

**GRAND VALLEY FIRE PROTECTION DISTRICT**

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**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

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**DECEMBER 31, 2020**

**FINANCIAL STATEMENTS – 2020**

# **GRAND VALLEY FIRE PROTECTION DISTRICT**

## **2020 BOARD OF DIRECTORS**

Michelle Foster, President

Mike Kelly, Vice President

Ed Baker, Secretary/Treasurer

Julie Jenkinson, Director

Shirley Barrick, Director

## **ADMINISTRATIVE STAFF**

Barbara (Kim) Reeves, Administrative Specialist

David A. Blair, Fire Chief



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To the Board of Directors  
Grand Valley Fire Protection District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grand Valley 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 District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Grand Valley Fire Protection District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of contributions – Volunteer Firefighters' Pension Plan, Schedule of changes in net pension liability (asset) and related ratios – Volunteer Firefighters' Pension Plan, schedule of the District's proportionate share of the net pension liability – Statewide FPPA Pension Plan, schedule of the District's contributions – Statewide FPPA Pension Plan, schedule of the District's proportionate share of the Net Pension Liability, Schedule of the District's contributions – PERA Pension Plan, Schedule of the District's proportionate share of the Net OPEB Liability, and schedule of the District's contributions – PERA OPEB Plan information on pages 3-6 and 49-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grand Valley Fire Protection District's basic financial statements. The schedule of General Fund operating expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of General Fund operating expenditures has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Celo CPA Services, PC*

Rangely, Colorado  
June 9, 2021

## **MANAGEMENT DISCUSSION & ANALYSIS**

The discussion and analysis of the Grand Valley Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$21,341,695 at December 31, 2020.
- Total District's cash and investments increased by \$947,255 or 14 percent from 2019.
- The December 31, 2020 General fund balance is \$772,570 more than the previous year. The total fund balance is 190 percent of 2020 General Fund operating expenditures.

### **USING THIS ANNUAL REPORT**

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

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

### **OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS**

#### **Government-wide Financial Statements**

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

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

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

## Fund Financial Statements

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 47 of this report.

**Budgetary Comparisons.** The District adopts an annual appropriated budget for the General Fund and Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund on page 49 through 50 and for the Capital Projects Fund on pages 51 through 52.

### REPORTING THE DISTRICT AS A WHOLE

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

The following table provides a summary of the District's net position for 2019 and 2020.

	<b>Governmental Activities</b>	
	2019	2020
<b>Assets</b>		
Current and other assets	\$ 13,068,608	\$ 14,010,264
Capital assets	10,624,936	11,022,933
Total assets	<u>23,693,544</u>	<u>25,033,197</u>
<b>Deferred Outflows of Resources</b>	<u>1,232,584</u>	<u>914,653</u>
<b>Liabilities</b>		
Current and other liabilities	158,228	288,600
Noncurrent liabilities	354,333	92,391
Total Liabilities	<u>512,561</u>	<u>380,991</u>
<b>Deferred Inflows of Resources</b>	<u>4,538,134</u>	<u>4,225,164</u>
<b>Net Position</b>		
Net investment in capital assets	10,624,936	11,022,933
Restricted	148,630	161,183
Unrestricted	9,101,867	10,157,579
Total net position	<u>\$ 19,875,433</u>	<u>\$ 21,341,695</u>

A significant portion of the District's position represents unrestricted net position of \$10,157,579 which may be used to meet the ongoing obligations to patrons and creditors.

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

An additional \$161,183 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

The following table indicates the changes in net position.

	<b>Governmental Activities</b>	
	2019	2020
<b>Revenues:</b>		
Program revenues:		
Charge for services	\$ 322,887	\$ 350,438
Capital grants and contributions	24,613	381,790
General revenues:		
General property taxes	4,186,884	4,308,228
Specific ownership tax	311,122	288,993
Investment earnings	111,703	43,957
Other	13,256	7,494
<b>Total revenues</b>	<b>4,970,465</b>	<b>5,380,900</b>
<b>Expenses:</b>		
Administration	2,918,637	3,007,242
Firefighting & prevention	562,618	458,943
Medical services	397,849	448,453
<b>Total expenses</b>	<b>3,879,104</b>	<b>3,914,638</b>
<b>Change in accounting principle/Prior period adjustment</b>	<b>14,132</b>	<b>-</b>
Increase (decrease) in net position	<b>\$ 1,105,493</b>	<b>\$ 1,466,262</b>

**Governmental Activities.** Governmental activities increased the District's net position by \$1,466,262 in 2020. Key elements of this increase are as follows:

The District's property tax revenues were up \$121,344 from 2019.

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**Governmental Funds.** Information about the District's governmental funds begins on page 11. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2020, the total fund balances of the District's governmental funds were \$7,767,112. Approximately 5 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a state-Constitution mandated emergency reserve (\$161,183); (2) assigned for capital projects (\$1,282,409); and (3) assigned for future operating expenses (\$5,924,561). The District had Governmental revenues of \$5,380,900 and expenditures of \$4,382,609.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

### **2020 General Fund Budget**

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 5,667,141	\$ -	\$ 5,667,141	\$ 5,712,133
Revenue and other financing sources	5,309,920	-	5,309,920	5,372,766
Expenditures and other financing uses	<u>(5,053,198)</u>	-	<u>(5,053,198)</u>	<u>(4,600,196)</u>
Ending Fund Balance	<u>\$ 5,923,863</u>	<u>\$ -</u>	<u>\$ 5,923,863</u>	<u>\$ 6,484,703</u>

Actual expenditures and other financing uses were under budget by \$453,002. The difference includes capital outlay and administration expenditures being under budget by \$154,875 and \$314,908, respectively.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The District's investment in capital assets for its governmental activities as of December 31, 2020 totaled \$11,022,933 (net of accumulated depreciation). This investment includes all land, buildings, and equipment.

