

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**Financial Statements  
with  
Independent Auditors' Report**

**For the Year Ended  
December 31, 2020**

## **Crested Butte Fire Protection District**

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# CRESTED BUTTE FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis

### December 31, 2020

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the District's financial condition and operating results and to disclose to the reader important financial activities and issues related to the District's basic operations and mission. The MD&A should be read in conjunction with the District's basic financial statements.

Within the government type activities, the District has a general fund, a capital projects fund and a debt service fund. During 2020 the capital projects fund and the debt service fund had no activity. All expenses were accounted for in the general fund, including capital purchases and financing activities. The government type activities are funded primarily through the District's ad-valorem property tax with supplemental funds derived from fees for services, grants, rental income and intergovernmental transfers.

### **DESCRIPTION OF FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis* (this section), the *Basic Financial Statements*, *Required Supplementary Information*, The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements, Statement of Net Position and Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *Required Supplementary Information* that provides a budget and actual comparison for the District's General fund.

### **Government-wide Statements**

The government-wide statements consist of the *Statement of Net Position* and the *Statement of Activities*. These statements report information about the District as a whole and include *all* assets, liabilities and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. The District's net position – the difference between assets, liabilities and deferred inflow of resources – is one way to measure the District's financial health, or *financial position*. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base are needed to assess the overall health of the District.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis

### December 31, 2020

#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds – not the District as a whole.

The District's activity in the governmental funds focuses on how money flows into and out of these funds. Currently the District only has one active governmental fund – the general fund. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all of other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

#### **HIGHLIGHTS OF GOVERNMENTAL ACTIVITIES**

- As of December 31, 2020 the governmental funds held \$2,623,032 in assets that were readily convertible to cash.
- As of December 31, 2020, the District's governmental activities held \$2,821,116 in net investment in capital assets. As of December 31, 2020 the District had no debt on its capital assets.

#### **STATEMENTS OF NET POSITION**

The perspective of the statement of Net Position is of the District as a whole. The following is a summary of the District's Net Position for 2020 compared to 2019:

##### **CONDENSED STATEMENT OF NET POSITION**

|                                  | <b><u>Governmental Activities</u></b> |                            |
|----------------------------------|---------------------------------------|----------------------------|
|                                  | <b><u>2020</u></b>                    | <b><u>2019</u></b>         |
| <b>ASSETS</b>                    |                                       |                            |
| Current and Other Assets         | \$ 5,525,850                          | \$ 6,284,712               |
| Capital Assets                   | <u>4,177,903</u>                      | <u>2,594,780</u>           |
| Total Assets                     | <u>9,703,753</u>                      | <u>8,879,492</u>           |
| <b>DEFERRED OUTFLOWS</b>         | <u>1,116,668</u>                      | <u>1,142,062</u>           |
| <b>LIABILITIES</b>               |                                       |                            |
| Current Liabilities              | 146,129                               | 66,023                     |
| Noncurrent Liabilities           | <u>792,708</u>                        | <u>966,170</u>             |
| Total Liabilities                | <u>938,837</u>                        | <u>1,032,193</u>           |
| <b>DEFERRED INFOWS</b>           | <u>3,639,308</u>                      | <u>3,200,622</u>           |
| <b>NET POSITION</b>              |                                       |                            |
| Net Investment in Capital Assets | 3,152,336                             | 1,883,158                  |
| Restricted                       | 444,427                               | 120,000                    |
| Unrestricted                     | <u>2,645,513</u>                      | <u>3,785,581</u>           |
| <b>Total Net Position</b>        | <b><u>\$ 6,242,276</u></b>            | <b><u>\$ 5,788,739</u></b> |

**CRESTED BUTTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**STATEMENT OF ACTIVITIES**

The perspective of the statement of activities is of the District as a whole. The following table reflects the change in Net Position for fiscal year 2020 and 2019.

**CONDENSED STATEMENT OF ACTIVITIES**

|                               | <b>Governmental Activities</b> |                            |
|-------------------------------|--------------------------------|----------------------------|
|                               | <b>2020</b>                    | <b>2019</b>                |
| <b>PROGRAM REVENUES</b>       |                                |                            |
| Charges for Services          | \$ 427,109                     | \$ 428,096                 |
| Operating Grants              | 217,665                        | 92,558                     |
| Total Program Revenues        | <u>644,774</u>                 | <u>520,654</u>             |
| <b>GENERAL REVENUES</b>       |                                |                            |
| Property Taxes                | 2,816,601                      | 2,467,382                  |
| Specific Ownership Taxes      | 188,428                        | 191,141                    |
| Interest Income               | 28,677                         | 78,470                     |
| Other Revenues                | 12,756                         | 2,377                      |
| Total General Revenues        | <u>3,046,462</u>               | <u>2,739,370</u>           |
| Total Revenues                | <u>3,691,236</u>               | <u>3,260,024</u>           |
| <b>PROGRAM EXPENSES</b>       |                                |                            |
| General Government            | 1,046,074                      | 808,739                    |
| Fire Protection               | 2,191,625                      | 2,064,267                  |
| Interest on Debt              | -                              | 22,463                     |
| Total Program Expenses        | <u>3,237,699</u>               | <u>2,895,469</u>           |
| <b>CHANGE IN NET POSITION</b> | 453,537                        | 364,555                    |
| Net Position, Beginning       | <u>5,788,739</u>               | <u>5,424,184</u>           |
| <b>NET POSITION, ENDING</b>   | <u><b>\$ 6,242,276</b></u>     | <u><b>\$ 5,788,739</b></u> |

**GOVERNMENTAL ACTIVITIES**

The cost of governmental activities this year was \$3,598,571 compared to \$2,523,466 in the prior year. These increases reflect substantial investments in employee housing units and apparatus purchases. The table below presents the cost of each of the District's programs – general government, fire fighting, emergency medical services – and interest on debt as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions for the last year.

**THE DISTRICT'S FUNDS**

As the District completed the year, its general fund (shown on page 6 of the financial statements) reported a fund balance of \$2,561,977, a decrease of \$844,444 over the previous year. The increase in 2019 was \$404,275. The District currently maintains an ending fund balance/reserves of 48% of total annual expenditures.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis

### December 31, 2020

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund expenditures were approximately \$331,824 more than budgeted (exclusive of contingency and reserves) mostly due to budgeted, yet incomplete capital purchases. General fund actual revenues were \$241,485 more than budgeted amounts.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### CAPITAL ASSETS

At year end the District had \$184,949 invested in the cost of its capital assets. The most significant capital assets the District holds are District facilities, its fleet of fire emergency and support vehicles, related, equipment and member housing units which account for approximately \$8,007,852 before depreciation. The table below summarizes the District's capital assets by category.

