

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditors
December 31, 2019

PLATEAU VALLEY FIRE PROTECTION DISTRICT

TABLE OF CONTENTS
December 31, 2019

	<u>Page Number</u>
MANAGEMENT DISCUSSION AND ANALYSIS	i
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	3
Reconciliation of Governments Fund Balance Sheet to Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund and Statement of Activities	5
Reconciliation of Statement of Revenues, Expenditures and Change in the Fund Balances of the Governmental Fund to the Statement of Activities	6
Notes to the Financial Statements	7
REQUIRED SUPPLEMENTAL INFORMATION	
PENSIONS:	
STATEWIDE FIRE & POLICE DEFINED BENEFIT PLAN (SWDB)	
Schedule of Department's Proportionate Share of the Net Pension Liability (Asset)	23
Schedule of Department Contributions-SWDB	23
VOLUNTEER DEFINED BENEFIT PENSION PLAN	
Schedule of Change in Net Pension Liability /(Asset) & Related Ratio Information	25
Schedule of Contributions Multiyear	26
Schedule of Revenues, Expenditures, & Change in Fund Balance Budget and Actual	27

Plateau Valley Fire Protection District Management's Discussion and Analysis

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the MD&A.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a government type activity. The following statements and schedules are included:

- Statement of net position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 3)
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 5)
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2019 (See page 26).

STATEMENT OF NET POSITION – GENERAL FUND

The following table shows the condensed statement of net position for the past two years.

	<u>2019</u>	<u>2018</u>
Current Assets	\$ 2,878,186	\$ 2,747,040
Capital Assets (Net of Depreciation)	1,743,262	1,170,093
Net Pension Assets	307,966	380,681
Deferred Outflow of Resources	<u>478,075</u>	<u>172,571</u>
Total Assets	<u>5,407,489</u>	<u>4,470,385</u>
Current Liabilities	464,726	267,423
Long-term Liabilities	<u>124,950</u>	<u>31,671</u>
Total Liabilities	<u>589,676</u>	<u>299,094</u>
Deferred Inflow of Resources		
Pension	267,104	29,836
Property Taxes	<u>1,138,641</u>	<u>741,485</u>
Total Deferred Inflow of Resources	<u>1,405,745</u>	<u>771,321</u>
Net Position		
Investment in Capital Assets (Net of Related Debt)	1,743,262	1,170,093
Restricted for Tabor	52,100	45,000
Restricted for Net pension Position	448,684	523,416
Committed for Capital Replacement	800,000	800,000
Unrestricted	<u>368,022</u>	<u>861,461</u>
Total Net Position	<u>\$ 3,412,068</u>	<u>\$ 3,399,970</u>

Plateau Valley Fire Protection District Management's Discussion and Analysis

The net position of the District increased \$12,098 in 2019. This is largely due to purchase off capital assets and the net change in the pension reporting. The District's total assets increased by \$937,104 in 2019 due to the net change in pension reporting as well as the purchase of capital assets. The District's total liabilities increased in 2019 by \$290,582 due to an increase in accounts payable related to purchasing of capital assets.

	2019	2018
Operating Revenue		
Charges for Services	\$ 189,470	\$ 194,792
Total Operating Revenue	<u>189,470</u>	<u>194,792</u>
Non-Operating Revenue:		
General Propety Taxes	783,509	519,611
Specific Ownership Tax	110,113	83,749
Investment Income	29,800	26,072
Other Revenue	163,679	14,777
Total Non-Operating Revenue	<u>1,087,101</u>	<u>644,209</u>
Total Revenue	<u>\$ 1,276,571</u>	<u>\$ 839,001</u>

The District's total revenues increased in 2019 by \$437,570 from 2018. The revenue increase was a result of an increase in property taxes and receiving a grant for the purchase of SCBA units.

REVIEW OF EXPENDITURES

	2019	2018
Operating Expenditures:		
EMS & Fire Operating Expenditures	\$ 101,178	\$ 82,406
Building & Grounds	25,871	27,863
Administration	933,125	917,097
Communication	9,786	9,547
Capital Outlays	692,950	269,245
Total Expenditures	<u>\$ 1,762,910</u>	<u>\$ 1,306,158</u>

The District's expenses increased \$456,752; in large part, this was due to an increase in capital expenditures. The major capital assets purchased during 2019 include, replacement of bunker gear, radios, and the in-process of building a new ambulance.

