

**CLEAR CREEK FIRE AUTHORITY
Dumont, Colorado**

**Financial Statements
with
Independent Auditors' Report**

**For the Year Ended
December 31, 2019**

Clear Creek Fire Authority
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FINANCIAL SECTION

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Within this section of the Clear Creek Fire Authority's (Authority) financial report, the Authority's management provides narrative discussion and analysis of the financial activities of the Authority for the year ended December 31, 2019. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Authority's primary government.

FINANCIAL HIGHLIGHTS

General Fund:

- The Authority's assets exceed its liabilities by \$11,454,778 (net position) for the year reported. This compares to the previous year when assets exceeded liabilities by \$11,482,144.
- Total net position is comprised of the following:
 - o Capital assets, net of related debt, of \$5,756,848 include property and equipment, net of accumulated depreciation.
 - o Net assets of \$53,000 are restricted by constraints imposed from outside the Authority such as debt covenants, laws or regulations.
 - o Unrestricted net position of \$11,401,778 represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
- Total revenue decreased by approximately \$337,918 compared to the year ended December 31, 2018.
- Total expenses increased by approximately \$281,932 compared to the year ended December 31, 2018.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Authority's basic financial statements. The Authority's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, (3) notes to basic financial statements and (4) required supplementary information. The Authority also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Authority's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the **Statement of Net Position**. This is the Authority-wide statement of financial position presenting information that includes all of the Authority's assets and liabilities, with the difference reported as net position.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall economic health of the Authority would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the Authority's capital assets in addition to the financial information provided in this report.

The second government-wide statement is the **Statement of Activities**, which reports how the Authority's net positions have changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Authority's distinct activities or functions on revenues provided by intergovernmental contributions.

Both government-wide financial statements distinctively report governmental activities of the Authority that principally supported by intergovernmental contributions. Governmental activities include general government, fire suppression, fire prevention and training, communications and vehicles & equipment operations. Fiduciary activities such as employee and volunteer pension plans are not included in the government-wide statements since these assets are not available to fund Authority programs.

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 Authority, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the Authority are presented as a special purpose governmental engaged in (1) governmental type funds- providing fire protection services to Authority residents.

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government wide financial statements. However, the focus is very different with fund statements providing a distinct view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The governmental fund balance sheet and the governmental fund statement revenues, expenditures, and changes in fund balances provide reconciliation to the governmental-wide statements to assist in understanding the difference between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund. These statements and schedules demonstrate compliance with the Authority's adopted and final revised budget.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Notes to Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Other Supplementary Information concerning the Authority's Pension Fund as well as progress in funding its obligations to provide pension benefits to its volunteers.

Financial Analysis of the Authority as a Whole

The following table provides a summary of the Authority's net position at December 31:

Financial Position

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 by \$11,454,778 for year ended December 31, 2019.

The largest portion of the Authority's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Condensed Statement of Net Position

	2019	2018
Current Assets	\$ 5,363,668	\$ 5,534,853
Non Current Assets		
Capital Assets - Net	6,020,712	5,910,207
Total Assets	11,384,380	11,445,060
Deferred Outflows of Financial Resources	394,803	229,546
Current Liabilities	151,685	68,182
Non Current Liabilities	27,534	-
Total Liabilities	179,219	68,182
Deferred Inflows of Financial Resources	145,186	124,280
Net Position		
Restricted Net Position	53,000	26,609
Unrestricted Net Position	11,401,778	11,455,535
Total Net Position	\$ 11,454,778	\$ 11,482,144

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 for the years ended December 31, 2018 by \$11,454,778.

The largest portion of the Authority's net position reflects its investment in capital assets. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Results of Operations

The following table shows the changes in the Authority's Net Position during the year.

CONDENSED STATEMENT OF ACTIVITIES		
	2019	2018
PROGRAM REVENUES		
Charges for Services	\$ 24,625	\$ 23,645
Operating Grants & Contributions	1,589,180	1,863,365
Capital Grants & Contributions	-	100,000
Total Program Revenues	<u>1,613,805</u>	<u>1,987,010</u>
GENERAL REVENUES		
Investment Earnings	121,703	101,799
Other Revenues	20,383	5,000
Total General Revenues and Transfers	<u>142,086</u>	<u>106,799</u>
Total Revenues	<u>1,755,891</u>	<u>2,093,809</u>
PROGRAM EXPENSES		
Public Safety	1,326,506	1,264,640
Change in Net Position	429,385	829,169
Net Position, Beginning	11,482,144	10,652,975
Prior Year Restatement	(456,751)	-
Net Position, Beginning (As Restated)	<u>11,025,393</u>	<u>10,652,975</u>
Net Position, Ending	\$ 11,454,778	\$ 11,482,144

Revenues:

Overall revenue decreased for the year ending December 31, 2018 by approximately \$337,918 compared to the prior year. This decrease was due to a decrease in intergovernmental contributions received from local municipalities of about \$ 274,185 due to an decrease in the assessed valuations of each of the municipalities that contribute to the Authority through the intergovernmental agreement in addition, there was additional interest income of \$121,703.

