



# *RED, WHITE & BLUE* *FIRE PROTECTION DISTRICT*

## COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended December 31, 2019



Together, building a safer community through  
prevention, preparedness, and response.

**RED, WHITE AND BLUE FIRE PROTECTION DISTRICT  
BRECKENRIDGE, COLORADO**

**COMPREHENSIVE ANNUAL FIANNCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

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**RED, WHITE AND BLUE FIRE PROTECTION DISTRICT  
BRECKENRIDGE, COLORADO**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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For the Year Ended December 31, 2019

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Prepared by Laura Johnson, CPA, MBA  
Finance Officer



# RED, WHITE & BLUE

FIRE PROTECTION DISTRICT  
COURAGE, COMMITMENT, CARING

April 29, 2020

To the Citizens and Board of Directors of the Red, White & Blue Fire Protection District:

State law requires that all special districts with revenue in excess of \$750,000 publish within six months of the close of their fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Financial Statements with Independent Auditor's Report of the Red, White & Blue Fire Protection District (District) for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pursuant to that requirement, the enclosure consists of management's representations concerning the finances of the District for the fiscal year ended December 31, 2019, and the results of an independent audit of the financial statements by ACM LLP, a firm of licensed certified public accountants.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The management of the District is responsible for the contents of the Comprehensive Annual Financial Report (CAFR) and acknowledges the contribution of the Finance Officer who was integral in the preparation of the CAFR.

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## **Profile of the Government**

The District was formed in 1976 as a statutory fire protection district. The quasi-governmental special district model was utilized to secure long term funding via a property tax mill levy in the provision of multi-faceted emergency response services. The District incorporates approximately 138 square miles of Summit County, Colorado, including Breckenridge Ski Resort, one of the most popular skiing and snowboarding destinations in North America. Skier visits at Breckenridge Ski Area have increased from 1.0 million in 1993 to 1.6 million in 2013 (an increase of 60%); according to Vail Resorts Annual Report, in 2016/2017 ski season, Breckenridge was the single most visited mountain resort in the United States. The Towns of Breckenridge and Blue River along with unincorporated Summit County consist of a year-round population of approximately 13,000 residents that swells to over 65,000 citizens and guests during the winter.

Initially, the District provided emergency response services with a combination of volunteer and career personnel responding from three fire stations. Today, the District serves and protects life and property with a staff of 60 full-time personnel and four strategically located fire stations. Emergency medical and trauma call volume continues to increase dramatically (up 50% over past 5 years), and of the 2,876 calls in 2019, 58% of them were related to trauma or medical emergency incidents. The District EMS deployment matured in 2019 into an autonomously licensed service with vehicle permits for all three ambulances in addition to the fire apparatus. This collaborative integration of resources provides for a quicker, more efficient response of advanced life support personnel, equipment and patient transport capability. The District utilizes the 9-1-1 dispatching services of the regional Summit County Communications Center. This additional multi-agency collaboration is governed by a representative policy board of the public safety users and is funded via an annually calculated assessment to the users. The District, as a primary user, is responsible for an equal share of the direct overhead expenses, as well as a portion of expenses based on an audit of the number of incidents from the previous year.

The District also equips, trains and responds to wildland fires, hazardous materials-related emergencies and a variety of technical rescue and public assistance requests for service. The District responds locally, state-wide and nationally to calls for fighting wildland fires. Community risk management is addressed via a multilateral approach involving engineering, education, enforcement, planning, preparedness and response. All divisions and personnel understand and actively serve in their roles toward mitigating and managing community risks.

The District is governed by a publicly elected, five-member Board of Directors serving for four-year staggered terms. The Board is responsible for, among other things, overall policy development and decisions, adopting an annual budget, managing long range planning and hiring the Fire Chief. The Fire Chief is responsible for carrying out the policies of the Board of Directors and for overseeing the day-to-day operations.

The annual budget serves as the foundation for the District's financial planning and management. The staff from all divisions of the District are required to participate in specific development and management of the annual budget. The Fire Chief and Finance Officer use appropriation requests along with the revenue projections to develop a proposed budget. The budget is then presented to the District's Board of Directors before October 15<sup>th</sup> of each year. The Board of Directors is required to hold public hearings on the proposed budget and to adopt a final budget. The necessary and appropriate property tax mill levy must be certified to the County Commissioners by December 15<sup>th</sup> of each year. The Board of Directors must approve any revision that alters the total appropriation of the General Fund through a supplemental resolution and budget amendment.

## **Local Economic Condition and Outlook**

The District closely monitors national, state and local economic conditions, and forecasts any potential repercussions as the impact on property values historically lags several years beyond benchmark economic indicators. Historically the District enjoyed a stable economic environment in relation to the assessed

valuation of properties protected. The District enjoyed an average 6% yearly economic growth for years prior to the economic downturn in 2008 when property values plummeted. Property values began to increase in 2012. That trend has continued through 2019, particularly with the declining inventory of property on the market. Both residential and commercial construction began to improve in 2013 and continue to improve through the present. In the 2018 assessment cycle (for 2019 Property Tax collections), the District again saw increased property values. The District faced a real challenge to its property tax revenues stream due to the TABOR and Gallagher Amendments in the state of Colorado. The combination of TABOR and Gallagher Amendments have the effect of ratcheting down the Residential Assessment Rate (RAR) when property values increase, causing the assessed values to increase at a much lower rate than the actual property values, and in some cases the assessed values may even fall as property values rise. Due to the TABOR and Gallagher Amendments the RAR in Colorado has dropped 66% since 1982, and from 2016 to 2017 it dropped 10%: from 7.96% RAR in 2016 (for revenues collected in 2017) to 7.2% RAR in 2017 (for revenues collected in 2018 and 2019). Forecasts were for the RAR to drop to 6.1% (another 15% drop) in 2019, and this caused many Fire Districts, including Red White and Blue Fire Protection District, to bring this issue to their voters. The District's voters overwhelmingly supported (78% voted Yes/For) and passed a ballot measure in November 2018 to allow the District to adjust its property tax mill levy rate beginning in tax collection year 2019 if the RAR dropped below 7.2% in order to maintain its tax revenue at the point where it would have been at the 7.2% RAR. The actual RAR did drop to 7.15% for 2019 property tax collections, but due to passage of this ballot measure in November 2018, the District was allowed to collect property tax revenues at the 7.2% RAR.

Since 2014 the national economy has averaged around 3% GDP growth rate, until 2019 when it dropped to 2.1% in 2<sup>nd</sup> - 4<sup>th</sup> quarters. The unemployment rates dropped from 10% in 2010 to 3.5% in December 2019; Colorado was at 2.5% as of December 2019. The Federal Reserve became less concerned about late cycle inflationary pressures, and instead became more concerned about the slowing GDP growth rate in 2019, and the FOMC responded with rate cuts: three 0.25% rate cuts in 2019. As these indicators have direct impact on the District's fiscal position, we continue with a very conservative approach to budgeting with our focus on the local economic conditions. This approach helps to ensure a stable and sustainable financial position.

### **Long-Term Financial Planning**

In order to meet future objectives and potential challenges, the District developed and adopted a five-year Strategic Plan (2017-2022) that identifies organizational philosophies, strategic initiatives and organization goals. The Strategic Plan was developed through a collaborative effort of both internal and external stakeholders and is a guiding factor for the future needs of the District. In addition to the Strategic Plan, various long-range capital needs assessments have been completed and replacement schedules are identified for fleet, facilities and technology. The Plan and accompanying schedules are reviewed and updated as required each year during budget preparation.

The District has developed a long-range capital plan for fleet replacement. Front line apparatus (heavy fleet fire engines and ladder trucks) are generally planned for replacement on a ten year staggered schedule. A variety of factors are evaluated including exceptional usage, maintenance costs, functions demands, etc. that may extend or retract the schedule.

### **Relevant financial policies**

In 2018, for better budgeting and tracking of expenditures, the District established a separate fund for Capital Expenditures, so the District now has a General Operating Fund and a Capital Expenditure Fund. The Capital Expenditure Reserve Fund was initially funded with a \$2.0 million transfer from the General Operating Fund Reserve; additionally, 0.5 mills of the 9.0 mills Property Tax Levy are annually designated to the Capital Expenditure Fund.

In keeping with GFOA Best Practices regarding Fund Balances, the District feels it is fiscally prudent to establish Reserves in both the General Operating Fund and the Capital Expenditures Fund to provide a

fiscal cushion to absorb fluctuations in revenue due to economic conditions and fluctuations in expenditures due to unanticipated conditions. The District's current fiscal policy in regards to Reserves is that the General Fund Reserve balance should be maintained at 6 months of General Operating Budget for the coming year (\$5 million for 2020 Budget) and the Capital Expenditure Fund Reserve should be at 5 years of Budgeted Capital Expenditures (\$4.9 million through 2024). As of December 31, 2019, the General Fund fund balance, including restricted, emergency and unassigned dollars totaled approximately \$5.4 million, which is above the District's recommended Reserves of six months of budgeted operating expenses. As of December 31, 2019, the Capital Expenditure Fund fund balance totaled approximately \$1.8 million which is 37% of 5 years of budgeted capital expenditures. As revenues allow, the District will consider additional transfers from the General Operating Fund to the Capital Expenditure Fund in the upcoming years. Additional revenues are expected in upcoming years due to the District's increased EMS role in the community.

The District constantly seeks to employ the most motivated, well-educated and most technically proficient personnel in Colorado. Annually, salaries and related benefits (pension, insurance, Medicare tax) represent the largest appropriation of funds in the budget; in 2019, that figure is 75%, up from 73% in 2018. This increase is reflective of the competitive environment in Colorado to attract and retain EMS personnel. A rewarding compensation package is evaluated annually for alignment with industry best practices. Over the last five years, the District has performed significant compensation studies and has modified elements of total compensation to remain both competitive and fiscally responsible. Transparency and open communication exist from the Board of Directors to an internal Compensation Committee inclusive of personnel from all divisions regarding salary schedules, pay ranges, critical performance measures, hiring and promotion, and comprehensive benefits. Information on the District's pension arrangements can be found in Note 4, "Other Information" to the financial statements in the 2019 Audit Report.

### **Cash Management Policies and Practice**

Cash is invested mainly in state regulated investment pools and laddered Certificates of Deposit; and the investments are recorded at fair value. Colotrust and Colorado Statewide Investment Program (CSIP) manage most of the cash invested in state and federally protected regulated investment pools. Short-term cash flows for general operations require that funds be relatively liquid. These balances and the emergency reserve fund are held in money market checking accounts. With increasing reserve balances, the need for alternative investments in compliance with State statute and District's Investment Policy are continually reviewed by the District's Investment Committee.

### **Risk Management**

The District self-insures for short-term disability insurance for the District's employees. Full insurance coverage is maintained on the District's property with reasonable deductibles on vehicles and buildings. A minimum emergency reserve fund balance of 3% of the current budgeted operating expenditures is maintained to cover any disastrous loss. The District also maintains a sufficient general liability policy with Moody Insurance. As these insurance premium rates have escalated, the District has implemented higher deductibles in recent years on workers' compensation insurance, as well as switching Worker Compensation in 2017 to Pinnacol Assurance, which is run by the state of Colorado. Over the past five years, the District has focused heavily on safety in order to minimize risks associated with personal and workplace injuries, and the District was rewarded with a Premium Containment Certificate from the Colorado Division of Workers' Compensation at the end of 2019 which starts February 7, 2020 and will last for a three year period. This Certificate will provide the District eligibility for an additional 5% premium reduction in Workers' Compensation insurance.

### **Awards and Acknowledgements**

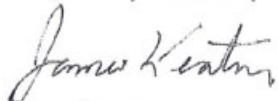
The District achieved two critical milestones aimed at protecting our community. After two years of conducting a comprehensive self-assessment and undergoing an independent external review by national experts, Red, White & Blue is now **one of only six agencies in the state** to receive accreditation from the

Commission on Accreditation of Ambulance Services (CAAS), considered the “gold standard” of the ambulance industry. With a primary focus on high-quality patient care, the commission’s standards – met by only 192 other agencies in the country – typically exceed state and local licensing requirements. This is Red, White & Blue’s second significant accreditation. In 2012, the District was accredited by the Commission on Fire Accreditation International (CFAI), which recognizes agencies that are community-focused, data-driven, strategic-minded, effectively organized, fiscally sound, properly equipped, and appropriately staffed and trained. The District was reaccredited by CFAI in 2017. **We are one of only 11 organizations in the country to hold both accreditations.** Additionally, Fire Chief James Keating was appointed to the CPSE/CFAI Commission, which conducts the hearings for applicants to the fire accreditation program.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Red, White & Blue Fire Protection District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



