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**ADAMS COUNTY FIRE  
PROTECTION DISTRICT**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Auditors' Report

Board of Directors  
Adams County Fire Protection District  
Denver, Colorado

### Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Adams County Fire Protection District (the 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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, each major fund and the aggregate remaining fund information of the District as of December 31, 2020, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis Of Matter***

As discussed in Note 1, the Department adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective for the year ended December 31, 2020. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages i through v, and the budgetary comparison schedule, pension schedules and notes to required supplementary information, pages 53 through 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, which 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 District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal amounts and the individual fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required By Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*RubinBrown LLP*

June 22, 2021

ADAMS COUNTY FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS FOR YEAR 2020

This Management Discussion and Analysis (“MD&A”) of the Adams County Fire Protection District (“District”) introduces readers to the financial statements that follow and provides an overview of the District’s financial activities for the year ended December 31, 2020. Readers should review this MD&A in conjunction with the financial statements and the notes to the financial statements to broaden their understanding of the District’s financial performance.

**Overview of Financial Statements:** The District’s basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and, 3) Notes to the financial statements. This report contains other supplemental information in addition to the basic financial statements.

**Using the Basic Financial Statements:** These financial statements consist of this MD&A (this section) and a series of financial statements including notes to those statements. The statements are organized to enable the reader to understand the District as an entire operating entity. The financial statements then proceed to provide an increasingly detailed look at specific financial activities.

**Government-wide Financial Statements:** The government-wide financial statements detail District operations principally supported by property tax revenues, and charges for services. The governmental activity of the District is public safety, consisting of all hazards, fire, and EMS services. The District’s government-wide financial statements can be found on pages 4 and 5 of this report.

The Statement of Net Position is the delta between both the short-term and the long-term position of the District’s assets, deferred inflows/outflows and liabilities. Increases or decreases in the net position may be useful as an indicator if the District is improving or deteriorating in its financial position.

Statement of Activities shows how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**Fund Financial Statements:** Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances on current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balance. Fund financial statements are presented on pages 6 through 11.

**Notes to Financial Statements:** The notes to the financial statements provide additional information to the reader to fully understand the data provided in the aforementioned statements and funds. The notes are found on pages 12 – 52 of this report.

**Financial Analysis for the District as a Whole:** The District saw an overall increase of revenues over expenses in 2020 of \$4,592,308. New revenues increased by more than \$3 million, mostly due to a significant increase of tax revenues of 19%, and receiving the first full year’s Medicare reimbursements of \$1,863,527. General Fund expenses increased from 2019 to 2020, mostly due to increased wages and benefits, although overall expenses were also less than projected.

Condensed statement of net position and statement of activities comparisons for 2019 and 2020 are as follows:

	FY 2019	FY 2020
Current Assets	\$ 28,432,316	\$ 32,432,919
Capital Assets, Net	22,624,989	22,190,303
Pension Assets, Net	-	608,840
Other Assets	2,995	238,634
<b>Total Assets</b>	<b>51,060,300</b>	<b>55,470,696</b>
Deferred Outflows of Resources	5,679,327	4,630,282
Current Liabilities	320,079	715,624
Pension Liabilities, Net	4,214,444	2,064,539
Long-term Liabilities	14,492,204	13,567,726
<b>Total Liabilities</b>	<b>19,026,727</b>	<b>16,347,889</b>
Deferred Inflows of Resources	19,856,006	21,303,887
Net Position:		
Net Investment in Capital Assets	4,965,877	11,683,117
Restricted	600,539	642,403
Unrestricted (Special Events Fund)	46,832	38,263
Unrestricted	12,243,646	10,085,419
<b>Total Net Position</b>	<b>\$ 17,856,894</b>	<b>\$ 22,449,202</b>