Expenses:

Overall expenses increased by approximately \$61,866 for the year ended December 31, 2019 compared to the prior year.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Capital Assets and Capital Leases

Capital Assets

The Authority's investment in capital assets at December 31, 2019 amounts to \$5,756,848 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishing. An analysis of changes in capital assets is as follows:

	Restated Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated				
Land	\$ 23,807	\$ -	\$ -	\$ 23,807
Construction in progress	586,501	-	586,501	-
Capital assets not being depreciated	<u>610,308</u>	-	<u>586,501</u>	<u>23,807</u>
Capital assets being depreciated				
Buildings and improvements	2,803,424	1,179,393	-	3,982,817
Equipment	1,585,103	39,145	-	1,624,248
Vehicles and accessories	<u>5,044,275</u>	-	-	<u>5,044,275</u>
Total capital assets being depreciated	<u>9,432,802</u>	<u>1,218,538</u>	-	<u>10,651,340</u>
Total capital assets	<u>9,456,609</u>	<u>1,218,538</u>	-	<u>10,675,147</u>
Accumulated depreciation				
Buildings and improvements	(656,908)	(86,261)	-	(743,169)
Equipment	(1,354,170)	(60,267)	-	(1,414,438)
Vehicles and accessories	<u>(2,519,547)</u>	<u>(241,145)</u>	-	<u>(2,760,692)</u>
Total accumulated depreciation	<u>(4,530,625)</u>	<u>(387,673)</u>	-	<u>(4,918,299)</u>
Net capital assets being depreciated	<u>4,902,177</u>	<u>830,865</u>	-	<u>5,733,041</u>
Net capital assets	<u>\$ 4,925,984</u>	<u>\$ 830,865</u>	<u>\$ -</u>	<u>\$ 5,756,848</u>

The major capital additions purchased during the year include the following: \$452,414 for construction of a fire station and \$114,742 for building improvements.

Additional information on the Authority's capital assets can be found in Note 4 of this report.

Budgetary Highlights

The Authority's annual budget is prepared according to Colorado law and it is based on accounting for certain transactions on a basis of cash receipts and disbursements.

The total actual revenue of the Authority was less than budgeted revenue by \$136,289. The total budgeted expenditures of the Authority were more than actual expenditures by \$1,339,859.

Additional information on the Authority's detailed Budget for the General fund can be found in pages 38 of this report.

CLEAR CREEK FIRE AUTHORITY
Management's Discussion and Analysis
December 31, 2019

Economic Factors and Next Year's Budget

Clear Creek Fire Authority is comprised of seven Volunteer Fire Departments serving the greater portion of Clear Creek County. The Authority is created through Intergovernmental Agreement (IGA) with the Town of Georgetown, Town of Empire, Town of Silver Plume, City of Idaho Springs and the Clear Creek County Emergency Services General Improvement District (CCCES).

- Under the IGA, participants proportionally fund the Authority's annual budget based on revenues received from CCCES's 4.569 mill levy, net of Treasurer's fees. This funding formula is set within the IGA and only fluctuates with Assessed Valuations.
- Due to voter authorization provided to CCCES, the majority of the Authority's revenues are no longer subject to the growth limitations imposed by the TABOR Amendment.
- The Authority began construction on training simulator which will have an estimated cost of about \$600,800.

The Authority is dedicated to operate in a safe manner within the limits of the resources available and to continue providing service to the citizens and visitors of Clear Creek County.

Request for Information

The 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:

Clear Creek Fire Authority
Post Office Box #507
Dumont, Colorado 80436-0507

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Clear Creek Fire Authority
Dumont, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Clear Creek Fire Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the basic financial statements of the Authority, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 controls. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Clear Creek Fire Authority as of December 31, 2019, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

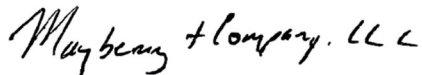
Other Matters

Required Supplementary Information – Management's Discussion and Analysis and Pension Schedules

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis on pages M1 – M7 and pension schedules on pages 33 - 37 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.

Required Supplementary Information – General Fund Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison schedule page 38 be presented as supplementary information. 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. 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 basic 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.



Englewood, Colorado
July 21, 2020

Basic Financial Statements

CLEAR CREEK FIRE AUTHORITY

**Statement of Net Position
December 31, 2019**

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Equivalents	\$ 5,363,668
Noncurrent Assets	
Capital Assets Not Being Depreciated	23,807
Capital Assets Being Depreciated, net	5,733,041
Net Pension Asset	263,864
Total Noncurrent Assets	<u>6,020,712</u>
Total Assets	11,384,380
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Deferred Outflows - Pensions (net)	394,803
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 11,779,183</u></u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 128,188
Accrued Compensated Absences	22,747
Deposits held in Escrow	750
Total Current Liabilities	<u>151,685</u>
Noncurrent Liabilities	
Due in Excess of One Year	27,534
Total Liabilities	<u>179,219</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Inflows - Pensions (net)	<u>145,186</u>
NET POSITION	
Restricted Net Position	53,000
Unrestricted Net Position	<u>11,401,778</u>
Total Net Position	<u>11,454,778</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 11,779,183</u></u>