James Keating  
Fire Chief



Laura Johnson  
Finance Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

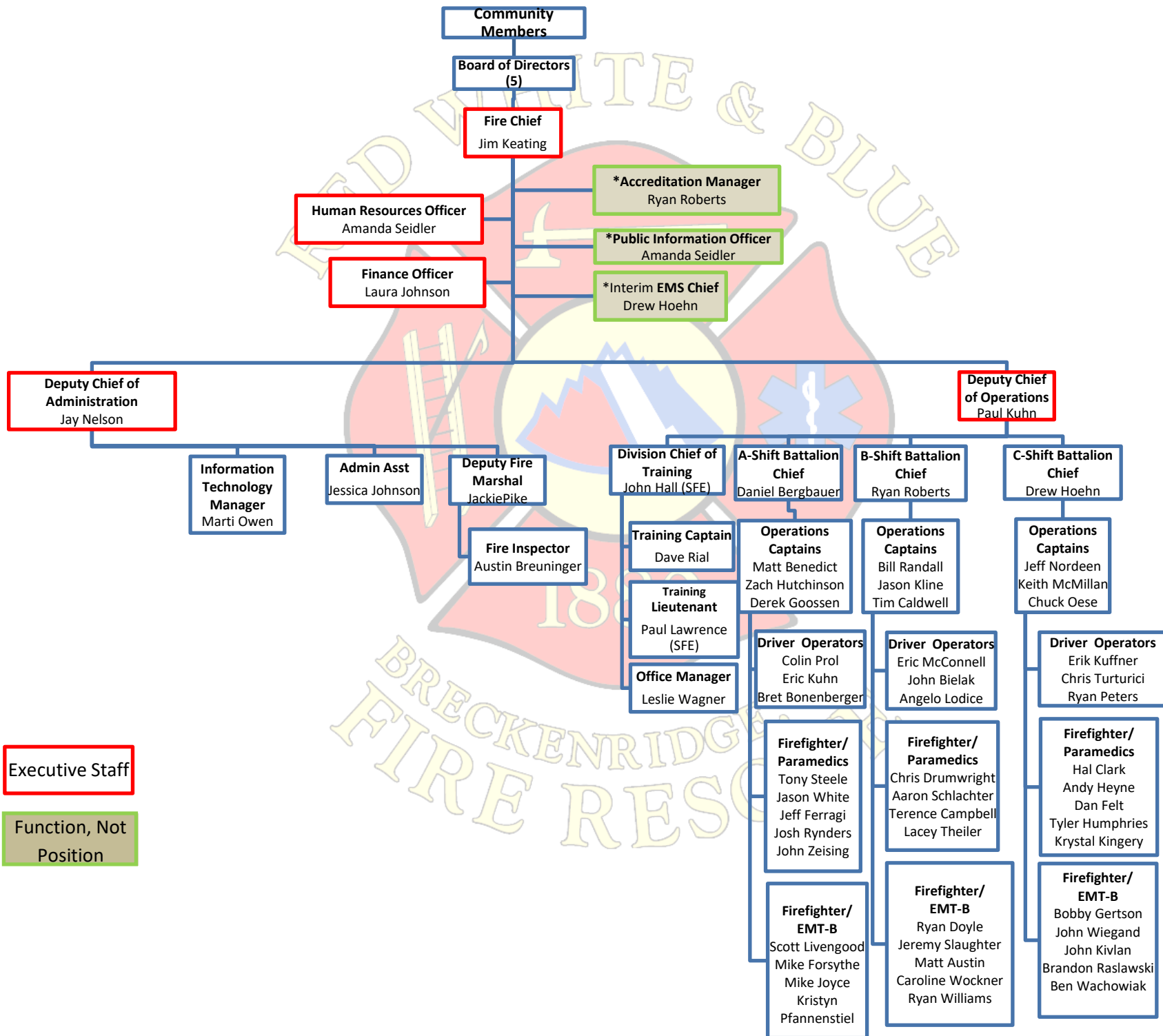
**Red, White & Blue Fire  
Protection District, Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrill*

Executive Director/CEO



Executive Staff

Function, Not Position

**RED, WHITE AND BLUE FIRE PROTECTION DISTRICT  
BRECKENRIDGE, COLORADO**

**ELECTED OFFICIALS  
BOARD OF DIRECTORS**

Arch Gothard, President  
Jim Brook, Vice President  
Ken Wiegand, Secretary-Treasurer  
Dean Lippert - Director  
Rich Rafferty - Director

**FIRE CHIEF**

James Keating

**DEPUTY CHIEF OF ADMINISTRATION**

Jay T. Nelson, MPA, CFPS

**DEPUTY CHIEF OF OPERATIONS**

Paul Kuhn

**FINANCE OFFICER**

Laura Johnson, CPA, MBA



## **Independent Auditor's Report**

Board of Directors  
Red, White & Blue Fire Protection District  
Breckenridge, Colorado

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

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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



### ***Emphasis of Matters***

The COVID-19 outbreak in 2020 (see note 5) has caused business disruption in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and pension and other post-employment benefit related schedules on pages 57 through 68 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedule on page 69, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*ACM LLP*  
Greeley, Colorado  
April 29, 2020

# Red, White & Blue Fire Protection District

Management's Discussion and Analysis  
December 31, 2019

As management of the Red, White & Blue Fire Protection District, (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2019.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. These components are discussed below.

**Government-wide financial statements:** The basic government-wide financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities (both short-term and long-term), and deferred inflows of resources with the difference between the categories reported as net position. The Statement of Net Position presents the financial position, focusing on long-term economic resources, and is reported on a full accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities shows how the government's net position changed during the most recent fiscal year. The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis. 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 District's financial statements can be found on pages 8 and 9 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with legal requirements.

The Balance Sheet presents the financial position of the District, focusing on short-term available resources, and is reported on a modified accrual basis of accounting.

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances column focuses on short-term available resources and is reported on a modified accrual basis.

The District's fund financial statements can be found on pages 10 through 13 of this report.

**Notes to the financial statements:** The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The notes to the financial statements can be found starting on page 15 of this report.

## Financial Analysis of the District

### Red, White & Blue Fire Protection District – Summary of Net Position

	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Current and other assets	\$16,734,250	\$14,990,034
Net pension asset	210,873	1,269,363
Capital assets, net of depreciation	<u>5,807,755</u>	<u>5,807,465</u>
<b>Total assets</b>	<u>22,752,878</u>	<u>22,066,862</u>
<b>Deferred outflows of resources</b>		
Deferred outflows of resources related to pensions and OPEB	<u>3,198,005</u>	<u>1,447,395</u>
<b>Total deferred outflows of resources</b>	<u>3,198,005</u>	<u>1,447,395</u>
<b>Liabilities:</b>		
Current liabilities	120,811	204,596
Long-term liabilities	<u>2,752,851</u>	<u>1,977,180</u>
<b>Total liabilities</b>	<u>2,873,662</u>	<u>2,181,776</u>
<b>Deferred inflows of resources:</b>		
Deferred tax revenues	9,354,551	7,840,401
Deferred inflows of resources related to pensions and OPEB	<u>28,905</u>	<u>609,412</u>
<b>Total deferred inflows of resources</b>	<u>9,383,456</u>	<u>8,449,813</u>
<b>Net position:</b>		
Net investment in capital assets (net of debt)	5,747,537	5,630,416
Restricted for emergencies	286,066	284,162
Unrestricted	<u>7,660,162</u>	<u>6,968,090</u>
<b>Total net position</b>	<u>\$13,693,765</u>	<u>\$12,882,668</u>

At December 31, 2019, approximately 42% of the District's net position reflects its investment in capital assets, which includes land, fire stations, vehicles, and equipment, less debt outstanding related to capital assets.

Similar to 2018, the District is able to report positive balances in all categories of net position at the end of 2019. Overall, the District's net position increased \$810,639, or 6.3%, including the cumulative effect of change in accounting principle, over the prior year.

In 2019, the District continued to reduce its capital leases outstanding. Furthermore, in 2019 the District invested in IT/communications upgrades, facility improvements and fleet upgrades. These events increased both total assets and total net position at the end of 2019.

**Financial Analysis of the District (continued)**

**Red, White & Blue Fire Protection District – Statement of Activities**

	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
Program Revenue:		
Charges for Services	\$933,422	\$720,106
Operating Grants and Contributions	91,748	617,314
Capital Grants and Contributions	-	-
General Revenue:		
Property taxes	7,832,564	7,706,966
Specific ownership taxes	441,692	458,603
Interest on delinquent taxes	12,545	10,357
Earnings on investments	240,777	125,937
Other General Revenues	74,521	17,153
Total Revenues	<u>9,627,269</u>	<u>9,656,436</u>
<b>Expenses:</b>		
Administration	1,508,404	1,729,863
Operations	5,903,447	5,381,563
Community Risk Management	172,459	197,447
Training	448,332	500,280
Communications	199,268	178,879
Fleet Services	178,946	194,278
Facilities	348,163	352,799
Emergency medical services	49,405	53,462
Interest on long-term debt	7,748	12,317
Total Expenses	<u>8,816,172</u>	<u>8,600,888</u>
<b>Change in Net Position</b>	811,097	1,055,548
<b>Net Position:</b>		
Beginning of the Year	12,882,668	11,918,802
Cumulative effect of a change in accounting principle		(91,682)
<b>End of the Year</b>	<u>\$13,693,765</u>	<u>\$12,882,668</u>

Property taxes were the most significant source of revenue, accounting for approximately 81% of total revenues.

When compared to 2018, revenues decreased by \$29,167 in 2019. This decrease was due to \$0 revenues in Wildland Fighting due to no wildfires across Colorado.

Salaries, wages, and employee benefits in 2019 totaled approximately \$6,869,390, or 78% of total 2019 District expenses, as compared to 78% in 2018.

Depreciation expense of \$639,959 accounted for 7% of total District expenses in 2019.

## Budget Variances in the General Fund

The District's actual expenditures and transfers out were under final budget in the General Fund in 2019 by \$490,709; 2019 District revenues exceeded expenditures by \$573,527.

Significant budget variances in the General Fund were as follows:

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Reason
<i>Revenues:</i>				
Specific Ownership Taxes	\$350,000	\$441,692	\$91,692	Increase in large ticket items such as cars, RVs, etc. as the economy grew and stabilized in 2019.
Emergency Medical Services	\$575,000	\$643,459	\$68,459	The collection rate was higher than past years and Summit County Government increased the % allocation to Red, White & Blue Fire Protection District.
Earnings on Investments	\$100,275	\$240,777	\$140,502	More active management of investment portfolio, combined with increasing yields on Certificates of Deposits.
Other Income	\$21,000	\$74,521	\$53,521	A 5 year cell phone tower lease payment to Red, White & Blue Fire Protection District was made in 2019.
Other Grants and Contributions/Wildfire Fighting	\$225,000	\$0	\$(225,000)	Wildland firefighting revenues are difficult to budget; and the lack of wildfires in Colorado yielded \$0 revenue.
Plan Review and Other Fees	\$150,000	\$98,053	\$(51,947)	A 2019 budgeted plan review for a large project was pushed into 2020.

### *Expenditures:*

All departments at Red, White & Blue Fire Protection District came in under or very close to the General Fund budget. No budget amendment was required in 2019.

### *Other Financing Uses:*

In the interest of having more transparent financial statements, the District created a separate fund for capital expenditures in 2018. This was funded by a \$2,000,000 transfer from the General Operating Fund to the newly created Capital Expenditures Fund. The Capital Expenditures Fund is also funded ongoing by a 0.05 mill levy on assessed property which was approved by Red, White & Blue Fire Protection District in 2015.

## **Capital Asset and Debt Administration**

**Capital assets:** The District's capital assets, net of accumulated depreciation, increased by \$199 in 2019. Purchases of capital assets were made for vehicles and fire equipment totaling \$640,158. \$163,819 of assets were disposed. Depreciation expense on all capital assets totaled \$639,959. Additional information as well as a detailed classification of the District's net capital assets can be found in the notes to the financial statements starting on page 24.

**Long-term obligations:** The District did not enter into any new long-term notes or lease purchase agreements in 2019. Additional information can be found in the notes to the financial statements starting on page 25 of this report.

## **Next Year's Budget and Rates**

The District's fund balance for both the General Fund and Capital Expenditures Fund at the end of the 2019 fiscal year totaled \$7,259,409. The District's 2020 fund balance for both the General Fund and Capital Expenditures Fund budget anticipates an ending balance of approximately \$7,259,409.

## **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Finance Officer, Red, White & Blue Fire Protection District, P.O. Box 0710, Breckenridge, CO 80424.

**Red, White & Blue Fire Protection District  
Statement of Net Position**

**December 31, 2019**

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 7,199,641
Accounts receivable:	
Taxes receivable	9,354,551
Other	38,441
Prepaid items	141,617
Capital assets, not being depreciated	445,134
Capital assets, being depreciated, net	5,362,621
Net pension asset	210,873
<b>Total assets</b>	<b>22,752,878</b>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources related to pensions	3,190,467
Deferred outflows of resources related to other post employment benefits	7,538
<b>Total deferred outflows of resources</b>	<b>3,198,005</b>
<b>Liabilities</b>	
Accounts payable	47,435
Other payables	72,855
Accrued interest payable	521
Non-current liabilities:	
Earned benefits payable, due within one year	304,866
Earned benefits payable, due in more than one year	74,701
Capital leases, due in one year	60,218
Net pension liability	2,222,152
Net other post employment benefit liability	90,914
<b>Total liabilities</b>	<b>2,873,662</b>
<b>Deferred inflows of resources</b>	
Deferred revenue - property taxes	9,354,551
Deferred inflows of resources related to pensions	25,187
Deferred inflows of resources related to other post employment benefits	3,718
<b>Total deferred inflows of resources</b>	<b>9,383,456</b>
<b>Net position</b>	
Net investment in capital assets	5,747,537
Restricted for emergencies	286,066
Unrestricted	7,660,162
<b>Total net position</b>	<b>\$ 13,693,765</b>

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

**Red, White & Blue Fire Protection District  
Statement of Activities**

**Year Ended December 31, 2019**

	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities</b>					
Administration	\$ 1,508,404	\$ -	\$ -	\$ -	\$ (1,508,404)
Operations	5,903,447	643,459	91,748	-	(5,168,240)
Community risk management	172,459	98,053	-	-	(74,406)
Training	448,332	191,910	-	-	(256,422)
Communications	199,268	-	-	-	(199,268)
Fleet services	178,946	-	-	-	(178,946)
Facilities	348,163	-	-	-	(348,163)
Emergency medical services	49,405	-	-	-	(49,405)
Interest on long-term debt	7,748	-	-	-	(7,748)
<b>Total governmental activities/Primary government</b>	<b>\$ 8,816,172</b>	<b>\$ 933,422</b>	<b>\$ 91,748</b>	<b>\$ -</b>	<b>(7,791,002)</b>
<b>General revenues</b>					
Property taxes					7,832,564
Specific ownership taxes					441,692
Interest on delinquent taxes					12,545
Earnings on investments					240,777
Other general revenues					74,521
<b>Total general revenues</b>					<b>8,602,099</b>
<b>Change in net position</b>					<b>811,097</b>
<b>Net position at beginning of year</b>					<b>12,882,668</b>
<b>Net position at end of year</b>					<b>\$ 13,693,765</b>

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

**Red, White & Blue Fire Protection District**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General Fund	Capital Expenditure Fund	Total
<b>Assets</b>			
Cash and investments	\$ 5,404,209	\$ 1,795,432	\$ 7,199,641
Accounts receivable:			
Taxes receivable	9,354,551	-	9,354,551
Other	38,441	-	38,441
Prepaid items	141,617	-	141,617
<b>Total assets</b>	<b>\$ 14,938,818</b>	<b>\$ 1,795,432</b>	<b>\$ 16,734,250</b>
<b>Liabilities, deferred inflows of resources and fund balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 47,435	\$ -	\$ 47,435
Other payables	72,855	-	72,855
<b>Total liabilities</b>	<b>120,290</b>	<b>-</b>	<b>120,290</b>
<b>Deferred inflows of resources</b>			
Deferred revenue - property taxes	9,354,551	-	9,354,551
<b>Total deferred inflows of resources</b>	<b>9,354,551</b>	<b>-</b>	<b>9,354,551</b>
<b>Fund balance</b>			
Nonspendable for prepaid items	141,617	-	141,617
Restricted for emergencies	286,066	-	286,066
Committed for long-range capital expenditures	661,695	1,795,432	2,457,127
Unassigned	4,374,599	-	4,374,599
<b>Total fund balance</b>	<b>5,463,977</b>	<b>1,795,432</b>	<b>7,259,409</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 14,938,818</b>	<b>\$ 1,795,432</b>	<b>\$ 16,734,250</b>

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

**Red, White & Blue Fire Protection District**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
**December 31, 2019**

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$	7,259,409
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental fund financial statements.

