



Roaring Fork Fire Rescue Authority

**Financial Statements
December 31, 2019**

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December 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Roaring Fork Fire Rescue Authority

We have audited the accompanying financial statements of the Roaring Fork Fire Rescue Authority (the "Authority"), as of and for the year ended December 31, 2019, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 Roaring Fork Fire Rescue Authority as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B and the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E 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 Management's Discussion and Analysis in Section B and the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedule in Section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 4, 2020**



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2019**

As management of the Roaring Fork Fire Rescue Authority, (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2019.

The Management's Discussion and Analysis (the MD&A) should be read in conjunction with the Authority's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's general purpose financial statements. The Authority's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

The Authority was formed on December 18, 2017 pursuant to creating by an intergovernmental agreement between Snowmass-Wildcat Fire Protection District and Basalt and Rural Fire Protection (the "parties"). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties' employees became employees of the Authority and all parties' capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

Financial Statements: The financial statements of the Authority are presented as a special purpose government engaged only in business type activities - providing fire protection services.

The *Statement of Net Position* present information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* present information that reflects how the Authority's net position changed during the past year. All changes in the net position 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 statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* report the Authority's cash flows from operating, capital and related financing, and investing activities.

The Authority's financial statements can be found on pages C1 through C3 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2019
(continued)**

Overview of the Financial Statements (continued)

NET POSITION

	2019	2018
Assets:		
Current and other assets	\$ 10,675,731	\$ -
Capital assets, net	27,024,939	-
Total Assets	\$ 37,700,670	\$ -
 Deferred Outflows of Resources:		
Pension related deferred outflows	1,735,437	-
Total Deferred Outflows of Resources	\$ 1,735,437	\$ -
 Liabilities:		
Long-term liabilities	632,812	-
Other liabilities	97,132	-
Total Liabilities	\$ 729,944	\$ -
 Net Position:		
Net investment in capital assets	27,024,939	-
Restricted:		
Pensions	152,292	-
Impact fees	105,020	-
Capital projects	1,761,452	-
Unrestricted	9,563,086	-
Total Net Position	\$ 38,606,789	\$ -

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities. The general increase in net position is a result of being the first year of operations for the Authority and the large capital contributions received from SWFPD and BRFPD.

Approximately 70% of the Authority's net position reflects its investment in capital assets, which includes land, fire stations, vehicles and equipment, less debt outstanding related to capital assets. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Authority currently has no debt, as capital assets were either contributed or purchased with available funds.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2019**

Overview of the Financial Statements (continued)

REVIEW OF REVENUES

	2019	2018
Revenues:		
Operating revenues:		
Charges for services	\$ 1,131,101	\$ -
Transfers from BRFPD	2,856,329	-
Transfers from SWFPD	3,252,506	-
Non-operating revenues:		
Transfers from SWFPD restricted for capital purposes	369,156	-
Interest and investment income	54,349	-
Donations	261,469	-
Grants	13,286	-
Rent	100,848	-
Special event income	24,740	-
Scholarship donations	7,575	-
Gain (loss) on sale of capital assets	440,643	-
Other non-operating revenues	3,096	-
Pension revenue (expense) and changes in deferrals	121,109	-
Capital contributions:		
Contributed capital assets:		
Basalt Rural Fire Protection District	8,263,683	-
Snowmass-Wildcat Fire Protection District	19,065,497	-
Contributed cash:		
Basalt Rural Fire Protection District	3,225,531	-
Snowmass-Wildcat Fire Protection District	6,857,554	-
Contributed pensions:		
Basalt Rural Fire Protection District	252,167	-
Snowmass-Wildcat Fire Protection District	988,454	-
Total Revenues	\$ 47,289,093	\$ -

Capital contributions were the most significant source of revenues, accounting for 82% of the total revenues. Transfers from BRFPD and SWFPD accounted for 13% of total revenues.

In 2019, the first year of service, the Authority received \$1,131,101 in charges for services, accounting for 2% of total revenues. Non-operating revenues totaled \$1,396,271 largely due to sale of capital assets of \$440,643, transfers from SWFPD for capital purposes of \$369,156 and donations of \$261,469.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
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REVIEW OF EXPENSES

	2019	2018
Expenses:		
Operating Expenses:		
Administration	\$ 1,493,914	\$ -
Fire prevention	511,615	-
Operations	5,239,180	-
Vehicle maintenance and repair	263,635	-
Non-operating expenses:		
Depreciation	1,173,960	-
Total Expenses	\$ 8,682,304	\$ -
 Change in Net Position	 38,606,789	 -
 Net Position - Beginning of Year	 -	 -
 Net Position - End of Year	 \$ 38,606,789	 \$ -

The increase in expenses over prior year is related to being the first year of operations for the Authority. Operations was the largest expense at \$5,239,180, accounting for 60% of total expenses. Detail on expenses can be found on pages E1 and E2 of this report.