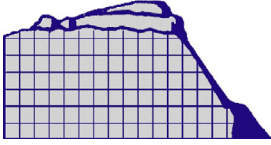
ECONOMIC AND OTHER FACTORS

Plateau Valley has been subject to economic cycles of boom and bust primarily due to the oil and gas activity in the area. Around 2008 the economy showed a decline and then became more stable in 2012. Growth has been fairly flat since that time.

The District provides 24-hour advance life services to the individuals who live, work and visit areas within the district as well as providing fire protection to the more than 842 square miles of service area.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Plateau Valley Fire Protection District, P.O. Box 210, Mesa, Colorado 81643, or 970-268-5283.



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Plateau Valley Fire Protection District
Mesa, Colorado

I have audited the accompanying financial statements of the governmental activities and the major fund of Plateau Valley Fire Protection District, State of Colorado 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Pages i-ii, required pension information, pages 22-25, and budgetary comparison information on page 26 for the General Fund, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Paul D. Miller, CPA, LLC

Grand Junction, CO
June 8 , 2020

Plateau Valley Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2019

	Governmental Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 759,602	\$ -	\$ 759,602
Investment	805,054	-	805,054
Accounts receivable (less allowance of \$24,650)	29,260	-	29,260
Property taxes receivable	1,138,641	-	1,138,641
Other current receivables	135,075	-	135,075
Prepaid expenses	10,554	-	10,554
Capital Assets (net of accumulated depreciation):			
Building and improvements	-	682,084	682,084
Fire trucks and equipment	-	169,257	169,257
Rescue vehicles and equipment	-	315,042	315,042
Station equipment	-	39,065	39,065
Communication equipment	-	11,528	11,528
Construction in Process	-	526,286	526,286
Net Pension Asset-Volunteer Pension	-	307,966	307,966
DEFERRED OUTFLOW OF RESOURCES:			
SWDB	-	171,168	171,168
Volunteer Pension	-	306,907	306,907
TOTAL ASSETS	<u>\$ 2,878,186</u>	<u>2,529,303</u>	<u>5,407,489</u>
LIABILITIES			
Accounts payable	\$ 438,769	-	438,769
Other current liabilities	25,957	-	25,957
Long-term liabilities:			
Net Pension Liability- SWDB	-	70,253	70,253
Compensated absences	54,697	-	54,697
TOTAL LIABILITIES	<u>519,423</u>	<u>70,253</u>	<u>589,676</u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	1,138,641	-	1,138,641
Volunteer Pension	-	236,639	236,639
State Wide Defined Benefit Plan- FPPA	-	30,465	30,465
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,138,641</u>	<u>267,104</u>	<u>1,405,745</u>
FUND BALANCES AND NET Position			
Emergency reserve - TABOR	52,100	(52,100)	-
Committed for Capital Replacement	800,000	(800,000)	-
Nonspendable	10,554	(10,554)	-
Unassigned	357,468	(357,468)	-
TOTAL FUND BALANCES	<u>1,220,122</u>	<u>(1,220,122)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,878,186</u>		
NET Position			
Invested in capital assets, net of related debt	\$ -	1,743,262	1,743,262
Restricted for:			
Pensions	-	448,684	448,684
TABOR emergency	-	52,100	52,100
Committed for Capital Replacement	-	800,000	800,000
Unrestricted	-	368,022	368,022
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 3,412,068</u>	<u>\$ 3,412,068</u>

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

Plateau Valley Fire Protection District
Statement of Net Position
December 31, 2019

Fund balance per general fund balance sheet	\$ 1,220,122
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,743,262
Long-term liabilities, including leases payable used to fund capital assets are not due and payable in the current period are therefore not reported in the fund	-
Pension Funds not reported at General fund level	448,684
Net Position for governmental activities	<u>\$ 3,412,068</u>