|                                            | Balance<br><u>12/31/2019</u> | Additions           | Deletions           | Balance<br><u>12/31/2020</u> |
|--------------------------------------------|------------------------------|---------------------|---------------------|------------------------------|
| <b><u>Governmental-Type Activities</u></b> |                              |                     |                     |                              |
| Capital Assets not being depreciated:      |                              |                     |                     |                              |
| Land                                       | \$ 125,000                   | \$ -                | \$ -                | \$ 125,000                   |
| Construction in Progress                   | <u>744,448</u>               | <u>59,949</u>       | <u>(744,448)</u>    | <u>59,949</u>                |
| Total Capital Assets not being depreciated | <u>869,448</u>               | <u>59,949</u>       | <u>(744,448)</u>    | <u>184,949</u>               |
| Capital Assets being depreciated:          |                              |                     |                     |                              |
| Buildings                                  | 1,913,938                    | 1,560,718           |                     | 3,474,656                    |
| Fire Equipment                             | 3,035,953                    | 297,656             | -                   | 3,333,609                    |
| Medical Equipment                          | 757,641                      | 353,451             | -                   | 1,111,092                    |
| Other Equipment                            | <u>88,495</u>                | <u>-</u>            | <u>-</u>            | <u>88,495</u>                |
| Total Capital Assets being depreciated     | <u>5,796,027</u>             | <u>2,211,825</u>    | <u>-</u>            | <u>8,007,852</u>             |
| Less: Accumulated Depreciation             |                              |                     |                     |                              |
| Buildings                                  | (946,374)                    | (59,544)            | -                   | (1,005,918)                  |
| Fire Equipment                             | (2,502,173)                  | (149,796)           | -                   | (2,651,969)                  |
| Medical Equipment                          | (545,068)                    | (44,282)            | -                   | (589,350)                    |
| Other Equipment                            | <u>(77,080)</u>              | <u>(3,008)</u>      | <u>-</u>            | <u>(80,088)</u>              |
| Total Accumulated Depreciation             | <u>(4,070,695)</u>           | <u>(256,630)</u>    | <u>-</u>            | <u>(4,327,325)</u>           |
| <b>Net Capital Assets</b>                  | <u>\$ 2,594,780</u>          | <u>\$ 2,015,144</u> | <u>\$ (744,448)</u> | <u>\$ 3,865,476</u>          |

**CRESTED BUTTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**December 31, 2020**

**DEBT OUTSTANDING**

In 2020 the District re-financed a 15-year lease-purchase arrangement to partially finance construction of a member housing triplex unit for \$713,140. The District also maintains liabilities for unpaid compensated absences and liabilities associated with the District's pension plans.

|                          | <b>Balance<br/>1/1/20</b> | <b>Advances</b>   | <b>Repayments</b> | <b>Balance<br/>12/31/20</b> | <b>Current<br/>Portion</b> | <b>Interest<br/>Expense</b> | <b>Accrued<br/>Interest</b> |
|--------------------------|---------------------------|-------------------|-------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| Capital Lease Payable    | \$ 711,622                | \$ 713,140        | \$ 711,622        | \$ 713,140                  | \$ 46,959                  | \$ 31,800                   | \$ 3,372                    |
| Compensated Absences     | 55,880                    | 23,688            | -                 | 79,568                      | -                          | -                           | -                           |
| <b>Total Obligations</b> | <b>\$ 767,502</b>         | <b>\$ 736,828</b> | <b>\$ 711,622</b> | <b>\$ 792,708</b>           | <b>\$ 46,959</b>           | <b>\$ 31,800</b>            | <b>\$ 3,372</b>             |

**ECONOMIC AND OTHER FACTORS**

The District's Board of Directors remains attentive to evolving economic trends. The assessed valuation of the District continues to increase at a moderate pace and will likely exceed the previous 2011 high in 2021. Increased tourism to the area has also increased call volumes driving the need to hire additional response staff capable of meeting daily needs. Both the increase in emergency medical services activity, as well as increased building activity, have also generated additional fee revenue. In addition to paid staff, the District continues to invest in a robust volunteer force to supplement service delivery and provide surge capacity. As of December 31st the District employees 15 full-time staff members with a total force of 19 full-time and 1 regular-part-time employee. This expansion has been funded by the 2017 mill levy increase. Due to recent growth in assessed valuation the District has not been significantly impacted by decreases in the statewide residential assessment ratio.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the general public with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Sean Caffrey, Chief Executive Officer and Commissioner  
CRESTED BUTTE FIRE PROTECTION DISTRICT  
P.O. Box 1009  
Crested Butte, Colorado 81224  
Tel: (970) 349-5333 x1  
Fax: (970) 349-0438

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## **FINANCIAL SECTION**

# Mayberry & Company, LLC

Certified Public Accountants

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

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Board of Directors  
Crested Butte Fire Protection District  
Crested Butte, 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 Crested Butte Fire Protection District, as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 Crested Butte Fire Protection District, as of December 31, 2020, 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.

**Report on Summarized Comparative Information**

We have previously audited the Crested Butte Fire Protection District's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report date December 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

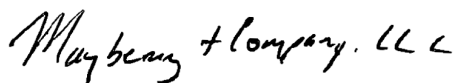
**Other Matters**

**Required Supplementary Information – Management's Discussion and Analysis and Pension Schedules (Unaudited)**

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M5 and pension schedules on pages 32-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Required Supplementary Information – Budgetary Comparison Schedules**

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 budgetary comparison schedule on pages 37-38 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. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 14, 2021

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## **Basic Financial Statements**

CRESTED BUTTE FIRE PROTECTION DISTRICT

**STATEMENT OF NET POSITION**

DECEMBER 31, 2020

|                                                        | <b>GOVERNMENTAL<br/>ACTIVITIES</b> |
|--------------------------------------------------------|------------------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                    |                                    |
| <b>ASSETS</b>                                          |                                    |
| <b>Current Assets</b>                                  |                                    |
| Cash and Investments                                   |                                    |
| Cash                                                   | \$ 220,418                         |
| Investments                                            | 2,402,614                          |
| Receivables                                            |                                    |
| Property Tax Receivable                                | 2,821,116                          |
| Cash with Fiscal Agent                                 | 71,003                             |
| Accounts Receivable                                    | 4,765                              |
| Other Receivables                                      | 5,934                              |
| Total Current Assets                                   | <u>5,525,850</u>                   |
| <b>Noncurrent Assets</b>                               |                                    |
| Capital Assets not being Depreciated                   | 184,949                            |
| Capital Assets being Depreciated                       | 8,007,852                          |
| Accumulated Depreciation                               | (4,327,325)                        |
| Net Pension Asset                                      | 312,427                            |
| Total Noncurrent Assets                                | <u>4,177,903</u>                   |
| TOTAL ASSETS                                           | <u>9,703,753</u>                   |
| <b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>        |                                    |
| Net Deferred Outflows - Statewide Defined Benefit Plan | 834,097                            |
| Net Deferred Outflows - Volunteer Pension Plan         | 282,571                            |
| TOTAL DEFERRED OUTFLOWS                                | <u>1,116,668</u>                   |
| TOTAL ASSETS AND DEFERRED OUTFLOWS                     | <u>\$ 10,820,421</u>               |
| <b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>  |                                    |
| <b>LIABILITIES</b>                                     |                                    |
| <b>Current Liabilities</b>                             |                                    |
| Accounts Payable                                       | \$ 71,166                          |
| Accrued Salaries and Benefits                          | 66,316                             |
| Deposits and Escrow                                    | 5,275                              |
| Accrued Interest Payable                               | 3,372                              |
| Total Current Liabilities                              | <u>146,129</u>                     |
| <b>Noncurrent Liabilities</b>                          |                                    |
| Due within one year                                    | 46,959                             |
| Due in more than one year                              | 745,749                            |
| Total Noncurrent Liabilities                           | <u>792,708</u>                     |
| TOTAL LIABILITIES                                      | <u>938,837</u>                     |
| <b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>         |                                    |
| Deferred Property Taxes                                | 2,821,116                          |
| Net Deferred Inflows - Statewide Defined Benefit Plan  | 509,165                            |
| Net Deferred Inflows - Volunteer Pension Plan          | 309,027                            |
| TOTAL DEFERRED INFLOWS                                 | <u>3,639,308</u>                   |
| <b>NET POSITION</b>                                    |                                    |
| Net Investment in Capital Assets                       | 3,152,336                          |
| Restricted Net Position                                | 444,427                            |
| Unrestricted Net Position                              | 2,645,513                          |
| TOTAL NET POSITION                                     | <u>6,242,276</u>                   |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION   | <u>\$ 10,820,421</u>               |