A major capital asset event during the current fiscal year included an expenditure of \$446,083 for the purchase of 2 ambulances and \$189,000 for the purchase of 25 MSA G1 SCBA units.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

**Long-term Debt.** The District has no long-term debt.

## ECONOMIC FACTORS AND OTHER MATTERS

**Other Matters.** The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2021 budget:

- A transfer from the General Fund to the Capital Projects Fund of \$301,168.
- Decrease in property taxes collected.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 0124 Stone Quarry Road, Parachute, CO 81635.

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## **FINANCIAL STATEMENTS**

**GRAND VALLEY FIRE PROTECTION DISTRICT**

STATEMENT OF NET POSITION  
December 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 482,937
Cash with County	24,321
Investments	1,331,757
Accounts receivable, net of uncollectible of \$49,116	40,403
Property taxes receivable	3,724,066
Other receivables	183,732
Prepaid expense	68,001
Restricted cash	5,924,561
Noncurrent assets	
Capital assets, nondepreciable	859,165
Capital assets, net	10,163,768
Net pension asset - FPPA	92,084
Net pension asset - volunteer fire	<u>2,138,402</u>
<b>TOTAL ASSETS</b>	<u><b>25,033,197</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	701,089
Deferred outflows related to OPEB	584
Deferred outflows related to volunteer fire pensions	<u>212,980</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>914,653</b></u>
<b>LIABILITIES</b>	
Accounts payable	146,361
Accrued liabilities	23,518
Compensated absences	118,721
Noncurrent liabilities	
Net pension liability - PERA	82,662
Net OPEB liability	<u>9,729</u>
<b>TOTAL LIABILITIES</b>	<u><b>380,991</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenue - property taxes	3,724,066
Deferred inflows related to pensions	179,115
Deferred inflows related to OPEB	1,802
Deferred inflows related to volunteer fire pensions	<u>320,181</u>
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u><b>4,225,164</b></u>
<b>NET POSITION</b>	
Net investment in capital assets	11,022,933
Restricted for TABOR emergencies	161,183
Unrestricted	<u>10,157,579</u>
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 21,341,695</b></u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

		<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities				
Administration	\$ 3,007,242	\$ -	\$ -	\$ (3,007,242)
Firefighting & prevention	458,943	-	381,790	(77,153)
Medical services	<u>448,453</u>	<u>350,438</u>	<u>-</u>	<u>(98,015)</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u>\$ 3,914,638</u>	 <u>\$ 350,438</u>	 <u>\$ 381,790</u>	 <u>(3,182,410)</u>
General revenues:				
Property taxes				4,308,228
Specific ownership tax				288,993
Investment earnings				43,957
Other income				<u>7,494</u>
Total General revenues				<u>4,648,672</u>
Change in net position				1,466,262
Net position - beginning				<u>19,875,433</u>
Net position - ending				<u>\$ 21,341,695</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 421,056	\$ 61,881	\$ 482,937
Cash with County	24,321	-	24,321
Investments	111,229	1,220,528	1,331,757
Accounts receivable, net of estimated uncollectible of \$49,116	40,403	-	40,403
Property taxes receivable	3,724,066	-	3,724,066
Other receivables	183,732	-	183,732
Prepaid expenses	68,001	-	68,001
Restricted investments	5,924,561	-	5,924,561
<b>TOTAL ASSETS</b>	<u><u>\$ 10,497,369</u></u>	<u><u>\$ 1,282,409</u></u>	<u><u>\$ 11,779,778</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 146,361	\$ -	\$ 146,361
Accrued liabilities	23,518	-	23,518
Compensated absences	118,721	-	118,721
<b>TOTAL LIABILITIES</b>	<u>288,600</u>	<u>-</u>	<u>288,600</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue - property taxes	3,724,066	-	3,724,066
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>3,724,066</u>	<u>-</u>	<u>3,724,066</u>
<b>FUND EQUITY</b>			
Fund Balance			
Restricted for:			
TABOR emergencies	161,183	-	161,183
Assigned for:			
Capital projects	-	1,282,409	1,282,409
Future operations	5,924,561	-	5,924,561
Unassigned	398,959	-	398,959
<b>TOTAL FUND EQUITY</b>	<u>6,484,703</u>	<u>1,282,409</u>	<u>7,767,112</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY</b>	<u><u>\$ 10,497,369</u></u>	<u><u>\$ 1,282,409</u></u>	<u><u>\$ 11,779,778</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION  
December 31, 2020

Balance sheet - total fund balances \$ 7,767,112

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds. 11,022,933

Long-term assets and liabilities, including net pension assets and liabilities, are not due, payable or receivable in the current period and, therefore, are not reported in the funds.