Plateau Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2019

	General Fund	Adjustments (See Page 7)	Statement of Activities
EXPENDITURES/EXPENSES			
Fire protection-operation	\$ 1,069,960	\$ -	\$ 1,069,960
Capital outlay	692,950	(692,950)	-
Depreciation	-	119,781	119,781
Pension Activity	-	74,732	74,732
Total expenditures/expenses	<u>1,762,910</u>	<u>(498,437)</u>	<u>1,264,473</u>
PROGRAM REVENUES			
Charges for services	189,470	-	189,470
Net program expenses	<u>(1,573,440)</u>	<u>498,437</u>	<u>(1,075,003)</u>
GENERAL REVENUES/(EXPENSES)			
Property taxes	783,509	-	783,509
Specific ownership	110,113	-	110,113
Interest income	29,800	-	29,800
Miscellaneous income/(expense)	163,679	-	163,679
Total general revenues	<u>1,087,101</u>	<u>-</u>	<u>1,087,101</u>
Excess of expenditures over revenues	<u>(486,339)</u>	<u>498,437</u>	
Change in net Position			12,098
FUND BALANCE/NET Position			
Beginning of the year	1,706,461	1,693,509	3,399,970
End of the year	<u>\$ 1,220,122</u>	<u>\$ 2,191,946</u>	<u>\$ 3,412,068</u>

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

Plateau Valley Fire Protection District
 Reconciliation of the Statement of Revenues Expenditures,
 and Change in the Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2019

Amounts reported for the governmental activities in the statement of activities (page 7) are different because:

Excess of expenditures over revenues - general funds (page 5)	<u>\$</u>	<u>(486,339)</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		692,950
Loss on disposal of fixed asset		-
Depreciation		<u>(119,781)</u>
		<u>573,169</u>
Pension Activity		(74,732)
		<u>(74,732)</u>
Change in Net Position of governmental activities (page 5)	<u>\$</u>	<u>12,098</u>

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2019

The Plateau Valley Fire Protection District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection and ambulance services within and surrounding the area of Plateau Valley.

The District operates under the Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

Based upon the National Council on Governmental Accounting (NCGA) in its Statement 1, the District's financial statements include the pension trust fund. The District exercises significant control through budget adoption, accountability for fiscal matters and board appointments.

Reporting Entity

The Plateau Valley Fire Protection District is a special district as defined by Colorado Statutes and is governed by an elected board of directors. The Board of Directors has oversight responsibility and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with the 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 as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund*

A. Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services. The District retains no risk of loss.

B. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$1,500 or more.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2019

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as 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. The District considers revenues to be available if they are collectible within 120 days except for property taxes which are considered available if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The General Fund is the District's operating fund. It accounts for all financial resources of the government. Additionally, the District reports the following fund type:

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Compensated Absences

The District adopted a policy addressing the compensated absences for full time employees only. A summary of that policy follows.

Paid Time Off - 40 - hour Employees:

1 thru 5 years	15.75 Days
6 thru 10 years	18.00 Days
11 thru 15 years	21.75 Days
16 + years	24.75 Days

Paid Time Off - 56 - hour Employees:

1 thru 5 years	18.00 Days
6 thru 10 years	22.50 Days
11 thru 15 years	27.00 Days
16 + years	31.50 Days

The maximum accrual rate is three times the annual PTO hours. At December 31, 2019, the vacation time accrued was \$54,697.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Summary of Significant Accounting Policies
 December 31, 2019

E. Budgets and Budgetary Accounting

Annual appropriated expenditures budgets are adopted for Governmental Fund and the Fiduciary Fund. Annual budgets for the Governmental Fund are prepared on the modified accrual basis of accounting. Annual appropriation budgets are adopted for the Fiduciary Fund on the accrual basis of accounting. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar are outlined below:

August 25	Assessors certify to all taxing entities and to the Division of Local Government the total new assessed and actual values (for real and personal property) used to compute the statutory and TABOR property tax revenue limits. (C.R.S 39-5-121 (2)(b) and 39-5-128) .
October 15	Budget officer must submit proposed budget to the governing body. (C.R.S. 29-1-105) Governing body must publish "Notice of Budget" upon receiving proposed budget. (C.R.S. 29-1-106(1)) Notice may be posted if budget is less than \$50,000.
November 1	Deadline for submitting applications to the Division for an increased levy pursuant to 29-1-302, C.R.S. and applications for exclusion of assessed valuation attributable to new primary oil or gas production from the 5.5% limit pursuant to (C.R.S. 29-1-301 (1)(b))
December 10	Assessors' changes in assessed valuation will be made only once by a single notification (re-certification) to the county commissioners or other body authorized by law to levy property tax, and to DLG. (C.R.S. 39-1-111(5))
December 15	Deadline for certification of mill levy to county commissioners (C.R.S 39-5-128(1)). Local governments levying property tax must adopt their budgets before certifying the levy to the county. If the budget is not adopted by certification deadline, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re- appropriated for the purposes specified in such last appropriation. (C.R.S. 29-1-108(4))
December 22	Deadline for county commissioners to levy taxes and to certify the levies to the assessor. (C.R.S. 39-1-111(1))
December 31	Local governments not levying a property tax must adopt the budget on or before this date; if they fail to adopt the budget see the penalty for failure to adopt cited on December 15. All governing bodies must enact a resolution or ordinance to appropriate funds for the ensuing fiscal year. If the budget is not appropriated by year-end, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the budget year. (C.R.S 29-1-108(4))