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

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

|                                             |                     | <u>PROGRAM REVENUES</u>         |                                          | NET (EXPENSE)<br>REVENUE AND<br>CHANGES IN NET<br>POSITION |
|---------------------------------------------|---------------------|---------------------------------|------------------------------------------|------------------------------------------------------------|
|                                             |                     |                                 | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS |                                                            |
|                                             | <u>EXPENSES</u>     | <u>CHARGES FOR<br/>SERVICES</u> |                                          | <u>GOVERNMENT<br/>ACTIVITIES</u>                           |
| <b>FUNCTIONS/PROGRAMS</b>                   |                     |                                 |                                          |                                                            |
| Government Activities                       |                     |                                 |                                          |                                                            |
| Current:                                    |                     |                                 |                                          |                                                            |
| General Government                          | \$ 1,046,074        | \$ 427,109                      | \$ 217,665                               | \$ (401,300)                                               |
| Public Safety                               | 2,191,625           | -                               | -                                        | (2,191,625)                                                |
| <b>TOTAL GOVERNMENT</b>                     | <u>\$ 3,237,699</u> | <u>\$ 427,109</u>               | <u>\$ 217,665</u>                        | <u>(2,592,925)</u>                                         |
| <b>GENERAL REVENUES</b>                     |                     |                                 |                                          |                                                            |
| Property Taxes                              |                     |                                 |                                          | 2,816,601                                                  |
| Specific Ownership Taxes                    |                     |                                 |                                          | 188,428                                                    |
| Interest Income                             |                     |                                 |                                          | 28,677                                                     |
| Gain (Loss) on Disposal of Capital Assets   |                     |                                 |                                          | 4,289                                                      |
| Other Revenues                              |                     |                                 |                                          | <u>8,467</u>                                               |
| <b>TOTAL GENERAL REVENUES AND TRANSFERS</b> |                     |                                 |                                          | <u>3,046,462</u>                                           |
| <b>CHANGE IN NET POSITION</b>               |                     |                                 |                                          | 453,537                                                    |
| <b>NET POSITION - Beginning</b>             |                     |                                 |                                          | 5,788,739                                                  |
| <b>NET POSITION - Ending</b>                |                     |                                 |                                          | <u>\$ 6,242,276</u>                                        |

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

**CRESTED BUTTE FIRE PROTECTION DISTRICT****BALANCE SHEET****GOVERNMENTAL FUNDS****DECEMBER 31, 2020****With Comparative Totals for December 31, 2019**

|                                                       |    | <b>GENERAL FUND</b> |              |
|-------------------------------------------------------|----|---------------------|--------------|
|                                                       |    | <b>2020</b>         | <b>2019</b>  |
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                   |    |                     |              |
| <b>ASSETS</b>                                         |    |                     |              |
| <b>Current Assets</b>                                 |    |                     |              |
| Cash and Investments                                  |    |                     |              |
| Cash                                                  | \$ | 220,418             | \$ 146,631   |
| Investments                                           |    | 2,402,614           | 3,141,561    |
| Receivables                                           |    |                     |              |
| Property Tax Receivable                               |    | 2,821,116           | 2,821,116    |
| Cash with Fiscal Agent                                |    | 71,003              | 63,717       |
| Accounts Receivable                                   |    | 4,765               | -            |
| Other Receivables                                     |    | 5,934               | 5,934        |
| Prepaid Expenses                                      |    | -                   | 77,902       |
| Other Current Assets                                  |    | -                   | 27,851       |
| TOTAL ASSETS                                          | \$ | 5,525,850           | \$ 6,284,712 |
| <b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b> |    |                     |              |
| <b>LIABILITIES</b>                                    |    |                     |              |
| <b>Current Liabilities</b>                            |    |                     |              |
| Accounts Payable                                      | \$ | 71,166              | \$ 9,771     |
| Accrued Salaries and Benefits                         |    | 66,316              | 47,404       |
| Deposits and Escrow                                   |    | 5,275               | -            |
| TOTAL LIABILITIES                                     |    | 142,757             | 57,175       |
| <b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>        |    |                     |              |
| Deferred Property Taxes                               |    | 2,821,116           | 2,821,116    |
| <b>FUND BALANCE</b>                                   |    |                     |              |
| Nonspendable Fund Balance                             |    | -                   | 77,902       |
| Restricted Fund Balance                               |    | 132,000             | 120,000      |
| Unassigned Fund Balance                               |    | 2,429,977           | 3,208,519    |
| TOTAL FUND BALANCE                                    |    | 2,561,977           | 3,406,421    |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE  | \$ | 5,525,850           | \$ 6,284,712 |

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE**  
**TO GOVERNMENTAL ACTIVITIES NET POSITION**  
**DECEMBER 31, 2020**

|                                                                                                                                                       |    |                    |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|----------------------------|
| <b>Fund Balance - Governmental Funds</b>                                                                                                              |    |                    | \$ 2,561,977               |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds                                |    |                    |                            |
| Capital assets, not being depreciated                                                                                                                 | \$ | 184,949            |                            |
| Capital assets, being depreciated                                                                                                                     |    | 8,007,852          |                            |
| Accumulated depreciation                                                                                                                              |    | <u>(4,327,325)</u> | 3,865,476                  |
| 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 |    |                    |                            |
| <b><u>FPPA - Statewide Defined Benefit Plan</u></b>                                                                                                   |    |                    |                            |
| Net pension related deferred outflows                                                                                                                 |    | 834,097            |                            |
| Net pension asset (liability)                                                                                                                         |    | 95,886             |                            |
| Net pension related deferred inflows                                                                                                                  |    | (509,165)          |                            |
| <b><u>FPPA - Volunteer Pension Plan</u></b>                                                                                                           |    |                    |                            |
| Net pension related deferred outflows                                                                                                                 |    | 282,571            |                            |
| Net pension asset (liability)                                                                                                                         |    | 216,541            |                            |
| Net pension related deferred inflows                                                                                                                  |    | <u>(309,027)</u>   | 610,903                    |
| Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.                                      |    |                    |                            |
| Capital leases payable                                                                                                                                |    | (713,140)          |                            |
| Accrued interest payable                                                                                                                              |    | (3,372)            |                            |
| Accrued compensated absences                                                                                                                          |    | <u>(79,568)</u>    | (796,080)                  |
| <b>Total Net Position - Governmental Activities</b>                                                                                                   |    |                    | <u><u>\$ 6,242,276</u></u> |

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**With Comparative Totals for the Year Ended December 31, 2019**

|                                                        | <b>GENERAL FUND</b> |                     |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <b>2020</b>         | <b>2019</b>         |
| <b>REVENUES</b>                                        |                     |                     |
| Taxes                                                  | \$ 3,005,029        | \$ 2,658,523        |
| Intergovernmental Revenues                             | 210,915             | 87,187              |
| Charges for Services                                   | 427,109             | 428,096             |
| Investment Earnings                                    | 28,677              | 78,470              |
| Other Revenues                                         | 19,506              | 20,570              |
| <b>TOTAL REVENUES</b>                                  | <b>3,691,236</b>    | <b>3,272,846</b>    |
| <b>EXPENDITURES</b>                                    |                     |                     |
| Current:                                               |                     |                     |
| General Government                                     | 968,856             | 771,942             |
| Public Safety                                          | 1,975,513           | 1,915,950           |
| Capital Outlay                                         | 1,527,326           | 848,686             |
| Debt Service                                           | 777,125             | 61,993              |
| <b>TOTAL EXPENDITURES</b>                              | <b>5,248,820</b>    | <b>3,598,571</b>    |
| <b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b> | <b>(1,557,584)</b>  | <b>(325,725)</b>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |                     |                     |
| Debt Proceeds                                          | 713,140             | 730,000             |
| <b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>         | <b>(844,444)</b>    | <b>404,275</b>      |
| <b>FUND BALANCE, BEGINNING</b>                         | <b>3,406,421</b>    | <b>3,002,146</b>    |
| <b>FUND BALANCE, ENDING</b>                            | <b>\$ 2,561,977</b> | <b>\$ 3,406,421</b> |