Net pension assets	2,230,486
Net pension liability	(82,662)
Net OPEB liability	<u>(9,729)</u>

Net pension assets (liability) 2,138,095

Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	914,069
Deferred outflows of resources related to OPEB	584
Deferred inflows of resources related to pensions	(499,296)
Deferred inflows of resources related to OPEB	<u>(1,802)</u>

Net deferred outflows (inflows) 413,555

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 21,341,695

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 4,597,221	\$ -	\$ 4,597,221
Interest	35,823	8,134	43,957
Grants	381,790	-	381,790
User charges	350,438	-	350,438
Other	7,494	-	7,494
	<u>5,372,766</u>	<u>8,134</u>	<u>5,380,900</u>
TOTAL REVENUES			
EXPENDITURES			
Administration	2,896,549	-	2,896,549
Firefighting	52,702	-	52,702
Fire prevention	3,799	-	3,799
Training	54,133	-	54,133
Communications	5,169	-	5,169
Repairs	109,584	-	109,584
Medical services	186,541	-	186,541
Stations, buildings and grounds	112,853	-	112,853
Capital outlay	479,035	482,244	961,279
	<u>3,900,365</u>	<u>482,244</u>	<u>4,382,609</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,472,401</u>	<u>(474,110)</u>	<u>998,291</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	699,831	699,831
Transfers out	(699,831)	-	(699,831)
	<u>(699,831)</u>	<u>699,831</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	772,570	225,721	998,291
FUND BALANCE, BEGINNING OF YEAR	<u>5,712,133</u>	<u>1,056,688</u>	<u>6,768,821</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,484,703</u>	<u>\$ 1,282,409</u>	<u>\$ 7,767,112</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds	\$ 998,291
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$961,279) exceeded depreciation (\$563,282) in the current period.	397,997
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension (expense) income.	69,522
Governmental funds recognize District OPEB contributions as expenditures at the time of payment whereas the statement of activities factors in items related to OPEB on a full accrual perspective.	<u>452</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,466,262</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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**NOTES TO FINANCIAL STATEMENTS**

# GRAND VALLEY FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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

The financial statements of the Grand Valley Fire Protection District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles. The more significant of the District's accounting policies are described below.

#### **A. Financial Reporting Entity**

The District is governed by an elected five member Board of Directors. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District provides protection of life and property from fire, including fire prevention and fire code enforcement, and emergency medical assistance to the Town of Parachute, Colorado, and the community of Battlement Mesa, Colorado and surrounding areas.

#### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

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

#### **C. Measurement focus, basis of accounting, and financial statement presentation**

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

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

# GRAND VALLEY FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS December 31, 2020

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### C. Measurement focus, basis of accounting, and financial statement presentation, continued

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

The District reports the following major governmental funds:

##### **General Fund**

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

##### **Capital Projects Fund**

The Capital Projects Fund is the District's capital outlay fund. The major revenue sources are interest earned and transfers from the General Fund. Expenditures include all costs for the purchase of capital items by the District.

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

#### D. Budgets and Budgetary Accounting

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

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

Public hearings are conducted to obtain the taxpayers' comments.

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

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

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

The District may authorize supplemental appropriations during the year. No supplemental appropriations were made during the year.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. Property Taxes**

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

**F. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the District as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	7-10
Fire vehicles	10-20
Ambulances	15
Equipment	5-20

**G. Encumbrances**

The District does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

**H. Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH AND INVESTMENTS**

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 2 - CASH AND INVESTMENTS, Continued**

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, Local Government, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

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

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

Investments held are as follows:

	<u>Fair Value</u>	<u>Cost</u>
December 31, 2020		
COLOTRUST	<u>\$ 7,080,924</u>	<u>\$ 7,080,924</u>

The District has invested \$7,080,924 in Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At December 31, 2020, the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

**Summary of Cash**

Cash and Cash Equivalents	
Cash deposits in bank – General Fund	\$ 595,281
Cash deposits in bank – Capital Projects Fund	62,425
Investments – COLOTRUST – General Fund	5,860,941
Investments – COLOTRUST – Capital Projects Fund	1,219,983
Cash on hand	625
Cash with County	<u>24,321</u>
Total cash and investments	<u>\$ 7,763,576</u>

**NOTE 3 - PROPERTY TAXES**

Property taxes for 2020, collectible in 2021, are certified by the Board of Directors by December 15, 2020. Property taxes attached as an enforceable lien on January 1, 2021, are due in total April 30, 2021, or in equal installments February 28, 2021 and June 15, 2021, at the option of the taxpayer. The County Treasurer remits taxes collected to the District by the 10<sup>th</sup> day of the month following collection.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 3 - PROPERTY TAXES, Continued**

**Revenue Recognized in 2020**

Local property taxes levied in 2019 and collected in 2020 are recognized as revenue in these financial statements as shown below:

	<u>Garfield County</u>				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$ 704,600,090	6.233	\$4,381,546	\$4,025,006	91.9%

	<u>Mesa County</u>				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$ 378,690	6.233	\$ 2,360	\$ 2,360	100.0%

**Property Taxes Receivable and Unearned Revenue**

Local property taxes levied in 2020 but not collectible until 2021 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	<u>Garfield County</u>				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$ 597,115,970	6.233	100.0%	\$3,721,824	\$ 3,721,824

	<u>Mesa County</u>				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$ 359,710	6.233	100.0%	\$ 2,242	\$ 2,242