On or before December 31, the Board shall enact an ordinance appropriating the budget for the ensuing fiscal year. The Board may amend the appropriation ordinance at any time during the year in the event of an emergency.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2019

F. Property Taxes

Annual property taxes are levied on January 1, based on assessed valuation certified by Mesa County by December 15 of the prior year. On January 1, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the District.

The District recognizes a receivable for property tax when the tax is levied. Deferred revenue is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

G. Encumbrances

Encumbrance accounting is not employed.

H. Use of Estimates

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

I. Pensions

State Wide Defined Benefit Plan

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

Volunteer Fire Pension Fund

The District participates in the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS), administered by FPPA, which represents the assets of numerous separate plans that have been pooled for investment purposes. The net pension liabilities or assets, 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 pensions 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.

J. Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Employee Retirement State Wide Plan

General Information about the Fire & Police Statewide Defined Benefit Plan

Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado, hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members)..

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues an available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

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

Contributions

Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 1 - Employee Retirement State Wide Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2017. **It is a local decision as to whether the member or employer pays the additional 4 percent contribution.** Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliated social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Department were \$28,789 for 2019.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due.

Employer contributions received and processed within the year ended December 31, 2018 are used as the basis for reporting within the Schedule of Employer Contributions. As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2018 Comprehensive Annual Financial Report (CAFR), employer contributions to the SWDB plan were \$51,566,486 compared to total employer contributions of \$53,588,582 on the Schedule of Employer Contributions. Significant adjustments of approximately \$2.0 million were made to the total employer contribution to annualize departments that joined the plan during the year. Additional adjustments were made to reduce employer contributions to zero for departments that had no remaining members at year end and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the SWDB plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting, and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from changes in employer proportion, differences between employer contributions and proportionate share of contributions and employer contributions subsequent to the measurement date.

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2018, is based upon the January 1, 2019 actuarial valuation. The actuarially determined contributions as of December 31, 2018 are based upon the January 1, 2018 actuarial valuation.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 1 - Employee Retirement State Wide Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Collective Net Pension Liability (Asset)

The components of the calculation of the net pension liability of the SWDB plan for participating departments as of December 31, 2018 are shown in the following table:

	MEASUREMENT Date	
	December 31, 2018	
Total Pension Liability	\$	2,653,120,261
Plan Fiduciary Net Position		2,526,692,808
Employers' Net Pension Liability (Asset)		126,427,453
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		95.2%

Actuarial Assumptions.

The actuarial valuation for the Statewide Defined Benefit Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial determined Contributions</u>
	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	7.50%
Projected Salary Increases*	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

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

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

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018, are summarized in the following table.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 1 - Employee Retirement State Wide Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Actuarial Assumptions-continued

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.00%	6.45%
Liquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.0%	5.3585%
Cash	2.0%	2.52%
Total	100%	

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

Discount Rate.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.0%.

Regarding the sensitivity of the Department’s proportionate share of the net pension liability/(asset) to changes in the discount rate. The following presents the Department’s proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the Department’s proportionate share of the net pension liability/ (Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Department’s proportionate share of the net pension liability/(asset)	\$ 273,076	\$ 70,395	\$ (97,452)

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2019

Note 1 - Employee Retirement State Wide Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years

The following table presents the Districts SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2017 adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2018 collective deferral amounts:

<u>For the Plan Year Ended December 31,</u>	<u>Amounts Recognized in Collective Pension Expense</u>
2019	\$ 40,371
2020	28,834
2021	24,556
2022	40,628
2023	19,781
Thereafter	58,652

Note 2 – Volunteer Retirement Plan

General Information about the Volunteer Fire Pension Plan

Plan Description.

The District contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). 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 on FPPA's website at <http://www.fppaco.org>. For the measurement period ending December 31, 2018, the VFDP included membership of 12 retirees and beneficiaries, 2 inactive, non-retired member, and 16 active members for a total of 30 members.

Benefits Provided.