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

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Change in Fund Balance - Governmental Funds** **\$ (844,444)**

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

|                             |                  |           |
|-----------------------------|------------------|-----------|
| Capitalized Asset Purchases | 1,527,326        |           |
| Depreciation Expense        | <u>(256,630)</u> | 1,270,696 |

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.

|                                              |                 |        |
|----------------------------------------------|-----------------|--------|
| Net change in Statewide Defined Benefit Plan | 89,960          |        |
| Net change in Volunteer Pension Plan         | <u>(42,945)</u> | 47,015 |

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

|                                        |                 |                 |
|----------------------------------------|-----------------|-----------------|
| Proceeds from debt issuances           | (713,140)       |                 |
| Principal payments on capital leases   | 711,622         |                 |
| Change in accrued interest payable     | 5,476           |                 |
| Change in accrued compensated absences | <u>(23,688)</u> | <u>(19,730)</u> |

**Change in Net Position - Governmental Activities** **\$ 453,537**

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

## **CRESTED BUTTE FIRE PROTECTION DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Crested Butte Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

##### **Reporting Entity**

Crested Butte Fire Protection District is a political subdivision of the State of Colorado governed by a five member board of directors. As required by generally accepted accounting principles, these financial statements present the Crested Butte Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

##### **Nature of Operations**

The District provides fire and rescue services for citizens in and around the communities of Crested Butte, including ambulance transportation and enforcement of fire safety codes.

##### **Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities, which are normally 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.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. 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 business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

## CRESTED BUTTE FIRE PROTECTION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Basic Financial Statements** (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements. The District has no fiduciary funds.

##### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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.

The District reports one major governmental fund:

##### General Fund

This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Budgets**

Generally annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Encumbrances are not employed by the District.

#### *Budgetary Practices*

The District adheres to the following procedures in establishing budgets reflected in the financial statements:

- From September through November, the designated budget officer assembles the information for the budget related to the ensuing year.
- Public hearings are held to obtain taxpayer comment.
- Prior to December 31, the budget is adopted by formal resolution.
- Appropriations lapse at year end.
- The Board of Directors may amend the budget during the year.

#### **Cash and Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### **Investments**

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value.

#### **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are deferred for use during the next fiscal year. At the end of the current year, these receivables consisted of property taxes levied in 2019 and due in 2020.

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Capital Assets**

Capital assets, which include land, buildings, vehicles and equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and a useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

|                   |             |
|-------------------|-------------|
| Buildings         | 35-40 years |
| Fire Equipment    | 5-20 years  |
| Medical Equipment | 5-20 years  |
| Other Equipment   | 5-7 years   |

**Compensated Absences**

The District has the following policy for compensated vacation pay.

|                                                      |                    |
|------------------------------------------------------|--------------------|
| 1 <sup>st</sup> year of employment                   | ½ day per month    |
| 2 <sup>nd</sup> - 5 <sup>th</sup> year of employment | 1 day per month    |
| After 5 years                                        | 1 ½ days per month |

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows of financial resources and deferred inflows of financial resources, represent a usage or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until a future period. The government has two types of items, which arise under the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Outflows and Inflows of Resources (Continued)**

The unavailable property taxes are deferred and will be recognized as an outflow or inflow of resources in the period that the amounts become recognizable as an expense or available, respectively. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The other item, deferred charge on refunding, is reported in the governmental activities net position. The charge will be recognized proportionately as the outstanding principal is repaid.

**Long-Term Obligation**

Long-term debt is reported at face value, net of applicable discounts and deferred charge on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

**Net Position/Fund Balances 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.

**Net Position/Fund Balances**

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position/Fund Balances (Continued)**

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in other governmental funds are presented as unassigned.

**Program Revenues**

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

**Accumulated Unused Leave/Compensated Absences**

The District permits an employee to carry over unused personal leave to the next calendar year. The District will compensate an employee for any unused vacation and compensatory time at their current rate of pay upon termination or resignation. The District does not payout unused sick leave upon termination.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

### NOTE 2: CASH AND INVESTMENTS

The District's cash and investment balances as of the year ended December 31, 2020 are as follows:

|                                   |                            |
|-----------------------------------|----------------------------|
| Deposits                          | \$ 220,418                 |
| Investments                       | <u>2,402,614</u>           |
| <b>Total Cash and Investments</b> | <b><u>\$ 2,623,032</u></b> |

#### DEPOSITS

##### Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2020, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2020 the District's deposits are categorized as follows:

|              | <b>Bank<br/>Balance</b> | <b>Carrying<br/>Balance</b> |
|--------------|-------------------------|-----------------------------|
| FDIC Insured | <u>\$ 214,790</u>       | <u>\$ 220,418</u>           |

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 2: CASH AND INVESTMENTS (Continued)

#### INVESTMENTS

##### Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year ended December 31, 2020, the District's invested funds in the Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

##### Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

##### Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

##### Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2020, the District did not have any investments requiring safekeeping.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 3: CAPITAL ASSETS

Changes in governmental activities capital assets for the year ended December 31, 2020 was as follows:

|                                            | Balance<br><u>12/31/2019</u> | Additions           | Deletions           | Balance<br><u>12/31/2020</u> |
|--------------------------------------------|------------------------------|---------------------|---------------------|------------------------------|
| <b><u>Governmental-Type Activities</u></b> |                              |                     |                     |                              |
| Capital Assets not being depreciated:      |                              |                     |                     |                              |
| Land                                       | \$ 125,000                   | \$ -                | \$ -                | \$ 125,000                   |
| Construction in Progress                   | <u>744,448</u>               | <u>59,949</u>       | <u>(744,448)</u>    | <u>59,949</u>                |
| Total Capital Assets not being depreciated | <u>869,448</u>               | <u>59,949</u>       | <u>(744,448)</u>    | <u>184,949</u>               |
| Capital Assets being depreciated:          |                              |                     |                     |                              |
| Buildings                                  | 1,913,938                    | 1,560,718           |                     | 3,474,656                    |
| Fire Equipment                             | 3,035,953                    | 297,656             | -                   | 3,333,609                    |
| Medical Equipment                          | 757,641                      | 353,451             | -                   | 1,111,092                    |
| Other Equipment                            | <u>88,495</u>                | <u>-</u>            | <u>-</u>            | <u>88,495</u>                |
| Total Capital Assets being depreciated     | <u>5,796,027</u>             | <u>2,211,825</u>    | <u>-</u>            | <u>8,007,852</u>             |
| Less: Accumulated Depreciation             |                              |                     |                     |                              |
| Buildings                                  | (946,374)                    | (59,544)            | -                   | (1,005,918)                  |
| Fire Equipment                             | (2,502,173)                  | (149,796)           | -                   | (2,651,969)                  |
| Medical Equipment                          | (545,068)                    | (44,282)            | -                   | (589,350)                    |
| Other Equipment                            | <u>(77,080)</u>              | <u>(3,008)</u>      | <u>-</u>            | <u>(80,088)</u>              |
| Total Accumulated Depreciation             | <u>(4,070,695)</u>           | <u>(256,630)</u>    | <u>-</u>            | <u>(4,327,325)</u>           |
| <b>Net Capital Assets</b>                  | <u>\$ 2,594,780</u>          | <u>\$ 2,015,144</u> | <u>\$ (744,448)</u> | <u>\$ 3,865,476</u>          |

Depreciation has been allocated on the statement of activities as follows:

|                    |                   |
|--------------------|-------------------|
| General Government | \$ 3,008          |
| Public Safety      | <u>253,622</u>    |
| Total Depreciation | <u>\$ 256,630</u> |

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 4: PENSION OBLIGATIONS

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or 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 have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2018, that can be obtained at <http://www.FPPAco.org>.