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 4 - CAPITAL ASSETS**

**A. Governmental Activities**

A summary of changes in capital assets during the year ended December 31, 2020 is as follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 859,165	\$ -	\$ -	\$ 859,165
Total assets not being depreciated	<u>859,165</u>	<u>-</u>	<u>-</u>	<u>859,165</u>
Capital assets being depreciated:				
Buildings	10,779,046	-	-	10,779,046
Equipment	5,618,769	961,279	-	6,580,048
Total assets being depreciated	<u>16,397,815</u>	<u>961,279</u>	<u>-</u>	<u>17,359,094</u>
Less accumulated depreciation:				
Buildings	(2,632,605)	(219,206)	-	(2,851,811)
Equipment	(3,999,439)	(344,076)	-	(4,343,515)
Total accumulated depreciation	<u>(6,632,044)</u>	<u>(563,282)</u>	<u>-</u>	<u>(7,195,3256)</u>
Total assets being depreciated, net	<u>9,765,771</u>	<u>397,997</u>	<u>-</u>	<u>10,163,768</u>
Governmental activities capital assets, net	<u>\$ 10,624,936</u>	<u>\$ 397,997</u>	<u>\$ -</u>	<u>\$ 11,022,933</u>

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

Governmental activities:	
Administration	\$ 82,099
Firefighting & prevention	341,332
Medical services	<u>139,851</u>
Total depreciation expense – governmental activities	<u>\$ 563,282</u>

**NOTE 5 – LEASES**

**Dry hydrants**

The District has leased property from four homeowners in the District for the location of dry hydrants to increase firefighting capability. The District is not paying for the use of the property; in exchange the property owners will have increased fire protection. Three of the leases are for terms of 50 years each. One of the 50 year lease properties became District owned property with the Rulison land purchase/fire station construction project. The fourth lease is for 10 years. Two of the leases became effective during 1997, the others during 1999.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

*Plan Description.* Any firefighter who has both attained the age of fifty and completed twenty years of active services shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for year of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Volunteer Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained at [www.FPPAco.org/annual\\_reports.htm](http://www.FPPAco.org/annual_reports.htm).

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

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

*Membership.* Below is a table of the members as of January 1, 2019:

Number of	
- Retirees and Beneficiaries	21
- Terminated Vested Members	1
- Active Members	<u>5</u>
- Total	<u>27</u>

**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 \$2,138,402. The net pension asset was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension asset to December 31, 2020.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued**

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

For the year ended December 31, 2020, the District recognized pension income of \$58,884. 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 of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	7,337	-
Change in assumptions	18,464	-
Net difference between projected and actual earnings on pension plan investments	187,179	320,181
Contribution subsequent to the measurement date	-	-
<b>Total</b>	<b>212,980</b>	<b>320,181</b>

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

<b>Year ended December 31:</b>	
2021	(7,403)
2022	(47,900)
2023	2,798
2024	(54,696)

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

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years
Asset Valuation Method:	5-Year smoothed market
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For age 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.

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued**

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

Best estimates of arithmetic real rates of return for each major assets class included in the Fund’s target asset allocation as of December 31, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return</b>
Global Equity	38.0%	7.00%
Long Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
<b>Total</b>	<b>100.00%</b>	

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

*Sensitivity of the District’s Net Pension Asset to Changes in the Discount Rate.* The following presents the net pension asset calculation using the discount rate of 7.00 percent as well as the net position asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net Pension Asset	1,940,053	2,138,402	2,305,962

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

FPPA issues a publicly available comprehensive annual financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

**NOTE 7 – DEFINED BENEFIT PENSION PLAN - FPPA**

**Summary of Significant Accounting Policies**

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued**

**General Information about the Pension Plan**

*Plan Description.* The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. The report may be obtained on FPPA's website at [www.fppaco.org](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. Effective January 1, 2021, a member may also qualify for normal retirement pension if the Member's combined years of services and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pension earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after 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 SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings 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 member contribution rate to SWDB plan beginning in 2015. Member contributions 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 a rate of 10.5 percent and 8 percent, respectively, or pensionable earnings for a total contribution rate of 18.5 percent.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22.5 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 the 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 resolution.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued**

**General Information about the Pension Plan, continued**

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.

**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 \$92,084 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension asset to December 31, 2020. The District’s proportion of the net pension asset was based on the District’s contributions to the SWDB Plan for the calendar year 2019 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2019, the District’s proportion was 0.162818 percent, which was an increase of 0.00629 percent from its proportion measurement as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension income of \$2,067. 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 of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	311,630	1,802
Changes of assumptions or other inputs	174,848	-
Net difference between projected and actual earnings on pension plan investments	-	144,758
Changes in proportion and differences between contributions recognized and proportionate share of contributions	104,641	-
Contribution subsequent to the measurement date	97,550	-
<b>Total</b>	<b>688,669</b>	<b>146,560</b>

\$97,550 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year ended December 31:</b>	
2021	46,649
2022	34,113
2023	81,206
2024	20,032
2025	82,226
Thereafter	180,333

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued**

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

*Actuarial Assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the first year ending December 31, 2019. The valuation used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actually determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables project 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 assumption. 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 impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major assets 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	38.0%	7.00%
Equity Long/Short	8.0%	6.00%
Private Markets	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.0%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
Total	100.00%	

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued**

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

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit 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 plans’ fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rate as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 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.

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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) calculation using the discount rate of 7.00 percent as well as the net position liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	558,325	(92,084)	(631,512)

*Pension Plan Fiduciary Net Position.* Detailed information about the SWDB Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at [www.fppaco.org](http://www.fppaco.org).