Capital Assets

Analysis of changes in capital assets in 2019 is as follows:

	1/1/19 Beginning Balance	Additions	Reclasses and Retirements	12/31/19 Ending Balance
Capital assets, not being depreciated:				
Land	-	364,985	-	364,985
Construction in progress	-	18,977,753	(17,293,166)	1,684,587
Total capital assets, not being depreciated	-	19,342,738	(17,293,166)	2,049,572
Capital assets, being depreciated:				
Buildings & Improvements	-	23,179,525	-	23,179,525
Vehicles & Equipment	-	3,533,689	(563,887)	2,969,802
Total capital assets being depreciated	-	26,713,214	(563,887)	26,149,327
Less accumulated depreciation for:				
Buildings & Improvements	-	(753,062)	-	(753,062)
Vehicles & Equipment	-	(420,898)	-	(420,898)
Total accumulated depreciation	-	(1,173,960)	-	(1,173,960)
Total capital assets, being depreciated, net	-	25,539,254	(563,887)	24,975,367
Total capital assets, net	-	44,881,992	(17,857,053)	27,024,939

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2019**

Capital Assets (continued)

The Authority's investment in capital assets, net of accumulated depreciation, as of December 31, 2019 and 2018, were \$27,024,939 and \$0, respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, as well as vehicles and equipment.

In 2019, total net capital assets were \$27,024,939. Net capital asset additions of \$28,762,786 were offset by disposals of \$563,887 and changes in accumulated depreciation of \$1,173,960 for a net increase in capital assets of \$27,457,268. Of the \$28,762,786 in capital asset additions, \$27,329,180 were contributed by SWFPD and BRFPD.

Additional information on the Authority's capital assets can be found in Note III.B to the financial statements.

BUDGET VARIANCES AND FUTURE CONSIDERATIONS

Budget Variances

In 2019, revenues were over budget expectations by \$2,167. The positive variance is mainly due to the Authority budgeting conservatively for gain on sale of capital assets. The expenditure budget was \$8,745,061, including \$1,870,000 of capital additions. Actual expenditures were \$9,295 less than budget. The positive variance is mainly due to capital outlay ending at \$436,393 under budget.

2020 Budget Considerations

The approved expenditure budget for 2020 is \$10,032,448, including \$1,935,000 of capital additions.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Authority's Administrative Offices, 1089 JW Drive, Carbondale, Colorado 81623.



BASIC FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Statement of Net Position
December 31, 2019

Assets:	
Cash and cash equivalents - Unrestricted	8,899,462
Investments	1,206,256
Receivables, net of allowance for uncollectibles:	
Accounts	342,618
Other	75,103
Capital assets	28,198,899
Accumulated depreciation	(1,173,960)
Net pension asset - hybrid plan	<u>152,292</u>
Total Assets	<u><u>37,700,670</u></u>
Deferred Outflows of Resources:	
Pension related deferred outflows - defined benefit plan	1,469,031
Pension related deferred outflows - hybrid plan	<u>266,406</u>
Total Deferred Outflows of Resources	<u><u>1,735,437</u></u>
Total Assets and Deferred Outflows of Resources	<u><u><u>39,436,107</u></u></u>
Liabilities:	
Current Liabilities:	
Accounts payable	19,204
Accrued payroll and taxes	69,578
Deposits	<u>8,350</u>
Total Current Liabilities	<u><u>97,132</u></u>
Non-current Liabilities:	
Compensated absences	206,185
Net pension liability - defined benefit plan	<u>426,627</u>
Total Non-current Liabilities	<u><u>632,812</u></u>
Total Liabilities	<u><u>729,944</u></u>
Deferred Inflows of Resources:	
Pension related deferred inflows - defined benefit plan	90,068
Pension related deferred inflows - hybrid plan	<u>9,306</u>
Total Deferred Inflows of Resources	<u><u>99,374</u></u>
Net Position:	
Net investment in capital assets	27,024,939
Restricted for:	
Pensions	152,292
Impact fees	105,020
Capital projects	1,761,452
Unrestricted	<u>9,563,086</u>
Total Net Position	<u><u><u>38,606,789</u></u></u>

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

Roaring Fork Fire Rescue Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2019

