

Colorado River Fire Protection District

Annual Financial Report

December 31, 2019

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Independent Auditor's Report

To the Board of Directors
Colorado River Fire Protection District

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Fire Protection District as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the 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 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 Colorado River Fire Protection District as of December 31, 2019 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

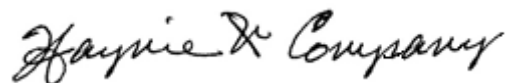
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado River Fire Protection District's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

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



Littleton, Colorado
June 9, 2020

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2019

The discussion and analysis of the Colorado River Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$26,104,654 at December 31, 2019.
- Total District's cash and investments decreased by \$622,116 or 6% from 2018.
- The December 31, 2019 General Fund balance is \$519,196 less than the previous year. The total fund balance is 81% of 2019 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the District's specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

A. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those assets. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2019

In the Statement of Net Position and Statement of Activities, the District's activities are reported as Governmental Activities.

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

General Fund

The District's General Fund statements include:

The *Balance Sheets* present information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenditures and Changes in Fund Balance* present information which reflects how the District's fund balance changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

C. Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6-41 of this report.

D. Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

REPORTING THE DISTRICT AS A WHOLE

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2019**

The following table provides a summary of the District's net position for 2018 and 2019:

**Statement of Net Position
December 31**

	<u>2018</u>	<u>2019</u>
Assets		
Current and other assets	\$ 15,384,190	\$ 14,389,373
Net pension assets	2,895,994	1,846,763
Capital assets	<u>14,688,251</u>	<u>14,159,796</u>
Total assets	<u>32,968,435</u>	<u>30,395,932</u>
Deferred Outflows of Resources	<u>1,325,806</u>	<u>3,113,609</u>
Liabilities		
Current and other liabilities	164,931	477,714
Long-term liabilities	<u>1,305,829</u>	<u>2,036,369</u>
Total liabilities	<u>1,470,760</u>	<u>2,514,083</u>
Deferred Inflows of Resources	<u>5,535,901</u>	<u>4,890,804</u>
Net Position		
Net investment in capital assets	14,688,251	14,159,796
Restricted	201,793	198,447
Unrestricted	<u>12,397,536</u>	<u>11,746,411</u>
Total net position	<u><u>27,287,580</u></u>	<u><u>26,104,654</u></u>

A significant portion of the District's position represents unrestricted net position of \$11,746,411 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$198,447 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2019**

The following table indicates the changes in net position for 2018 and 2019:

**Statement of Activities
December 31**

Revenue	2018	2019
Program revenues		
Charges for services	\$ 1,891,958	\$ 1,127,316
Capital grants and contributions	96,388	188,851
General revenues		
General property taxes	4,060,438	4,681,365
Specific ownership tax	306,767	353,316
Investment earnings	249,036	282,866
Other taxes	-	36,474
Other income	218,220	133,572
Total revenue	<u>6,822,807</u>	<u>6,803,760</u>
Expenses		
Administration	93,761	103,018
Fire protection/EMS services	<u>8,247,275</u>	<u>7,883,668</u>
Total expenses	<u>8,341,036</u>	<u>7,986,686</u>
Change in Net Position	<u>\$ (1,518,229)</u>	<u>\$ (1,182,926)</u>

District Revenue and Expense Analysis:

Revenues

District revenues as of December 31, 2019 decreased by \$19,047, over the year ended December 31, 2018. This decrease in revenue is due to a decrease in wildland fire deployments which resulted in less revenue for services.

Expenditures/Expenses

District expenditures/expenses as of December 31, 2019 decreased by 4% over the year ended December 31, 2018. This change is due to a decrease in fire protection expenses which is due to the reduction in wildland fire deployments in 2019.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2019**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements.

Additional information on the District's detailed budget can be found in page 42 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets at December 31, 2019 amounts to \$14,159,796 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

Additional information on the District's capital assets can be found in Note 5 of this report.

During the year ended December 31, 2019, the District had personal time off payable of \$341,245.

Additional information on the District's debt can be found in Note 6.

ECONOMIC FACTORS AND OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2020 budget:

- An increase in anticipated general property tax collection for 2020 due to property valuations within the District increasing by 2.2%.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District, 1850 Railroad Ave., Rifle, Colorado 81650.

