945
Restricted for Emergencies	110,000
Unassigned	<u>1,914,326</u>
TOTAL FUND BALANCE	<u>2,027,271</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,617,330
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. These include capital leases (\$961,811), net pension liability volunteer plan of (\$256,871), deferred outflows related to the volunteer pension plan of \$98,117 and deferred inflows related to the volunteer pension plan of (\$15,955).	<u>(1,136,520)</u>
Net position of governmental activities	<u><u>\$ 2,508,081</u></u>

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

LOVELAND RURAL FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2019

	<u>GENERAL FUND</u>
REVENUES	
Property Taxes	\$ 3,274,853
Specific Ownership Taxes	283,550
Interest	51,976
Pinewood Contract Revenue	13,673
Miscellaneous	<u>51,490</u>
 TOTAL REVENUES	 <u>3,675,542</u>
EXPENDITURES	
Fire Administration	
Board Secretary	4,800
District Directors	5,300
Accounting	10,650
Insurance	8,608
Treasurer Fees	65,598
Office Supplies	1,778
Professional Fees	44,286
Miscellaneous	13,322
Fire Fighting	
City Contract	2,882,174
Miscellaneous	13,968
Canyon Department Contribution	5,000
Pension Contributions	30,000
Debt Service	
Principal	150,000
Interest	<u>19,845</u>
 TOTAL EXPENDITURES	 <u>3,255,329</u>
 NET CHANGE IN FUND BALANCES	 420,213
 FUND BALANCES, Beginning	 <u>1,607,058</u>
 FUND BALANCES, Ending	 <u><u>\$ 2,027,271</u></u>

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

LOVELAND RURAL FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 420,213
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. This is the depreciation expense for the year.	(162,266)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in compensated absences for the year.	150,000
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>22,129</u>
Change in Net Position of Governmental Activities	<u>\$ 430,076</u>

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

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Loveland Rural Fire Protection District was formed to provide fire protection and emergency medical services to Loveland and surrounding area within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Loveland Rural Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the Loveland Rural Fire Protection District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the 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*.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-Wide and Fund Financial Statements** (Continued)

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

In the fund financial statements, 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 District, except those required to be accounted for in another fund.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column 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 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Buildings	39 years
Vehicles	10 years

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

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

*Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position** (Continued)

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. At December 31, 2019, the District reported prepaid expenses as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2019.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and 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 and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

**NOTE 3: DEPOSITS AND INVESTMENTS**

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

Cash Deposits	\$ 8,563
Investments	<u>2,033,893</u>
Total	<u>\$ 2,042,457</u>

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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.

At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. 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.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2019, the District had deposits with financial institutions with a carrying amount of \$8,563. The bank balances with the financial institutions were \$13,852. All of these balances were covered by federal depository insurance.

**Investments**

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado local governments.

**Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. The District does not have any investments that require categorization.

Local Government Investment Pools

The District had invested \$2,033,893 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2019, is summarized below:

	<u>Balances</u> <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/19</u>
<b>Governmental Activities</b>				
Capital Assets, depreciated				
Buildings	\$ 822,309	\$ -	\$ -	\$ 822,309
Vehicles	<u>1,411,811</u>	<u>-</u>	<u>-</u>	<u>1,411,811</u>
Total Capital Assets, depreciated	<u>2,234,120</u>	<u>-</u>	<u>-</u>	<u>2,234,120</u>
Less Accumulated Depreciation				
Buildings	172,161	21,085	-	193,246
Vehicles	<u>282,363</u>	<u>141,181</u>	<u>-</u>	<u>423,544</u>
Total Accumulated Depreciation	<u>454,524</u>	<u>162,266</u>	<u>-</u>	<u>616,790</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,779,596</u>	<u>\$ (162,266)</u>	<u>\$ -</u>	<u>\$ 1,617,330</u>

**NOTE 5: LONG-TERM DEBT**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due In</u> <u>One Year</u>
Capital Lease	<u>\$ 1,111,811</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 961,811</u>	<u>\$ 150,000</u>