Operating Revenues:	
Charges for services	1,131,101
Transfers from Basalt Rural Fire Protection District	2,856,329
Transfers from Snowmass-Wildcat Fire Protection District	<u>3,252,506</u>
Total Operating Revenues	<u>7,239,936</u>
Operating Expenses:	
Administration	1,493,914
Fire prevention	511,615
Operations	5,239,180
Vehicle maintenance and repair	<u>263,635</u>
Total Operating Expenses	<u>7,508,344</u>
Operating Income (Loss)	<u>(268,408)</u>
Non-operating Revenues (Expenses):	
Transfers from Snowmass-Wildcat Fire Protection District restricted for capital purposes	369,156
Interest and investment income	54,349
Donations	261,469
Grants	13,286
Rent	100,848
Special event income	24,740
Scholarship donations	7,575
Gain (loss) on sale of capital assets	440,643
Other non-operating revenues	3,096
Pension revenue (expense) and changes in deferrals	121,109
Depreciation	<u>(1,173,960)</u>
Total Non-operating Revenues (Expenses)	<u>222,311</u>
Income (Loss) Before Capital Contributions	<u>(46,097)</u>
Capital Contributions:	
Contributed capital assets:	
Basalt Rural Fire Protection District	8,263,683
Snowmass-Wildcat Fire Protection District	19,065,497
Contributed cash:	
Basalt Rural Fire Protection District	3,225,531
Snowmass-Wildcat Fire Protection District	6,857,554
Contributed pensions:	
Basalt Rural Fire Protection District	252,167
Snowmass-Wildcat Fire Protection District	<u>988,454</u>
Total Capital Contributions	<u>38,652,886</u>
Change in Net Position	38,606,789
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u>38,606,789</u>

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

**Roaring Fork Fire Rescue Authority
Statement of Cash Flows
For the Year Ended December 31, 2019**

Cash Flows From Operating Activities:	
Cash received from customers and others	713,380
Cash received from Basalt Rural Fire Protection District	2,856,329
Cash received from Snowmass-Wildcat Fire Protection District	3,252,506
Cash payments for goods and services	(2,129,131)
Cash payments to employees and for benefits	(5,084,246)
Net Cash Provided (Used) by Operating Activities	<u>(391,162)</u>
Cash Flows From Non-capital Financing Activities:	
Grants and donations	282,330
Cash received from employee rent	100,848
Special events	24,740
Other cash receipts	11,449
Net Cash Provided (Used) by Non-capital Financing Activities	<u>419,367</u>
Cash Flows From Capital and Related Financing Activities:	
Proceeds from sale of capital assets	1,004,530
Contributed cash	8,885,143
Transfers restricted for capital purposes	369,156
Cash paid for capital acquisitions	(1,433,607)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>8,825,222</u>
Cash Flows From Investing Activities:	
Interest income received	46,035
Net Cash Provided (Used) by Investing Activities	<u>46,035</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,899,462
Cash and Cash Equivalents - Beginning of Year	<u>-</u>
Cash and Cash Equivalents - End of Year	<u><u>8,899,462</u></u>
Represented by Balance Sheet Captions:	
Cash and cash equivalents - Unrestricted	8,899,462
Cash and cash equivalents - Restricted	-
Cash and Cash Equivalents - End of Year	<u><u>8,899,462</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>(268,408)</u>
Adjustments:	
(Increase) decrease in accounts receivable	(417,721)
Increase (decrease) in accounts payable	19,204
Increase (decrease) in accrued payroll	69,578
Increase (decrease) in compensated absences	206,185
Total Adjustments	<u>(122,754)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(391,162)</u></u>
Non-cash Investing, Capital, and Financing Activities:	
Contribution of pension assets, deferred inflows and outflows	1,240,621
Contribution of capital assets	<u><u>27,329,180</u></u>

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



NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies

Roaring Fork Fire Rescue Authority (the "Authority") was formed December 18, 2017 pursuant to creating by an intergovernmental agreement between Snowmass-Wildcat Fire Protection District and Basalt and Rural Fire Protection (the "parties"). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties' employees became employees of the Authority and all parties' capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

The Authority is governed by six appointed directors, who each cast one vote on matters that come before the board. Each party will appoint three directors. The purposes of the Authority are to provide fire rescue services on behalf of the parties, take assignment of all existing assets of the parties unless otherwise specifically exempt by the agreement, and to employ, supervise, and manage all employees and volunteers of the parties.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Authority are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government; i.e., the Authority. The Authority 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 Authority. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Authority. Organizations for which the nature and significance of their relationship with the Authority 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 criteria above, the Authority is not financially accountable for any other entity nor is the Authority a component unit of any other government.

B. Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority uses a proprietary fund-type, an enterprise fund, to account for its activity, providing fire protection services to residents within the Authority's boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are operating transfers from the parties and charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts and Accounting Policies

1. Cash, Cash Equivalents and Investments

For purposes of the Statements of Cash Flows, the Authority considers cash on hand, demand deposits, U.S. government obligations and other highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Authority's investment policy is detailed at note III.A.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. An allowance for doubtful accounts in the amount of \$41,816 had been established at December 31, 2019, to estimate uncollectible accounts.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

3. Capital Assets

Capital assets, which include land, construction in progress, vehicles, equipment, buildings and improvements, are reported in the financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Each of the participating parties contributed their capital assets to the Authority at no cost to the Authority.

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

Vehicles, equipment, buildings and improvements, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles & Equipment	5 - 25
Buildings & Improvements	5 - 50

In the event of the dissolution of the Authority, the assets assigned to the Authority by each party will be returned to the assigning party. Assets acquired by the Authority and other financial assets will be liquidated and conveyed to each party in proportion to the total amounts paid to the Authority by each party during the term of the agreement.

4. Net Position

Net position represents the difference between assets, liabilities, and deferred inflows (outflows) of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

5. Compensated Absences

The Authority permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the statement of net position.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

6. Pensions

The Authority participates in the Statewide Hybrid Plan and the Statewide Defined Benefit Plan, both administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Hybrid Plan is comprised of two components: Defined Benefit and Money Purchase. The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the 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.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority has two items that qualify for reporting in this category. They are the deferred outflows on the defined benefit pension plan and the deferred outflows on the hybrid pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. They are the deferred inflows on the defined benefit pension plan and the deferred inflows on the hybrid pension plan reported in the statement of net position.

7. Use of Estimates

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

8. Restricted and Unrestricted Resources

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations and all appropriations lapse at year-end.

As required by Colorado statutes, the Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2019:

1. The Authority submitted, on or before October 15, 2018, a recommended budget that detailed the necessary revenues to meet the Authority's operating requirements.
2. On or prior to December 31, 2018, after a required publication of "Notice of Budget" and a public hearing, the Authority adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the Authority may make the following changes: a) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) it may approve emergency appropriations; and c) it may reduce appropriations for which originally estimated revenues are insufficient.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The Authority's management believes its operations qualify for this exclusion.

The Authority believes it is in compliance with the financial 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 and qualification as an enterprise, will require judicial interpretation.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

The Authority's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the Authority's cash and cash equivalents were \$8,899,462 as of December 31, 2019.

At December 31, 2019, the Authority had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Deposits:</i>				
Checking	Not rated	3,467,990	3,467,990	-
Money market	Not rated	1,859,731	1,859,731	-
Government investment pools	AAAm	3,571,741	3,571,741	-
<i>Investments:</i>				
Certificates of deposit	Not rated	1,206,256	1,206,256	-
Total		10,105,718	10,105,718	-

The investment pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price, and is measured at net asset value. The Authority has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than two years from the purchase date.

Credit Risk. The Authority's investment policy implements the prudent investor rule as a guideline for investment decisions.

The policy specifies instruments in which the Authority may invest, including:

- U.S. Treasury Obligations – U.S. Treasury bills and notes. Federally insured mortgages and student loans.
- Shares of a local government surplus funds trust (Colorado Trust, Government Asset Pool) established under the provisions of 24-74-701, CRS, as amended.
- Money market funds authorized under CRS, 24-75-601.1(l)(k) and rated in the highest category by a nationally recognized rating agency.

Concentration of Credit Risk. According to the Authority's investment policy, the maximum amount deposited in any one local government surplus fund shall not exceed \$6,000,000.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Fair Value of Investments - The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2019, the Authority had the following recurring measurements:

Investments Measured at Net Asset Value	12/31/19
Colotrust	3,571,741

B. Capital Assets

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

	1/1/19 Beginning Balance	Additions	Reclasses and Retirements	12/31/19 Ending Balance
Capital assets, not being depreciated:				
Land	-	364,985	-	364,985
Construction in progress	-	18,977,753	(17,293,166)	1,684,587
Total capital assets, not being depreciated	-	19,342,738	(17,293,166)	2,049,572
Capital assets, being depreciated:				
Buildings & Improvements	-	23,179,525	-	23,179,525
Vehicles & Equipment	-	3,533,689	(563,887)	2,969,802
Total capital assets being depreciated	-	26,713,214	(563,887)	26,149,327
Less accumulated depreciation for:				
Buildings & Improvements	-	(753,062)	-	(753,062)
Vehicles & Equipment	-	(420,898)	-	(420,898)
Total accumulated depreciation	-	(1,173,960)	-	(1,173,960)
Total capital assets, being depreciated, net	-	25,539,254	(563,887)	24,975,367
Total capital assets, net	-	44,881,992	(17,857,053)	27,024,939