Basic Financial Statements

Colorado River Fire Protection District
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 9,679,413
Property taxes receivable	4,549,420
Accounts receivable	160,540
Noncurrent assets	
Capital assets, nondepreciable	2,194,034
Capital assets, net	11,965,762
Net pension asset -	
Rifle Fire Protection District 7306-5 Volunteer Plan	<u>1,846,763</u>
Total assets	<u>30,395,932</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	2,432,378
Deferred outflows related to Rifle 7306-5 volunteer pensions	394,852
Deferred outflows related to Burning Mountains 7247-5 volunteer pensions	273,907
Deferred outflows related to OPEB	<u>12,472</u>
Total deferred outflows of resources	<u>3,113,609</u>
Total assets and deferred outflows of resources	<u>\$ 33,509,541</u>
Liabilities	
Accounts payable	\$ 14,183
Accrued liabilities	12,730
Accrued payroll	109,556
Compensated absences	341,245
Noncurrent liabilities:	
Net OPEB liability	56,443
Net pension liability -	
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	662,442
Net pension liability - FPPA	644,931
Net pension liability - PERA	<u>672,553</u>
Total liabilities	<u>2,514,083</u>
Deferred Inflows of Resources	
Unearned revenue - property taxes	4,549,420
Deferred inflows related to pensions	40,000
Deferred inflows related to Rifle 7306-5 volunteer pensions	201,254
Deferred inflows related to Burning Mountains 7247-5 volunteer pensions	100,044
Deferred inflows related to OPEB	<u>86</u>
Total deferred inflows of resources	<u>4,890,804</u>
Net Position	
Net investment in capital assets	14,159,796
Restricted for TABOR emergencies	198,447
Unrestricted	<u>11,746,411</u>
Total net position	<u>26,104,654</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,509,541</u>

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

Colorado River Fire Protection District
Statement of Activities
For the Year Ended December 31, 2019

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net
		Charges for Services	Capital Grants and Contribution	Governmental Activities
Governmental activities				
Administration	\$ 103,018	\$ -	\$ -	\$ (103,018)
Fire protection/EMS services	<u>7,883,668</u>	<u>1,127,316</u>	<u>188,851</u>	<u>(6,567,501)</u>
Total governmental activities	<u>\$ 7,986,686</u>	<u>\$ 1,127,316</u>	<u>\$ 188,851</u>	<u>\$ (6,670,519)</u>
General revenues:				
Property taxes				4,681,365
Specific ownership taxes				353,316
Other taxes				36,474
Investment earnings				282,866
Other income				<u>133,572</u>
Total General revenues				<u>5,487,593</u>
Change in net position				
				(1,182,926)
Net position - beginning of year				<u>27,287,580</u>
Net position - end of year				<u>\$ 26,104,654</u>

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

Colorado River Fire Protection District
Governmental Funds Balance Sheet and
Reconciliation of the Governmental Fund Balance Sheet
with the Statement of Net Position
December 31, 2019

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	5,685,150	\$ 3,944,960	\$ 9,630,110
Cash with County	49,303	-	49,303
Accounts receivable (net of allowance of \$230,466)	160,540	-	160,540
Property taxes receivable	4,549,420	-	4,549,420
Total assets	<u>\$ 10,444,413</u>	<u>\$ 3,944,960</u>	<u>\$ 14,389,373</u>
Liabilities			
Accounts payable	14,183	-	14,183
Accrued liabilities	12,730	-	12,730
Accrued payroll	109,556	-	109,556
Total liabilities	<u>136,469</u>	<u>-</u>	<u>136,469</u>
Deferred Inflows of Resources			
Unearned revenue—property taxes	4,549,420	-	4,549,420
Total deferred inflows of resources	<u>4,549,420</u>	<u>-</u>	<u>4,549,420</u>
Fund Balances			
Restricted for:			
TABOR emergencies	198,447	-	198,447
Assigned for:			
Capital reserve	-	3,944,960	3,944,960
Unassigned	5,560,077	-	5,560,077
Total fund equity	<u>5,758,524</u>	<u>3,944,960</u>	<u>9,703,484</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 10,444,413</u>	<u>\$ 3,944,960</u>	<u>\$ 14,389,373</u>
Fund Balances - Total Governmental Funds	<u>\$ 5,758,524</u>	<u>\$ 3,944,960</u>	<u>\$ 9,703,484</u>

Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:

Capital assets used in governmental activities are not current financial resources and are excluded from the funds.

Governmental capital assets	
Less accumulated depreciation	14,159,796

Compensated absences are not payable with current resources	(341,245)
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Long-term liabilities, such as pension assets and liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Net pension asset- Rifle 7306-5 volunteer plan	1,846,763
Net pension liability- Burning Mountains 7247-5 volunteer plan	(662,442)
Net pension liability	(1,317,484)
Net OPEB liability	(56,443)

Pension balances are not available resources and are not included in fund financial statements.

Deferred outflows related to pensions	2,432,378
Deferred outflows related to Rifle 7306-5 volunteer pensions	394,852
Deferred outflows related to Burning Mountains 7247-5 volunteer pensions	273,907
Deferred outflows related to OPEB	12,472
Deferred inflows related to pensions	(40,000)
Deferred inflows related to Rifle 7306-5 volunteer pensions	(201,254)
Deferred inflows related to Burning Mountains 7247-5 volunteer pensions	(100,044)
Deferred inflows related to OPEB	(86)

Net position of governmental activities	<u><u>\$ 26,104,654</u></u>
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The accompanying notes are an integral part of these financial statements.