**NOTE 8 – DEFINED CONTRIBUTION PLAN**

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

## GRAND VALLEY FIRE PROTECTION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### **NOTE 8 – DEFINED CONTRIBUTION PLAN, Continued**

Employees covered by this plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8% each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute. The contribution to the plan for the years ended December 31, 2018 totaled \$62,707, which consisted of \$31,354 contributed by employees and \$31,353 contributed by the District. The contribution to the plan for the year ended December 31, 2019 totaled \$77,630, which consisted of \$38,815 contributed by employees and \$38,815 contributed by the District. The contribution to the Money Purchase Plan for the year ended December 31, 2020 totaled \$85,296, which consisted of \$42,648 contributed by employees and \$42,648 contributed by the District.

#### **NOTE 9 – DEFERRED COMPENSATION PLAN**

The District adopted a deferred compensation plan (457 Plan) as defined under the Internal Revenue Code Section 457. Participants may defer up to the lesser of \$19,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$6,000 more than the \$19,000 limit due to a catch up provision in the plan. The 457 Plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2020, participating employees contributed \$77,379.

#### **NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN**

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.8% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2020, the District contributed \$50,096.

#### **NOTE 11 - DEFINED BENEFIT PENSION PLAN - PERA**

##### **Summary of Significant Accounting Policies**

*Pensions.* Grand Valley Fire Protection District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

# GRAND VALLEY FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

#### General Information about the Pension Plan

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

*Benefits provided as of December 31, 2019.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Local Governments (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

**General Information about the Pension Plan, continued**

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

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

*Contributions provisions as of December 31, 2020.* Eligible employees and Grand Valley Fire Protection District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. § 24-51-413. Employee contribution rates for the period January 1, 2020 through December 31, 2020 are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer contribution (all employees except State Troopers)	8.00%	8.50%
State Troopers Only	10.00%	10.50%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees except State Troopers are summarized in the table below

	January 1, 2019 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer contribution rate	10.00%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
<b>Total employer contribution rate to the LGDTF</b>	<b>12.68%</b>	<b>13.18%</b>

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

**General Information about the Pension Plan, continued**

The employer contribution requirements for State Troopers are summarized in the table below:

	January 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020
Employer contribution rate	N/A	12.00%	12.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	N/A	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	N/A	10.98%	11.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	N/A	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	N/A	1.50%	1.50%
<b>Total employer contribution rate to the LGDTF</b>	N/A	14.68%	15.18%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Grand Valley Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Grand Valley Fire Protection District were \$10,199 for the year ended December 31, 2020.

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

At December 31, 2020, the Grand Valley Fire Protection District reported a liability of \$82,662 for its proportionate share of the net pension liability. The net pension 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 December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The Grand Valley Fire Protection District proportion of the net pension liability was based on Grand Valley Fire Protection District contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the Grand Valley Fire Protection District proportion was 0.011302 percent, which was a decrease of 0.000178 percent from its proportion measured as of December 31, 2018.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

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

For the year ended December 31, 2020, the Grand Valley Fire Protection District recognized pension income of \$8,570. At December 31, 2020, the Grand Valley Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	5,409	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	33,818
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(3,188)	(1,263)
Contributions subsequent to the measurement date	10,199	-
<b>Total</b>	<b>12,420</b>	<b>32,555</b>

\$10,199 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year ended December 31:</b>	
2021	(7,211)
2022	(10,146)
2023	(1,438)
2024	(11,539)
2025	-
Thereafter	-

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

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

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

Post-retirement –non-disabled mortality assumptions were based on the RP-2014 Health Annuitant Mortality Table, adjusted as follows:

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

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012 through December 31, 2015, as well as the October 28, 2016, actuarial assumption workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued**

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

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriated. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	151,845	82,662	24,481

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

**NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

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

## GRAND VALLEY FIRE PROTECTION DISTRICT

### NOTES TO FINANCIAL STATEMENTS December 31, 2020

#### NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

##### General Information about the OPEB Plan

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

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

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

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

##### *PERA Benefit Structure*

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

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

**General Information about the OPEB Plan, continued**

*DPS Benefit Structure*

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Grand Valley Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Grand Valley Fire Protection District were \$816 for the year ended December 31, 2020.

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

At December 31, 2020, the Grand Valley Fire Protection District reported a liability of \$9,729 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Grand Valley Fire Protection District proportion of the net OPEB liability was based on Grand Valley Fire Protection District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the Grand Valley Fire Protection District proportion was 0.00087 percent, which was a decrease of 0.00002 from its proportion measured as of December 31, 2018.

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

For the year ended December 31, 2020, the Grand Valley Fire Protection District recognized OPEB income of \$452. At December 31, 2020, the Grand Valley Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	32	1,635
Changes of assumptions or other inputs	81	-
Net difference between projected and actual earnings on OPEB plan investments	-	162
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(489)	5
Contributions subsequent to the measurement date	960	N/A
<b>Total</b>	<b>584</b>	<b>1,802</b>

\$960 was reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

<b>Year ended December 31:</b>	
2021	(446)
2022	(445)
2023	(398)
2024	(492)
2025	(374)
Thereafter	(23)

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

*Actuarial assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

<b>Medicare Plan</b>	<b>Cost of Members Without Medicare Part A</b>
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

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

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

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

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	9,498	9,729	9,997

**GRAND VALLEY FIRE PROTECTION DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

**NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued**

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	11,001	9,729	8,642

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

## GRAND VALLEY FIRE PROTECTION DISTRICT

### NOTES TO FINANCIAL STATEMENTS December 31, 2020

#### **NOTE 13 - CONTINGENCIES**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3 percent of fiscal year spending required.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2020, \$161,183 of the year-end fund balance in the General Fund will be reserved for emergencies.