Fully depreciated assets totaled \$30,133 for the year ended December 31, 2019.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

Plan Description The Statewide Defined Benefit Plan ("SWDB") is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

Contributions Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers are contributing at a 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 the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% 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 reentry group has a combined contribution rate of 22% of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the reentry group also had 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 had 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 percent resulting in a combined contribution rate of 10% in 2022.

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

The annual normal 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 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007 members currently covered under Social Security will receive half the benefit when compared to the 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 can range from 0 to the higher of 3 percent or the Consumer Price Index.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

A member is eligible for an early retirement after completing 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% 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.

Net Pension Liability: At December 31, 2019, the Authority reported a liability of \$426,626 for its proportionate share of the net pension liability. The Plan's fiduciary net position currently is exceeded by the total pension liability, resulting in a liability reported by the Authority. The net pension liability was measured at 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 Authority's proportion of the net pension liability was based on the Authority's contributions to the Plan for calendar year 2018, relative to the total contributions of participating employers to the Plan.

At December 31, 2018, the Authority's proportion was 0.337447%, as compared to 0.335945% at December 31, 2017. For the year ended December 31, 2019, the Authority recognized pension (revenues) expense of (\$119,318). At December 31, 2019, the Authority 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	\$ 548,178	\$ 4,558
Changes of assumptions or other inputs	413,173	-
Net difference between projected and actual earnings on pension plan investments	335,607	1,824
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,708	83,686
Contributions subsequent to the measurement date	162,366	-
Total	\$ 1,469,032	\$ 90,068

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as an adjustment against the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2020	\$	233,141
2021		163,081
2022		137,098
2023		234,700
2024		108,103
Thereafter		340,475
		\$ 1,216,598

Actuarial assumptions. The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment		
Rate of Return*	7.00%	7.50%
Projected Salary Increases*	4.0% to 11.25%	4.0% to 14.0%
Cost of Living Adjustments	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued). At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

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

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

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the plan's net pension liability calculated using a Single Discount Rate of 7%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Collective pension liability (asset)	\$490,270,474	\$126,427,453	\$(175,373,752)
Proportionate share of net pension liability (asset)	\$ 1,654,402	\$ 426,626	\$ (591,793)

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan

Plan Description The Statewide Hybrid Plan (“SWH”) was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection, or chiefs who have opted out of the Statewide Defined Benefit Plan. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, employees have the option of choosing among various mutual funds offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The Plan assets associated with the Defined Benefit component are included in the Fire & Police Members’ Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan (“DROP”) assets are included in the Fire & Police Members’ Self-Directed Investment Fund.

The Plan is administered by the Fire & Police Pension Association of Colorado (“FPPA”). FPPA issues a publicly available comprehensive annual financial report which can be obtained on FPPA’s website at <http://www.FPPAco.org>.

Contributions The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member’s base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 is 13.4%. The Defined Benefit Component contribution rate from July 1, 2017 through June 30, 2018 was 14.8%.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer’s contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Benefits The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member’s highest three years’ base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board’s discretion and can range from 0 to 3 percent.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component.

Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' base salary for each year of credited service.

Net Pension (Asset) Liability At December 31, 2019, the Authority reported an (asset) liability of (\$152,292) for its proportionate share of the Plan's net pension (asset) liability. The Plan's fiduciary net position currently exceeds the total pension (asset), resulting in an asset reported by the Authority. The net pension asset was measured at of December 31, 2018, and the total pension (asset) used to calculate the net pension (asset) was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension (asset) was based on the District's contributions to the Plan for calendar year 2018, relative to the total contributions of participating employers to the Plan.

At December 31, 2018, the Authority's proportion was 1.103290% as compared to 1.237387% at December 31, 2017.