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

CLEAR CREEK FIRE AUTHORITY

**Statement of Activities
Year Ended December 31, 2019**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Public Safety	<u>\$ 1,326,506</u>	<u>\$ 24,625</u>	<u>\$ 1,589,180</u>	<u>\$ 287,299</u>
General Revenues:				
Investment Earnings				121,703
Other Revenues				<u>20,383</u>
Total General Revenues				<u>142,086</u>
Change in Net Position				<u>429,385</u>
Net Position, Beginning				11,482,144
Prior Year Restatement				<u>(456,751)</u>
Net Position, Beginning (As Restated)				<u>11,025,393</u>
Net Position, Ending				<u>\$ 11,454,778</u>

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

CLEAR CREEK FIRE AUTHORITY

**Balance Sheet - Governmental Fund
December 31, 2019**

	<u>General Fund</u> <u>2019</u>
ASSETS	
Cash and Equivalents	\$ 5,363,668
LIABILITIES DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 128,188
Deposits held in Escrow	750
Accrued Compensated Absences	<u>22,747</u>
Total Liabilities	<u>151,685</u>
FUND BALANCE	
Restricted for Emergencies	53,000
Committed for Subsequent Years' Expenditures	120,360
Unassigned	<u>5,038,623</u>
Total Fund Balance	<u>5,211,983</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><u>\$ 5,363,668</u></u>

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

CLEAR CREEK FIRE AUTHORITY

**Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2019**

Fund Balance - Governmental Funds \$ 5,211,983

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital Assets, not being depreciated	\$ 23,807	
Capital Assets, being depreciated	10,651,340	
Accumulated Depreciation	<u>(4,918,299)</u>	5,756,848

Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds:

FPPA Statewide Defined Benefit Plan

Net pension liability	(27,534)	
Deferred outflows - pensions (net)	131,366	
Deferred inflows - pensions (net)	<u>(37,805)</u>	66,027

FPPA Volunteer Pension Plan

Net pension asset	263,864	
Deferred outflows - pensions (net)	263,437	
Deferred inflows - pensions (net)	<u>(107,381)</u>	<u>419,920</u>

Net Position - Governmental Activities \$ 11,454,778

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

CLEAR CREEK FIRE AUTHORITY

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended December 31, 2019**

	<u>General Fund</u> <u>2019</u>
REVENUES	
Intergovernmental	\$ 1,589,180
Charges for Services	24,625
Investment Earnings	121,703
Other Revenues	<u>20,383</u>
Total Revenues	<u>1,755,891</u>
EXPENDITURES	
Current	
Public Safety (Operations)	994,635
Pension Expenses	80,000
Capital Outlay	<u>613,159</u>
Total Expenditures	<u>1,687,794</u>
Change in Fund Balance	68,097
Fund Balance, Beginning	<u>5,143,886</u>
Fund Balance, Ending	<u>\$ 5,211,983</u>

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

CLEAR CREEK FIRE AUTHORITY

**Reconciliation of Governmental Fund Change in Fund Balance to
Governmental Activities Change in Net Position
Year Ended December 31, 2019**

Change in Fund Balance - Governmental Funds \$ 68,097

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

Purchases of capital assets are expensed in the funds and depreciated for the statement of activities while capital asset deletions are not reported in the funds:

Capital Outlay	\$ 632,038	
Depreciation Expense	<u>(387,674)</u>	244,364

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Change in deferred outflows - pensions (net)	189,478	
Change in net pension asset/liability	(86,456)	
Change in deferred inflows - pensions (net)	<u>13,903</u>	<u>116,925</u>

Change in Net Position - Governmental Activities \$ 429,386

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

CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clear Creek Fire Authority (the Authority) was formed to maximize public firefighting capabilities and the delivery of emergency services. The Authority provides emergency services for fires, medical emergencies, rescues, hazardous materials releases, and man-made disasters within Clear Creek County. The Authority is governed by eight member Board of Directors.

The financial statements of the Authority have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") as applied to Government units. The Governmental Account Standards Board ("GASB") is the accepted standard-setting body for establishing Governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the Authority are discussed below.

Reporting Entity

In accordance with governmental accounting standards, the Authority has considered the possibility of inclusion of additional entities in its financial statements.

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

As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the Authority (the primary government) which has not component units. The Authority does not exercise oversight responsibility over any other entity, nor is the Authority a component of any other governmental entity.

Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position column and the statement of activities column) report information on all of the nonfiduciary activities of the Authority. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority does not report any business-type activities.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government - Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. The Fund Financial Statements provide information about the Authority's funds. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The Authority only has one governmental fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue is contribution from 5 participating jurisdictions in Clear Creek Fire Authority Intergovernmental Authority.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

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

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The Authority uses governmental funds to maintain its financial records during the year. A fund is deemed as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources of funds and uses the balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Authority reports the following major governmental fund:

General Fund

The general fund is used to account for all financial resources of the Authority except those required to be accounted for in another fund. The general fund balance is available to the Authority for the purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the Authority.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair value.