Colorado River Fire Protection District
Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
December 31, 2019

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 5,071,155	\$ -	\$ 5,071,155
Charges for services, net	1,127,316	-	1,127,316
Interest	188,097	94,769	282,866
Grants	105,833	83,018	188,851
Other	<u>133,572</u>	<u>-</u>	<u>133,572</u>
Total Revenues	<u>6,625,973</u>	<u>177,787</u>	<u>6,803,760</u>
Expenditures			
Bank service charges	5,391	-	5,391
Board stipend	5,200	-	5,200
Volunteer stipend	14,775	-	14,775
Dues and subscriptions	9,099	-	9,099
Insurance	309,566	-	309,566
Office expense	203,433	-	203,433
Payroll taxes	81,378	-	81,378
Professional services	222,759	-	222,759
Protective clothing	21,953	-	21,953
Repairs and maintenance	219,529	-	219,529
Salaries and benefits	4,943,708	-	4,943,708
Career pension contributions	295,141	-	295,141
Supplies	189,209	-	189,209
Training	89,709	-	89,709
Treasurer's fees	103,018	-	103,018
Tax abatements and interest	10,517	-	10,517
Utilities	155,729	-	155,729
Volunteer benefits	50,000	-	50,000
Community cares expense	1,471	-	1,471
Bad debt expense	23,022	-	23,022
Capital outlay	<u>190,562</u>	<u>465,981</u>	<u>656,543</u>
Total Expenditures	<u>7,145,169</u>	<u>465,981</u>	<u>7,611,150</u>
Excess of Revenues over Expenditures	<u>(519,196)</u>	<u>(288,194)</u>	<u>(807,390)</u>
Fund balances:			
Beginning of the year	<u>6,277,720</u>	<u>4,233,154</u>	<u>10,510,874</u>
End of the year	<u>\$ 5,758,524</u>	<u>\$3,944,960</u>	<u>\$ 9,703,484</u>

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

Colorado River Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2019

Net change in fund balance—total governmental funds \$ (807,390)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation	(994,678)
Capital outlay- capitalized portion	466,223

Compensated absences not payable from current resources are not reported as expenditures in the current year. In the Statement of Activities these costs represent expenses of the current year.

Current year decrease in accrued compensated absences	24,551
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Pension and OPEB expenses and income do not use current financial resources and are excluded from the funds.

Current-year pension and OPEB contributions are reported as deferred outflows	295,409
Current-year Burning Mountains 7247-5 plan contributions are reported as deferred outflows	80,929
Net pension expense- Burning Mountains 7247-5 volunteer pension plan	(162,589)
Net pension expense- Rifle 7306-5 volunteer pension plan	(11,024)
Net pension and OPEB income/expense	<u>(74,357)</u>

Change in net position of governmental activities **\$ (1,182,926)**

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

Colorado River Fire Protection District

Notes to Financial Statements

December 31, 2019

1. Definition of Reporting Entity

The District, located in Garfield County, Colorado, is organized pursuant to provisions set forth in the Colorado Special District Act. The governing body consists of a five-member Board of Directors which is elected by the registered voters within the District. The objective of the District is to provide for the preservation of life and protection of property from and during such fires and/or other emergencies as may occur within the fire protection district. In December 2013, the District combined the boundaries of Rifle Fire Protection District and Burning Mountains Fire Protection District and all of Rifle Fire Protection District's and Burning Mountains Fire Protection District's assets and liabilities were transferred to Colorado River Fire Protection District.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

The District is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

The financial statements of the Colorado River Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Government-wide and Fund Financial Statements

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

2. Summary of Significant Accounting Policies (continued)

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

The fund financial statements report detailed information about the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

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

The District reports the following major governmental funds:

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the District.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Capital Projects Fund

The Capital Projects Fund is the District's capital outlay fund and is used to account for major capital outlay purchases. The major revenue sources are interest earned and transfers from the General Fund. Expenditures include all costs associated with the purchase of major capital outlay.

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

Budgets and Budgetary Accounting

The District's Board of Directors follow these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the administrator submits to the District's Board of Directors a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain the taxpayers' comments.

Prior to December 15, the budget is legally enacted through passage of a resolution.

Formal budgetary integration is employed as a management control device during the year.

A budget is adopted for the General Fund and Capital Projects Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at the end of each calendar year.

The District may authorize supplemental appropriations during the year.

In the current year, actual expenditures were less than budgeted appropriations.

Property Taxes

Property taxes are levied on December 22 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 full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property 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, in that the District's experience indicates that all material amounts will be collected and paid to the District.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Equipment	5 - 15 years
Infrastructure	7 - 50 years

Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

Net Position and Fund Balance

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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

2. Summary of Significant Accounting Policies (continued)

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

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

2. Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment with the District, an employee is compensated for all accrued vacation and sick time at the current rate of pay if these benefits have matured.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2019, the District had cash deposits with a bank balance of \$507,815 and a carrying balance of \$390,410. The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Depository Act.

Investments

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

3. Cash and Investments (continued)

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Investments held as of December 31, 2019 are as follows:

COLOTRUST	<u>\$ 9,239,700</u>
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At December 31, 2019, the District had invested \$9,239,700 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes as authorized by state statute. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

3. Cash and Investments (continued)

All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. At December 31, 2019 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST as net asset value as determined by fair value.