Cost of capital assets	\$ 13,467,012		
Accumulated depreciation	<u>(7,659,257)</u>		5,807,755

Pension asset, pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Pension asset	\$ 210,873		
Pension liability	(2,222,152)		
Deferred outflows of resources relating to pensions	3,190,467		
Deferred inflows of resources relating to pensions	<u>(25,187)</u>		1,154,001

Other post employment benefit liability and related deferred inflows and deferred outflows of resources are not current financial resources and therefore, are not reported in the fund financial statements.

Other post employment benefit liability	\$ (90,914)		
Deferred outflows of resources relating to other post employment benefits	7,538		
Deferred inflows of resources relating to other post employment benefits	<u>(3,718)</u>		(87,094)

Long-term liabilities, including capital lease obligation payable, accrued interest payable, and earned benefits payable are not due and payable from current financial resources and, therefore, are not reported as liabilities in the fund financial statements.

Capital lease payable	\$ (60,218)		
Accrued interest payable	(521)		
Earned benefits payable	<u>(379,567)</u>		(440,306)

<b>Total net position - governmental activities</b>	<b>\$</b>	<b>13,693,765</b>
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*The accompanying notes are an integral part of these financial statements.*

**Red, White & Blue Fire Protection District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

**Year Ended December 31, 2019**

	General Fund	Capital Expenditure Fund	Total
<b>Revenues</b>			
Property taxes	\$ 7,398,186	\$ 434,378	\$ 7,832,564
Specific ownership taxes	441,692	-	441,692
Interest on delinquent taxes	11,849	696	12,545
Earnings on investments	240,777	-	240,777
Plan review and other fees	98,053	-	98,053
Summit Fire Authority revenues	191,910	-	191,910
Grant revenues	-	91,748	91,748
Emergency Medical Services	643,459	-	643,459
Other income	74,521	-	74,521
<b>Total revenues</b>	<b>9,100,447</b>	<b>526,822</b>	<b>9,627,269</b>
<b>Expenditures</b>			
Public safety:			
Administration	1,568,195	21,670	1,589,865
Operations	5,734,588	-	5,734,588
Community risk management	201,960	-	201,960
Training	472,769	-	472,769
Communication	197,727	-	197,727
Fleet services	178,946	-	178,946
Facilities	123,330	-	123,330
Emergency Medical Services	49,405	-	49,405
Capital outlay	-	640,249	640,249
Debt Service:			
Principal	-	116,591	116,591
Interest	-	8,998	8,998
<b>Total expenditures</b>	<b>8,526,920</b>	<b>787,508</b>	<b>9,314,428</b>
<b>Change in fund balance</b>	<b>573,527</b>	<b>(260,686)</b>	<b>312,841</b>
<b>Fund balance at beginning of year</b>	<b>4,890,450</b>	<b>2,056,118</b>	<b>6,946,568</b>
<b>Fund balance at end of year</b>	<b>\$ 5,463,977</b>	<b>\$ 1,795,432</b>	<b>\$ 7,259,409</b>

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

**Red, White & Blue Fire Protection District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balance with the Government-wide Statement of Activities**  
**Year Ended December 31, 2019**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds \$ 312,841

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

Capital outlay	\$ 640,249	
Depreciation expense	<u>(639,959)</u>	290

Repayment of capital lease principal is an expenditure in the governmental fund financial statements, but it reduces long-term liabilities on the statement of net position and does not affect the statement of activities. 116,591

Decrease in accrued interest is reflected against interest expense in the statement of activities, but is not reflected on the statement of revenues, expenditures and changes in fund balance. 1,250

Increase in accrued compensated absences reflected against the statement of activities and not reflected in the governmental fund statement of revenues, expenditures and changes in fund balance. (18,470)

Changes in the District's net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District's pension and OPEB plans for the current year are not reported in governmental funds but are included in the statement of activities.

Pension related changes	\$ 399,062	
OPEB related changes	<u>(467)</u>	398,595

**Change in net position - governmental activities \$ 811,097**

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

**Red, White & Blue Fire Protection District**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance (Budget and Actual) - General Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 7,400,990	\$ 7,400,990	\$ 7,398,186	\$ (2,804)
Specific ownership taxes	350,000	350,000	441,692	91,692
Interest on delinquent taxes	7,500	7,500	11,849	4,349
Earnings on investments	100,275	100,275	240,777	140,502
Plan review and other fees	150,000	150,000	98,053	(51,947)
Summit Fire Authority revenues	187,864	187,864	191,910	4,046
Emergency Medical Services	575,000	575,000	643,459	68,459
Other grants and contributions	225,000	225,000	-	(225,000)
Other income	21,000	21,000	74,521	53,521
<b>Total revenues</b>	<b>9,017,629</b>	<b>9,017,629</b>	<b>9,100,447</b>	<b>82,818</b>
<b>Expenditures</b>				
Administration	1,912,061	1,912,061	1,568,195	343,866
Operations	5,793,264	5,793,264	5,734,588	58,676
Community risk management	207,492	207,492	201,960	5,532
Training	468,132	468,132	472,769	(4,637)
Communications	203,085	203,085	197,727	5,358
Fleet Services	227,107	227,107	178,946	48,161
Facilities	161,013	161,013	123,330	37,683
Emergency Medical Services	45,475	45,475	49,405	(3,930)
<b>Total expenditures</b>	<b>9,017,629</b>	<b>9,017,629</b>	<b>8,526,920</b>	<b>490,709</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>573,527</b>	<b>\$ 573,527</b>
<b>Fund balance at beginning of year</b>			<u>4,890,450</u>	
<b>Fund balance at end of year</b>			<u>\$ 5,463,977</u>	

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

**1. Summary of significant accounting policies**

The accounting policies of the Red, White & Blue Fire Protection District (the “District”) conform to accounting principles generally accepted in the United States of America as applicable to governments (“US GAAP”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the financial statements.

**Reporting entity**

The District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within Breckenridge, Colorado and the surrounding area.

As defined by US GAAP, established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component units governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a government board appointed by a higher level of government or (3) a jointly appointed board.

Based on these criteria, there are no other entities that are considered component units of the District.

**Basis of presentation**

The accompanying financial statements are presented in accordance with GASB Statement No. 34, *Special Purpose Governments*, Section Sp20 and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all activities of the District.

Both of the government-wide financial statements are designed to distinguish functions of the District that are principally supported by intergovernmental revenues and operating grants (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through their user fees and charges (business-type activities). The District does not report any business-type activities.

1. **Summary of significant accounting policies (continued)**

**Basis of presentation (continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues.

**Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period. Property taxes, intergovernmental revenue, emergency medical services revenue, grant revenue, and earnings on investments 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 when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt are recognized when due.

The District reports the following major governmental funds:

**General Fund** - 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.

**Capital Expenditures Fund** – this fund is used by the District to accumulate resources and disbursements for capital assets in the District.

**Financial statement accounts**

*Cash and investments*

Cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three-months or less from the date of acquisition.

Investments are measured at net asset value, which approximates fair value, or at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

*Receivables*

The District considered all receivables collectible as of December 31, 2019.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**1. Summary of significant accounting policies (continued)**

**Financial statement accounts (continued)**

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future years and are reported as prepaid items, thus utilizing the consumption method

*Property taxes*

Property taxes are levied on December 15 of each year, and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in two equal installments, due on the last day of February and June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible. In accordance with US GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unearned revenue.

*Capital assets*

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Capital expenditures for projects are capitalized as constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Fire Stations	40
Fire Station Improvements	5-20
Vehicles	14
Fire equipment (excluding vehicles)	5-10
Office equipment	6-25

*Earned benefits payable*

The District permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the government-wide financial statements.

*Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

1. **Summary of significant accounting policies (continued)**

**Financial statement accounts (continued)**

*Deferred outflows/inflows of resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for pension and OPEB-related amounts. See Note 4 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for pension and OPEB-related amounts. See Note 4 for additional information.

*Fund balance and net position*

In the government-wide financial statements, net position is classified in the following categories:

**Net investment in capital assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

**Restricted net position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of the governmental fund are categorized as follows:

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

**Restricted** – amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation, or because of constraints imposed by creditors, grantors, or the laws or regulations of other governments. The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$286,066 of the General Fund balance has been restricted in compliance with this requirement.

**Committed** – amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the “Board”). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

**Assigned** – the assigned fund balance includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

1. **Summary of significant accounting policies (continued)**

**Financial statement accounts (continued)**

*Fund balance and net position (continued)*

**Unassigned** – amounts that are available for any purpose. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

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

**Pensions**

*Statewide Defined Benefit Plan*

The District contributes to the Statewide Defined Benefit Plan (“SWDB”), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). 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 SWDB plan and additions to/deductions from the SWDB plan’s fiduciary net position have been determined on the same basis as they are reported by the FPPA. 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.

*Local Government Division Trust Fund*

The District participates in the Local Government Division Trust Fund (“LGDTF”), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). 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 LGDTF 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the LGDTF that were in effect on the LGDTF’s December 31, 2018 measurement date are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

**1. Summary of significant accounting policies (continued)**

**Pensions (continued)**

- Increases employee contribution rates for the LGDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2020).
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to members of the Local Government Division hired on or after January 1, 2019. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the LGDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

*Volunteer Firefighters'*

In addition, the District contributes to a defined benefit pension plan to provide retirement income for volunteer firefighters in recognition of their service to the District. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

*Old Hire Plan*

Finally, the District provides a pension plan available to provide retirement income for paid firefighters hired before April 1, 1978 in recognition of their service to the District. The paid firefighters "Old Hire" plan became affiliated with the FPPA on January 1, 2007. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

**Other Post Employment Benefits ("OPEB")**

The District participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer defined benefit OPEB fund administered by the PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**1. Summary of significant accounting policies (continued)**

**Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflow of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Stewardship, compliance and accountability**

**Budgets and budgetary accounting**

Governmental funds' budgets are adopted on a US GAAP basis wherein depreciation is not budgeted and capital outlay and principal payments on debt are recorded as expenditures in the fund. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the District's Chief submits to the Board of Directors a recommended budget which details the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes that allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

The following table summarizes the individual fund budgeted expenditures, as originally adopted and as revised:

Fund	Original Budget	Revisions	Final Budget
General Fund	\$ 9,017,629	\$ -	\$ 9,017,629
Capital Expenditures Fund	833,032	-	833,032
Total	\$ 9,850,661	\$ -	\$ 9,850,661

**2. Stewardship, compliance and accountability (continued)**

**Budgets and budgetary accounting (continued)**

**TABOR Amendment - Revenue and Spending Limitation Amendment**

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2019.

On May 2, 2006, the District's voters approved the following ballot question: "Shall Red, White & Blue Fire Protection District taxes be increased \$986,963 annually, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of up to 1.8 mills to provide fire, rescue, and emergency medical services, resulting in a total District mill levy rate, exclusive of refunds, abatements, or debt service, not to exceed 9.0 mills, which total rate shall be set annually and may fluctuate from year to year, up or down, without additional voter approval, so long as the total rate does not exceed 9.0 mills, commencing January 1, 2007, and continuing thereafter; and shall the District be authorized to collect, retain and spend all tax revenue collected from such total property tax rate, and all other revenue received from any source, commencing January 1, 2007, and continuing thereafter, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under TABOR (Article X, Section 20 of the Colorado Constitution) or any other law and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.?"

The District believes that it complies with the provisions of TABOR, as it is currently understood. Many of the provisions may not become fully understood without judicial review.

**3. Detailed notes on the funds**

**Cash 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 fair value of the collateral must be equal to 102% of the aggregate uninsured deposits.

At December 31, 2019, the District had deposits with financial institutions with a carrying amount of \$178,021. The bank balances with the financial institutions were \$261,238 of which \$250,000 were covered by federal depository insurance. The remaining balance of \$11,238 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Colorado Revised Statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. The allowed investments include participation in state regulated investment pools.