Investments

The Authority has implemented the accounting and reporting requirements of Governmental Accounting Standards Board (GASB) No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". At December 31, 2018, the carrying value of investments approximates fair value.

Capital Assets

Capital assets which include building improvements, fixtures and equipment are reported in the applicable governmental activities columns in the government wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

The cost 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 fixed assets, as applicable.

Improvements furniture, fixtures and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSET TYPE</u>	<u>YEAR</u>
Building	40
Improvements	10
Furniture	5-10
Equipment	3-15
Fixtures	5-10

Compensated Absences

Employees of the Authority are allowed to accumulate unused paid time off (PTO), as stated in the Authority's policies allow. Upon termination of employment with the Authority, an employer is compensated for the entire employee's accrued but unused PTO, if any, at the employer's current rate of pay. These compensated absences are recognized as a liability in the General Fund. Balances as of December 31, 2019 and 2018 were \$22,427, and \$22,747, respectively.

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 or 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. The Authority has multiple items that qualify for reporting in this category, which are the pension related deferred outflows reported in the government-wide statement of net position.

In addition to the liabilities, the statement of net position will sometimes report a separate section or deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has multiple items that qualify for reporting in this category, which are the pension related deferred inflows reported in the government-wide statement of net position.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classification/Flow Assumptions

Beginning with fiscal year 2012, the Authority implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Fund financial statements could include the following classifications which describe the relative strength of the spending constraints.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital related debt. The net related debt is the debt less the outstanding liquid assets and may associated unamortized cost.

Restricted Net Position- The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Unrestricted Net Position- represents assets that do not have any third-party limitations on their use. While the Authority management may have categorized and segmented portions for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions.

In the government-wide financial statements, net position is restricted when constraints placed on the net positions are externally imposed.

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

Nonspendable- This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classification/Flow Assumptions (Continued)

Restricted- This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Authority has classified Emergency Reserves as being restricted because their use is restricted by the State Constitution for declared emergencies.

Committed- This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (motion or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Authority reported unspent funds budgeted by the Authority for the 2020 expenditures as committed as of December 31, 2019.

Assigned- Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

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

Flow Assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the General Funds. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law. The amounts not included in non-GAAP budgetary basis schedules are reflected on the schedules in the budget section of this report.

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

- Before October 15, the Board of Directors appoints Authority's Management as the Authority's Budget Officer.
- On or before October 15, Authority's Management, acting as the Budget Officer submits to the Board of Directors a proposed operating budget for the fiscal year commencing that following January 1. The opening budget includes proposed expenditures and the means of financing them.
- At least one public hearing is conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of a resolution.
- Authority Management is authorized to transfer budgeted amounts between one or more line items within any fund. However, any revisions that alert the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the Authority on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

**CLEAR CREEK FIRE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019**

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY BUDGETS AND BUDGETARY ACCOUNTING

(Continued)

Tax, Spending and Revenue Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue rising, spending abilities, and other specific requirements of state and local governments.

The Authority's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the amendment. However, the Authority has made certain interpretations in the amendment's language in order to determine its compliance.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). For the years ended December 31, 2019, the Authority has restricted/reserved \$53,000 for this purpose.

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments held by the Authority as of December 31, 2019 as follows:

Cash and equivalents	\$ 20,009
Investments (cash equivalent)	<u>5,343,659</u>
Total cash and investments	<u>\$ 5,363,668</u>

CASH DEPOSITS:

Custodial Credit Risk Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Production Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the Authority are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

**CLEAR CREEK FIRE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019**

NOTE 3 – CASH DEPOSITS AND INVESTMENTS (Continued)

CASH DEPOSITS:

Custodial Credit Risk Deposits

As of December 31, 2019, the carrying amount of the Authority's cash and cash equivalents were \$28,101. The Authority's cash demand deposits are held at financial institutions in which deposits are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at December 31, 2019.

Bank and cash deposits are summarized as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC insured deposits	\$ 28,101	\$ 19,903
Cash on hand	-	106
Total cash deposits	<u>\$ 28,101</u>	<u>\$ 20,009</u>

INVESTMENTS

Eligible Investments

Colorado State Statutes define eligible investments for local governments. These include U.S. Treasury obligations, repurchase agreements, State of Colorado and local government obligations, and others. The statutes allow participation with other local governments in pooled investment funds managed by mutual agreement with the same restrictions on deposits and investments. The State Regulatory Commission for banks and financial services is required by Statute to monitor the naming of eligible depositories in physical form.

Primary Government Investments

Local Governmental Investment Pools

Pooled investment funds (trusts) are supervised by the participating governments and must comply with the same restrictions on cash deposits and investments explained in the preceding paragraphs. Investment funds or money market funds are not categorized because they are not evidenced by securities that exist in physical or book form.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 3 – CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Primary Government Investments (Continued)

The Authority invests funds in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"). As COLOTRUST is valued at a net asset value, there is not an investment component to be valued under GASB Statement No. 72, *Fair Value Measurement and Application*. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST is reported at its net asset value which approximates fair value.