Summary of Cash

Cash and Cash Equivalents

Cash deposits in bank—General Fund	\$ 390,410
COLOTRUST—General Fund	5,294,740
COLOTRUST—Capital Projects Fund	3,944,960
Cash with County	49,303
Total cash and investments	<u>\$ 9,679,413</u>

4. Property Taxes

Revenue Recognized in 2019

Local property taxes levied in 2018 and collected in 2019 were recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Amount of Taxes			Percent Collected
		Mill Levy	Levied	Collected	
General Fund	\$ 728,890,520	6.459	\$ 4,708,385	\$ 4,681,365	99.4%

Property Taxes Receivable and Unearned Revenue

Local property taxes levied in 2019 but not collectible until 2020 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Deferred Revenue
General Fund	\$ 745,562,180	6.102	100%	\$ 4,549,420	\$ 4,549,420

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

5. Property, Plant & Equipment

The following table presents capital assets activity of the District for the year ended December 31, 2019:

	Balance December 31, 2018	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2019
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Total capital assets, not being depreciated	<u>2,194,034</u>	<u>-</u>	<u>-</u>	<u>2,194,034</u>
Capital assets, being depreciated:				
Buildings	11,915,170	-	-	11,915,170
Equipment	6,366,581	466,223	(84,630)	6,748,174
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>18,322,522</u>	<u>466,223</u>	<u>(84,630)</u>	<u>18,704,115</u>
Less accumulated depreciation for:				
Buildings	(2,400,784)	(302,694)	-	(2,703,478)
Equipment	(3,398,770)	(685,711)	84,630	(3,999,851)
Land improvements	<u>(28,751)</u>	<u>(6,273)</u>	<u>-</u>	<u>(35,024)</u>
Total accumulated depreciation	<u>(5,828,305)</u>	<u>(994,678)</u>	<u>84,630</u>	<u>(6,738,353)</u>
Total capital assets, being depreciated, net	<u>12,494,217</u>	<u>(528,455)</u>	<u>-</u>	<u>11,965,762</u>
Capital assets, net	<u>\$ 14,688,251</u>	<u>\$ (528,455)</u>	<u>\$ -</u>	<u>\$ 14,159,796</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:

Fire protection/EMS services	\$ 994,678
Total depreciation expense—governmental activities	<u>\$ 994,678</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

6. Compensated Absences Payable

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

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Due Within One Year
Governmental activities:					
Compensated absences	\$ 365,796	\$ 381,022	\$ (405,573)	\$ 341,245	\$ 341,245
Total long-term liabilities	<u>\$ 365,796</u>	<u>\$ 381,022</u>	<u>\$ (405,573)</u>	<u>\$ 341,245</u>	<u>\$ 341,245</u>

7. Defined Benefit Plan—FPPA

Summary of Significant Accounting Policies

Pensions. The District contributes to the Statewide Defined Benefit Pension Plan (SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Colorado Fire and Police Pension Association (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

General Information about the Pension Plan

Plan Description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly available financial report that includes the assets of the SWDB Plan. The report may be obtained on FPPA's website at www.fppaco.org.

Benefits Provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual retirement benefit is 2% 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% 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

7. Defined Benefit Plan—FPPA (continued)

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and ranges from 0% to the higher of 3% of Consumer Price Index.

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

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. 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% and 8%, respectively, of base salary for a total contribution rate of 18% in 2018. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22% of base salary through 2018. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

The contribution rate for members and employers of affiliated social security employers is 5% and 4%, respectively, of base salary for a total contribution rate of 8% in 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

7. Defined Benefit Plan—FPPA (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 \$644,931 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2018 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2018, the District's proportion was 0.510119 percent, which was a decrease of 0.010810 percent from its proportion measurement as of December 31, 2017.

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

For the year ended December 31, 2019, the District recognized pension expense of \$111,751. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 828,682	\$ 6,890
Changes of assumptions or other inputs	624,595	-
Net difference between projected and actual earnings on pension plan investments	507,338	-
Net change in proportionate share	-	33,110
Contribution subsequent to the measurement date	247,772	-
Total	\$ 2,208,388	\$ 40,000

\$247,772 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year December 31, 2020. Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

7. Defined Benefit Plan—FPPA (continued)

Year ended December 31:

2019		\$ 370,611
2020		259,509
2021		220,231
2022		367,776
2023		176,399
Thereafter		<u>526,090</u>
		\$ 1,920,616

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

Actuarial Cost Method:		Entry Age Normal
Amortization Method:		Level % of Payroll, Open
Amortization Period:		30 Years
Asset Valuation Method:		5-Year smoothed fair value
Projected Salary Increases:		4.0%- 14.0%
Long-term Investment Rate of Return*:		7.50%
*Includes Inflation at:		2.50%
Cost of Living Adjustment (COLA):		0.0%

Effective January 1, 2019, 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 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00020.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

7. Defined Benefit Plan—FPPA (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Capital	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.00%	

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 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 asset.