In November 2016 an agreement was entered into between Loveland Fire Rescue Authority and Loveland Rural Fire Protection District for apparatus purchase for the Loveland Rural Fire Protection District. This agreement was for the purchase of one Type-3 fire engine and three 2,000 gallon fire tenders. The apparatus funding will be paid back over ten years with the final payment to be in 2026. The District leases the equipment from the city. The interest rate will be the same as the City's annual return on it's investment portfolio. The payments are due on June 15 of each year.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 5: LONG-TERM DEBT** (Continued)

Following is a schedule of the future minimum lease payments required under the capital lease obligation at December 31, 2019:

Year Ended December 31,

2020	\$ 178,854
2021	174,354
2022	169,854
2023	165,354
2024	160,855
2025	156,355
2026	<u>63,665</u>
Less: Interest	<u>(107,480)</u>
Present Value of Minimum Lease Payments	<b><u>\$ 961,811</u></b>

**NOTE 6: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. No claims have exceeded insured amounts in the last three years.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2019, the emergency reserve of \$110,000 was recorded in the General Fund.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS**

**Volunteer Firefighters' Pension Plan**

**Summary of Significant Accounting Policies**

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("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 Volunteer Plan 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 Pension Plan**

*Plan Description.* Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Funding Policy.* An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the District's monthly benefit amount is a maximum of \$300, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District makes an additional contribution to support the plan.

The actuarial study as of January 1, 2019, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

**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 \$256,871. The net pension liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019.

For the year ended December 31, 2019 the District recognized pension expense of \$9,661. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$10,033	N/A
Change in Assumptions	\$20,770	N/A
Net difference between projected and actual earnings on pension plan investments	\$32,314	\$15,955
Contributions subsequent to the measurement date	\$35,000	N/A
Total	\$98,117	\$15,955

\$35,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31,</b>	
2020	\$18,754
2021	\$13,293
2022	\$8,966
2023	\$6,149

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

*Actuarial assumptions:* Method, 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 market
Inflation	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	<b>Pre-retirement:</b> RP-2014 Combined Mortality Table with Blue Collar Adjustment, 55% multiplier for off-duty mortality. <b>Post-retirement:</b> 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.

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

*Assumption Changes:* The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2018. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows: Investment Rate of Return

Investment Rate of Return                      7.00%

Mortality    **Pre-retirement:** 2006 central rates from the RP-2014 Employee 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, 50% multiplier for off-duty mortality.  
**Post-retirement:** 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:** 2006 central rates from the RP-2014 Disabled 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

\*While expected inflation exceeds the expected rate of return for cash, a 0% real rate of return is utilized.

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

*Sensitivity of the District's net pension asset to changes in the discount rate.* The following presents the net pension asset calculated using the discount rate of 7.50 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset	\$329,124	\$256,871	\$196,343

LOVELAND RURAL FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)

**Volunteer Firefighters' Pension Plan** (Continued)

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

*FPPA System Description.* The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>

**NOTE 9: SUBSEQUENT EVENTS**

Potential subsequent events were considered through July 31, 2020. It was determined that the following event is required to be disclosed through this date.

**Covid-19**

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the District. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