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 4: PENSION PLANS (Continued)

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)** (Continued)

**General Information about the Pension Plan** (Continued)

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

*Contributions.* Through December 31, 2020, 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings. The District is not an affiliated social security employer.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION PLANS (Continued)

#### STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

##### General Information about the Pension Plan (Continued)

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$99,966 for the plan year ended December 31, 2019 and \$104,857 for the fiscal year ended December 31, 2020. The current year contributions will be expensed in 2021 for FPPA purposes, December 31, 2020 employer contributions for reporting as of December 31, 2021, and are a timing difference at year end.

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

At December 31, 2020, the District reported an asset of \$95,886 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The District's proportion of the net pension liability was based on District's contributions to the SWDB for the calendar year 2019 relative to the total contributions of participating employers to the SWDB.

At December 31, 2020, the District's proportion was 0.16954%, which was an increase of 0.04012% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$10,691. At December 31, 2020, the District 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                                                                            | \$ 248,283        | \$ (530)         |
| Changes of assumptions or other inputs                                                                                       | \$ 309,768        | \$ -             |
| Net difference between projected and actual earnings on pension plan investments                                             | \$ 165,644        | \$ (316,947)     |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis | \$ 5,545          | \$ (191,688)     |
| Contributions subsequent to the measurement date                                                                             | \$ 104,857        | \$ -             |
| Total                                                                                                                        | \$ 834,097        | \$ (509,165)     |

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION PLANS (Continued)

#### STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

\$104,857 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2021.

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 |
|-------------------------|-------------------|
| 2021                    | \$ 20,103         |
| 2022                    | 121               |
| 2023                    | 30,329            |
| 2024                    | (18,225)          |
| 2025                    | 47,477            |
| 2026-2029               | 140,270           |
| Total                   | \$ 220,075        |

*Actuarial assumptions.* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

|                                             |                          |
|---------------------------------------------|--------------------------|
| Actuarial method                            | Entry Age Normal         |
| Amortization method                         | Level % of Payroll, Open |
| Amortization period                         | 30 Years                 |
| Long-term investment rate of return, net of | 7.00%                    |
| Salary increase, including wage inflation   | 4.25%-11.25%             |
| Cost of Living Adjustments (COLA)           | 0.00%                    |
| * Includes inflation at                     | 2.50%                    |

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

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. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 4: PENSION PLANS (Continued)

## STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 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%           |                                        |

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

*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 cred it rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H .15)); and the resulting Single Discount Rate is 7.00 percent.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION PLANS (Continued)

#### STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

*Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate.* Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, 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<br>(6.50%) | Current<br>Discount Rate<br>(7.50%) | 1% Increase<br>(8.50%) |
|----------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension asset (liability) | \$ (581,380)           | \$ 95,886                           | \$ 657,589             |

#### Volunteer Firefighters Pension Plan

##### **Plan Description**

The Volunteer Firefighters Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

##### **Description of Benefits**

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the Plan. In 2018, the regular benefit was \$680 per month. A participant becomes fully vested after 20 years of active service and reaching age 50. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. FPPA issues independent annual reports that may be obtained by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

##### **Contributions**

The District funds the Plan per provisions in the Plan document and Colorado statutes. The District shall contribute amounts required to fund the benefits provided by the Plan on a sound actuarial basis. The District contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the District into the Volunteer Fire Department Pension Fund. The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one half mill of property tax revenue.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION OBLIGATIONS (Continued)

#### Volunteer Firefighters Pension Plan (Continued)

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

As established by the legislature, the State of Colorado contributes up to ninety percent of the District's contribution. The contributions are not actuarially determined.

The Plan is administered by a Retirement Board composed of seven members, the District's five elected board members plus two members elected by the volunteers.

The financial statements of the volunteer Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

At December 31, 2020, the District reported a net pension asset of \$216,541. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2020, the District recognized pension expense of \$92,948. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows | Deferred Inflows |
|----------------------------------------------------------------------------------|-------------------|------------------|
| Difference between expected and actual experience                                | \$ -              | \$ (16,717)      |
| Changes of assumptions or other inputs                                           | \$ 62,666         | \$ -             |
| Net difference between projected and actual earnings on pension plan investments | \$ 169,903        | \$ (292,310)     |
| Contributions subsequent to the measurement date                                 | \$ 50,002         |                  |
| Total                                                                            | \$ 282,571        | \$ (309,027)     |

\$50,002 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION OBLIGATIONS (Continued)

#### Volunteer Firefighters Pension Plan (Continued)

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

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 |
|-------------------------|-------------------|
| 2021                    | \$ 6,878          |
| 2022                    | (33,773)          |
| 2023                    | 1,314             |
| 2024                    | (50,877)          |
| Total                   | \$ (76,458)       |

#### **Actuarial Assumptions**

A January 1, 2019 actuarial valuation was used to determine the total pension liability as of the measurement date of December 31, 2019. 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 determines the contribution amounts for 2018 and 2019. The actuarially determined contributions used the following actuarial assumption and other inputs:

|                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Method                                                                                                                                   | Entry Age Normal                                                                                                                                                                                                                                                                                                                                                                                                    |
| Amortization Method                                                                                                                                | Level Dollar, Open*                                                                                                                                                                                                                                                                                                                                                                                                 |
| Amortization Period                                                                                                                                | 20 Years*                                                                                                                                                                                                                                                                                                                                                                                                           |
| Asset Valuation Method                                                                                                                             | 5-Year Smoothed Fair Value                                                                                                                                                                                                                                                                                                                                                                                          |
| Inflation                                                                                                                                          | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                               |
| Salary increase, including wage inflation                                                                                                          | N/A                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Long-term investment Rate of Return                                                                                                                | 7.50%                                                                                                                                                                                                                                                                                                                                                                                                               |
| Retirement Age                                                                                                                                     | 50% per year of eligibility until 100% at age 65                                                                                                                                                                                                                                                                                                                                                                    |
| Mortality                                                                                                                                          | Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees projected with Scale BB, 55% multiplier for off duty mortality<br>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 |                                                                                                                                                                                                                                                                                                                                                                                                                     |

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, 2019. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION OBLIGATIONS (Continued)

#### Volunteer Firefighters Pension Plan (Continued)

##### Actuarial Assumptions (Continued)

The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

|                                     |                                                                                                                                                                                                                                                                                        |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Long-term investment Rate of Return | 7.00%                                                                                                                                                                                                                                                                                  |
| Mortality                           | Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 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 scales for all years                                     |
|                                     | Disabled: 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 scales for all years                                            |

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

| Asset Class       | Target Allocation | Long-Term Expected Rate of Return |
|-------------------|-------------------|-----------------------------------|
| Global Equity     | 38.00%            | 7.00%                             |
| Equity Long/Short | 8.00%             | 6.00%                             |
| Private Markets   | 25.00%            | 9.20%                             |
| Fixed Income      | 15.00%            | 5.20%                             |
| Absolute Return   | 8.00%             | 5.50%                             |
| Managed Futures   | 4.00%             | 5.00%                             |
| Cash              | 2.00%             | 2.52%                             |
| Total             | 100.00%           |                                   |

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION OBLIGATIONS (Continued)