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is \$700. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service in excess of 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years.

Vested Retirement

A member with 10 or more but less than 21 years of service is eligible to receive a benefit of \$35 per month times the number of vesting years.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Notes to the Financial Statements
December 31, 2019

Note 2 - Volunteer Retirement Plans-continued

General Information about the Volunteer Fire Pension Plan-continued

Disability Retirement Benefit

A member is eligible for short and long-term disability for injuries in the line of duty. Short-term payments of \$350 per month last for a maximum of one year. Long-term disability is a lifetime amount after one year of service of \$700 per month.

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or \$350 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and following death after disability retirement. An additional amount of \$17.50 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent. This annuity shall cease if the surviving spouse or dependent parent remarries and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Funeral Benefits

A one-time funeral benefit is paid of \$1,400 in the event of a death of a member.

Contributions.

The District contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2019, the District contributed \$21,279 and the state's matching contribution was \$0.

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the District reported a net pension liability/ (asset) of \$(307,966). The net pension liability/ (asset) were measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2019. The total pension liability as of December 31, 2019 is based upon the January 1, 2019 actuarial valuation.

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	\$ 25,440	\$ 165,348
Net difference between projected and actual earnings on pension plan investments	144,905	71,291
Change in Assumptions	71,190	-
Contributions subsequent to the measurement date	<u>65,372</u>	<u>-</u>
Total	<u>\$ 306,907</u>	<u>\$ 236,639</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 2 - Volunteer Retirement Plans-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

\$36,600 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:

Year ended December 31:	
2020	\$ 17,792
2021	(6,253)
2022	(29,462)
2023	22,819
2024	-
Thereafter	-
Total	<u>\$ 4,896</u>

Actuarial Assumptions.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017. The valuation used the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed fair value
Inflation	2.50%
Investment Rate of Return	7.50%
Projected Salary Increases	N/A
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	
Pre-retirement:	RP-2014 Mortality Table with Blue Collar employees, projected with Scale bb, 55% multiplier for off-duty mortality.
Post retirement:	For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 2 - Volunteer Retirement Plans-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

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 use in the January 1, 2019 valuation:

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.

Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for male 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 male 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.

Long-Term Expected Return on Plan Assets

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Private Capital	24.00%	10.0%
Managed Futures	4.00%	5.35%
Cash	<u>2.00%</u>	2.52%
Total	100.00%	

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2019

Note 2 - Volunteer Retirement Plans-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate share of the net pension liability/(asset)	<u>\$ (114,422)</u>	<u>\$(307,966)</u>	<u>\$(466,805)</u>

Note 3 – 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 Section 1098 pursuant to Colorado Revised Statutes. FPA 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 2.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.8% contribution may be paid entirely by the employer or the member, or it may be split between SWD&DP on behalf of the employees was \$10,076 equal to the required contribution for each year

Note 4 – Change In Fixed Assets

	Balance 12/31/2018	Additions	Reclass Deletions	Balance 12/31/2019
Buildings	\$ 1,107,915	\$ -	\$ -	\$ 1,107,915
Radio system	166,026	6,724	-	172,750
Fire Vehicles & Equipment	1,921,242	160,135	-	2,081,377
Medical Vehicles & Equipment	615,282	252,041	-	867,323
Station Equipment	288,049	4,579	-	292,628
Total Fixed Assets	<u>4,098,514</u>	<u>423,479</u>	<u>-</u>	<u>4,521,993</u>
Accumulated Depreciation:				
Buildings	(390,979)	(34,851)	-	(425,830)
Radio system	(159,156)	(2,067)	-	(161,223)
Fire Vehicles & Equipment	(1,898,502)	(13,618)	-	(1,912,120)
Medical Vehicles & Equipment	(497,649)	(54,632)	-	(552,281)
Station Equipment	(238,951)	(14,612)	-	(253,563)
Total Accum Depreciation	<u>(3,185,237)</u>	<u>(119,780)</u>	<u>-</u>	<u>(3,305,017)</u>
Construction-in-Process	256,816	526,286	(256,816)	526,286
Net Fixed Assets	<u>\$ 1,170,093</u>	<u>\$ 829,985</u>	<u>\$ (256,816)</u>	<u>\$ 1,743,262</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2019

Note 5 – Fund Balance Classification Policies and Procedures

With the implementation of GASB 54, Fund Balance Classification, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision making authority, in the Districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) Unassigned – which are funds available for any purpose. The District does have Committed, Restricted, and Non-spendable fund classification in 2019.