**3. Detailed notes on the funds (continued)**

**Cash and investments (continued)**

*Custodial Credit Risk:* Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include participation in state regulated investment pools and money market funds. At December 31, 2019, the District had invested \$2,084,176 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

*Interest Rate Risk:* The District limits its investments to savings accounts and investment pools where each share is equal to one dollar; thus, the District avoids interest rate risk.

*Credit Risk:* State law and District policy limit investments to those authorized by CRS including state regulated investment pools. The District's general investment policy is to apply the prudent-person rule: Investments are made, as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

*Concentration of Credit Risk:* The District invests most funds in State regulated investment pools and thus avoids a concentration of credit risk.

At December 31, 2019, the District had cash and investment balances as follows:

Petty cash	\$	100
Cash with county treasurer		38,137
Bank deposits		178,021
Local government investment pools		2,084,176
Investments		4,899,207
<hr/>		
Total cash and investments	\$	7,199,641

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**3. Detailed notes on the funds (continued)**

**Cash and investments (continued)**

At December 31, 2019, The District's investment balances consist of the following:

Investments	Fair Value	Standard & Poors Rating	Average Maturity Date (in Days)	Concentration of Credit Risk
Money market funds	\$ 1,717,597	N/A	N/A	35%
Certificates of deposit	3,181,610	N/A	380	65%
<b>Total</b>	<b>\$ 4,899,207</b>			

The District categorizes its fair value measurement within the fair value hierarchy established by US GAAP. 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 unobservable inputs.

At December 31, 2019, The District's investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,717,597	\$ -	\$ -	\$ 1,717,597
Certificates of deposit	-	3,181,610	-	3,181,610
<b>Total</b>	<b>\$ 1,717,597</b>	<b>\$ 3,181,610</b>	<b>\$ -</b>	<b>\$ 4,899,207</b>

Money market funds categorized in Level 1 are based on prices quoted in active markets. Certificates of deposits categorized in Level 2 are valued using matrix pricing based on securities' relationship to benchmark quoted prices.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**3. Detailed notes on the funds (continued)**

**Capital assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 445,134	\$ -	\$ -	\$ 445,134
Deposit on apparatus	90,558	-	(90,558)	-
Total capital assets not being depreciated	535,692	-	(90,558)	445,134
<b>Capital assets being depreciated:</b>				
Fire stations and improvements	6,818,013	213,890	-	7,031,903
Vehicles and equipment	5,636,877	516,917	(163,819)	5,989,975
Total capital assets being depreciated	12,454,890	730,807	(163,819)	13,021,878
<b>Less accumulated depreciation for:</b>				
Fire stations and improvements	(3,511,707)	(224,833)	-	(3,736,540)
Vehicles and equipment	(3,671,410)	(415,126)	163,819	(3,922,717)
Total accumulated depreciation	(7,183,117)	(639,959)	163,819	(7,659,257)
Total capital assets being depreciated, net	5,271,773	90,848	-	5,362,621
<b>Total capital assets, net</b>	<b>\$ 5,807,465</b>	<b>\$ 90,848</b>	<b>\$ (90,558)</b>	<b>\$ 5,807,755</b>

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

Administration	\$ 47,838
Operations	367,288
Facilities	224,833
<b>Total</b>	<b>\$ 639,959</b>

**Long-term obligations**

Changes in long-term obligations for the year ended December 31, 2019, are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Tower Truck	\$ 177,049	\$ -	\$ 116,831	\$ 60,218	\$ 60,218
Total leases payable	177,049	-	116,831	60,218	60,218
Earned benefits payable	361,097	351,876	333,406	379,567	304,866
Total long-term obligations	\$ 538,146	\$ 351,876	\$ 450,237	\$ 439,785	\$ 365,084

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**3. Detailed notes on the funds (continued)**

**Capital leases**

Details of capital lease obligations for the year ended December 31, 2019 are as follows:

Description	Date	Amount financed	Interest rate	Due date
Tower Truck	2010	1,000,000	4.10%	2020

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

Vehicles and improvements, at original cost	\$ 1,065,048
Less: accumulated depreciation	(479,272)
<b>Total</b>	<b>\$ 585,776</b>

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

Year ending December 31,	Total
2020	\$ 61,453
Total minimum lease payments	61,453
Less: amounts representing interest	(1,235)
Present value of minimum lease payments	\$ 60,218

**4. Other information**

**Risk management**

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks; claims, if any, are not expected to exceed the commercial insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

**Joint Venture - Summit County Fire Protection Authority**

The Summit County Fire Protection Authority (the "Authority") was officially formed on July 7, 1983, a successor to the Summit County Cooperative Fire Board Association.

The purpose of the Authority is to conduct business and affairs for the benefit of the contracting parties and their inhabitants, and to develop cooperative programs designed to improve the fire protection and related service capabilities of the contracting parties and implement cost savings to the contracting parties through various types of resource pooling and joint purchase, use or participation arrangements.

The current contracting parties are Copper Mountain Consolidated Metropolitan District, Lake Dillon Fire Protection District, and Red, White & Blue Fire Protection District.

The Authority is governed by a Board of Directors comprised of one representative from each of the participating entities. The Board elects its own officers from its members.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Joint Venture - Summit County Fire Protection Authority (continued)**

Participation is determined on a year-to-year basis. The District may withdraw from the Authority for the following year by giving appropriate notice during the period of June 1 through July 15 of any year. Upon withdrawal, the District would have no equity in the Authority's assets. However, the District could be held liable for its share of any liabilities incurred during the period it was a participant.

The Authority contributed \$191,910 to the District in 2019. In addition, the District paid \$241,129 to the Authority for HCTC, hazmat, and outside training services.

The audited financial statements of the Authority may be obtained by calling the Authority at (970) 668-4330.

**Retirement plans**

The following table presents combined information relating to the District's defined benefit pension plans as of and for the year ended December 31, 2019:

	Volunteer Firefighters' Pension Plan	Old Hires Pension Plan	Statewide Defined Benefit Plan	Local Government Division Trust Fund	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 994,827	\$ 45,296	\$ 1,040,123
Changes of assumptions or other inputs	-	-	749,823	-	749,823
Net difference between projected and actual earnings on pension plan investment	48,386	8,904	609,056	141,076	807,422
Changes in proportionate share	-	-	125,062	-	125,062
District contributions subsequent to the measurement date	-	49,923	342,940	75,174	468,037
<b>Total deferred outflows of resources relating to pensions</b>	<b>\$ 48,386</b>	<b>\$ 58,827</b>	<b>\$ 2,821,708</b>	<b>\$ 261,546</b>	<b>\$ 3,190,467</b>
Deferred inflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 8,271	\$ -	\$ 8,271
Changes in proportionate share	-	-	-	16,916	16,916
<b>Total deferred inflows of resources relating to pensions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,271</b>	<b>\$ 16,916</b>	<b>\$ 25,187</b>
<b>Net pension liability (asset) as of December 31, 2019</b>	<b>\$ (210,873)</b>	<b>\$ 364,624</b>	<b>\$ 774,236</b>	<b>\$ 1,083,292</b>	<b>\$ 2,011,279</b>
<b>Total pension expense (income) for the year ended December 31, 2019</b>	<b>\$ 41,451</b>	<b>\$ (16,002)</b>	<b>\$ (230,734)</b>	<b>\$ (193,777)</b>	<b>\$ (399,062)</b>

**4. Other information (continued)**

**Retirement plans (continued)**

*Volunteer firefighters*

*Plan description.* The District has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by FPPA. As of January 1, 2019, the Plan has 31 retirees and beneficiaries and 2 inactive, nonretired members, and no active current members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Benefits provided.* The Plan provides for a monthly pension of \$400 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum payment of \$100.

*Funding policy.* The funding of the plan by the District and members is authorized by the Board of Directors. The District can contribute to this pension plan an annual amount, with a tax levy not to exceed one mill on the assessed valuation of the District. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$350 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$350 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions.

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

There were no contributions to the Plan from the District or State of Colorado for the year ended December 31, 2019.

*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 net pension asset of \$210,873. The net pension asset was measured as of December 31, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2018 and may be used for December 31, 2019 reporting purposes.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Volunteer firefighters (continued)*

For the year ended December 31, 2019, the District recognized pension expense of \$41,451. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 48,386	\$ -
	\$ 48,386	\$ -

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,	Amortization
2020	\$ 21,333
2021	6,866
2022	1,599
2023	18,588
	\$ 48,386

*Actuarial assumptions.* The total pension asset at the December 31, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed fair value
Inflation	3%
Salary Increases	N/A
Investment Rate of Return	7.5%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table with a minimum 3% rate for males and 2% rate for females.

**4. Other information (continued)**

**Retirement plans (continued)**

*Volunteer firefighters (continued)*

*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 long-term 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 7.00%. Projected cash flows used in determining the Single Discount Rate are available upon request.

*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 real rates of return which eliminates the 2.5% inflation assumption, 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
Cash	2%	2.52%
Fixed Income	15%	2.90%
Managed Futures	4%	5.35%
Absolute Return	9%	5.08%
Long Short	9%	6.45%
Global Public Equity	37%	8.03%
Private Capital	24%	10.00%
<b>Total</b>	<b>100%</b>	

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the District'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 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
District's proportionate share of the net pension liability/(asset)	\$(115,440)	\$(210,873)	\$(291,643)

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Volunteer firefighters (continued)*

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

*Change in Net Pension (Asset) Liability*

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at December 31, 2018	\$ 982,723	\$ 1,305,009	\$ (322,286)
Changes for the year			
Interest	70,390	-	70,390
Net investment income	-	1,336	(1,336)
Differences between expected and actual experience	499	-	499
Changes of assumptions	34,331	-	34,331
Benefit payments	(90,020)	(90,020)	-
Administrative expenses	-	(7,529)	7,529
Net changes	15,200	(96,213)	111,413
Balances at December 31, 2019	\$ 997,923	\$ 1,208,796	\$ (210,873)

*Paid firefighters - "Old Hires"*

*Plan description.* The District provides a pension plan available to provide retirement income for paid firefighters hired before April 1, 1978 in recognition of their service to the District. The "Old Hires" plan is an agent multiple-employer defined benefit pension plan administered by the FPPA. As of January 1, 2018, the Plan has two retirees and beneficiaries. FPPA issues an annual, publicly available financial report that includes the assets of the Old Hire Fire Pension Fund. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Benefits provided.* The Old Hires plan was established by a Board of Trustees composed of District members and firefighters. A firefighter who elects to retire on or after his normal retirement date shall be eligible for a monthly pension equal to 2.5% of his monthly salary at the date of his retirement times years of service, up to a maximum of 50% of his salary at the date of retirement. A firefighter's normal retirement date is the earlier of the date on which he has attained 55 years of age and completed 15 years of service or attained 50 years of age and completed 20 years of service.

Two firefighters are qualified to participate in this plan, both of them have retired and one of them was deceased in July of 2010. In December 2010, the Board of Directors amended the by-laws governing the retirement benefits payable to the spouse of the deceased firefighter. The Pension Fund Bylaws were amended by resolution to provide that the surviving spouse of an "old hire" member is entitled to a monthly annuity equal to the pension for a retired firefighter, which pension benefit shall equal one-half the amount of the deceased member's monthly salary as of the date of the deceased member's retirement, and that the "surviving spouse" shall mean the member's spouse at the time of the member's retirement and who remains married to the member until the member's death.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Old Hires" (continued)*

When any retired member dies, leaving a surviving spouse or direct family, a one-time death benefit not to exceed an aggregate amount established by the Pension Fund Board within the limits of State statutes is authorized and shall be paid to the surviving spouse or direct family as soon as reasonable notice of death is received. After one year of service, the firefighter's interest in the plan vests at 10% per year through 11 years of service when he is 100% vested.

*Funding policy.* The authority under which the obligations to contribute to the plan by members and the District is determined by the bylaws of the Board of Trustees. Paid firefighters, hired before April 1, 1978, were required to contribute 8% of their yearly salary to the pension fund. Contributions by the District were determined in accordance with actuarial studies prepared by an independent party, but were at a minimum match of 8%.

The actuarial study as of January 1, 2018, indicated that the current level of contributions to the fund is adequate to support, on an actuarially sound basis, the prospective benefits for the present Plan.

Contributions to the Plan from the District were \$49,923 for the year ended December 31, 2019.

*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 net pension liability of \$364,624. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2019 and may be used for December 31, 2019 reporting purposes.

For the year ended December 31, 2019, the District recognized pension expense of \$33,921. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Net difference between projected and actual earnings on pension plan investments	\$ 8,904	\$ -
District contributions subsequent to the measurement date	49,923	-
	<u>\$ 58,827</u>	<u>\$ -</u>

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Old Hires" (continued)*

The \$49,923 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2020	\$ 4,260
2021	1,402
2022	242
2023	3,000
	\$ 8,904

*Actuarial assumptions.* The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	12 years
Asset Valuation Method	5-year smoothed fair value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.5%
Retirement Age	Any remaining actives are assumed to be retired immediately.
Mortality	Post-retirement: For ages less than 55, For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

*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).

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Old Hires" (continued)*

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; 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 7.50%. Projected cash flows used in determining the Single Discount Rate are available upon request.