The Trust offers shares in two portfolios, COLTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligation of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST places no restrictions or limitations on withdrawals. COLOTRUST is rated AAAM by Standards & Poor's. At December 31, 2019, the Authority invested \$5,343,659 in COLOTRUST PLUS+ and \$-0- invested in COLOTRUST PRIME.

Interest Rate Risk

The Authority's investment policy as it references Colorado Statutes requires that no investment may have a maturity in excess of five years from the date of purchase.

The Authority has interest rate risk related to its investments in COLOTRUST. At December 31, 2019, COLOTRUST PLUS+ had a weighted average maturity of 47 days to reset and 69 days to final maturity. COLOTRUST PRIME had a weighted average maturity of 55 days to reset and 80 days to final maturity.

Concentration of Credit Risk

The Authority places no limit on the amount that may be invested in any one issuer. However, the Authority's investment policy indicates that its concentration of investments will be in local government investment pools.

Credit Risk

The Authority is required to comply with State of Colorado (State) statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 4 - CAPITAL ASSETS

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful in years and the result is charged to expense each year until the asset is fully depreciated.

An analysis of the changes in governmental activities for the year ended December 31, 2019 follows:

	Restated Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Capital assets not being depreciated				
Land	\$ 23,807	\$ -	\$ -	\$ 23,807
Construction in progress	586,501	-	586,501	-
Capital assets not being depreciated	<u>610,308</u>	<u>-</u>	<u>586,501</u>	<u>23,807</u>
Capital assets being depreciated				
Buildings and improvements	2,803,424	1,179,393	-	3,982,817
Equipment	1,585,103	39,145	-	1,624,248
Vehicles and accessories	5,044,275	-	-	5,044,275
Total capital assets being depreciated	<u>9,432,802</u>	<u>1,218,538</u>	<u>-</u>	<u>10,651,340</u>
Total capital assets	<u>9,456,609</u>	<u>1,218,538</u>	<u>-</u>	<u>10,675,147</u>
Accumulated depreciation				
Buildings and improvements	(656,908)	(86,261)	-	(743,169)
Equipment	(1,354,170)	(60,267)	-	(1,414,438)
Vehicles and accessories	(2,519,547)	(241,145)	-	(2,760,692)
Total accumulated depreciation	<u>(4,530,625)</u>	<u>(387,673)</u>	<u>-</u>	<u>(4,918,299)</u>
Net capital assets being depreciated	<u>4,902,177</u>	<u>830,865</u>	<u>-</u>	<u>5,733,041</u>
Net capital assets	<u>\$ 4,925,984</u>	<u>\$ 830,865</u>	<u>\$ -</u>	<u>\$ 5,756,848</u>

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 5- JOINT VENTURES

All cities, towns and Clear Creek County are members of the Clear Creek Fire Authority. As such, each member contributes financially to the Authority. Each member is given a board position on the Authority. The operating and capital budgets are funded by contributions based on assessed value of each Government.

Concentration of Risk

Approximately 77% of the contributions received from the above joint venture agreement are received from the Clear Creek County Emergency Services General Improvement Authority (ESD); roughly 51% of the funds received from the ESD are from one taxpaying entity- the Henderson Mine-Climax Molybdenum Company.

NOTE 6 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts: theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the Authority purchased commercial insurance to cover this risk.

NOTE 7 - RELATED PARTY TRANSACTION

During 2018 the Board of Directors authorized the Fire Chief to rent the living quarters at station 8 for \$450 per month on a month to month basis. Total rental income during 2019 was \$5,400.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters’ Pension Plan

Summary of Significant Accounting Policies

The Authority has established the Volunteer Firefighters’ Pension Plan (the “Volunteer Plan”), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association (“FPPA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (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 years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount equal to normal retirement. The Plan also provides for a lump-sum funeral benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute, but generally on half the normal benefit. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA’s website at <http://www.fppaco.org>.

Funding Policy. An actuary is used to determine the annual required contribution (“ARC”) necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. The Authority’s normal retiree monthly benefit amount is \$450. For the measurement period ended December 31, 2018, the State made a discretionary contribution of \$432 and the Authority made a contribution of \$80,000. The State of Colorado provides a discretionary contribution equal to the funding required to provide for a monthly benefit of \$300.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017 determined the contribution amounts for 2018 and 2019. The actuarial study as of January 1, 2017, indicated that the current levels of contributions to the fund were adequate to support on an actuarially sound basis the prospective benefits for the present Plan so no calculated annual contribution was required. The study assumed contributions from the Authority of \$80,000 annually and State of Colorado discretionary contributions of \$34,038 for the 2018 and 2019 fiscal years.

The actuarial study as of January 1, 2019, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan and therefore no annual contribution was required. The actuarial study continued the assumed contributions from the Authority and State that were included in the January 1, 2017 study.