**REQUIRED SUPPLEMENTAL INFORMATION**

LOVELAND RURAL FIRE PROTECTION DISTRICT

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)
	ORIGINAL AND FINAL BUDGET	ACTUAL	
REVENUES			
Property Taxes	\$ 3,281,000	\$ 3,274,853	\$ (6,147)
Specific Ownership Taxes	220,000	283,550	63,550
Interest	25,000	51,976	26,976
Pinewood Contract Revenue	13,673	13,673	-
Miscellaneous	2,000	51,490	49,490
TOTAL REVENUES	<u>3,541,673</u>	<u>3,675,542</u>	<u>133,869</u>
EXPENDITURES			
Fire Administration			
Board Secretary	4,800	4,800	-
District Directors	6,000	5,300	700
Accounting	13,000	10,650	2,350
Insurance	7,500	8,608	(1,108)
Treasurer Fees	65,620	65,598	22
Office Supplies	500	1,778	(1,278)
Professional Fees	42,000	44,286	(2,286)
Miscellaneous	50,000	13,322	36,678
Contingency	100,000	-	100,000
Fire Fighting			
City Contract	2,875,000	2,882,174	(7,174)
Miscellaneous	25,000	13,968	11,032
Canyon Department Contribution	5,000	5,000	-
Pension Contributions	30,000	30,000	-
Debt Service			
Principal	150,000	150,000	-
Interest	36,000	19,845	16,155
TOTAL EXPENDITURES	<u>3,410,420</u>	<u>3,255,329</u>	<u>155,091</u>
CHANGE IN FUND BALANCE	131,253	420,213	288,960
FUND BALANCE, Beginning	<u>1,337,453</u>	<u>1,607,058</u>	<u>269,605</u>
FUND BALANCE, Ending	<u>\$ 1,468,706</u>	<u>\$ 2,027,271</u>	<u>\$ 558,565</u>

See the accompanying independent auditors' report.

LOVELAND RURAL FIRE PROTECTION DISTRICT

SCHEDULE OF CONTRIBUTIONS  
 VOLUNTEER FIREFIGHTERS' PENSION PLAN  
 December 31, 2019

<u>FY Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	23,900	29,971	(6,071)	N/A	N/A
2015	23,900	29,971	(6,071)	N/A	N/A
2016	19,056	29,971	(10,915)	N/A	N/A
2017	19,056	25,000	(5,944)	N/A	N/A
2018	29,466	39,942	(10,476)	N/A	N/A

\*Includes both employer and State of Colorado Supplementary Discretionary Payment

See the accompanying independent auditors' report.

LOVELAND RURAL FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
Year Ended December 31,

Measurement Period Ending December 31,	2014	2015	2016	2017	2018
<b>Total Pension Liability</b>					
Service Cost	\$ 8,300	\$ 8,299	\$ 8,299	\$ 9,666	\$ 9,666
Interest on the Total Pension Liability	37,021	36,241	36,906	43,955	44,765
Benefit Changes	-	-	70,687	-	-
Difference Between Expected and Actual Experiences	(22,201)	-	3,867	-	13,294
Assumption Changes	-	-	13,175	-	27,017
Benefit Payments	(33,600)	(33,425)	(38,000)	(41,300)	(44,400)
Net Change in Total Pension Liability	(10,480)	11,115	94,934	12,321	50,342
Total Pension Liability - Beginning	506,028	495,548	506,663	601,597	613,918
Total Pension Liability - Ending	<u>\$ 495,548</u>	<u>\$ 506,663</u>	<u>\$ 601,597</u>	<u>\$ 613,918</u>	<u>\$ 664,260</u>
<b>Plan Fiduciary Net Position</b>					
Employer Contribution	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000
Pension Plan Net Investment Income	23,167	6,737	19,231	54,716	187
Benefit Payments	(33,600)	(33,425)	(38,000)	(41,300)	(44,400)
Pension Plan Administrative Expenses	(923)	(2,871)	(851)	(7,764)	(5,808)
State of Colorado Supplemental Discretionary Payment	4,971	4,971	4,971	-	9,942
Net Change in Plan Fiduciary Net Position	18,615	412	10,351	30,652	(10,079)
Plan Fiduciary Net Position - Beginning	357,438	376,053	376,465	386,816	417,468
Plan Fiduciary Net Position - Ending	<u>376,053</u>	<u>376,465</u>	<u>386,816</u>	<u>417,468</u>	<u>407,389</u>
Net Pension Liability/(Asset)	\$ 119,495	\$ 130,198	\$ 214,781	\$ 196,450	\$ 256,871
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.89%	74.30%	64.30%	68.00%	61.33%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.