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 plans' 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 rate 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 Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability (asset) calculation using the discount rate of 7.00 percent as well as the net position 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:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

7. Defined Benefit Plan—FPPA (continued)

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$2,500,967	\$644,931	\$(894,616)

Pension Plan Fiduciary Net Position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

8. Defined Contribution Plan

Part-time and eligible employees of the District elected to withdraw from the Colorado Statewide Defined Benefit Plan, a defined benefit plan, administered by the Fire and Police Pension Association of Colorado (FPPA). The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The replacement plan is a 401(a) Money Purchase Plan administered by FPPA. Each participant has an individual account with FPPA into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all moneys in their account at their own discretion among options. The District may amend, modify, or terminate the plan, upon approval of such amendment, modification, or termination of 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

Employees covered by the plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8 percent each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute.

The employer contributions to the plan for the year ended December 31, 2019 was \$13,984.

9. Deferred Compensation Plan—FPPA

The District adopted a deferred compensation plan (457 Plan) as defined under the Internal Revenue Code Section 457. Participants may defer up to the lesser of \$19,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$6,000 more than the \$19,000 limit due to a catch-up provision in the plan. The 457 Plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 Plan.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

9. Deferred Compensation Plan—FPPA (continued)

The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2019, participating employees contributed \$18,386.

10. Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2019, the District contributed \$87,185.

11. Defined Benefit Pension Plan—PERA

Summary of Significant Accounting Policies

Pensions. The Colorado River Fire Protection District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pensions 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Colorado River Fire Protection District are provided with pensions through the Local Government Division Trust Fund (LGDTF)-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 (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

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.

Benefits provided. 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 C.R.S. § 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.

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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

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 retirement benefit formula 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.

Contributions. Eligible employees and Colorado River Fire Protection District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 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:

	Rate
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDRF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C. R. S. § 24-51-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

Rates are expressed as a percentage of salary as defined in C.R.S. § 4-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Colorado River Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Colorado River Fire Protection District were \$44,090 for the year ended December 31, 2019.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

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

At December 31, 2019, the Colorado River Fire Protection District reported a liability of \$672,553 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 Colorado River Fire Protection District proportion of the net pension liability was based on Colorado River Fire Protection 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 Colorado River Fire Protection District proportion was 0.053495, which was an increase of 0.009487 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Colorado River Fire Protection District recognized pension income of \$42,413. At December 31, 2019, the Colorado River Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,122	\$ -
Net difference between projected and actual earnings on pension plan investments	87,586	-
Net change in proportionate share	64,193	-
Contribution subsequent to the measurement date	44,090	-
Total	\$ 223,991	\$ -

\$44,090 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 ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

Year ended December 30:

2020	\$	97,712
2021		29,497
2022		4,880
2023		<u>47,811</u>
	\$	179,900

Actuarial assumptions. Based on the 2018 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and were effective as of December 31, 2017. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2016 to December 31, 2017:

Actuarial Cost Method:	Entry Age Normal
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50-10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Future 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

As a result of the 2017 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative load, and pre- and post-retirement and disability mortality rates were adopted by PERA’s Board on November 18, 2016 to more closely reflect PERA’s actual experience. These revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy, post-retirement mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant

Mortality Table with some adjustments using the MP-2015 projection scale for further credibility. For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

The LGDTF's long-term expected rate of return on pension plan investments was determined using long-term historical data, estimates inherent in current market data, and a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant 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 November 18, 2016, adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
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 Bonds	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%
Total	100.00%	

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%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%, which is consistent with the prior year.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

11. Defined Benefit Pension Plan—PERA (continued)

Sensitivity of the Colorado River Fire Protection District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 1,028,867	\$ 672,553	\$ 374,300

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.

12. Other Post-Employment Healthcare Benefits—PERA

Summary of Significant Accounting Policies OPEB

Colorado River Fire Protection District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("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.

General Information about the OPEB Plan

Eligible employees of Colorado River Fire Protection 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 (C.R.S.), as amended.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., 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 www.copera.org/investments/pera-financial-reports.

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.

C.R.S. § 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.

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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

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, C.R.S. § 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 C.R.S., 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 Colorado River Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Colorado River Fire Protection District were \$3,547 for the year ended December 31, 2019.

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

At December 31, 2019, Colorado River Fire Protection District reported a liability of \$56,443 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, 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.

Colorado River Fire Protection 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 0.00415 percent.

For the year ended December 31, 2019, Colorado River Fire Protection District recognized OPEB expense of \$5,019. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 205	\$ 86
Changes of assumptions or other inputs	396	-
Net difference between projected and actual earnings on pension plan investments	325	-
Net change in proportionate share	8,000	-
Contribution subsequent to the measurement date	3,547	-
Total	\$ 12,472	\$ 86

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

2019	\$ 1,724
2020	1,724
2021	1,724
2022	1,949
2023	1,717
Thereafter	<u>2</u>
	\$ 8,839

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 percent in aggregate
Long-term investment rate of return, net of OPEB 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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

Medicare Part A premiums	3.00 percent for 2018, gradually rising to 5.00% percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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. 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:

Year	PERACare Medicare Plans	Medicare Part A Premiums
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.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

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.