Volunteers Covered by Benefit Terms

A summary of the current eligible active volunteers and retirees currently receiving benefit payments as of January 1, 2019 is outlined below:

Number of:	
Retirees and Beneficiaries	39
Inactive, Nonretired Members	5
Active Members	<u>4</u>
Total	<u>48</u>

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (Continued)

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

At December 31, 2019, the Authority reported a net pension asset of \$263,864. The net pension asset was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019.

For the year ended December 31, 2019 the Authority recognized pension income of \$11,041. 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	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (23,080)
Changes of assumptions or other inputs	\$ 13,386	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 170,051	\$ (84,301)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 80,000	\$ -
Total	\$ 263,437	\$ (107,381)

\$80,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2020	\$ 25,497
2021	13,009
2022	4,725
2023	32,825
Total	\$ 76,056

**CLEAR CREEK FIRE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (Continued)

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

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

Actuarial method	Entry Age Normal
Amortization method	Level Dollar, Open*
Amortization period	20 years*
Asset valuation method	5-Year smoothed fair value
Long-term investment rate of return, net of pension plan	7.50%
Salary increase	N/A
Cost of Living Adjustments (COLA)	N/A
Inflation	2.50%
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.

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

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

The primary changes, which will be observed in the January 1, 2019 actuarial valuations, as compared to the actuarial assumptions shown above are as follows:

**CLEAR CREEK FIRE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (Continued)

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

Investment Rate of Return	7.00%
Mortality	<p>Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales and then projected prospectively using the ultimate rates of the scale for all years.</p>

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:

CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	2.90%
Managed Futures	4.00%	5.35%
Absolute Return	9.00%	5.08%
Equity Long/Short	9.00%	6.45%
Global Equity	37.00%	8.03%
Private Markets	24.00%	10.00%
Total	100.00%	

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's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Volunteer Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment) to determine the total pension liability.

Changes in the Net Pension Liability

	Increase/Decrease		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a-b)
Balances as of 1/1/19	\$ 1,962,542	\$ 2,251,448	\$ (288,906)
Changes for the year:			
Service cost	5,113	-	5,113
Interest on the total pension liability	141,470	-	141,470
Benefit changes	-	-	-
Difference between expected and actual experience	(120,709)	-	(120,709)
Changes of assumptions	70,010	-	70,010
Net investment income	-	1,380	(1,380)
Contributions	-	80,000	(80,000)
State of Colorado discretionary	-	432	(432)
Benefit payments	(160,482)	(160,482)	-
Pension plan admin expense	-	(10,970)	10,970
Net Changes	<u>(64,598)</u>	<u>(89,640)</u>	<u>25,042</u>
Balances as of 12/31/19	<u>\$ 1,897,944</u>	<u>\$ 2,161,808</u>	<u>\$ (263,864)</u>

CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters’ Pension Plan (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ 77,624	\$ 263,864	\$ 421,507

FPPA System Description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Authority contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the 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.

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

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. That report may be obtained on FPPA’s website at <http://www.fppaco.org>.

CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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 normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the 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.

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 percent as interest, returned as a lump sum distribution. Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22 percent of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution.

Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

The contribution rate for members and employers of affiliated social security employers is 5 and 4 percent, respectively, of base salary for a total contribution rate of 9 percent in 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2019 the Authority reported a net pension liability in the amount of \$27,534 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The Authority’s proportion of the net pension asset was based on the Authority’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 Authority’s proportion was 0.021779%, which was a decrease of 0.00177% from its proportion measured as of December 31, 2017. For the year ended December 31, 2019 the Authority recognized pension income of \$1,621. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 36,103	\$ (177)
Changes of assumptions or other inputs	\$ 24,799	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 39,185	\$ (20,434)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 7,016	\$ (17,194)
Contributions subsequent to the measurement date	\$ 24,263	\$ -
Total	\$ 131,366	\$ (37,805)

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

\$24,263 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 December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2020	\$ 12,267
2021	9,822
2022	7,793
2023	14,604
2024	6,434
2025-2028	18,378
Total	\$ 69,298

Actuarial assumptions. The actuarial valuations for the SWBP 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:

Actuarial valuation date	January 1, 2019
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return, net of pension plan	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Actuarially Determined Contributions:

Actuarial valuation date	January 1, 2018
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan	7.50%
Salary increase, including wage inflation	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

**CLEAR CREEK FIRE AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019**

NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (106,775)	\$ (27,534)	\$ 38,194

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 <http://www.fppaco.org>.

**CLEAR CREEK FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019**

NOTE 9: DEFINED CONTRIBUTION PENSION PLANS

FPPA Statewide Hybrid Plan – Money Purchase Component

The Authority contributes to the Statewide Hybrid Plan – Money Purchase Component (“SWH”) offered by the Fire and Police Pension Association of Colorado on behalf of its full-time paid firefighters. For the Authority, the member contributions are equally split by the Authority and the employee at either the 16% or 20% rate depending upon the date of hire. 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 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members. During the years ended December 31, 2019, 2018 and 2017, the Authority and the plan members both made the required contributions of \$8,201, \$6,747 and \$6,549, respectively. The Plan investments are managed by FPPA.