#### Condensed Statement of Activities

	FY 2019	FY 2020
Program Revenues:		
Charges for Services	\$ 2,446,724	\$ 3,509,669
Capital Grants and Contributions	66,667	215,933
<b>Total Program Revenues</b>	<b>2,513,391</b>	<b>3,725,602</b>
General Revenues:		
Taxes	17,532,821	20,778,692
Interest	254,583	88,056
Miscellaneous	1,066,165	797,200
<b>Total General Revenues</b>	<b>18,853,569</b>	<b>21,663,948</b>
<b>Total Revenues</b>	<b>21,366,960</b>	<b>25,389,550</b>
Expenses:		
Firefighting and Admin	18,614,639	20,354,411
Interest	473,867	442,831
<b>Total Expenses</b>	<b>19,088,506</b>	<b>20,797,242</b>
Change in Net Position	2,278,454	4,592,308
Net Position – Beginning of year	15,578,440	17,856,894
<b>Net Position – End of Year</b>	<b>\$ 17,856,894</b>	<b>\$ 22,449,202</b>

#### NONSPENDABLE FUND BALANCE:

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The District does not have any non-spendable funds.

#### RESTRICTED FUND BALANCE:

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation. The District's restricted funds include the emergency reserve funds required by Article X, Section 20 of the Colorado Constitution, commonly referred to as the Taxpayer's Bill of Rights ("TABOR") and the Bond Debt Service Fund. TABOR requires that the District establish an emergency reserve of 3% of the District's fiscal year spending, excluding bonded debt service. At the end of year 2020, the District's TABOR reserve balance was \$636,789. The Bond Debt Service Fund had a balance of \$5,614, which will be utilized towards paying off the Series 2011 General Obligation Bonds in 2022.

#### COMMITTED FUND BALANCE:

Committed fund balance is the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

As of December 31, 2020 there are no committed fund balances.

#### ASSIGNED FUND BALANCE:

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The District assigns funds for specific uses, either as contingencies or for capital projects. The District has assigned \$38,263 to the District's Special Event Fund. Within the General Fund, \$3,168,893 is assigned for various uses, including Sick Leave (\$1,140,371), Stations and Grounds (\$1,228,522), Stabilization Reserve (\$700,000) and for Health Benefits (\$100,000). Within the Capital Reserve Fund, \$2,752,578 is assigned for various uses, including Impact Fees (\$1,018,646), Major Equipment Replacement (\$617,648), SCBA Replacement (\$448,820) and Stations and Grounds (667,464). The District has a long-term apparatus replacement plan that it uses to guide the replacement of apparatus and saving funds for those purchases. These funds fluctuate depending on apparatus and equipment needs in a given year.

#### UNASSIGNED FUND BALANCE:

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

At the end of 2020, the District's unassigned fund balance was \$5,354,194. Among other uses, the unassigned funds ensure the District meet its business needs between beginning of a fiscal year and when the District begins receiving significant property tax revenues in that fiscal year, usually about mid-March. In general, the District strives to have 25% of its annual revenues in the unassigned fund balance at year-end to carry-over to the following year to meet its business needs.

**General Fund Budget Highlights:**

Total budgeted revenues were \$249,400 more than anticipated, mostly due grant funding for Covid-19. Operating expenses were \$1,608,134 less than budgeted, mostly due to unspent wage contingencies and lower health care claims. This provided a total favorable change to net position of \$1,856,620. The total General Fund balance at the end of 2020 was \$9,159,876.

**Capital Assets Highlights:**

Revenues from Impact Fees increased dramatically in 2020 to \$616,058; more than twice that of 2019 and four times the \$150k that was budgeted in 2020. Grant revenues for SCBAs were not received due to the purchase being delayed until 2021, which caused the overall 2020 revenues to be lower than anticipated. However, expenditures were also less than budgeted, which increased the fund balance to \$2,752,578. The District continues to plan for future purchases and has assigned funds for SCBA, radios, apparatus, impact fees, station/grounds and PPE. \$3,062,927 was transferred from the General Fund into the Capital Reserve for these long term and large projects.

**Long-Term Debt:**

The General Obligation Bond principal debt, as of December 31, 2020, is \$955,000. The District also has the following outstanding balances on lease-purchase financing obligations: \$72,413 and \$64,386 for fire engine purchases; \$224,000 for bunker gear lease; \$900,000 for administrative office remodel; \$58,268 for radios; and, \$7,950,000 for the Fire Station 11 construction. The District structured the foregoing financial obligations to be paid from the District's on-going annual revenue collections.