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- 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 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- 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 rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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 needed.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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	<u>1.00%</u>	0.20%
Total	100.00%	

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 Colorado River Fire Protection District 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:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

12. Other Post-Employment Healthcare Benefits—PERA

	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%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$54,884	\$56,443	\$58,236

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Sensitivity of the Colorado River Fire Protection District proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 63,155	\$ 56,443	\$ 50,705

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.

13. Volunteer Firefighters' Pension Plans

Summary of Significant Accounting Policies

Pensions. The District has established two Volunteer Firefighters' Pension Plans (the "Volunteer Plans"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). These plans are delineated as Rifle Fire Protection District 7306-5 Volunteer Plan and Burning Mountains Fire Protection District 7247-5 Volunteer Plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plans 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

13. Volunteer Firefighters' Pension Plans (continued)

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for year of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board.

The Volunteer Plans also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plans. That report may be obtained on FPPA's website at http://www.fppaco.org/annual_reports.htm.

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

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

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 \$1,846,763 for the Rifle Fire Protection District 7306-5 plan. The net pension asset was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2019.

For the year ended December 31, 2019, the District recognized pension expense related to this plan of \$11,024. At December 31, 2019, the District reported deferred outflow of resources related to pension from the following sources:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

13. Volunteer Firefighters' Pension Plans (continued)

Rifle Fire Protection District 7306-5 Volunteer Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 394,852	\$ 201,254
Total	\$ 394,852	\$ 201,254

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows

Year ended December 30:

2020	\$ 82,203
2021	28,119
2022	8,096
2023	<u>75,180</u>
	\$ 193,598

At December 31, 2019 the District reported a net pension liability of \$662,442 for the Burning Mountains Fire Protection District 7247-5 plan. The net pension liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2019.

For the year ended December 31, 2019, the District recognized pension expense related to this plan of \$162,589. At December 31, 2019, the District reported deferred outflow of resources related to pension from the following sources:

Burning Mountains Fire Protection District 7247-5 Volunteer Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 192,978	\$ 100,044
Contributions subsequent to the measurement date	80,929	-
Total	\$ 273,907	\$ 100,044

\$80,929 reported as deferred outflows of resources 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 will be recognized in pension expense as follows:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

13. Volunteer Firefighters' Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 30:

2020	\$	38,562
2021		13,945
2022		3,539
2023		<u>36,888</u>
	\$	92,934

Actuarial Assumptions. Method, and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years
Asset Valuation Method:	5-Year smoothed market
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65
 Mortality:	 Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females project to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

13. Volunteer Firefighters' Pension Plans (continued)

Plan memberships as of January 1, 2019 was as follows:

Membership by type	Rifle Fire Protection District 7306-5 Volunteer Plan	Burning Mountains Fire Protection District 7247-5 Volunteer Plan
Active members	35	36
Retirees and beneficiaries	6	5
Inactive, non-retired members	1	0
Total	42	41

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 addition expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%*
Total	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

13. Volunteer Firefighters' Pension Plans (continued)

Based on those assumptions, the Volunteer Plans 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.

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

Rifle Fire Protection District 7306-5 Volunteer Plan	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ (1,548,321)	\$ (1,846,763)	\$ (2,099,016)

Burning Mountain Protection District 7247-5 Volunteer Plan	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 965,946	\$ 662,442	\$ 406,553

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

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

14. Contingencies

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 which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

14. Contingencies (continued)

The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2019, \$198,447 of the year-end fund balance in the General Fund will be reserved for emergencies.

In May, 1996, the registered voters of the Colorado River Fire Protection District voted to allow the District to collect, retain and expend all revenues and other funds collected in 1996 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Colorado River Fire Protection District in excess of the limits of Article X, Section 20 of the Colorado Constitution.

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

The District is party to legal proceedings which normally occur in governmental operations. It is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

15. Tax Abatements

During 2018, Garfield County ("County") signed two property tax abatement agreements with oil and gas companies related to misreported production revenues. The County agreed to refund the companies for overpayment of taxes related to errors identified by the companies in the volumes and revenues of natural gas reported in prior years. The cost to the District in 2019 related to these refunds, including interest, was \$10,947.

16. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claims made against the District and losses incurred by the District are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for any of the three preceding years.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2019

17. Subsequent Events

The District has evaluated subsequent events through June 9, 2020, the date which the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which may negatively impact operations of the District. Other financial impacts could occur, though such potential impact is unknown at this time.