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

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

#### **NOTE 14 - RISK MANAGEMENT**

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

#### **NOTE 15 - USE OF CAPITAL ASSETS**

The District is allowed use of capital assets obtained through the LESO (military surplus program). These assets may be returned at any time by the program. The District insures the assets while they are being used by the District. The estimated original value to the District is \$297,596.

## GRAND VALLEY FIRE PROTECTION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

#### **NOTE 16 – COMMITTED FUND BALANCE**

Beginning with the fiscal year 2010, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

#### **NOTE 17 – REPORTING FOR PENSIONS**

Beginning in 2015, financial reporting information pertaining to the District's participation in Fire and Police Pension Association of Colorado (FPPA) and Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date*.

#### **NOTE 18 – SUBSEQUENT EVENTS**

The District has evaluated subsequent events through June 9, 2021, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GRAND VALLEY FIRE PROTECTION DISTRICT**

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2020

	Budget		Actual Amounts
	Original	Final	
REVENUES			
Taxes	\$ 4,644,133	\$ 4,644,133	\$ 4,597,221
Interest	90,000	90,000	35,823
Grants	314,787	314,787	381,790
User charges	261,000	261,000	350,438
Other	-	-	7,494
	<u>5,309,920</u>	<u>5,309,920</u>	<u>5,372,766</u>
EXPENDITURES			
Administration	3,211,457	3,211,457	2,896,549
Firefighting	19,000	19,000	52,702
Fire prevention	15,500	15,500	3,799
Training	94,500	94,500	54,133
Communications	7,500	7,500	5,169
Repair	107,000	107,000	109,584
Medical services	151,500	151,500	186,541
Stations, buildings and grounds	113,000	113,000	112,853
Capital outlay	633,910	633,910	479,035
	<u>4,353,367</u>	<u>4,353,367</u>	<u>3,900,365</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	956,553	956,553	1,472,401
OTHER FINANCING SOURCES (USES)			
Transfers out	(699,831)	(699,831)	(699,831)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(699,831)</u>	<u>(699,831)</u>	<u>(699,831)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	256,722	256,722	772,570
FUND BALANCE, BEGINNING OF YEAR	<u>5,667,141</u>	<u>5,667,141</u>	<u>5,712,133</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,923,863</u>	<u>\$ 5,923,863</u>	<u>\$ 6,484,703</u>

<u>Variance from final budget</u>	
\$	(46,912)
	(54,177)
	67,003
	89,438
	<u>7,494</u>
	<u>62,846</u>
	314,908
	(33,702)
	11,701
	40,367
	2,331
	(2,584)
	(35,041)
	147
	<u>154,875</u>
	<u>453,002</u>
	515,848
	<u>-</u>
	<u>-</u>
	515,848
	<u>44,992</u>
\$	<u><u>560,840</u></u>

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND  
 For the Year Ended December 31, 2020

	Budget		Actual Amounts
	Original	Final	
REVENUES			
Interest	\$ 22,000	\$ 22,000	\$ 8,134
TOTAL REVENUES	<u>22,000</u>	<u>22,000</u>	<u>8,134</u>
EXPENDITURES			
Administration	10,000	10,000	-
Capital outlay	525,000	525,000	482,244
TOTAL EXPENDITURES	<u>535,000</u>	<u>535,000</u>	<u>482,244</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(513,000)</u>	<u>(513,000)</u>	<u>(474,110)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	699,831	699,831	699,831
TOTAL OTHER FINANCING SOURCES (USES)	<u>699,831</u>	<u>699,831</u>	<u>699,831</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	186,831	186,831	225,721
FUND BALANCE, BEGINNING OF YEAR	<u>1,055,300</u>	<u>1,055,300</u>	<u>1,056,688</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,242,131</u>	<u>\$ 1,242,131</u>	<u>\$ 1,282,409</u>

Variance from final budget	
<u>\$ (13,866)</u>	
<u>(13,866)</u>	
10,000	
<u>42,756</u>	
<u>52,756</u>	
<u>38,890</u>	
<u>-</u>	
<u>-</u>	
38,890	
<u>(1,388)</u>	
<u>\$ 37,502</u>	

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF CONTRIBUTIONS  
Volunteer Firefighters' Pension Plan  
Last 10 Fiscal Years

FY Ending December 31	Actuarially Determined Contributions	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2013	\$ -	\$ 77,905	\$ (77,905)	N/A	N/A
2014	-	55,571	(55,571)	N/A	N/A
2015	-	10,380	(10,380)	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A

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

\* Includes both employer and State of Colorado Supplemental Discretionary Payment.