General Employees Pension Plan

The Authority contributes to a single employer defined contribution 401(a) pension plan on behalf of its full-time employees not covered by the Fire and Police Money Purchase Pension Plan. The general employees pension plan was established and is managed by the Authority under the authority granted by CRS 24-54-108.

Both the Authority and the employee contribute 6% of the employee’s base salary as established by Authority’s Board of Directors. The employees are also eligible to make additional contributions to the extent allowed by the Internal Revenue Service. The five-year vesting schedule is as follows: 0% before one-year full-time service; 20% at 1 year; 40% at 2 years; 60% at 3 years; 80% at 4 years; and 100% at 5 years. During the years ended December 31, 2019, 2018, and 2017, the Authority and employees made contributions of \$3,105, \$2,669, and \$2,654. The Plan investments are managed by Empower Retirement.

NOTE 10: PRIOR PERIOD RESTATEMENT

The Authority has restated the prior year net position for the governmental activities by \$(456,751), from \$11,482,144 to \$11,025,393. Upon review of the prior year depreciation schedule, it was noted that certain assets had been over depreciated as well as assets that had been under depreciated. The net depreciation adjustment was a reduction of net position of \$(397,722). In addition, prior audits reported contributions to the Authority’s defined contribution plans as timing differences related to the FPPA statewide defined benefit plan. This difference, as well as an understatement of the deferred inflows related to experience and proportion changes, resulted in a net restatement related to the FPPA SWDB balances of \$(59,029).

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Required Supplementary Information

CLEAR CREEK FIRE AUTHORITY

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE
 NET PENSION ASSET (LIABILITY)
 FPPA SWDB Pension Plan
 Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Authority's proportion of the net pension asset (liability)</u>	<u>Authority's share of the net pension asset (liability)</u>	<u>Authority's covered payroll</u>	<u>Authority's proportionate share of the net pension asset (liability) as a proportion of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
12/31/2019	0.0217790%	\$ (27,535)	\$ 145,888	-18.87%	95.23%
12/31/2018	0.0235500%	\$ 33,880	\$ 137,750	24.60%	106.34%
12/31/2017	0.0263490%	\$ (9,521)	\$ 134,850	-7.06%	98.21%
12/31/2016	0.0117760%	\$ 208	\$ 57,088	0.36%	100.10%
12/31/2015	0.0131000%	\$ 14,784	\$ 58,913	25.09%	106.83%
12/31/2014	0.0121980%	\$ 10,908	\$ 52,988	20.59%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS

FPPA SWDB Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Authority's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2019	\$ 11,671	\$ 11,671	\$ -	\$ 145,888	8.00%
12/31/2018	\$ 11,020	\$ 11,020	\$ -	\$ 137,750	8.00%
12/31/2017	\$ 10,788	\$ 10,788	\$ -	\$ 134,850	8.00%
12/31/2016	\$ 4,567	\$ 4,567	\$ -	\$ 57,088	8.00%
12/31/2015	\$ 4,713	\$ 4,713	\$ -	\$ 58,913	8.00%
12/31/2014	\$ 4,239	\$ 4,239	\$ -	\$ 52,988	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY

Volunteer Pension Plan

Last 10 Fiscal Years⁽¹⁾

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<u>Total Pension Liability</u>					
Service cost	\$ 5,113	\$ 5,113	\$ 10,254	\$ 10,254	\$ 12,533
Interest	141,470	142,043	131,678	131,837	159,677
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(120,709)	-	85,032	-	(395,499)
Changes of assumptions	70,010	-	60,942	-	-
Benefit payments	<u>(160,482)</u>	<u>(149,310)</u>	<u>(145,139)</u>	<u>(143,315)</u>	<u>(150,146)</u>
Net changes in total pension liability	(64,598)	(2,154)	142,767	(1,224)	(373,435)
Total Pension Liability - beginning	<u>1,962,542</u>	<u>1,964,696</u>	<u>1,821,929</u>	<u>1,823,153</u>	<u>2,196,588</u>
Total Pension Liability - ending (a)	<u>\$ 1,897,944</u>	<u>\$ 1,962,542</u>	<u>\$ 1,964,696</u>	<u>\$ 1,821,929</u>	<u>\$ 1,823,153</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$ 80,000	\$ 160,000	\$ -	\$ 79,550	\$ 79,550
Contributions - state	432	26,188	25,528	25,781	25,200
Net investment Income	1,380	286,873	101,125	35,173	124,405
Benefit payments, including refunds of employee contributions	(160,482)	(149,310)	(145,139)	(143,315)	(150,146)
Administrative expense	(10,970)	(11,436)	(3,295)	(5,273)	(3,252)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	(89,640)	312,315	(21,781)	(8,084)	75,757
Plan fiduciary net position - beginning	<u>2,251,448</u>	<u>1,939,133</u>	<u>1,960,914</u>	<u>1,968,998</u>	<u>1,893,241</u>
Plan fiduciary net position - ending(b)	<u>\$ 2,161,808</u>	<u>\$ 2,251,448</u>	<u>\$ 1,939,133</u>	<u>\$ 1,960,914</u>	<u>\$ 1,968,998</u>
District's net pension (liability)/asset - ending (a)-(b)	<u>\$ (263,864)</u>	<u>\$ (288,906)</u>	<u>\$ 25,563</u>	<u>\$ (138,985)</u>	<u>\$ 651,341</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.90%	114.72%	98.70%	107.63%	108.00%