It is the District's policy to spend restricted funds first then unrestricted funds for the purpose for which both funds are available and committed and assigned funds are spent when expenditure are incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
- Non-spendable, which is its prepaid expenses,
- Committed, which are fund designated by the board of directors for a specific purpose
- Unassigned.

Note 6 - Budget to Actual Comparison

	<u>General Fund</u>
Revenue and Other Financing Resources	
GAAP Basis	\$ 1,276,571
Modification to GAAP Basis	
Carryover from prior year	1,706,461
Resources Budgetary Basis	2,983,032
19 Budgeted Resources	2,897,650
Variance Favorable (Unfavorable)	<u>\$ 85,382</u>
Expenditures- GAAP Basis	\$ 1,264,473
Modification to GAAP Basis	
Capital Outlays	692,950
Pension Expense	(74,732)
Depreciation	(119,781)
Emergency Reserve	52,100
Expenditures Budgeted Basis	1,815,010
19 Budgeted Expenditures	1,932,457
Variance Favorable (Unfavorable)	<u>\$ 117,447</u>

Note 7 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels 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 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 the aggregate uninsured deposits.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2019

Note 7 - Deposits and Investments-continued

	<u>2019</u>	
Cash & Investments consisted of the following:		
Petty Cash - Uninsured	<u>\$ 600</u>	
Checking & Money Markets:		
Insured	255,534	
Collateralized by PDPA	<u>503,468</u>	
Total	<u>759,002</u>	
Total Cash & Cash Equivalents	759,602	
Investments CD's:(Measured at amortized cost)		
Insured	<u>805,054</u>	Level 1
Total Deposits & Investments	<u>\$ 1,564,656</u>	

Colorado Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligation of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts.

The Districts investments at December 31, 2019, are categorized above to give an indication of the level of risk assumed by the District at year-end.

Note 8 - Deposits and Investments-continued

The District considers cash in the bank, cash on hand, and investment with original maturities of three months or less as cash and cash equivalents.

The District Categorizes its fair value measurements within the fair vale hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date .Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government ca access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3: Unobservable inputs for an asset or liability.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2019

Note 9 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District believes it is in compliance with this amendment.

Note 10 – Use of Restricted Funds and Unrestricted Funds

It is the District's policy to apply restricted assets first then unrestricted when restricted funds can be applied to an item.

REQUIRED SUPPLEMENTAL INFORMATION

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Required Supplementary Information Pensions
 December 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset)
 Fire & Police Statewide Defined Benefit Plan
 As of December 31,

	2019	2018
Department's proportion of the net pension liability/(asset)	.056%	.062%
Department's proportionate share of the net pension liability/(asset)	\$ (70,253)	\$ (89,032)
Department's covered payroll	\$ 359,858	\$ 357,800
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	5.12%	4.02%
Plan fiduciary net position as a percentage of the total pension liability	106.3%	106.3%

Schedule of Department Contributions
 Fire & Police Statewide Defined Benefit Plan
 As of December 31,

	2019	2018
Contractually required contribution	\$ 28,789	\$ 28,624
Contributions in relation to the contractually required contribution	\$ 28,789	\$ 28,624
Contribution deficiency (excess)	\$ 0	\$ 0
Department's covered payroll	\$ 359,858	\$ 357,800
Contributions as a percentage of covered payroll	8.0%	8.0%

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Required Supplementary Information Pensions
December 31, 2019

**Notes to Required Supplementary Information
December 31, 2019**

Changes in plan provisions. The plan provisions have not changed since the prior valuation.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS MULTIYEAR