#### Volunteer Firefighters Pension Plan (Continued)

##### **Actuarial Assumptions** (Continued)

##### **Discount Rate**

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

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

##### **Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate**

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

|                               | 1% Decrease<br>(6.0%) | Current Discount<br>Rate (7.0%) | 1% Increase (8.0%) |
|-------------------------------|-----------------------|---------------------------------|--------------------|
| Net pension asset (liability) | \$ 483,646            | \$ 35,044                       | \$ (333,511)       |

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 4: PENSION OBLIGATIONS (Continued)

#### Volunteer Firefighters Pension Plan (Continued)

##### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Changes in net pension liability for the District's agent multiple-employer plan is listed below:

| <b>Schedule of Changes in District's Net Pension Liability</b> |                         |
|----------------------------------------------------------------|-------------------------|
| <u>Total Pension Liability</u>                                 | <u>2020</u>             |
| Service cost                                                   | \$ 33,703               |
| Interest                                                       | 242,936                 |
| Changes of benefit terms                                       | -                       |
| Differences between expected and actual experience             | -                       |
| Changes of assumptions                                         | -                       |
| Benefit payments                                               | (207,546)               |
| Net changes in total pension liability                         | 69,093                  |
| Total Pension Liability - beginning                            | 3,555,964               |
| Total Pension Liability - ending (a)                           | <u>\$ 3,625,057</u>     |
| <br><u>Plan Fiduciary Net Position</u>                         |                         |
| Contributions - employer                                       | \$ 50,002               |
| Contributions - State of Colorado (discretionary)              | 494,869                 |
| Net investment income                                          | (207,546)               |
| Benefit payments, including refunds of employee contributions  | -                       |
| Administrative expense                                         | (16,647)                |
| Other                                                          | -                       |
| Net change in plan fiduciary net position                      | 320,678                 |
| Plan fiduciary net position - beginning                        | 3,520,920               |
| Plan fiduciary net position - ending (b)                       | <u>\$ 3,841,598</u>     |
| <br>District's net pension liability - ending (a)-(b)          | <br><u>\$ (216,541)</u> |

##### **Membership**

As of the December 31, 2019 measurement date, pension plan membership consisted of the following:

|                              |           |
|------------------------------|-----------|
| Retirees and Beneficiaries   | 30        |
| Inactive, Nonretired Members | 16        |
| Active Members               | <u>21</u> |
| Total                        | <u>67</u> |

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 5: LONG-TERM OBLIGATIONS

The following is a schedule of changes in debt for the year ended December 31, 2020:

|                          | Balance<br>1/1/20        | Advances                 | Repayments               | Balance<br>12/31/20      | Current<br>Portion      | Interest<br>Expense     | Accrued<br>Interest    |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|-------------------------|------------------------|
| Capital Lease Payable    | \$ 711,622               | \$ 713,140               | \$ 711,622               | \$ 713,140               | \$ 46,959               | \$ 31,800               | \$ 3,372               |
| Compensated Absences     | 55,880                   | 23,688                   | -                        | 79,568                   | -                       | -                       | -                      |
| <b>Total Obligations</b> | <b><u>\$ 767,502</u></b> | <b><u>\$ 736,828</u></b> | <b><u>\$ 711,622</u></b> | <b><u>\$ 792,708</u></b> | <b><u>\$ 46,959</u></b> | <b><u>\$ 31,800</u></b> | <b><u>\$ 3,372</u></b> |

During 2019, the District entered into a lease purchase agreement for the construction of employee housing. The lease was for \$730,000 including \$30,000 of issuance costs. In 2020, The District paid off the original lease and refinanced in the amount of \$713,140. The lease is subject to annual appropriation. Payments of \$30,813 are due semi-annually in March and September consisting of both principal and 2.30% interest through March 2034. In the event of default, all current and future lease payments may be declared due, the leased property can be repossessed, require the District to vacate the property, may sell their interest in the property, or lease the property in an effort to collect required rental payments. The District has capitalized assets with a remaining basis of \$737,004 related to the lease.

Scheduled payments on lease are as follows:

| Year         | Principal                | Interest                 | Payments                 |
|--------------|--------------------------|--------------------------|--------------------------|
| 2021         | \$ 46,959                | \$ 14,667                | \$ 61,626                |
| 2022         | 46,570                   | 15,056                   | 61,626                   |
| 2023         | 47,647                   | 13,979                   | 61,626                   |
| 2024         | 48,750                   | 12,876                   | 61,626                   |
| 2025         | 49,877                   | 11,749                   | 61,626                   |
| 2026-2030    | 267,235                  | 40,895                   | 308,130                  |
| 2031-2034    | 206,102                  | 9,589                    | 215,691                  |
| <b>Total</b> | <b><u>\$ 713,140</u></b> | <b><u>\$ 118,811</u></b> | <b><u>\$ 831,951</u></b> |

### NOTE 6: FUND BALANCE RESERVATIONS/APPROPRIATIONS

#### Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2020 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2020, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

# CRESTED BUTTE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 6: FUND BALANCE RESERVATIONS/APPROPRIATIONS (Continued)

#### Emergency Reserve (Continued)

At a November 4, 1997 election, the electors of the District authorized the District to collect, retain and expend the full amount of the revenues from all sources during 1997, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The Article requires an emergency reserve be set aside for 2020 in the amount of 3% or more of its fiscal year spending. At December 31, 2020, the District has reserved the following for emergencies:

|              |                  |
|--------------|------------------|
| General Fund | <u>\$132,000</u> |
|--------------|------------------|

The District believes it is in compliance with the provisions of the TABOR Amendment.

### NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to firemen; and natural disasters. The District purchases commercial insurance for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

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**Required Supplementary Information**  
**Pension Schedules(Unaudited)**

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)**

**FPPA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

| <u>Fiscal Year</u> | <u>District's<br/>proportion of<br/>the net pension<br/>asset (liability)</u> | <u>District's<br/>proportionate<br/>share of the net<br/>pension asset<br/>(liability)</u> | <u>District's<br/>covered<br/>payroll</u> | <u>District's<br/>proportionate<br/>share of the<br/>net pension<br/>asset (liability)<br/>as a proportion<br/>of covered<br/>payroll</u> | <u>Plan fiduciary<br/>net position as<br/>a percentage<br/>of the total<br/>pension liability</u> |
|--------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 12/31/2020         | 0.1695413%                                                                    | \$ 95,886                                                                                  | \$ 1,249,575                              | 7.67%                                                                                                                                     | 101.90%                                                                                           |
| 12/31/2019         | 0.1294212%                                                                    | \$ (35,044)                                                                                | \$ 1,211,113                              | -2.89%                                                                                                                                    | 95.23%                                                                                            |
| 12/31/2018         | 0.1044421%                                                                    | \$ 143,194                                                                                 | \$ 644,588                                | 22.21%                                                                                                                                    | 106.34%                                                                                           |
| 12/31/2017         | 0.1113608%                                                                    | \$ (40,239)                                                                                | \$ 569,925                                | -7.06%                                                                                                                                    | 98.21%                                                                                            |
| 12/31/2016         | 0.0968831%                                                                    | \$ 1,708                                                                                   | \$ 469,663                                | 0.36%                                                                                                                                     | 100.10%                                                                                           |
| 12/31/2015         | 0.0479253%                                                                    | \$ 54,087                                                                                  | \$ 215,525                                | 25.10%                                                                                                                                    | 106.83%                                                                                           |
| 12/31/2014         | 0.0086331%                                                                    | \$ 7,720                                                                                   | \$ 37,500                                 | 20.59%                                                                                                                                    | 105.83%                                                                                           |

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

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

See the accompanying Independent Auditors' Report.