Colorado River Fire Protection District

Required Supplementary Information

Colorado River Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 5,008,385	\$ 5,071,155	\$ 62,770
Charge for services	1,930,400	1,933,105	2,705
Interest	125,500	188,097	62,597
Grants	351,679	105,833	(245,846)
Other	61,029	133,572	72,543
Total Revenues	<u>7,476,993</u>	<u>7,431,762</u>	<u>(45,231)</u>
Expenditures:			
Operational supply and expense	634,560	392,642	241,918
Dues and subscriptions	9,155	9,099	56
Bank service charges	6,500	5,391	1,109
Insurance	298,000	309,566	(11,566)
Board stipend	6,000	5,200	800
Professional services	164,650	222,759	(58,109)
Protective clothing	46,500	21,953	24,547
Repairs and Maintenance	267,000	219,529	47,471
Utilities	155,350	155,729	(379)
Volunteer stipend	25,000	14,775	10,225
Payroll taxes	83,383	81,378	2,005
Salaries and benefits	5,721,555	4,943,708	777,847
Training	90,850	89,709	1,141
Career pension contributions	355,850	295,141	60,709
Treasurer and Tax abatement fees	94,600	113,535	(18,935)
Volunteer benefits	50,000	50,000	-
Community cares expense	2,500	1,471	1,029
Strategic planning	5,000	-	5,000
911/Transport Service Write-offs	-	805,789	(805,789)
Bad debt expense	-	23,022	(23,022)
Capital outlay	163,500	190,562	(27,062)
Total Expenditures	<u>8,179,953</u>	<u>7,950,958</u>	<u>228,995</u>
Excess Revenue Over (Under)			
Expenditures	<u>(702,960)</u>	<u>(519,196)</u>	<u>183,764</u>
Fund Balance—Beginning of year	<u>6,179,669</u>	<u>6,277,720</u>	<u>98,051</u>
Fund Balance—End of Year	<u>\$ 5,476,709</u>	<u>\$ 5,758,524</u>	<u>\$ 281,815</u>

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

Colorado River Fire Protection District

Required Supplementary Information

Statewide FPPA Pension Plan

Schedules of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios

<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2019	0.51%	\$ 644,932	\$ 2,986,171	21.6%	98.2%
12/31/2018	0.52%	\$ (749,440)	\$ 3,409,510	-22.0%	98.2%
12/31/2017	0.49%	\$ 177,757	\$ 2,942,059	6.0%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,614,397	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,581,439	-23.7%	106.8%
12/31/2014	0.55%	\$ (489,255)	\$ 2,792,346	-17.5%	105.8%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
Statewide FPPA Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 273,366	\$ 294,428	\$ 21,062	\$ 3,409,510	9%
12/31/2017	\$ 243,766	\$ 237,633	\$ (6,133)	\$ 2,942,059	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439	8%
12/31/2014	\$ 223,388	\$ 223,388	\$ -	\$ 2,792,346	8%
12/31/2013	\$ 238,067	\$ 238,067	\$ -	\$ 2,975,839	8%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Colorado River Fire Protection District

Required Supplementary Information

Retirement Plan Supplementary Information

Schedules of Proportionate Share of the Net Pension and OPEB Liability and Related Ratios

<u>Colorado PERA - Pension</u>					
<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2019	0.535%	\$ 672,533	\$ 376,947	178.4%	73.6%
12/31/2018	0.440%	\$ 490,003	\$ 277,621	176.5%	73.6%
12/31/2017	0.495%	\$ 668,498	\$ 288,729	231.5%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%
12/31/2014	0.046%	\$ 375,347	\$ 243,342	154.2%	81.8%

<u>Colorado PERA - OPEB</u>					
<u>Measurement Period Ended*</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Actual Covered Payroll</u>	<u>OPEB Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total OPEB Liability</u>
12/31/2019	0.004%	\$ 56,443	\$ 376,947	15.0%	73.6%
12/31/2018	0.003%	\$ 44,442	\$ 277,621	16.0%	73.6%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
PERA Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2019	\$ 44,490	\$ 44,490	\$ -	\$ 376,947	11.80%
12/31/2018	\$ 35,202	\$ 35,202	\$ -	\$ 376,947	9.34%
12/31/2017	\$ 38,049	\$ 38,049	\$ -	\$ 277,621	13.71%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230	12.68%
12/31/2014	\$ 45,157	\$ 45,157	\$ -	\$ 356,125	12.68%
12/31/2013	\$ 30,856	\$ 30,856	\$ -	\$ 243,342	12.68%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Colorado River Fire Protection District
Required Supplementary Information
Rifle Volunteer Firefighters' Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2018	\$ -	\$ -	\$ -	N/A	N/A
12/31/2017	\$ -	\$ -	\$ -	N/A	N/A
12/31/2016	\$ -	\$ 50,000	\$ (50,000)	N/A	N/A
12/31/2015	\$ -	\$ 236,751	\$ (236,751)	N/A	N/A
12/31/2014	\$ -	\$ 460,795	\$ (460,795)	N/A	N/A
12/31/2013	\$ -	\$ -	\$ -	N/A	N/A

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
* Includes both employer and State of Colorado Supplemental Discretionary Payment

Colorado River Fire Protection District
Required Supplementary Information
Burning Mountain Volunteer Firefighters' Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