For the year ended December 31, 2019, the District recognized pension (revenue) expense of (\$1,791). At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 107,130	\$ -
Changes of assumptions or other inputs	22,171	-
Net difference between projected and actual earnings on pension plan investments	32,518	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	85,419	9,306
Contributions subsequent to the measurement date	19,169	-
Total	\$ 266,407	\$ 9,306

Contributions subsequent to the measurement date of December 31, 2018, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension (asset) liability in the year ended December 31, 2020.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

Year ending December 31:	
2020	\$ 51,227
2021	45,541
2022	43,399
2023	51,821
2024	34,287
Thereafter	11,657
	\$ 237,932

Actuarial Assumptions The collective total pension asset as of December 31, 2018 is based upon the January 1, 2018 actuarial valuation. The actuarially determined contributions as of December 31, 2018 are based upon the January 1, 2018 actuarial valuation. The valuations were determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment		
Rate of Return*	7.00%	7.50%
Projected Salary Increases*	4.0% to 11.25%	4.0% to 14.0%
Cost of Living Adjustments	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

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

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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:

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

The discount rate used to measure the total pension (asset) liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH 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) liability.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

III. Detailed Notes on All Funds (continued)

C. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7%.

Sensitivity of the Authority’s proportionate share of the net pension (asset) liability to changes in the discount rate. The following presents the proportionate share of the net pension (asset) liability calculated using the discount rate of 7%, as well as what the proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1% lower or 1% higher:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Collective pension liability (asset)	\$ (6,768,386)	\$ (13,803,441)	\$ (19,701,158)
Proportionate share of net pension liability (asset)	\$ (74,675)	\$ (152,292)	\$ (217,361)

Pension plan fiduciary net position. Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

IV. Other Information

A. Retirement Plans

1. FPPA Section 457 Deferred Compensation Plan

The Authority adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). Participants may defer up to the lesser of \$11,000 or 100% of the participant’s includable compensation. Participants over age 50 are eligible to contribute more than the \$11,000 limit due to a catch up provision in the plan. The Authority is neither the trustee nor the administrator and has no liability under the plan. The Authority contributed \$67,569 for 2019.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Other Information (continued)

A. Retirement Plans (continued)

2. Defined Contribution Money Purchase Retirement Plan

The Authority adopted the Roaring Fork Fire Rescue Authority Defined Contribution Money Purchase Retirement Plan and Trust (the "Trust") On January 1, 2019. This Trust is administered by ICMA. All non-responder personnel of the Authority are eligible to participate in the plan. The contribution rate for members is 8% of covered salaries, and for the Authority is 15% of covered salaries. For members that are grandfathered into FPPA plans, the Authority contribution rate ranges from 3% to 7%. The plan vests 20% after each year of service completed. Members are fully vested after 5 years of service are completed. The Authority contributed \$158,308 for 2019.

3. Fidelity Section 457 Deferred Compensation Plan

The Authority offers its non-responder personnel an additional voluntary deferred compensation plan created in accordance with IRC section 457 (the "457 Plan"). The plan is administered by Fidelity. All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The Authority does not contribute to this 457 plan.

4. Length of Service Award Program Volunteer Plan

In 2019, the Authority adopted a Length of Service Award Plan ("LOSAP") in accordance with exclusions listed under IRC section 457. All benefits earned under LOSAP, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. The plan was established for the purpose of providing service awards to qualified volunteer firefighters and volunteer emergency medical technicians who do not participate in the FPPA Volunteer Pension Plan, as defined.

Annually, the Authority determines eligible participants and amount of the service awards, although no award shall exceed \$3,000 for any given year of service. The District made contributions totaling \$27,500 to the plan for the year ended December 31, 2019, in accordance with established provisions.

The individual participants determine investment decisions within the LOSAP Plan and, therefore, the LOSAP Plan's investment concentration varies between participants. The Authority, as Trustee of the LOSAP Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the LOSAP Plan. Consequently, the LOSAP Plan is not part of the Authority's financial statements.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Other Information (continued)

B. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

The Authority participates in the Western Slope Health Care Group, currently with 9 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

C. Intergovernmental Agreements

1. Regional Emergency Dispatch Center

On January 1, 2019 the Authority entered into an intergovernmental agreement (IGA) with Pitkin County, the City of Aspen, Town of Snowmass Village, and the Town of Basalt, and the Special Districts of Aspen Fire Protection District, Aspen Ambulance District, and Carbondale and Rural Fire Protection District (the "Participating Members") for the operation, administration, and financial support of the Pitkin County Regional Emergency Dispatch Center (the "Center").

The Center is governed by a Communications Board comprised of individual Participating Members. The purpose of the Board is to provide representatives of the Participating Members with a means to offer advice, suggestions and recommendations to the Director and the County with respect to the operation and management of the Center to ensure the efficient operation of the Center. The Center will remain a department of Pitkin County.

The initial term of this IGA commenced on January 1, 2019, and is set to expire on December 31, 2023, with automatic five-year renewals. Annual operating costs of the Center including salaries, utilities, maintenance, insurance premiums and deductibles and any other expenses related to the operation and administration of the Center will be allocated to each Participating Member as set forth in the IGA.