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**FPPA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

| <u>Fiscal Year</u> | <u>Contractually<br/>required<br/>contributions</u> | <u>Actual<br/>contributions</u> | <u>Contribution<br/>deficiency<br/>(excess)</u> | <u>District's<br/>covered<br/>payroll</u> | <u>Contributions as<br/>a percentage of<br/>covered payroll</u> |
|--------------------|-----------------------------------------------------|---------------------------------|-------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------|
| 12/31/2020         | \$ 99,966                                           | \$ 99,966                       | \$ -                                            | \$ 1,249,575                              | 8.00%                                                           |
| 12/31/2019         | \$ 96,889                                           | \$ 96,889                       | \$ -                                            | \$ 1,211,113                              | 8.00%                                                           |
| 12/31/2018         | \$ 51,567                                           | \$ 51,567                       | \$ -                                            | \$ 644,588                                | 8.00%                                                           |
| 12/31/2017         | \$ 45,594                                           | \$ 45,594                       | \$ -                                            | \$ 569,925                                | 8.00%                                                           |
| 12/31/2016         | \$ 37,573                                           | \$ 37,573                       | \$ -                                            | \$ 469,663                                | 8.00%                                                           |
| 12/31/2015         | \$ 17,242                                           | \$ 17,242                       | \$ -                                            | \$ 215,525                                | 8.00%                                                           |
| 12/31/2014         | \$ 3,000                                            | \$ 3,000                        | \$ -                                            | \$ 37,500                                 | 8.00%                                                           |

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

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

See the accompanying Independent Auditors' Report.

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY**

**Volunteer Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

|                                                                           | <u>12/31/2020</u>   | <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                                                              | \$ 33,703           | \$ 36,071           | \$ 36,071           | \$ 42,490           | \$ 42,490           | \$ 41,350           |
| Interest                                                                  | 242,936             | 245,035             | 237,820             | 229,811             | 221,115             | 212,260             |
| Changes of benefit terms                                                  | -                   | -                   | -                   | -                   | -                   | -                   |
| Differences between expected and actual experience                        | -                   | (43,379)            | -                   | (57,047)            | -                   | 4,300               |
| Changes of assumptions                                                    | -                   | 162,611             | -                   | 56,245              | -                   | -                   |
| Benefit payments                                                          | <u>(207,546)</u>    | <u>(184,265)</u>    | <u>(171,360)</u>    | <u>(152,092)</u>    | <u>(143,402)</u>    | <u>(137,491)</u>    |
| Net changes in total pension liability                                    | 69,093              | 216,073             | 102,531             | 119,407             | 120,203             | 120,419             |
| Total Pension Liability - beginning                                       | <u>3,555,964</u>    | <u>3,339,891</u>    | <u>3,237,360</u>    | <u>3,117,953</u>    | <u>2,997,750</u>    | <u>2,877,331</u>    |
| Total Pension Liability - ending (a)                                      | <u>\$ 3,625,057</u> | <u>\$ 3,555,964</u> | <u>\$ 3,339,891</u> | <u>\$ 3,237,360</u> | <u>\$ 3,117,953</u> | <u>\$ 2,997,750</u> |
| <u>Plan Fiduciary Net Position</u>                                        |                     |                     |                     |                     |                     |                     |
| Contributions - employer                                                  | \$ 50,002           | \$ 193,563          | \$ -                | \$ 142,731          | \$ 145,947          | \$ 144,958          |
| Contributions - state                                                     | 494,869             | 40,500              | 40,500              | 40,500              | 40,500              | 40,500              |
| Net investment Income                                                     | (207,546)           | 1,588               | 454,658             | 158,553             | 51,695              | 178,088             |
| Benefit payments, including refunds of employee contributions             | -                   | (184,265)           | (171,360)           | (152,092)           | (143,402)           | (137,491)           |
| Administrative expense                                                    | (16,647)            | (13,551)            | (14,327)            | (4,968)             | (6,642)             | (4,519)             |
| Other                                                                     | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| Net change in plan fiduciary net position                                 | 320,678             | 37,835              | 309,471             | 184,724             | 88,098              | 221,536             |
| Plan fiduciary net position - beginning                                   | <u>3,520,920</u>    | <u>3,483,085</u>    | <u>3,173,614</u>    | <u>2,988,890</u>    | <u>2,900,792</u>    | <u>2,679,256</u>    |
| Plan fiduciary net position - ending(b)                                   | <u>\$ 3,841,598</u> | <u>\$ 3,520,920</u> | <u>\$ 3,483,085</u> | <u>\$ 3,173,614</u> | <u>\$ 2,988,890</u> | <u>\$ 2,900,792</u> |
| District's net pension liability - ending (a)-(b)                         | <u>\$ (216,541)</u> | <u>\$ 35,044</u>    | <u>\$ (143,194)</u> | <u>\$ 63,746</u>    | <u>\$ 129,063</u>   | <u>\$ 651,341</u>   |
| Plan Fiduciary Net Position as a Percentage<br>of Total Pension Liability | 105.97%             | 99.01%              | 104.29%             | 98.03%              | 95.86%              | 96.77%              |

Note: There were no factors that significantly affected trends in the amounts reported.

All amounts are for the measurement period 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.

**CRESTED BUTTE FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS**

**Volunteer Pension Plan**

**Last 10 Fiscal Years (1)**

| <u>Fiscal Year Ended</u> |               |               |              | Plan's Fiduciary |         |                |
|--------------------------|---------------|---------------|--------------|------------------|---------|----------------|
|                          | Total Pension | Plan's        | Net Pension  | Net Position as  | Covered | Net Pension    |
|                          | Liability     | Fiduciary Net | Liability    | Percent of       | Payroll | Liability as a |
|                          |               | Position      |              | Total Pension    |         | Percent of     |
|                          |               |               |              | Liability        |         | Covered        |
|                          |               |               |              |                  |         | Payroll        |
| 12/31/2020               | \$ 3,625,057  | \$ 3,841,598  | \$ (216,541) | 105.97%          | \$ -    | N/A            |
| 12/31/2019               | \$ 3,555,964  | \$ 3,520,920  | \$ 35,044    | 99.01%           | \$ -    | N/A            |
| 12/31/2018               | \$ 3,339,891  | \$ 3,483,085  | \$ (143,194) | 104.29%          | \$ -    | N/A            |
| 12/31/2017               | \$ 3,237,360  | \$ 3,173,614  | \$ 63,746    | 98.03%           | \$ -    | N/A            |
| 12/31/2016               | \$ 3,117,953  | \$ 2,988,890  | \$ 129,063   | 95.86%           | \$ -    | N/A            |
| 12/31/2015               | \$ 2,997,750  | \$ 2,900,792  | \$ 96,958    | 96.77%           | \$ -    | N/A            |
| 12/31/2014               | \$ 2,877,331  | \$ 2,679,256  | \$ 198,075   | 93.12%           | \$ -    | N/A            |

Note: There were no factors that significantly affected trends in the amounts reported.

All amounts are for the measurement period 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.

**CRESTED BUTTE FIRE PROTECTION DISTRICT****SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS****Volunteer Pension Plan****Last 10 Fiscal Years(1)**

| <b><u>Fiscal Year Ended</u></b> | <b><u>Actuarially<br/>determined<br/>contributions</u></b> | <b><u>Actual<br/>contributions</u></b> | <b><u>Contribution<br/>deficiency<br/>(excess)</u></b> | <b><u>District's<br/>covered<br/>payroll</u></b> | <b><u>Contributions as<br/>a percentage of<br/>covered payroll</u></b> |
|---------------------------------|------------------------------------------------------------|----------------------------------------|--------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| 12/31/2020                      | \$ 19,697                                                  | \$ 544,871                             | \$ (525,174)                                           | \$ -                                             | N/A                                                                    |
| 12/31/2019                      | \$ 19,697                                                  | \$ 234,063                             | \$ (214,366)                                           | \$ -                                             | N/A                                                                    |
| 12/31/2018                      | \$ 43,012                                                  | \$ 40,500                              | \$ 2,512                                               | \$ -                                             | N/A                                                                    |
| 12/31/2017                      | \$ 70,224                                                  | \$ 183,231                             | \$ (113,007)                                           | \$ -                                             | N/A                                                                    |
| 12/31/2016                      | \$ 70,224                                                  | \$ 186,447                             | \$ (116,223)                                           | \$ -                                             | N/A                                                                    |
| 12/31/2015                      | \$ 70,224                                                  | \$ 185,458                             | \$ (115,234)                                           | \$ -                                             | 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. All amounts presented are for the measurement period 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.