Measurement Period Ended*	Actuarially Required Contributions	Actual Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	\$ 49,359	\$ 50,000	\$ (641)	N/A	N/A
12/31/2017	\$ 92,694	\$ 80,929	\$ 11,765	N/A	N/A
12/31/2016	\$ 92,694	\$ 468,429	\$ (375,735)	N/A	N/A
12/31/2015	\$ 116,592	\$ 230,929	\$ (114,337)	N/A	N/A
12/31/2014	\$ 116,592	\$ 478,479	\$ (361,887)	N/A	N/A
12/31/2013	\$ 116,592	\$ 143,666	\$ (27,074)	N/A	N/A

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Colorado River Fire Protection District
Required Supplementary Information
Rifle Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 7,082	\$ 7,082	\$ 7,687	\$ 7,687	\$ 7,453
Interest	219,189	222,007	228,124	232,163	230,538
Changes of benefit terms	-	-	-	-	98,350
Difference between expected and actual expenditures	(39,879)	-	(139,205)	-	(6,499)
Assumption changes	107,374	-	93,301	-	-
Benefit payments	<u>(271,069)</u>	<u>(262,401)</u>	<u>(279,646)</u>	<u>(307,240)</u>	<u>(309,315)</u>
Net change in total pension liability	22,697	(33,312)	(89,739)	(67,390)	20,527
Total pension liability - Beginning	3,052,128	3,085,440	3,175,179	3,242,569	3,222,042
Total pension liability - Ending (a)	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569
Plan fiduciary net position					
Employer contributions	-	-	50,000	200,000	424,044
Employee contributions	-	-	-	-	-
Net investment income	3,655	684,417	249,309	84,449	304,757
Benefit payments	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Administrative expense	(9,680)	(10,670)	(7,706)	(9,268)	(7,391)
State of Colorado supplemental discretionary payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,751</u>	<u>36,751</u>
Net change in plan fiduciary net position	(277,094)	411,346	11,957	4,692	448,846
Plan fiduciary net position - beginning	5,198,682	4,787,336	4,775,379	4,770,687	4,321,841
Plan fiduciary net position - end (b)	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687
District's net pension asset - ending (a)-(b)	(1,846,763)	(2,146,554)	(1,701,896)	(1,600,200)	(1,528,118)
Plan fiduciary net position as a percentage of the total pension asset	160.06%	170.33%	155.16%	150.40%	147.13%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

Colorado River Fire Protection District
Required Supplementary Information
Burning Mountain Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ -	\$ -	\$ 7,593	\$ 7,593	\$ 14,738
Interest	215,806	219,824	224,353	227,329	224,056
Changes of benefit terms	-	-	-	-	93,077
Difference between expected and actual expenditures	(30,112)	-	(105,812)	-	(15,512)
Assumption changes	114,361	-	90,604	-	-
Benefit payments	<u>(273,399)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(275,771)</u>	<u>(262,869)</u>
Net change in total pension liability	26,656	(53,575)	(56,661)	(40,849)	53,490
Total pension liability - Beginning	3,011,635	3,065,210	3,121,871	3,162,720	3,109,230
Total pension liability - Ending (a)	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720
Plan fiduciary net position					
Employer contributions	50,000	50,000	437,500	200,000	447,550
Net investment income	2,451	344,119	116,753	37,731	136,320
Benefit payments	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Administrative expense	(9,250)	(10,106)	(3,752)	(5,435)	(3,534)
State of Colorado supplemental discretionary payment	-	30,929	30,929	30,929	30,929
Net change in plan fiduciary net position	<u>(230,198)</u>	<u>141,543</u>	<u>308,031</u>	<u>(12,546)</u>	<u>348,396</u>
Plan fiduciary net position - beginning	2,606,047	2,464,504	2,156,473	2,169,019	1,820,623
Plan fiduciary net position - end (b)	2,375,849	2,606,047	2,464,504	2,156,473	2,169,019
District's net pension liability - ending (a)-(b)	662,442	405,588	600,706	965,398	993,701
Plan fiduciary net position as a percentage of the total pension liability	78.20%	86.53%	80.40%	69.08%	68.58%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

Colorado River Fire Protection District

Other Supplementary Information

Colorado River Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest	\$ 73,500	\$ 94,769	\$ 21,269
Grants	<u>83,018</u>	<u>83,018</u>	<u>-</u>
Total Revenues	<u>156,518</u>	<u>177,787</u>	<u>21,269</u>
Expenditures:			
Capital outlay	<u>543,418</u>	<u>465,981</u>	<u>77,437</u>
Total Expenditures	<u>543,418</u>	<u>465,981</u>	<u>77,437</u>
Excess Revenue Over (Under)			
Expenditures	<u>(386,900)</u>	<u>(288,194)</u>	<u>98,706</u>
Fund Balance—Beginning of year	<u>4,168,942</u>	<u>4,233,154</u>	<u>64,212</u>
Fund Balance—End of Year	<u><u>\$3,782,042</u></u>	<u><u>\$3,944,960</u></u>	<u><u>\$ 162,918</u></u>

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