During the year ended December 31, 2019, the Authority paid \$122,018 related to this agreement.

D. Statewide Death and Disability Plan

Plan Description – The Statewide Death and Disability Plan ("SWDD") is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the SWDD may include part-time police and fire employees. Contributions to the SWDD are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the SWDD. The SWDD was established in 1980 pursuant to Colorado Revised Statutes and currently has 268 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2018, who are covered by Social Security and have elected supplementary coverage by the SWDD plan. The SWDD plan assets are included in the Fire & Police Members' Benefit Investment Fund.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Other Information (continued)

D. Statewide Death and Disability Plan (continued)

SWDD benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

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

Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD. Contributions may be increased 0.1% biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7% of base salary. The contribution rate increased to 2.8% of base salary as of January 1, 2019. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7% contribution is paid entirely by the Authority. The Authority paid \$70,166 on-behalf of members to the SWDD at December 31, 2019.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.



SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2019

	2019			Final Budget Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services	656,400	656,400	1,131,101	474,701
Investment income	20,000	20,000	54,349	34,349
Donations	-	-	261,469	261,469
Grants	125,000	125,000	13,286	(111,714)
Rent	129,400	129,400	100,848	(28,552)
Special event income	50,000	50,000	24,740	(25,260)
Scholarship donations	-	-	7,575	7,575
Gain (loss) on sale of capital assets	25,000	25,000	1,004,530	979,530
Other	-	-	3,096	3,096
Transfers from Basalt Rural Fire Protection District	2,725,197	2,725,197	2,856,329	131,132
Transfers from Snowmass-Wildcat Fire Protection District	5,206,000	5,206,000	3,621,662	(1,584,338)
Contributed cash	10,222,906	10,222,906	10,083,085	(139,821)
Total Revenues	<u>19,159,903</u>	<u>19,159,903</u>	<u>19,162,070</u>	<u>2,167</u>
Expenditures:				
Administration:				
Salaries	768,150	768,150	795,273	(27,123)
Payroll taxes	13,863	13,863	12,601	1,262
Health benefits	189,331	189,331	203,130	(13,799)
Pension benefits	120,675	120,675	116,508	4,167
Workmen's compensation	167,900	167,900	100,908	66,992
Public relations	12,000	12,000	25,942	(13,942)
Office expenses	88,666	88,666	73,804	14,862
Fees	91,500	91,500	69,909	21,591
Wildland mitigation	-	-	48,761	(48,761)
Subtotal - Administration	<u>1,452,085</u>	<u>1,452,085</u>	<u>1,446,836</u>	<u>5,249</u>
Fire Prevention:				
Salaries	421,727	421,727	354,007	67,720
Payroll taxes	6,628	6,628	5,791	837
Health benefits	49,500	49,500	57,025	(7,525)
Pension benefits	58,055	58,055	54,421	3,634
Public relations	7,000	7,000	5,031	1,969
Office expenses	3,300	3,300	2,321	979
Equipment	36,500	36,500	3,461	33,039
	<u>582,710</u>	<u>582,710</u>	<u>482,057</u>	<u>100,653</u>
Operations:				
Salaries	2,688,236	2,688,236	2,766,666	(78,430)
Payroll taxes	62,760	62,760	64,970	(2,210)
Health benefits	387,992	387,992	447,638	(59,646)
Pension benefits	261,993	261,993	274,925	(12,932)
Communications	105,000	105,000	122,018	(17,018)
Rent	38,000	38,000	33,307	4,693
Building maintenance	157,160	157,160	163,293	(6,133)
Utilities	186,135	186,135	151,780	34,355
Benefits	171,500	171,500	129,320	42,180
Repair and maintenance	80,500	95,500	165,462	(69,962)
Equipment and supplies	315,400	315,400	298,843	16,557
Staff development	120,500	120,500	123,189	(2,689)
Uncollectible income	-	-	374,740	(374,740)
Subtotal - Operations	<u>4,575,176</u>	<u>4,590,176</u>	<u>5,116,151</u>	<u>(525,975)</u>

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

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2019
(Continued)