## **Required Supplementary Information**

CRESTED BUTTE FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

|                                   | 2020               |                 |              |                                  | 2019         |
|-----------------------------------|--------------------|-----------------|--------------|----------------------------------|--------------|
|                                   | Original<br>Budget | Final<br>Budget | Actual       | Variance<br>With Final<br>Budget | Actual       |
| <b>REVENUES</b>                   |                    |                 |              |                                  |              |
| <b>Taxes</b>                      |                    |                 |              |                                  |              |
| Property Taxes                    | \$ 2,825,753       | \$ 2,825,753    | \$ 2,816,601 | \$ (9,152)                       | \$ 2,467,382 |
| Specific Ownership Taxes          | 120,000            | 120,000         | 188,428      | 68,428                           | 191,141      |
| Total Tax Revenue                 | 2,945,753          | 2,945,753       | 3,005,029    | 59,276                           | 2,658,523    |
| <b>Intergovernmental Revenues</b> |                    |                 |              |                                  |              |
| State Grants                      | 97,648             | 97,648          | 168,017      | 70,369                           | 76,212       |
| Other Intergovernmental           | 12,000             | 12,000          | 42,898       | 30,898                           | 10,975       |
| Total Intergovernmental Revenue   | 109,648            | 109,648         | 210,915      | 101,267                          | 87,187       |
| <b>Charges for Services</b>       |                    |                 |              |                                  |              |
| Rents                             | 26,600             | 26,600          | 23,731       | (2,869)                          | 1,192        |
| Other Charges for Services        | 324,750            | 324,750         | 403,378      | 78,628                           | 426,904      |
| Total Charges for Services        | 351,350            | 351,350         | 427,109      | 75,759                           | 428,096      |
| <b>Investment Earnings</b>        | 40,000             | 40,000          | 28,677       | (11,323)                         | 78,470       |
| <b>Other Revenues</b>             |                    |                 |              |                                  |              |
| Donations                         | -                  | -               | 6,750        | 6,750                            | 5,370        |
| Sale of Capital Assets            | 3,000              | 3,000           | 4,289        | 1,289                            | 10,937       |
| Other Miscellaneous Revenue       | -                  | -               | 8,467        | 8,467                            | 4,263        |
| Total Other Revenue               | 3,000              | 3,000           | 19,506       | 16,506                           | 20,570       |
| TOTAL REVENUES                    | 3,449,751          | 3,449,751       | 3,691,236    | 241,485                          | 3,272,846    |

See accompanying Independent Auditors' Report.

(Continued)

CRESTED BUTTE FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

|                                                        | 2020                  |                       |                     |                                  |                     |
|--------------------------------------------------------|-----------------------|-----------------------|---------------------|----------------------------------|---------------------|
|                                                        | Original<br>Budget    | Final<br>Budget       | Actual              | Variance<br>With Final<br>Budget | 2019<br>Actual      |
| (Continued)                                            |                       |                       |                     |                                  |                     |
| <b>EXPENDITURES</b>                                    |                       |                       |                     |                                  |                     |
| <b>Administration</b>                                  |                       |                       |                     |                                  |                     |
| Personnel Services                                     | 568,619               | 568,619               | 538,077             | 30,542                           | 406,011             |
| Insurance                                              | -                     | -                     | -                   | -                                | 13,911              |
| Professional Fees                                      | 94,750                | 94,750                | 73,688              | 21,062                           | 44,719              |
| Repairs and Maintenance                                | 40,000                | 40,000                | 28,203              | 11,797                           | 33,313              |
| Supplies and Office                                    | 57,400                | 57,400                | 61,543              | (4,143)                          | 62,608              |
| Telephone and Utilities                                | 54,000                | 54,000                | 45,213              | 8,787                            | 52,252              |
| Travel and Training                                    | 62,000                | 62,000                | 48,346              | 13,654                           | 31,339              |
| Volunteer Pension Contribution                         | 50,000                | 50,000                | 75,000              | (25,000)                         | 50,002              |
| Other Expenses                                         | 124,681               | 124,681               | 98,786              | 25,895                           | 77,787              |
| Total General Government                               | 1,051,450             | 1,051,450             | 968,856             | 82,594                           | 771,942             |
| <b>Operations</b>                                      |                       |                       |                     |                                  |                     |
| Personnel Services                                     | 1,707,261             | 1,707,261             | 1,569,868           | 137,393                          | 1,497,217           |
| Fuel and Automotive                                    | 40,000                | 40,000                | 30,122              | 9,878                            | 34,304              |
| Insurance                                              | -                     | -                     | -                   | -                                | 10,077              |
| Major Incident Expenses                                | -                     | -                     | 12,160              | (12,160)                         | -                   |
| Professional Fees                                      | 90,000                | 90,000                | 72,046              | 17,954                           | 74,082              |
| Repairs and Maintenance                                | 46,000                | 46,000                | 27,639              | 18,361                           | 46,509              |
| Supplies                                               | 132,000               | 132,000               | 196,679             | (64,679)                         | 123,513             |
| Telephone and Utilities                                | 10,000                | 10,000                | 9,810               | 190                              | 9,313               |
| Travel and Training                                    | 101,800               | 101,800               | 45,056              | 56,744                           | 108,812             |
| Other Expenses                                         | 5,000                 | 5,000                 | 12,133              | (7,133)                          | 12,123              |
| Total Public Safety                                    | 2,132,061             | 2,132,061             | 1,975,513           | 156,548                          | 1,915,950           |
| <b>Capital Outlay</b>                                  |                       |                       |                     | -                                |                     |
| Public Safety Capital Outlay                           | 1,669,500             | 1,669,500             | 1,527,326           | 142,174                          | 848,686             |
| <b>Debt Service</b>                                    |                       |                       |                     |                                  |                     |
| Principal                                              | 63,985                | 63,985                | 740,050             | (676,065)                        | 31,993              |
| Fees                                                   | -                     | -                     | 37,075              | (37,075)                         | 30,000              |
| Total Debt Service                                     | 63,985                | 63,985                | 777,125             | (713,140)                        | 61,993              |
| TOTAL EXPENDITURES                                     | 4,916,996             | 4,916,996             | 5,248,820           | (331,824)                        | 3,598,571           |
| <b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b> | (1,467,245)           | (1,467,245)           | (1,557,584)         | (90,339)                         | (325,725)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |                       |                       |                     |                                  |                     |
| Debt Proceeds                                          | -                     | -                     | 713,140             | 713,140                          | 730,000             |
| <b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>       | <u>\$ (1,467,245)</u> | <u>\$ (1,467,245)</u> | <u>(844,444)</u>    | <u>\$ 622,801</u>                | <u>404,275</u>      |
| <b>FUND BALANCE, BEGINNING</b>                         |                       |                       | 3,406,421           |                                  | 3,002,146           |
| <b>FUND BALANCE, ENDING</b>                            |                       |                       | <u>\$ 2,561,977</u> |                                  | <u>\$ 3,406,421</u> |

See accompanying Independent Auditors' Report.