See the accompanying independent auditors' report

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**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
 Volunteer Firefighters' Pension Plan  
 Last 10 Fiscal Years

Measurement period ending December 31,	2014	2015	2016
<b>Total Pension Liability</b>			
Service Cost	\$ 8,068	\$ 10,604	\$ 10,604
Interest on the Total Pension Liability	121,446	126,141	125,215
Benefit Changes	94,451	-	82,734
Difference between Expected and Actual Expenditures	(15,741)	-	(9,308)
Assumption Changes	-	-	55,634
Benefit Payments	(141,434)	(152,516)	(145,553)
<b>Net Change in Total Pension Liability</b>	66,790	(15,771)	119,326
<b>Total Pension Liability - Beginning</b>	1,684,763	1,751,553	1,735,782
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 1,751,553</u>	<u>\$ 1,735,782</u>	<u>\$ 1,855,108</u>
<b>Plan Fiduciary Net Position</b>			
Employer Contributions	\$ 45,191	\$ -	\$ -
Pension Plan Net Investment Income	236,521	65,562	187,234
Benefit Payments	(141,434)	(152,516)	(145,553)
Pension Plan Administrative Expense	(5,795)	(7,484)	(5,838)
State of Colorado supplemental discretionary payment	10,380	10,380	-
<b>Net Change in Plan Fiduciary Net Position</b>	144,863	(84,058)	35,843
<b>Plan Fiduciary Net Position - Beginning</b>	3,489,794	3,634,657	3,550,599
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 3,634,657</u>	<u>\$ 3,550,599</u>	<u>\$ 3,586,442</u>
<b>Net Pension Liability (Asset) - Ending (a)-(b)</b>	(1,883,104)	(1,814,817)	(1,731,334)
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	207.51%	204.55%	193.33%
<b>Covered Employee Payroll</b>	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	N/A	N/A	N/A

2017	2018	2019
\$ 13,656	\$ 13,656	\$ 5,879
134,188	133,442	135,556
-	73,143	-
-	30,819	-
-	77,546	-
(147,958)	(167,987)	(166,795)
(114)	160,619	(25,360)
1,855,108	1,854,994	2,015,613
<u>\$ 1,854,994</u>	<u>\$ 2,015,613</u>	<u>\$ 1,990,253</u>
\$ -	\$ -	\$ -
516,713	2,076	531,551
(147,958)	(167,987)	(166,795)
(8,415)	(7,605)	(9,367)
-	-	-
360,340	(173,516)	355,389
3,586,442	3,946,782	3,773,266
<u>\$ 3,946,782</u>	<u>\$ 3,773,266</u>	<u>\$ 4,128,655</u>
(2,091,788)	(1,757,653)	(2,138,402)
212.77%	187.20%	207.44%
N/A	N/A	N/A
N/A	N/A	N/A

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
STATEWIDE FPPA PENSION PLAN  
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.233%	\$ (208,168)	\$ 1,011,150	-21%	105.8%
12/31/2015	0.242%	(272,699)	1,086,618	-25%	106.8%
12/31/2016	0.232%	(4,096)	1,131,930	0%	100.1%
12/31/2017	0.234%	84,598	1,221,275	7%	98.2%
12/31/2018	0.209%	(300,377)	1,091,448	-28%	106.3%
12/31/2019	0.157%	197,894	1,201,881	16%	95.2%
12/31/2020	0.163%	(92,084)	1,219,378	-8%	101.9%

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

\* The data provided in the schedule is based as of the measurement date of FPPA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
STATEWIDE FPPA PENSION PLAN  
Last 10 Fiscal Years

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 80,892	\$ 80,892	\$ -	\$1,011,150	8.00%
2014	86,930	86,930	-	1,086,618	8.00%
2015	90,554	90,554	-	1,131,930	8.00%
2016	91,991	91,991	-	1,149,893	8.00%
2017	97,702	97,702	-	1,221,275	8.00%
2018	87,316	87,316	-	1,091,448	8.00%
2019	96,150	96,150	-	1,201,881	8.00%
2020	97,550	97,550	-	1,219,377	8.00%

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

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA PENSION PLAN  
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.011%	\$ 94,447	\$ 61,231	154%	81.8%
12/31/2015	0.012%	105,112	64,260	164%	80.7%
12/31/2016	0.012%	131,965	68,035	194%	76.9%
12/31/2017	0.012%	160,122	71,874	223%	73.6%
12/31/2018	0.012%	132,763	75,264	176%	79.4%
12/31/2019	0.011%	144,326	75,296	192%	76.0%
12/31/2020	0.011%	82,662	79,991	103%	86.3%

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

\* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PERA PENSION PLAN  
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 7,764	\$ 7,764	\$ -	\$ 61,231	12.68%
2014	8,148	8,148	-	64,260	12.68%
2015	8,627	8,627	-	68,035	12.68%
2016	9,114	9,114	-	71,874	12.68%
2017	9,543	9,543	-	75,264	12.68%
2018	9,547	9,547	-	75,296	12.68%
2019	9,869	9,869	-	77,832	12.68%
2020	10,343	10,343	-	79,991	12.93%

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

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERA OPEB PLAN  
Last 10 Fiscal Years

Year Ended*	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total OPEB Liability
12/31/2017	0.001%	\$ 11,802	\$ 75,264	16%	16.7%
12/31/2018	0.001%	12,048	75,296	16%	17.5%
12/31/2019	0.001%	12,113	77,832	16%	17.3%
12/31/2020	0.001%	9,729	79,991	12%	24.5%

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

\* The data provided in the schedule is based as of the measurement date of PERA's net OPEB liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PERA OPEB PLAN  
Last 10 Fiscal Years

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2017	\$ 768	\$ 768	\$ -	\$ 75,264	1.02%
2018	768	768	-	75,296	1.02%
2019	794	794	-	77,832	1.02%
2020	816	816	-	79,991	1.02%