Note: There were no factors that significantly affected trends in the amounts reported. Amounts reported are for measurement dates one year prior than the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY

SCHEDULE OF THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS

Volunteer Pension Plan

Last 10 Fiscal Years (1)

Fiscal Year Ended	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability	Plan's Fiduciary Net Position as Percent of Total Pension Liability	Authority's Covered Payroll	Net Pension Liability as a Percent of Covered Payroll
12/31/14	\$ 2,196,588	\$ 1,893,241	\$ 303,347	86.19%	\$ -	N/A
12/31/15	\$ 1,823,153	\$ 1,968,998	\$ (145,845)	108.00%	\$ -	N/A
12/31/16	\$ 1,821,929	\$ 1,960,914	\$ (138,985)	107.63%	\$ -	N/A
12/31/17	\$ 1,964,696	\$ 1,939,133	\$ 25,563	98.70%	\$ -	N/A
12/31/18	\$ 1,962,542	\$ 2,251,448	\$ (288,906)	114.72%	\$ -	N/A
12/31/19	\$ 1,897,944	\$ 2,161,808	\$ (263,864)	113.90%	\$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported. Amounts presented are based on measurement dates one year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CLEAR CREEK FIRE AUTHORITY

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS

Volunteer Pension Plan

Last 10 Fiscal Years(1)

<u>Fiscal Year Ended</u>	<u>Actuarially determined contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Authority's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2015	\$ 47,301	\$ 105,331	\$ (58,030)	\$ -	N/A
12/31/2016	\$ -	\$ 105,528	\$ (105,528)	\$ -	N/A
12/31/2017	\$ -	\$ 106,188	\$ (106,188)	\$ -	N/A
12/31/2018	\$ -	\$ 149,397	\$ (149,397)	\$ -	N/A
12/31/2019	\$ -	\$ 80,432	\$ (80,432)	\$ -	N/A

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported. Amounts presented are based on measurement dates one year prior to the dates shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

Other Supplementary Information

CLEAR CREEK FIRE AUTHORITY

**Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2019**

	2019			Variance w/ Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental				
Grants	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Intergovernmental Contributions	<u>1,589,180</u>	<u>1,589,180</u>	<u>1,589,180</u>	<u>-</u>
Total Intergovernmental	<u>1,789,180</u>	<u>1,789,180</u>	<u>1,589,180</u>	<u>(200,000)</u>
Charges for Services				
Rents	27,000	27,000	22,725	(4,275)
Other Services	<u>1,000</u>	<u>1,000</u>	<u>1,900</u>	<u>900</u>
Total Charges for Services	<u>28,000</u>	<u>28,000</u>	<u>24,625</u>	<u>(3,375)</u>
Investment Earnings	<u>75,000</u>	<u>75,000</u>	<u>121,703</u>	<u>46,703</u>
Other Revenues				
Donations	-	-	1,230	1,230
Miscellaneous Income	<u>-</u>	<u>-</u>	<u>19,153</u>	<u>19,153</u>
Total Other Revenues	<u>-</u>	<u>-</u>	<u>20,383</u>	<u>20,383</u>
Total Revenues	<u>1,892,180</u>	<u>1,892,180</u>	<u>1,755,891</u>	<u>(136,289)</u>
EXPENDITURES				
Public Safety (Operations)				
Payroll & Benefits Expense	574,950	574,950	523,127	51,823
Board of Directors	2,250	2,250	2,199	51
Station Overhead	99,750	99,750	108,659	(8,909)
Insurance	79,378	79,378	77,193	2,185
Office Equipment	8,500	8,500	7,994	506
Professional Services	39,450	39,450	31,836	7,614
Other Expenses	-	-	(13,544)	13,544
Fire Operations	192,875	192,875	194,338	(1,463)
Apparatus Expense	<u>74,500</u>	<u>74,500</u>	<u>62,833</u>	<u>11,667</u>
Total Public Safety (Operations)	<u>1,071,653</u>	<u>1,071,653</u>	<u>994,635</u>	<u>77,018</u>
Pension Expenses	80,000	80,000	80,000	-
Capital Outlay	676,000	676,000	613,159	62,841
Contingency	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>
Total Expenditures	<u>3,027,653</u>	<u>3,027,653</u>	<u>1,687,794</u>	<u>1,339,859</u>
Change in Fund Balance	(1,135,473)	(1,135,473)	68,097	1,203,570
Fund Balance, Beginning	<u>5,102,227</u>	<u>5,102,227</u>	<u>5,143,886</u>	<u>41,659</u>
Fund Balance, Ending	<u>\$ 3,966,754</u>	<u>\$ 3,966,754</u>	<u>\$ 5,211,983</u>	<u>\$ 1,245,229</u>

See the accompanying Independent Auditor's Report.