*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 real rates of return 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
Cash	2%	2.52%
Fixed Income	15%	2.90%
Managed Futures	4%	5.35%
Absolute Return	9%	5.08%
Long Short	9%	6.45%
Global Public Equity	37%	8.03%
Private Capital	24%	10.0%
Total	100%	

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.50 percent, as well as what the District'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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease 6.50%	Current Discount Rate 7.50%	1.00% Increase 8.50%
District's proportionate share of the net pension liability/(asset)	\$399,574	\$364,624	\$333,370

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Old Hires" (continued)*

*Change in Net Pension (Asset) Liability*

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balances at December 31, 2018	\$ 588,739	\$ 220,033	\$ 368,706
Changes for the year			
Interest	41,458	-	41,458
Differences between expected and actual experience	-	-	-
Contributions - employer	-	48,265	(48,265)
Net investment income	-	461	(461)
Benefit payments	(73,252)	(73,252)	-
Administrative expenses	-	(3,186)	3,186
Net changes	(31,794)	(27,712)	(4,082)
Balances at December 31, 2019	\$ 556,945	\$ 192,321	\$ 364,624

*Paid firefighters - "Career"*

*Plan Description.* The District contributes to the Statewide Defined Benefit Plan ("SWDBP"), a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for firefighters hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 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. All full-time, paid firefighters of the District are members of the SWDBP Plan.

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 FPPA. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Benefits Provided.* SWDBP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. 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.

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Career" (continued)*

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

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

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 SWDB 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.

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 2018. 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 also had 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 5 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 affiliate social security group had 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.

Employer contributions are recognized by SWDB in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDB from the District were \$342,940 for the year ended December 31, 2019.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Career" (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 net pension liability of \$774,236 for its proportionate share of the net liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension liability was based on District contributions to the SWDBP relative to the total contributions of participating employers to SWDBP based upon the January 1, 2018 actuarial valuation. At December 31, 2018, the District's proportion was 0.6124 percent, which was a decrease of .0459 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension expense of \$112,206. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 994,827	\$ 8,271
Changes of assumptions or other inputs	749,823	-
Net difference between projected and actual earnings on pension plan investments	609,056	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	125,062	-
District contributions subsequent to the measurement date	342,940	-
	<b>\$ 2,821,708</b>	<b>\$ 8,271</b>

The \$342,940 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amortization</u>
2020	\$ 464,547
2021	324,592
2022	392,787
2023	392,787
2024	241,414
Thereafter	654,370
	<b>\$ 2,470,497</b>

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Career" (continued)*

*Actuarial assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were 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 assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	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*	7.0%	7.5%
Projected Salary Increases*	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Career" (continued)*

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

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

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 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the District'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 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
District's proportionate share of the net pension liability/(asset)	\$3,002,394	\$774,236	\$(1,073,981)

**4. Other information (continued)**

**Retirement plans (continued)**

*Paid firefighters - "Career" (continued)*

*Pension plan fiduciary net position.* Detailed information about the SWDBP's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

*Other personnel*

*Plan description.* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes ("CRS") administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code ("IRC"). Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2018.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and

**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (continued)*

Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contribution provisions as of December 31, 2019.* Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2019
Employer Contribution Rate <sup>1</sup>	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 <sup>1</sup>	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 <sup>1</sup>	1.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$75,174 for the year ended December 31, 2019.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (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 \$1,083,292 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2018 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2018, the District's proportion was 0.0862 percent, which was a decrease of .0019 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District recognized pension income of \$118,603. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 45,296	\$ -
Net difference between projected and actual earnings on pension plan investments	141,076	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	16,916
District contributions subsequent to the measurement date	75,174	-
<b>Total</b>	<b>\$ 261,546</b>	<b>\$ 16,916</b>

The \$75,174 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	<b>Amortization</b>
2020	\$ 334,488
2021	(119,821)
2022	(162,272)
2023	117,061
	<b>\$ 169,456</b>

**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (continued)*

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent and compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually,
thereafter	
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (continued)*

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (continued)*

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

**4. Other information (continued)**

**Retirement plans (continued)**

*Other personnel (continued)*

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.250 percent, as well as what the District'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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
Proportionate share of the net pension liability	\$1,657,213	\$1,083,292	\$603,149

*Pension plan fiduciary net position.* Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Changes between the measurement date of the net pension liability and December 31, 2019.* During the 2019 legislative session, the Colorado General Assembly passed HB 19-1217: *PERA Public Employees' Retirement Association Local Government Division Member Contribution Rate*. The bill was signed into law by Governor Polis on May 20, 2019, and eliminates the 2 percent increase in the contribution rate for members in the Local Government Division mandated by SB 18-200.

*Voluntary Investment Program*

*Plan description.* Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from other contributions made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2019, program members contributed \$71,700. The District does not contribute to the Voluntary Investment Program.

*Deferred compensation plans*

The District offers its employees one deferred compensation plan (the "457 Plan") created in accordance with IRC section 457 and one deferred compensation plan (the "401(k) Plan") created in accordance with IRC section 401(a). The 457 Plan is available to all employees with their retirement under FPPA and is administered by FPPA. The 401(k) Plan is available to all employees with their retirement under PERA and is administered by ING.

**4. Other information (continued)**

**Retirement plans (continued)**

*Deferred compensation plans (continued)*

The plans permit participants to defer a portion of their salary until future years. All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the Plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the IRS. The District does not contribute to the Plans.

The individual participants determine investment decisions within the plans and, therefore, the plan's investment concentration varies between participants.

The District has no liability for losses under the plans, as it is not the trustee. Consequently, the Plans are not part of the District's financial statements.

**Defined Benefit Other Post Employment Benefit (OPEB) Plans**

*Other personnel*

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, as amended. Title 24, Article 51, Part 12 of the CRS., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

4. **Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

CRS. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

*PERA Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$6,047 for the year ended December 31, 2019.

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2019**

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**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At December 31, 2019, the District reported a liability of \$90,914 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was .0067 percent, which was a decrease of .0001 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019 the District recognized OPEB expense of \$6,514. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 330	\$ 138
Net difference between projected and actual earnings on OPEB plan investments	523	-
Changes in assumptions or other inputs	638	-
Changes in proportionate share	-	3,580
District contributions subsequent to the measurement date	6,047	-
	<u>\$ 7,538</u>	<u>\$ 3,718</u>

The \$6,047 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Amortization</u>
2020	\$ (721)
2021	(721)
2022	(721)
2023	(208)
2024	143
Thereafter	1
	<u>\$ (2,227)</u>

**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.00%	4.00%
Ultimate Medicare Part A trend rate	4.00%	4.25%	5.25%
Net OPEB Liability	\$ 88,404	\$ 90,914	\$ 93,802

**4. Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.250 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Proportionate share of the net OPEB liability	\$101,725	\$90,914	\$81,672

4. **Other information (continued)**

**Defined Benefit Other Post Employment Benefit (OPEB) Plans (continued)**

*Other personnel (continued)*

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Paid firefighters - "Career"*

*Plan description.* The District contributes to the Statewide Death and Disability Plan ("SDDP"), a cost-sharing multiple-employer defined benefit OPEB plan administered by FPPA. All full-time, paid firefighters of the District are members of the SWDBP Plan.

FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWDBP Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Benefits provided.* The plan provides 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members that have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an off-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working.

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

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to this Plan as of January 1, 1997. Contributions may be increased 0.1 percent biennially by the FPPA Board. The contributions increased to 2.7 percent of base salary as of January 1, 2017. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7 percent contribution may be paid entirely by the employer or member, or it may be split between the employer and the member as determined at the local level.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

FPPA classifies all contributions to the Plan as member contributions. The District has no requirements to make contributions to the Plan, there is no payable to the Plan, and the Plan does not receive support from a nonemployer contributing entity. As such, the District does not have an OPEB liability, expense or related deferred outflows of resources or deferred inflows of resources relating to the Plan.

**5. Subsequent Events**

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the District’s operational and financial performance will be affected is also uncertain. Therefore, while the District expects this matter to negatively impact their business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

Management evaluated subsequent events through April 29, 2020, the date the financial statements were available to be issued. There were no other material subsequent events that require adjustment to or disclosure in these financial statements.

**Red, White & Blue Fire Protection District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)**  
**Cost-Sharing Defined Benefit Plans**

**Last Ten Years**

Year Ended December 31,	2019	2018	2017	2016	2015
<b>FPPA - Statewide Defined Benefit Plan</b>					
District's proportion of the net pension liability/(asset)	\$ 774,236	\$ (947,077)	\$ 260,478	\$ (11,908)	\$ (782,393)
District's proportionate share of the net pension liability/(asset)	0.6124%	0.6583%	0.7209%	0.6755%	0.6932%
District's covered payroll	\$ 4,146,904	\$ 3,853,544	\$ 3,534,529	\$ 3,487,950	\$ 3,461,880
Districts proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	18.67%	24.58%	7.37%	0.34%	22.60%
Plan fiduciary net position as a percentage of the total pension	95.20%	106.30%	98.21%	100.10%	106.80%
<b>PERA - Local Government Division Trust Fund</b>					
District's proportion of the net pension liability/(asset)	\$ 1,083,292	\$ 981,325	\$ 1,243,902	\$ 1,088,278	\$ 901,010
District's proportionate share of the net pension liability/(asset)	0.0862%	0.0881%	0.0921%	0.0988%	0.1005%
District's covered payroll	\$ 565,159	\$ 555,925	\$ 565,576	\$ 561,064	\$ 550,829
Districts proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	191.68%	176.52%	219.94%	193.97%	163.57%
Plan fiduciary net position as a percentage of the total pension	75.96%	79.37%	73.60%	76.90%	80.72%

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District  
Schedule of District Contributions - Pension  
FPPA - Statewide Defined Benefit Plan**

**Last Ten Years**

Year Ended December 31,	2019	2018	2017	2016
Contractually Required Contribution	\$ 342,940	\$ 328,173	\$ 308,050	\$ 282,726
Contributions in Relation to the Contractually Required Contribution	342,940	328,173	308,050	282,726
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,125,303	\$ 4,146,904	\$ 3,853,544	\$ 3,534,529
Contributions as a Percentage of Covered Payroll	8.31%	7.92%	7.99%	8.00%

2015	2014	2013	2012	2011	2010
\$ 262,398	\$ 249,310	\$ 244,503	\$ 263,284	\$ 266,037	\$ 275,954
262,398	249,310	244,503	263,284	266,037	275,954
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,487,950	\$ 3,461,880	\$ 3,408,296	\$ 3,323,691	\$ 3,519,397	\$ 3,404,528
7.52%	7.20%	7.17%	7.92%	7.56%	8.11%

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District  
Schedule of District Contributions - Pension  
PERA - Local Government Division Trust Fund**

**Last Ten Years**

Year Ended December 31,	2019	2018	2017	2016
Contractually Required Contribution	\$ 75,174	\$ 71,662	\$ 70,500	\$ 71,715
Contributions in Relation to the Contractually Required Contribution	75,174	71,662	70,500	71,715
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 592,856	\$ 565,159	\$ 555,925	\$ 565,576
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 71,143	\$ 69,845	\$ 62,384	\$ 50,892	\$ 47,838	\$ 45,810
71,143	69,845	62,384	50,892	47,838	45,810
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 561,064	\$ 550,829	\$ 491,990	\$ 401,356	\$ 377,271	\$ 361,278
12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District**  
**Schedule of Changes in Net Pension Liability/(Asset)**  
**and Related Ratios - Volunteer Firefighters' Pension Plan**  
**Last Ten Years**

Measurement Period Ending December 31	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	70,390	71,789	69,739	71,299	61,361
Benefit Changes	-	-	-	-	123,758
Difference Between Expected and Actual Experience	499	-	21,083	-	34,204
Assumption Changes	34,331	-	28,931	-	-
Benefit Payments	(90,020)	(90,854)	(93,934)	(90,333)	(83,434)
<b>Net Change in Total Pension Liability</b>	<b>15,200</b>	<b>(19,065)</b>	<b>25,819</b>	<b>(19,034)</b>	<b>135,889</b>
Total Pension Liability - Beginning	982,723	1,001,788	975,969	995,003	859,114
<b>Total Pension Liability - Ending</b>	<b>\$ 997,923</b>	<b>\$ 982,723</b>	<b>\$ 1,001,788</b>	<b>\$ 975,969</b>	<b>\$ 995,003</b>
<b>Plan Fiduciary Net Position</b>					
Employer Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Pension Plan Net Investment Income	1,336	173,571	64,707	24,019	88,207
Benefit Payments	(90,020)	(90,854)	(93,934)	(90,333)	(83,434)
Pension Plan Administrative Expenses	(7,529)	(7,491)	(2,212)	(3,085)	(2,395)
State of Colorado Supplemental Discretionary Payment	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(96,213)</b>	<b>75,226</b>	<b>(31,439)</b>	<b>(69,399)</b>	<b>2,378</b>
Plan Fiduciary Net Position - Beginning	1,305,009	1,229,783	1,261,222	1,330,621	1,328,243
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 1,208,796</b>	<b>\$ 1,305,009</b>	<b>\$ 1,229,783</b>	<b>\$ 1,261,222</b>	<b>\$ 1,330,621</b>
 Net Pension Liability/(Asset) - Ending	 (210,873)	 (322,286)	 (227,995)	 (285,253)	 (335,618)
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 121.13%	 132.80%	 122.76%	 129.23%	 133.73%
 Covered Payroll	 N/A	 N/A	 N/A	 N/A	 N/A
 Net Pension Liability as a Percentage of Covered Payroll	 N/A	 N/A	 N/A	 N/A	 N/A

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District  
 Schedule of District Contributions  
 Volunteer Firefighters' Pension Plan**

**Last Ten Years**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$ -	\$ -	\$ -	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District**  
**Schedule of Changes in Net Pension Liability/(Asset)**  
**and Related Ratios - Old Hire Pension Plan**