Measurement period ending December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 26,925	\$ 26,925	\$ 23,357	\$ 23,357	\$ 20,310
Interest on the Total Pension Liability	120,455	115,067	80,043	76,613	61,280
Benefit Changes	-	-	321,384	-	302,243
Difference between Expected & Actual Experience	(217,652)	-	69,957	-	(133,831)
Assumption Changes	76,147	-	36,691	-	-
Benefit Payments	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
Net Change in Total Pension Liability	(64,265)	71,852	469,039	53,586	202,289
Total Pension Liability - Beginning	1,627,290	1,555,438	1,086,399	1,032,813	830,524
Total Pension Liability - Ending (a)	\$ 1,563,025	\$1,627,290	\$ 1,555,438	\$ 1,086,399	\$1,032,813
Plan Fiduciary Net Position					
Employer Contributions	\$ 28,901	\$ 52,357	\$ 74,523	\$ 69,376	\$ 68,420
Pension Plan Net Investment Income	605	245,286	85,365	29,465	98,368
Benefit Payments	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
Pension Plan Administrative Expense	(7,314)	(6,927)	(2,805)	(4,687)	(2,643)
State of Colorado Discretionary Payment	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(47,948)	220,576	94,690	47,770	116,432
Plan Fiduciary Net Position - Beginning	1,918,939	1,698,363	1,603,673	1,555,903	1,439,471
Plan Fiduciary Net Position - Ending (b)	\$ 1,870,991	\$1,918,939	\$ 1,698,363	\$ 1,603,673	\$1,555,903
Net Position Liability/(Asset) - Ending (a) - (b)	\$ (307,966)	\$ (291,649)	\$ (142,925)	\$ (517,274)	\$ (523,090)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.70%	117.92%	109.19%	147.61%	150.65%

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 SCHEDULE OF CONTRIBUTIONS MULTIYEAR
 LAST 10 FISCAL YEARS

FY ENDING DECEMBER 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2014	\$ -	\$ 68,420	\$ (68,420)	N/A	N/A
2015	\$ -	\$ 69,376	\$ (69,376)	N/A	N/A
2016	\$ -	\$ 74,523	\$ (74,523)	N/A	N/A
2017	\$ -	\$ 52,357	\$ (52,357)	N/A	N/A
2018	\$ 5,136	\$ 28,901	\$ 23,765	N/A	N/A

*Includes both Employer & State of Colorado Discretionary Payment

Plateau Valley Fire Protection District
Statement of Revenues, Expenditures, and Change in Fund Balance
Actual and Budget
For the Year Ended December 31, 2019

	General Fund		
	Budget Original & Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 756,618	\$ 783,509	\$ 26,891
Specific ownership tax	90,750	110,113	19,363
Ambulance	200,000	189,470	(10,530)
Interest income	37,000	29,800	(7,200)
Grants/Miscellaneous	322,050	163,679	(158,371)
Total Revenues	<u>1,406,418</u>	<u>1,276,571</u>	<u>(129,847)</u>
Expenditures:			
Administrative:			
Salaries	550,000	505,750	44,250
Payroll taxes & benefits	71,724	115,916	(44,192)
Insurance	180,000	109,528	70,472
Office expense	21,000	13,385	7,615
Accounting & legal	48,500	46,930	1,570
Dues & subscriptions	3,500	2,279	1,221
Treasurers fee	15,133	15,822	(689)
Directors fee	8,000	6,100	1,900
IT & maintenance expense	25,000	16,358	8,642
Human resource expense	1,500	1,388	112
Bad Debt expense	90,000	99,669	(9,669)
Capital outlay	-	-	-
Total Administrative Expenditures	<u>1,014,357</u>	<u>933,125</u>	<u>81,232</u>
Operating Expenditures:			
Chemicals	2,000	1,219	781
Communications	11,000	9,786	1,214
EMS Supplies/drugs	12,000	10,144	1,856
EMS Billing Service	12,000	9,416	2,584
Fuel	25,000	16,817	8,183
Meals	8,000	8,379	(379)
Motor vehicle repairs & maintenance	15,000	8,420	6,580
Operating supplies	3,600	3,443	157
Fire prevention/Public education	2,500	750	1,750
Other equipment repairs & maintenance	3,500	3,265	235
Radio repairs & maintenance	5,000	285	4,715
Training expense	25,000	2,978	22,022
Travel expense	8,000	3,495	4,505
Uniforms	20,000	10,127	9,873
Postage & freight	500	123	377
Small tools & equipment	2,000	22,317	(20,317)
Building expenses	33,000	25,871	7,129
Capital outlays	730,000	692,950	37,050
Total Operating Expenditures	<u>918,100</u>	<u>829,785</u>	<u>88,315</u>
Total Expenditures	<u>1,932,457</u>	<u>1,762,910</u>	<u>169,547</u>
Revenue Over /(Under) Expenditures	<u>(526,039)</u>	<u>(486,339)</u>	<u>39,700</u>
Fund Balance - January 1,	1,491,232	1,706,461	215,229
Fund Balance - December 31,	<u>\$ 965,193</u>	<u>\$ 1,220,122</u>	<u>\$ 254,929</u>