	2019			Final Budget Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures (continued):				
Vehicle Maintenance and Repair:				
Salaries	72,985	72,985	81,534	(8,549)
Payroll taxes	1,280	1,280	1,372	(92)
Health benefits	9,875	9,875	11,138	(1,263)
Pension benefits	10,950	10,950	12,102	(1,152)
Repair and maintenance	153,000	153,000	149,913	3,087
Equipment and supplies	2,000	2,000	1,056	944
Subtotal - Vehicle Maintenance and Repair	<u>250,090</u>	<u>250,090</u>	<u>257,115</u>	<u>(7,025)</u>
Other:				
Capital outlay	1,870,000	1,870,000	1,433,607	436,393
Subtotal - Other	<u>1,870,000</u>	<u>1,870,000</u>	<u>1,433,607</u>	<u>436,393</u>
Total Expenditures	<u>8,730,061</u>	<u>8,745,061</u>	<u>8,735,766</u>	<u>9,295</u>
Excess (Deficiency) of Revenues Over Expenditures	10,429,842	10,414,842	10,426,304	(7,128)
Funds Available - Beginning of Year	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Funds Available - End of Year	<u>10,929,842</u>	<u>10,914,842</u>	<u>10,426,304</u>	<u>(507,128)</u>
Reconciliation to GAAP Basis:				
Excess (deficiency) of revenues over expenditures			10,426,304	
Contributed capital assets			27,329,180	
Contributed pension assets, deferred inflows and outflows			1,240,621	
Gain (loss) on sale of capital assets			(563,887)	
Depreciation			(1,173,960)	
Pension expense and change in deferrals			121,109	
Capitalized assets			1,433,607	
Change in compensated absences			(206,185)	
Change in Net Position - GAAP Basis			<u>38,606,789</u>	

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

Roaring Fork Fire Rescue Authority
Schedule of Authority's Proportionate Share of Net Pension Asset / Liability
Fire and Police Association of Colorado
Last 10 Fiscal Years *

Defined Benefit:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's portion of the net pension asset (liability)	0.337447%	0.335945%	0.328790%	0.306189%	0.280935%	0.232311%
Authority's proportionate share of the net pension asset (liability)	\$ (426,627)	\$ 483,307	\$ (118,805)	\$ 5,396	\$ 317,056	\$ 207,728
Authority's covered payroll	\$ 2,252,930	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792	\$ 1,226,852	\$ 952,400
Authority's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-18.9%	25.5%	-7.3%	0.4%	25.8%	21.8%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

Hybrid:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's portion of the net pension asset (liability)	1.103290%	1.237387%	1.246679%	1.685480%	1.765584%	1.574854%
Authority's proportionate share of the net pension asset (liability)	\$ 152,292	\$ 241,943	\$ 135,704	\$ 177,530	\$ 209,392	\$ 160,638
Authority's covered payroll	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Authority's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	86.2%	127.9%	84.2%	80.0%	95.8%	78.8%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	123.5%	138.9%	125.8%	140.6%	140.6%	139.0%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

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

**Roaring Fork Fire Rescue Authority
Schedule of Authority Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

Defined Benefit:	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 162,366	\$ 160,390	\$ 150,455	\$ 136,101	\$ 113,095	\$ 86,331	\$ 79,648
Contributions in relation to the statutorily required contribution **	<u>(162,366)</u>	<u>(160,390)</u>	<u>(150,455)</u>	<u>(136,101)</u>	<u>(113,095)</u>	<u>(86,331)</u>	<u>(79,648)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$2,067,957	\$1,997,386	\$1,836,633	\$1,650,645	\$1,315,029	\$1,042,627	\$ 938,975
Contributions as a percentage of covered payroll	7.9%	8.0%	8.2%	8.2%	8.6%	8.3%	8.5%
Hybrid:	2018	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 22,377	\$ 17,584	\$ 18,920	\$ 16,122	\$ 22,196	\$ 21,855	\$ 20,374
Contributions in relation to the statutorily required contribution	<u>(22,377)</u>	<u>(17,584)</u>	<u>(18,920)</u>	<u>(16,122)</u>	<u>(22,196)</u>	<u>(21,855)</u>	<u>(20,374)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 223,774	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Contributions as a percentage of covered payroll	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

* Information is only available beginning in fiscal year 2014.

** Includes both plan sponsor and State of Colorado Supplemental Discretionary Payment

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

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2019

**I. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset)
Statewide Defined Benefit Plan and Hybrid Plan**

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

2. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes.

3. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, 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 occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

5. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

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

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2019

- I. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset) Statewide Defined Benefit Plan and Hybrid Plan (continued)**
 - B. Changes of benefit terms**

No changes during the years presented.
 - C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

- II. Notes to the Schedule of Authority Contributions – Statewide Defined Benefit Plan and Hybrid Plan**
 - A. Changes to assumptions or other inputs**

No changes during the years presented.
 - B. Changes of benefit terms.**

No changes during the years presented.
 - C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented.

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