**Last Ten Years**

Measurement Period Ending December 31	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	41,458	41,592	43,801	41,685	43,887
Benefit Changes	-	-	-	-	-
Difference Between Expected and Actual Experience	-	29,878	-	28,558	-
Assumption Changes	-	-	-	31,221	-
Benefit Payments	(73,252)	(73,252)	(73,252)	(73,252)	(73,252)
Net Change in Total Pension Liability	(31,794)	(1,782)	(29,451)	28,212	(29,365)
Total Pension Liability - Beginning	588,739	590,521	619,972	591,760	621,125
Total Pension Liability - Ending	\$ 556,945	\$ 588,739	\$ 590,521	\$ 619,972	\$ 591,760
<b>Plan Fiduciary Net Position</b>					
Employer Contribution	\$ 48,265	\$ 48,265	\$ 41,896	\$ 41,846	\$ 39,422
Employee Contributions	-	-	-	-	-
Pension Plan Net Investment Income	461	29,110	10,916	4,545	17,712
Benefit Payments	(73,252)	(73,252)	(73,252)	(73,252)	(73,252)
Pension Plan Administrative Expenses	(3,186)	(877)	(2,219)	(731)	(3,304)
Net Change in Plan Fiduciary Net Position	(27,712)	3,246	(22,659)	(27,592)	(19,422)
Plan Fiduciary Net Position - Beginning	220,033	216,787	239,446	267,038	286,460
Plan Fiduciary Net Position - Ending	\$ 192,321	\$ 220,033	\$ 216,787	\$ 239,446	\$ 267,038
Net Pension Liability/(Asset) - Ending	\$ 364,624	\$ 368,706	\$ 373,734	\$ 380,526	\$ 324,722
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	34.53%	37.37%	36.71%	38.62%	45.13%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District  
Schedule of District Contributions  
Old Hire Pension Plan**

**Last Ten Years**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$ 30,044	\$ 30,044	\$ -	N/A	N/A
2011	39,422	39,422	-	N/A	N/A
2012	39,422	39,422	-	N/A	N/A
2013	38,304	39,422	(1,118)	N/A	N/A
2014	38,304	39,422	(1,118)	N/A	N/A
2015	41,846	41,846	-	N/A	N/A
2016	41,846	41,896	(50)	N/A	N/A
2017	48,265	48,265	-	N/A	N/A
2018	48,265	48,265	-	N/A	N/A
2019	49,923	49,923	-	N/A	N/A

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Cost-Sharing Defined OPEB Plan**

**Last Ten Years**

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Year Ended December 31,	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB Liability	\$ 90,914	\$ 89,003	\$ 91,682
District's proportionate share of the net OPEB Liability	0.0067%	0.0068%	0.0071%
District's covered payroll	\$ 565,159	\$ 555,925	\$ 565,576
Districts proportionate share of the net OPEB Liability as a percentage of its covered payroll	16.09%	16.01%	16.21%
Plan fiduciary net position as a percentage of the total	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District  
Schedule of District Contributions - OPEB  
Cost-Sharing Defined OPEB Plan**

**Last Ten Years**

Year Ended December 31,	2019	2018	2017	2016
Contractually Required Contribution	\$ 6,047	\$ 5,765	\$ 5,671	\$ 5,769
Contributions in Relation to the Contractually Required Contribution	6,047	5,765	5,671	5,769
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 592,856	\$ 565,159	\$ 555,925	\$ 565,576
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 5,723	\$ 5,618	\$ 5,018	\$ 4,094	\$ 3,848	\$ 3,685
5,723	5,618	5,018	4,094	3,848	3,685
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 561,064	\$ 550,829	\$ 491,990	\$ 401,356	\$ 377,271	\$ 361,278
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*See accompanying Independent Auditor's Report.*

**Red, White & Blue Fire Protection District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance (Budget and Actual) - Capital Expenditures Fund**  
**Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 434,853	\$ 434,853	\$ 434,378	\$ (475)
Interest on delinquent taxes	-	-	696	696
Grant revenues	91,748	91,748	91,748	-
Total revenues	526,601	526,601	526,822	221
<b>Expenditures</b>				
Administration	21,743	21,743	21,670	73
Capital outlay	685,700	685,700	640,249	45,451
Debt Service	125,589	125,589	125,589	-
Total expenditures	833,032	833,032	787,508	45,524
<b>Net change in fund balance</b>	<b>\$ (306,431)</b>	<b>\$ (306,431)</b>	<b>(260,686)</b>	<b>\$ 45,745</b>
<b>Fund balance at beginning of year</b>			<b>2,056,118</b>	
<b>Fund balance at end of year</b>			<b>\$ 1,795,432</b>	

*See accompanying Independent Auditor's Report.*

## STATISTICAL SECTION

This section of Red, White & Blue Fire Protection District's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information states about the District's overall financial health.

### **Contents**

#### **Financial Trends**

**Pages 71 - 74**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**Pages 75 - 79**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and specific ownership taxes, along with plan review fees.

#### **Debt Capacity**

**Pages 80 - 82**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt, and the District's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

**Pages 83 - 84**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

**Pages 85 - 87**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

#### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the audits and/or comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**Red, White & Blue Fire Protection District**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$3,460,879	\$4,053,819	\$4,855,488	\$5,068,900	\$5,341,347	\$5,454,606	\$5,745,950	\$5,849,521	\$5,630,416	\$5,747,537
Restricted - Emergency Reserve	238,636	240,936	227,360	229,656	223,133	228,308	256,085	269,377	284,162	284,162
Restricted - Board action	-	-	-	-	-	-	-	-	-	-
Restricted - Prepaid expenses	122,351	26,064	-	-	-	-	-	-	-	-
Unrestricted	2,575,000	3,568,790	3,575,503	4,040,106	4,274,940	5,138,327	5,512,513	5,799,904	6,968,090	7,662,066
Total governmental activities net position	<u>\$6,396,866</u>	<u>\$7,889,609</u>	<u>\$8,658,351</u>	<u>\$9,338,662</u>	<u>\$9,839,420</u>	<u>\$10,821,241</u>	<u>\$11,514,548</u>	<u>\$11,918,802</u>	<u>\$12,882,668</u>	<u>\$13,693,765</u>
Primary government										
Net investment in capital assets	\$3,460,879	\$4,053,819	\$4,855,488	\$5,068,900	\$5,341,347	\$5,454,606	\$5,745,950	\$5,849,521	\$5,630,416	\$5,747,537
Restricted - Emergency Reserve, Board action, prepaids	360,987	267,000	227,360	229,656	223,133	228,308	256,085	269,377	284,162	284,162
Unrestricted	2,575,000	3,568,790	3,575,503	4,040,106	4,274,940	5,138,327	5,512,513	5,799,904	6,968,090	7,662,066
Total primary government net position	<u>\$6,396,866</u>	<u>\$7,889,609</u>	<u>\$8,658,351</u>	<u>\$9,338,662</u>	<u>\$9,839,420</u>	<u>\$10,821,241</u>	<u>\$11,514,548</u>	<u>\$11,918,802</u>	<u>\$12,882,668</u>	<u>\$13,693,765</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Red, White & Blue Fire Protection District**  
**Changes in Net Position (governmental activities only)**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Expenses</b>										
Governmental activities:										
Administration	\$729,417	\$774,466	\$657,906	\$772,559	\$796,899	\$1,117,877	\$1,192,868	\$1,346,131	1,290,553	1,066,210
Operations	4,022,141	4,249,252	3,489,271	4,049,097	3,846,825	4,269,750	4,948,840	5,580,726	5,435,025	5,951,604
Emergency Medical Services	24,503	19,724	126,446	127,770	68,623	-	-	-	-	-
Community Risk Management	314,111	295,587	234,925	232,330	249,847	193,405	193,318	209,437	197,447	172,459
Training	650,939	635,130	525,041	512,818	561,139	443,744	525,105	583,339	500,280	448,332
Information Technology/Communications	254,466	282,044	282,228	399,084	471,020	139,675	146,063	168,370	178,879	199,268
Fleet Services	130,195	122,464	684,963	173,206	402,599	142,164	143,885	169,659	194,278	178,946
Buildings	214,032	226,491	340,040	288,379	187,230	311,068	330,305	326,206	352,799	348,163
High Country Training Center	-	-	-	-	-	-	-	-	-	-
Pension Contribution	30,104	39,422	39,422	39,422	39,422	27,555	41,846	48,265	48,265	49,923
Grant Expenditures	5,261	38,641	17,704	37,028	403	5,491	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Treasurer's Fees	377,502	382,561	329,590	335,189	315,789	321,646	354,310	359,826	391,045	392,268
Interest on Long-term Debt - RWB	101,162	78,769	56,310	43,598	37,367	31,362	25,195	18,333	12,317	8,999
Debt Service - SFA	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>\$6,853,833</b>	<b>\$7,144,551</b>	<b>\$6,783,846</b>	<b>\$7,010,480</b>	<b>\$6,977,163</b>	<b>\$7,003,737</b>	<b>\$7,901,735</b>	<b>\$8,810,292</b>	<b>\$8,600,888</b>	<b>\$8,816,172</b>
<b>Total primary government expenses</b>	<b>\$6,853,833</b>	<b>\$7,144,551</b>	<b>\$6,783,846</b>	<b>\$7,010,480</b>	<b>\$6,977,163</b>	<b>\$7,003,737</b>	<b>\$7,901,735</b>	<b>\$8,810,292</b>	<b>\$8,600,888</b>	<b>\$8,816,172</b>
<b>Program Revenues</b>										
Governmental activities:										
Plan Review & Other Fees	\$30,242	\$141,180	\$34,298	\$38,328	\$307,749	\$165,828	\$195,291	\$228,674	\$33,271	\$98,053
Intergovernmental	359,398	397,856	324,822	325,501	286,982	205,275	256,408	289,062	210,694	191,910
Emergency Medical Services Income	7,800	12,975	4,287	20,351	22,834	212,484	388,303	354,784	476,141	643,459
State & Federal Wildland	-	123,482	264,300	235,967	148,702	203,283	178,852	394,806	432,948	-
Grant Revenues	-	-	-	-	-	-	-	232,829	184,366	-
Other Income	19,752	15,099	4,926	8,740	15,859	31,819	19,623	-	-	-
<b>Total governmental activities program revenues</b>	<b>\$417,192</b>	<b>\$690,592</b>	<b>\$632,663</b>	<b>\$628,887</b>	<b>\$782,126</b>	<b>\$818,689</b>	<b>\$1,038,477</b>	<b>\$1,500,155</b>	<b>\$1,337,420</b>	<b>\$933,422</b>
<b>Total primary government program revenues</b>	<b>\$417,192</b>	<b>\$690,592</b>	<b>\$632,663</b>	<b>\$628,887</b>	<b>\$782,126</b>	<b>\$818,689</b>	<b>\$1,038,477</b>	<b>\$1,500,155</b>	<b>\$1,337,420</b>	<b>\$933,422</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(\$6,436,641)	(\$6,453,959)	(\$6,151,183)	(\$6,381,593)	(\$6,195,037)	(\$6,185,048)	(\$6,863,258)	(\$7,310,137)	(\$7,263,468)	(\$7,882,750)
<b>Total primary government net expenses</b>	<b>(\$6,436,641)</b>	<b>(\$6,453,959)</b>	<b>(\$6,151,183)</b>	<b>(\$6,381,593)</b>	<b>(\$6,195,037)</b>	<b>(\$6,185,048)</b>	<b>(\$6,863,258)</b>	<b>(\$7,310,137)</b>	<b>(\$7,263,468)</b>	<b>(\$7,882,750)</b>
<b>General Revenues</b>										
Governmental activities:										
Property Taxes	\$7,530,647	\$7,633,455	\$6,581,471	\$6,691,759	\$6,307,043	\$6,424,302	\$7,077,664	\$7,188,113	\$7,706,966	\$7,832,564
Specific Ownership Taxes	266,240	267,939	272,725	317,239	333,130	343,571	371,547	428,195	458,603	441,692
Interest on Taxes	19,396	17,766	10,334	12,022	8,738	8,630	8,530	8,394	10,357	12,545
Grant Revenues	138,257	112,027	71,082	48,302	40,157	10,453	58,869	2,500	-	-
Gain (loss) on sale of capital assets	-	7,425	-	(12,715)	-	-	-	-	-	91,748
Investment Earnings	10,778	4,377	10,377	5,297	6,727	15,071	39,952	68,645	125,937	240,777
Other Income	-	-	-	-	-	-	-	18,544	17,153	74,521
<b>Total governmental activities general revenues</b>	<b>\$7,965,318</b>	<b>\$8,042,989</b>	<b>\$6,945,989</b>	<b>\$7,061,904</b>	<b>\$6,695,795</b>	<b>\$6,802,027</b>	<b>\$7,556,561</b>	<b>\$7,714,391</b>	<b>\$8,319,016</b>	<b>\$8,693,847</b>
<b>Total primary government general revenues</b>	<b>\$7,965,318</b>	<b>\$8,042,989</b>	<b>\$6,945,989</b>	<b>\$7,061,904</b>	<b>\$6,695,795</b>	<b>\$6,802,027</b>	<b>\$7,556,561</b>	<b>\$7,714,391</b>	<b>\$8,319,016</b>	<b>\$8,693,847</b>
<b>Change in Net Position</b>										
Governmental activities	\$1,528,677	\$1,589,030	\$794,806	\$680,311	\$500,758	\$616,979	\$693,303	\$404,254	\$1,055,548	\$811,097
<b>Total primary government</b>	<b>\$1,528,677</b>	<b>\$1,589,030</b>	<b>\$794,806</b>	<b>\$680,311</b>	<b>\$500,758</b>	<b>\$616,979</b>	<b>\$693,303</b>	<b>\$404,254</b>	<b>\$1,055,548</b>	<b>\$811,097</b>

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Red, White & Blue Fire Protection District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable for prepaid items (1)	\$ -	\$ -	\$ 27,651	\$ 34,332	\$ 188,802	\$ 227,700	\$ 305,957	\$ 68,215	\$ 162,758	\$ 141,617
Restricted for emergencies	238,636	240,936	227,360	229,656	223,133	228,308	256,085	269,377	284,162	286,066
Committed for long-range capital expenditures (1)	-	-	1,753,116	1,307,663	677,884	1,271,595	983,914	750,336	2,767,065	2,457,127
Assigned for subsequent year expenditures (2)	-	-	-	-	86,599	-	-	-	-	-
Unassigned	2,692,522	3,770,981	2,043,276	2,935,669	3,583,329	3,497,943	4,133,230	5,126,084	3,732,583	4,374,599
Total general fund	\$ 2,931,158	\$ 4,011,917	\$ 4,051,403	\$ 4,507,320	\$ 4,759,747	\$ 5,225,546	\$ 5,679,186	\$ 6,214,012	\$ 6,946,568	\$ 7,259,409

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

(1) The District began classifying fund balance using the new categories in 2012. During 2012 budgeting, the Board of Directors committed \$2 million of the General Fund balance to be used for the purposes of capital and long-range maintenance expenditures on fleets and buildings. In 2018 the District created a separate Capital Expenditures Fund, which is reflected here.