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

See the accompanying independent auditors' report

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**SUPPLEMENTARY INFORMATION**

**GRAND VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF GENERAL FUND OPERATING EXPENDITURES**  
For the Years Ended December 31, 2020 and 2019

	December 31, 2020		December 31, 2019	
	Amount	Percent	Amount	Percent
<b>Administration</b>				
Accounting and auditing	\$ 6,300	0.1%	\$ 6,300	0.2%
Advertising	-	0.0%	19	0.0%
Banquet	4,483	0.2%	4,981	0.2%
Board member compensation	-	0.0%	-	0.0%
Books/periodicals/videos	832	0.0%	537	0.0%
Computer upgrade	701	0.0%	3,979	0.1%
Copier lease	3,556	0.1%	5,196	0.2%
Credit card service fees	116	0.0%	686	0.0%
Dues and other	5,732	0.2%	6,441	0.2%
Election expenses	45	0.0%	-	0.0%
Health insurance	362,027	12.5%	338,671	12.0%
Insurance	109,573	3.8%	96,091	3.4%
Legal	9,885	0.3%	4,815	0.2%
Materials and supplies	15,065	0.5%	18,000	0.6%
Office equipment	1,025	0.0%	3,361	0.1%
Payroll taxes	35,892	1.2%	35,876	1.3%
Printing and binding	1,850	0.1%	611	0.0%
Retirement contributions	198,870	6.9%	192,846	6.8%
Salaries - Regular Employees	1,428,501	49.3%	1,432,160	50.6%
Certification Pay - FT	33,404	1.2%	22,554	0.8%
Salaries - Reimburse Program	413,433	14.3%	391,245	13.8%
Certification Pay - PT	4,841	0.2%	3,729	0.1%
Salaries - Overtime	91,324	3.2%	72,847	2.6%
Software maintenance	36,454	1.3%	25,977	0.9%
Treasurer's fees	86,165	3.0%	84,050	3.0%
Telephone	17,009	0.6%	17,651	0.6%
Physical Exams	29,466	1.0%	64,325	2.3%
<b>Total Administration</b>	<b>2,896,549</b>	<b>100.0%</b>	<b>2,832,948</b>	<b>100.0%</b>
<b>Firefighting</b>				
Tech service	2,170	4.1%	1,911	3.5%
Repair/maintenance	-	0.0%	1,204	2.2%
Supplies	6,935	13.2%	8,804	15.9%
Other	43,597	82.7%	43,429	78.5%
<b>Total Firefighting</b>	<b>52,702</b>	<b>100.0%</b>	<b>55,348</b>	<b>100.0%</b>
<b>Fire prevention</b>				
Supplies	-	0.0%	13,272	77.4%
Other	3,799	100.0%	3,871	22.6%
<b>Total Fire prevention</b>	<b>3,799</b>	<b>100.0%</b>	<b>17,143</b>	<b>100.0%</b>

**GRAND VALLEY FIRE PROTECTION DISTRICT**

SCHEDULE OF GENERAL FUND OPERATING EXPENDITURES, Continued  
For the Years Ended December 31, 2020 and 2019

	December 31, 2020		December 31, 2019	
	Amount	Percent	Amount	Percent
Training				
Part time fire members	\$ 4,300	7.9%	\$ 6,878	9.1%
Part time EMS members	2,712	5.0%	10,130	13.3%
Supplies	3,728	6.9%	10,572	13.9%
Full time members	40,046	74.0%	43,863	57.8%
Other	3,347	6.2%	4,487	5.9%
Total Training	<u>54,133</u>	<u>100.0%</u>	<u>75,930</u>	<u>100.0%</u>
Communications				
Repair/maintenance	4,857	94.0%	1,227	100.0%
Supplies	312	0.6%	-	0.0%
Total Communications	<u>5,169</u>	<u>100.0%</u>	<u>1,227</u>	<u>100.0%</u>
Repair				
Labor	40,953	37.4%	30,964	30.7%
Supplies	13,047	11.9%	13,871	13.8%
Fuel	23,767	21.7%	31,599	31.3%
Other	31,817	29.0%	24,442	24.2%
Total Repair	<u>109,584</u>	<u>100.0%</u>	<u>100,876</u>	<u>100.0%</u>
Medical services				
Physican advisor	5,400	2.9%	5,400	3.6%
Annual monitor	-	0.0%	3,447	2.3%
Supplies	19,196	10.3%	18,567	12.5%
Bad debt	96,694	51.8%	104,782	70.3%
Collection service fees	12,893	6.9%	14,730	9.9%
Other	52,358	28.1%	2,047	1.4%
Total Medical services	<u>186,541</u>	<u>100.0%</u>	<u>148,973</u>	<u>100.0%</u>
Stations, buildings and grounds				
Utilities	49,983	26.8%	49,379	50.0%
Custodial	4,440	2.4%	5,220	5.3%
Repair/maintenance	43,648	23.4%	34,495	34.9%
Supplies	13,314	7.1%	8,977	9.1%
Other	1,468	0.8%	770	0.8%
Total Stations, buildings and grounds	<u>112,853</u>	<u>100.0%</u>	<u>98,841</u>	<u>100.0%</u>
Total Operating expenditures	<u>\$ 3,421,330</u>		<u>\$ 3,331,286</u>	

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