(2) The District adopted this classification category in 2014.

**Red, White & Blue Fire Protection District**  
**Changes in Fund Balances, Governmental Fund**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Property taxes	\$ 7,530,647	\$ 7,633,455	\$ 6,581,471	\$ 6,691,759	\$ 6,307,043	\$ 6,424,302	\$ 7,077,664	\$ 7,188,113	\$ 7,706,966	\$ 7,832,564
Specific ownership taxes	266,240	267,939	272,725	317,239	333,130	343,571	371,547	428,195	458,603	441,692
Interest on delinquent tax	19,396	17,766	10,334	12,022	8,738	8,630	8,530	8,394	10,357	12,545
Earnings on Investments	10,778	4,377	10,377	5,297	6,727	15,071	39,952	68,645	125,937	240,777
Plan review fees	30,242	141,180	34,298	38,328	307,749	165,828	195,291	228,674	33,271	98,053
Intergovernmental	359,398	397,856	324,822	325,501	286,982	205,275	256,408	289,062	210,694	191,910
Emergency medical services income	7,800	12,975	4,287	20,351	22,834	212,484	388,303	354,784	476,141	643,459
State & Federal Wildland	-	123,482	264,330	235,967	148,702	203,283	178,852	394,806	432,948	-
Grant revenues	138,257	112,027	71,082	48,302	40,157	10,453	58,869	235,329	184,366	91,748
Other income	19,752	15,099	4,926	8,740	15,859	31,819	19,623	18,544	17,153	74,521
<b>Total Revenues</b>	<b>\$ 8,382,510</b>	<b>\$ 8,726,156</b>	<b>\$ 7,578,652</b>	<b>\$ 7,703,506</b>	<b>\$ 7,477,921</b>	<b>\$ 7,620,716</b>	<b>\$ 8,595,038</b>	<b>\$ 9,214,546</b>	<b>\$ 9,656,436</b>	<b>\$ 9,627,269</b>
<b>Expenditures</b>										
Public Safety										
Administration	\$ 716,656	\$ 762,908	\$ 653,087	\$ 760,492	\$ 806,677	\$ 953,411	\$ 1,091,338	\$ 1,158,906	\$ 1,216,540	\$ 1,147,674
Operations	3,507,910	4,007,297	3,982,616	3,979,937	3,937,868	4,229,438	4,810,980	4,963,500	5,634,355	5,734,588
Emergency medical services	34,610	34,460	125,232	128,163	67,413	-	-	87,872	53,462	49,405
Community Risk Management	330,568	295,314	233,113	232,917	248,042	193,007	176,526	191,280	193,083	201,960
Training	649,611	634,956	523,509	513,314	559,613	443,563	518,943	566,914	515,206	472,769
Information Technology/Communications	280,363	290,741	280,675	399,587	469,473	193,129	169,995	169,092	178,879	197,727
Fleet Services	1,309,033	122,464	684,963	173,206	402,599	467,164	499,334	169,659	194,278	178,946
Facilities	82,837	359,282	252,448	427,864	193,641	121,444	293,053	128,796	150,792	123,330
High Country Training Center	-	-	-	-	-	-	-	-	-	-
Grant Expenditures	245,493	38,641	17,704	37,028	403	5,491	-	-	-	-
Pension Contribution	30,104	39,422	39,422	39,422	39,422	41,846	41,846	48,265	48,265	49,923
Treasurer's Fees	377,502	382,561	329,590	335,189	315,789	321,646	354,310	359,826	385,880	392,268
Capital Outlay	-	-	-	-	-	-	-	650,608	227,668	640,249
Debt Service										
Interest on Long-term Debt - RWB	101,162	94,263	62,131	46,127	39,261	33,363	157,795	164,444	112,184	116,590
Principal on Long-term Debt - RWB	548,301	1,026,800	380,740	174,343	145,293	151,415	27,282	20,558	13,288	8,999
Debt Service - SFA	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 8,214,150</b>	<b>\$ 8,089,109</b>	<b>\$ 7,565,230</b>	<b>\$ 7,247,589</b>	<b>\$ 7,225,494</b>	<b>\$ 7,154,917</b>	<b>\$ 8,141,402</b>	<b>\$ 8,679,720</b>	<b>\$ 8,923,880</b>	<b>\$ 9,314,428</b>
Excess of revenue over (under) expenditures	\$ 168,360	\$ 637,047	\$ 13,422	\$ 455,917	\$ 252,427	\$ 465,799	\$ 453,636	\$ 534,826	\$ 732,556	\$ 312,841
<b>Other Financing Sources (Uses)</b>										
Proceeds from capital lease	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	-	347,425	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 1,000,000</b>	<b>\$ 347,425</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net change in fund balance:	\$ 1,168,360	\$ 984,472	\$ 13,422	\$ 455,917	\$ 252,427	\$ 465,799	\$ 453,636	\$ 534,826	\$ 732,556	\$ 312,841
Capital Outlay - per Reconciliation of Govt Fund Stmt of Revenues Expenditures and Changes in Fund Balance w/Govt-wide Statemnt of Activities						396,679	661,840	650,608	227,668	640,249
Debt service as a percentage of noncapital expenditures	7.91%	13.86%	5.85%	3.04%	2.55%	2.73%	2.47%	2.30%	1.44%	1.45%

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Note: In 2016 in the Audited Financial Statements the District began to report the Revenue items of Charges for Services, Operating Grants and Contributions as net against Operations Expenditures, as income/expenses related to governmental activities are classified by function, not object of expenditure per GASB -S34: 38 and 41; GAAFR, pages 306-307

Note: In 2016 in the Audited Financial Statements the District began to report Expenditure items of Grant Expenditures, Treasurer's Fees, Pensions Fund Contributions as part of Administration Expenditures, as expenses related to governmental activities are classified by function, not object of expenditure per GASB -S34: 38 and 41; GAAFR, pages 306-307

**Red, White & Blue Fire Protection District**  
**Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Specific Ownership Tax</b>	<b>Plan Review Fees</b>	<b>Total</b>
2010	7,530,647	266,240	30,242	7,827,129
2011	7,633,455	267,939	141,180	8,042,574
2012	6,581,471	272,725	34,298	6,888,494
2013	6,691,759	317,239	38,328	7,047,326
2014	6,307,043	333,130	307,749	6,947,922
2015	6,424,302	343,571	165,828	6,933,701
2016	7,077,664	371,547	195,291	7,644,502
2017	7,188,114	428,195	228,674	7,844,983
2018	7,706,966	458,603	33,271	8,198,840
2019	7,832,564	441,692	98,053	8,372,309
Change 2010-2019	4.0%	65.9%	224.2%	7.0%

Source: District Financial Records

**Red, White & Blue Fire Protection District  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Assessed Value</b>	<b>Real Actual Value</b>	<b>Mill Levy</b>	<b>Ratio of Total Assessed to Total Estimated Actual Value</b>
2010	898,721,250	8,312,202,520	8.5	10.81%
2011	740,396,380	6,922,398,320	8.5	10.70%
2012	736,429,950	6,969,814,210	9.0	10.57%
2013	701,331,650	6,708,126,810	9.0	10.45%
2014	712,599,310	6,815,733,190	9.0	10.46%
2015	790,119,390	7,602,499,480	9.0	10.39%
2016	796,489,730	7,742,467,430	9.0	10.29%
2017	857,252,240	9,068,309,970	9.0	9.45%
2018	869,706,140	9,268,199,340	9.0	9.38%
2019	1,033,309,600	11,274,514,550	9.0	9.17%

*Source: Summit County Assessor's Office*

*Note: The County assesses property every other year.*

*Both assessed and actual values are shown.*

*Property owners are taxed at their assessed value.*

**Red, White & Blue Fire Protection District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(per \$1,000 of assessed value)

	<u>Fiscal Year</u>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Government</u></b>										
<b><u>Red, White &amp; Blue Fire Protection District - Total Operations Revenue</u></b>	<b>8.500</b>	<b>8.500</b>	<b>9.000</b>	<b>9.098</b>	<b>9.013</b>	<b>9.004</b>	<b>9.004</b>	<b>9.004</b>	<b>9.004</b>	<b>9.053</b>
<b><u>Incorporated Towns</u></b>										
Blue River	12.060	12.290	12.290	12.290	12.314	12.308	12.324	12.290	12.290	12.290
Breckenridge	6.945	6.945	6.945	5.070	5.070	5.070	5.070	5.070	5.070	5.070
<b><u>County</u></b>										
Summit County	12.595	12.796	12.824	12.789	15.173	15.072	15.086	14.986	19.643	19.280
<b><u>School District</u></b>										
Summit School RE-1	18.364	19.485	20.031	20.275	21.416	19.618	21.151	20.525	20.417	19.092
<b><u>Junior College</u></b>										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	4.013

Source: Various Entities and Summit County Assessors Office Abstract

**Red, White & Blue Fire Protection District  
Summit County, Colorado  
Principal Property Tax Payers,  
Current Year, Three Years Prior and Ten Years Ago**

Taxpayer	Type of Business	Fiscal Year 2019		Fiscal Year 2016		Fiscal Year 2010	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Vail Summit Resorts, Inc.	Property Management	84,328,684	3.73%	69,730,627	3.99%	\$ 68,180,993	3.52%
Climax Molybdenum Company	Mining	37,946,368	1.68%	43,902,061	2.51%	11,326,394	0.59%
Public Service Company	Electric Utility	33,214,052	1.47%	28,685,546	1.64%	18,152,877	0.94%
Powdr - Copper Mountain LLC (Copper Mountain, Inc in 2009)	Ski & Destination Resort, Product Development	17,151,149	0.76%	10,256,136	0.59%	8,336,238	0.43%
Craig Realty Goup-Silverthorne LLC	Retail Shopping Centers	11,385,053	0.50%	9,970,480	0.57%	12,305,610	0.64%
Powdr - Copper Participation LLC	Ski & Destination Resort,	11,376,016	0.50%	9,505,996	0.54%	9,742,583	0.50%
Gold Point Lodging & Realty	Property Management & Real Estate	10,095,999	0.45%	8,717,480	0.50%	9,710,136	0.50%
Peak 8 Properties LLC	Developer, Property Management	9,066,954	0.40%				
Grand Lodge on Peak 7 Intrvl Owner Assoc	Developer, Property Management	8,667,054	0.38%	7,905,119	0.45%		
Beaver Run Interim Centr Acquisition LLC (Beaver Run Developments in 2009)	Hotel/Retail Condominium Resort & Management		0.00%	6,867,087	0.39%	5,724,059	0.30%
Qwest Corporation	Communications/Public Utility		0.00%	6,908,994	0.40%	6,586,484	0.34%
One Ski Hill Place LLC (Subsidiary of Vail Resorts)	Developer, Property Management				0.00%		
AZCO II LLC	Developer					7,396,650	0.38%
PFG Alders Property LLC	Real Estate Development & Management						0.00%
CNL Income Copper LP	Real Estate Development & Management						0.00%
Brynn Grey X LLC	Real Estate Development	8,208,499	0.36%				
Total assessed valuation for 10 largest taxpayers		231,439,828	10.23%	202,449,526	11.60%	157,462,024	8.14%
Total assessed valuation for all other taxpayers		2,031,152,450	89.77%	1,543,531,984	88.40%	1,777,247,266	91.86%
		\$ 2,262,592,278	100.00%	\$ 1,745,981,510	100.00%	\$ 1,934,709,290	100.00%

Source - Jeremy Voge - Summit County Assessor

**Red, White & Blue Fire Protection District  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>% of Current Taxes Collected</b>	<b>Delinquent Tax Collection</b>	<b>Total Tax Collection</b>	<b>Ratio of Total Tax to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2010	7,583,316	7,535,964	99.38%	(5,318)	7,530,646	99.31%	(1)	(2)
2011	7,639,131	7,624,261	99.81%	9,194	7,633,455	99.93%	(1)	(2)
2012	6,663,567	6,636,449	99.59%	(54,977)	6,581,472	98.77%	(1)	(2)
2013	6,700,040	6,692,889	99.89%	(1,129)	6,691,760	99.88%	(1)	(2)
2014	6,321,102	6,310,816	99.84%	(3,773)	6,307,043	99.78%	(1)	(2)
2015	6,426,221	6,420,798	99.92%	3,504	6,424,302	99.97%	(1)	(2)
2016	7,114,235	7,088,324	99.64%	(10,660)	7,077,664	99.49%	(1)	(2)
2017	7,198,674	7,186,137	99.83%	1,977	7,188,114	99.85%	(1)	(2)
2018	7,722,128	7,703,078	99.75%	3,888	7,706,966	99.80%	(1)	(2)
2019	7,840,401	7,828,180	99.84%	4,384	7,832,564	99.90%	(1)	(2)

Source: Red, White & Blue Fire Protection District Record of Levies and Collections.

(1) Summit County collects the taxes for all property tax levies. The record of delinquent taxes is maintained by the county, however, the District's individual delinquent taxes are unavailable.

(2) Liens are filed on all delinquent taxes, collections or refunds are immaterial timing differences.

**Red, White & Blue Fire Protection District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years**

Fiscal Year	Governmental Activities	Total Primary Government	Ratio total outstanding debt to personal income	Personal Income (thousands of dollars) (1)	Per Capita
	Capital Leases				
2010	2,490,063	2,490,063	0.21%	1,177,680	59.34
2011	1,463,264	1,463,264	0.12%	1,269,541	32.23
2012	1,082,524	1,082,524	0.08%	1,321,185	23.13
2013	908,180	908,180	0.07%	1,396,879	18.69
2014	762,887	762,887	0.05%	1,490,355	15.05
2015	611,472	611,472	0.04%	1,681,485	2.72
2016	453,677	453,677	0.02%	1,872,615	7.34
2017	289,233	289,233	0.01%	1,970,295	4.49
2018	177,049	177,049	0.01%	2,098,891	3.49
2019	60,218	60,218	*	*	0.89

Source: (1) Bureau of Economic Analysis/County Planning Department; Reported at the County level

Note: Personal Income and Per Capita Information for 2006-2013 have been revised per new estimates given by the Bureau of Economic Analysis

\* Information not available at time of reporting

**Red, White & Blue Fire Protection District  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2019**

	<b>Net General Obligation Debt Outstanding 2019</b>	<b>Percentage Applicable to Summit County (1)</b>	<b>Amount Applicable to Summit County</b>
	Not Available at this time		
Alpensee Water District	*	100.00%	*
Breckenridge Mountain Metropolitan District	*	100.00%	*
Summit School District RE-1	*	100.00%	*
Swan's Nest Metro District	*	100.00%	*
Timber Creek Water District	*	100.00%	*
Town of Blue River	0	100.00%	0
Town of Breckenridge	0	100.00%	0
Upper Blue Sanitation	0	100.00%	0
Total Overlapping Debt	<u>\$ -</u>		<u>-</u>
Red, White & Blue Fire District	60,218	<b>100.00%</b>	<b><u>60,218</u></b>
Total Direct and Overlapping Debt	<u>\$ 60,218</u>		<u>\$ 60,218</u>

(1) This percentage is calculated based on how much of the district lies within Summit County.

Source:  
 Summit County Government schedule

Note: Starting in 2016 RWB reports Capital Leases as Governmental Activities Debt per GASB-S44: 45

**Red, White & Blue Fire Protection District  
 Legal Debt Margin Information  
 Last Ten Fiscal Years**

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Total Assessed Value	\$898,721,250	\$740,396,380	\$736,429,950	\$701,331,650	\$712,599,310	\$790,119,390
Debt Limit - 50% of total assessed value (1)	449,360,625	370,198,190	368,214,975	350,665,825	356,299,655	395,059,695
Amount of Debt applicable to debt limit	-	-	-	-	-	-
Legal debt margin	449,360,625	370,198,190	368,214,975	350,665,825	356,299,655	395,059,695

Sources:  
 Summit County Assessor's Office  
 Red, White & Blue Fire Protection District Finance Office

(1) Colorado Revised Statutes

**Red, White & Blue Fire Protection District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	District Population (1)		Per Capita Income (2)	Median Age	Education Level	School Enrollment (3)	Unemployment Rate (4)
	Permanent	Seasonal					
2010*	8,765	49,326	43,090	34.3	Bachelor's Degree	3,124	6.7
2011	8,765	49,326	46,627	34.9	Bachelor's Degree	3,151	5.2
2012	8,818	49,384	34,921	35.8	Bachelor's Degree	3,156	5.9
2013	8,870	49,442	37,506	34.4	Bachelor's Degree	3,287	5.8
2014	9,287	49,900	50,685	36.0	Bachelor's Degree	3,345	2.5
2015	9,343	52,700	54,615	37.7	Bachelor's Degree	3,506	2.6
2016	9,399	55,364	61,033	36.4	Bachelor's Degree	3,557	2.1
2017	9,529	55,364	63,601	39.9	Bachelor's Degree	3,592	2.1
2018	12,331	62,900	67,763	38.2	Bachelor's Degree	3,646	2.1
2019	*	63,500	*	*	Bachelor's Degree	3,560	2.2

(1) Source Colorado Deographer

<https://demography.dola.colorado.gov/population/population-totals-municipalities/#population-totals-for-colorado-municipalities>  
<http://www.co.summit.co.us/517/Permanent-Resident-Population>

(2) Bureau of Economic Analysis, U.S. Department of Commerce; Reported at County Level <https://apps.bea.gov/regional/bearfacts>

(3) Summit County wide; District includes 2 of six elementaries & middle & high school within Summit County

Red White & Blue Fire Protection District schools: Upper Blue Elementary - 281 students and Breckenridge Elementary - 215 students

(4) Colorado Department of Labor and Employment/Summit County Assessor

(4) <https://fred.stlouisfed.org/series/COSUMM7URN>

Information updated for 2010 Census and 2017 population is based on the most recent population estimates by the State Demographer

(4) <https://www.colmigateway.com/vosnet/lmi/profiles/profileDetails.aspx?session=areadetail&section=employmentWage>

**Red, White & Blue Fire Protection District**  
**Principal Employers**  
**Current Year and ten years ago**  
**December 31, 2019**

	Est. # of Employees <u>2019</u>	Percentage of Total County Employment	Employee # Range <u>2010</u>	Percentage of Total County Employment
Copper Mountain Ski Resort	1000-4999	4.63-23.15%	1000-4999	6-30%
Keystone Resort	500-999	2.32-4.63%	1000-4999	6-30%
Peak Materials LLC	500-999	2.32-4.63%	100-250	5-1.5%
Breckenridge Ski Resort	250-499	1.16-2.32%	250-499	6-30%
Summit School District	500-999	.47-1.16%	250-499	1.5-3%
Summit County Government	250-499	.47-1.16%	400-500	2.35-3%
St. Anthony Summit Medical Ctr	100-249	.47-1.16%	100-250	5-1.5%
Grand Timber Lodge	100-249	.47-1.16%	100-250	5-1.5%
Beaver Run Resort & Conference	100-249	.47-1.16%	250-499	1.5-3%
Town of Silverthorne	100-249	.47-1.16%	100-250	5-1.5%
Doubletree/Village at Breckenridge	100-249	.47-1.16%	100-250	5-1.5%
Whole Foods Market	100-249	.47-1.16%	N/A	
Town of Breckenridge	100-249	.47-1.16%	250-499	1.5-3%
Arapahoe Basin Ski Area	100-249	.47-1.16%	100-250	5-1.5%
Target	100-249	.47-1.16%	100-250	5-1.5%
Lowe's	100-249	.47-1.16%	N/A	
KCNC TV News 4 Mountain Bureau	100-249	.47-1.16%	N/A	
Wilderness Silverthorne	100-249	.47-1.16%	100-250	
Summit County Jail	100-249	.47-1.16%	100-250	
City Market - Breckenridge	100-249	.47-1.16%	250-499	1.5-3%
Wyndham Vacation Rentals	100-249	.47-1.16%	100-250	5-1.5%
Breckenridge Recreation Center	100-249	.47-1.16%	100-250	
City Market - Dillon	100-249	.47-1.16%	100-250	
Breckenridge Public Works	100-249	.47-1.16%	100-250	
St. Anthony Breckenridge Medical Center	100-249	.47-1.16%	100-250	
Walmart	100-249	.47-1.16%	100-250	5-1.5%
Total Employees in Summit County	21,598		17,029	

**Sources:**

Summit County, CO Government  
Colorado Department of Labor and Employment - LMI Gateway  
3rd Quarter reporting estimates for each year

Number of employees is only given in ranges for the years 2007-2014,2016-2017

Number of employees is given as a single number estimate in 2015

\* Percentage of total District employment not available as data is kept at the county level only

<https://www.colmigateway.com/vosnet/selectArea.aspx?enc=rEjJQ7H1xZ77hZrVQffu2ZaLzuhP4MQDGVRo6V4/AxRQ+9pQvkV9pKODY6R2eNsl>

<https://www.colmigateway.com/vosnet/selectArea.aspx?enc=SgfjA5gOXyj8J88h1R.JLfoAuOefOznGnLjhxV0C7LDZ722wyTVyulSNmW65ztnDzF6fBwGJguVdw+o49UsFMUttelgp31sZ5zskXOGSE=>

**Red, White & Blue Fire Protection District**  
**Full-time Equivalent (FTE) District Government Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration	4	3	3	4.75	5	8	7	7	7	7
Operations	44	45	44	42	42	42	46	46	46	49
Community Risk Management	4	3	3	3	3	2	2	2	2	2
Training	4	4	4	3	3	3	3	3	3	2
Information Technology/Communications	1	1	1	1	1	0	0	0	0	0
<b>Total FTE</b>	<b>57</b>	<b>56</b>	<b>55</b>	<b>53.75</b>	<b>54</b>	<b>55</b>	<b>58</b>	<b>58</b>	<b>58</b>	<b>60</b>

Source: Finance Office & Deputy Chief of Admin

**Red, White & Blue Fire Protection District  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Field Operations</b>										
Fire Calls	39	36	34	25	27	23	33	27	37	36
EMS Calls	655	683	718	768	884	1,017	1,164	1,338	1,482	1,632
Haz-Mat Calls	102	85	66	84	120	116	90	109	80	86
Fire Alarm Calls	304	329	279	349	357	376	365	419	474	578
Service Calls	78	72	66	65	92	157	156	118	156	132
Good Intent Calls	151	187	202	221	191	270	260	267	396	427
Other Calls	6	22	8	2	9	4	2	3	6	12
Explosion Calls	0	0	1	0	3	2	0	0	0	6
<b>Total Calls</b>	<b>1,335</b>	<b>1,414</b>	<b>1,374</b>	<b>1,514</b>	<b>1,683</b>	<b>1,965</b>	<b>2,070</b>	<b>2,281</b>	<b>2,631</b>	<b>2,909</b>
<b>Support Services</b>										
Square footage of building maintained	25,200	25,200	25,200	27,870	27,870	27,870	27,870	27,870	27,870	27,870
<b>Community Risk Management Services</b>										
Fire Investigations	10	10	8	6	4	3	6	8	14	3
Plan Reviews	178	203	234	179	248	232	311	302	369	357
Business Inspections	797	825	720	738	728	686	363	424	348	281
Burn Permits	192	149	140	95	68	70	81	91	87	100
Car seat checks	60	81	89	35	67	71	68	47	54	46
<b>Training Operations</b>										
Training Hours (2007-10 EMS Trng not included)	6,387	7,369	6,300	6,043	5,960	7,640	8,170	10,800	8,473	9,717
<b>Ambulance (service started in 2009 w/ County IGA)</b>										
EMS Transports	10	33	18	32	335	568	716	906	1001	1115
% of Transports to Summit Medical Center	100.00%	100.00%	100.00%	100.00%	98.50%	98.20%	97.75%	96.80%	93.51%	94.44%
Collection Rate -SCAS	100.00%	100.00%	69.70%	79.70%	47.07%	62.40%	61.12%	46.80%	57.00%	56.00%
Collection Rate -to RWB Fire	100.00%	100.00%	69.70%	79.70%	23.54%	31.20%	30.56%	23.40%	28.50%	36.40%

*Sources:*

*In-House data bases (Fire Manager)  
Property Liability Insurance Records  
District Financial Records*

*Square footage of buildings maintained changed in 2010 due to an audit of square footage performed by the District's insurance carrier.*

*Square footage increased in 2013 with the addition of a 2,670 square foot substation at the base of Peak 7 currently in progress.*

*\*In 2014 the IGA with the Summit County Ambulance Service (SCAS) changed to RWB receiving 50% of billed revenues instead of guaranteed payment of 55% of all transports.*

**Red, White & Blue Fire Protection District  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Administration</b>										
Chief Vehicles	3	3	3	3	3	3	3	3	3	3
Utility Vehicles	-	-	-	2	2	-	-	-	-	-
Accounting Software	1	1	1	1	1	1	1	1	1	1
Server at Main Station (Offices within Main Station)	1	1	1	2	2	3	4	4	5	5
<b>Operations</b>										
Fire Stations	3	3	3	4	4	4	4	4	4	4
Pumper Tankers	2	2	3	1	1	2	2	2	2	2
Engines	2	2	3	3	3	3	4	4	4	4
Ladder Truck	2	1	1	1	1	1	1	1	1	1
Wildland units	2	2	2	2	2	2	2	2	2	3
Battalion Chief vehicle	1	1	1	1	1	1	1	1	1	1
Utility vehicle	1	1	1	3	3	3	3	3	3	3
Slip Pump	1	1	1	1	1	1	1	1	1	1
Infra-red cameras	1	1	1	1	1	1	1	0	0	0
Thermal Imaging Cameras	3	4	4	4	4	4	5	5	5	5
Treadmill	1	4	4	4	4	4	4	4	4	4
<b>Community Risk Management</b>										
Vehicles	2	2	2	1	1	1	1	1	1	1
CRM Staff Escape	1	1	1	1	1	1	1	1	1	1
Printer/Scanner	1	1	1	1	1	1	1	1	1	1
<b>Training</b>										
Vehicle - Ford Escape	1	1	1	-	-	-	-	-	-	-
Utility vehicle	1	1	1	-	-	-	-	-	-	-
<b>Information Technology/Communications</b>										
Bi Directional Amplification, plus Repeater	1	1	1	-	-	-	-	-	-	-
Records Management System	1	1	1	1	1	1	1	1	3	3
<b>Emergency Medical Services</b>										
Rescue Squads	2	2	2	2	2	2	2	3	3	4
Mega code Manikin	1	1	1	1	1	1	1	1	1	1
Cardiac Monitor	1	5	5	5	5	5	8	8	8	8
Autopulse Resuscitation System	-	-	-	-	-	-	-	-	1	1

Source: Finance Office & Deputy Chief of Admin - capital asset policy at \$5,000 level