**Economic Factors and Next Year's Budget and Rates:**

In 1982, Colorado's voters passed an amendment to Article X, § 3(1)(b) of the Colorado Constitution, which is commonly referred to as the "Gallagher Amendment". The purpose of the Gallagher Amendment was to permanently establish a ratio between total statewide assessed values of residential property ("RAR") and all other types of property, which are collectively referred to as "non-residential". At the time, residential property's share of statewide revenue was 44.6%, as compared to 55.4% for nonresidential property ("Gallagher Split"), based on a RAR of 21% and 29% for nonresidential property. The Gallagher Amendment requires the Colorado General Assembly to adjust the RAR up or down, as necessary, in order to maintain the Gallagher split, while the nonresidential assessment rate remains fixed at 29%. Since the passage of the Gallagher Amendment, the growth in the aggregate statewide valuation of residential property has typically outpaced that of nonresidential property, which over time has resulted in a significant downward adjustment to the RAR. The on-going reduction in the RAR has been exacerbated by the fact that the Gallagher Amendment functions only as a downward ratchet on the RAR because the Colorado Legislature believes that TABOR requires a statewide election when the Gallagher Amendment would otherwise call for an increase to the RAR. In 2018, the Colorado Legislature reduced the RAR from 7.2% to 7.15%.

The property tax the District certified in December of 2019 (for revenue collections in 2020) remained at 16.207 mills. Even though the RAR was reduced to 7.15%, the overall value of real property within the District increased by as much as 24%, which more than off-set the slight reduction in the RAR and greatly improved the District's already strong financial position. The District plans to build the funds in assigned accounts for future needs, as well as replenish the Capital Reserve Fund that was depleted by recent construction projects. The RAR remain unchanged in 2020, which means revenues will be flat going into 2021. However, the District has taking

advantage of the new Medicare reimbursement program which resulted in approximately \$1.8 million in 2020 and each year thereafter, assuming the federal government continues funding this supplemental program.

In 2021, the District assessed an additional levy of 0.419 to recoup property tax and abatements of \$68,166.

The District submitted two ballot measures to its voters in May 2020, each of them passed by a wide margin and with a large voter participation. Ballot Issue 5A is a tax extension, which received voter authorization to convert \$1 mill of debt service property tax to a general operations property tax in 2022, when the District pays off the 2011 Series General Obligation Bonds. Ballot Issue 5B received voter authorization for the District to increase or decrease its property tax (mill levy) rate to adjust for any future increases or decreases in the RAR. However, during the 2020 Legislative Session, the General Assembly enacted, and Governor Polis signed into law, SB20-223, which takes effect because voters also approved Amendment B. With the passage of Amendment B, SB20-223 creates a moratorium, effective January 1, 2020, on changing property tax assessment rates. Accordingly, at least for assessment year 2020 (for tax revenue collection in 2021), the RAR is set at its current rate of 7.15% and non-residential property will continue to be assessed at 29%. The District will monitor the effects of Amendment B on its local de-gallagherization as is necessary, as well as ongoing attempts to alter tax assessments.

Management successfully implemented impact fees through Adams County for new developments in the District, which has helped with the loss of revenues due to the reduction in the RAR in recent years caused by the Gallagher Amendment. Since 2018, the District has realized revenues of \$1,018,646 from these impact fees.

**Requests for information:**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to:

Adams County Fire Protection District  
8055 Washington Street  
Denver, Colorado 80229.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## STATEMENT OF NET POSITION

December 31, 2020

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 11,217,133
Cash with County Treasurer	219,775
Receivables:	
Property taxes	19,995,625
Medical billings accounts, net	1,000,386
Other	238,634
Capital assets:	
Nondepreciable	973,188
Depreciable, net	21,217,115
Net pension asset - SWDBP	608,840
<b>Total Assets</b>	<b>55,470,696</b>
<b>Deferred Outflows Of Resources</b>	
Deferred charge on refunding	68,528
Deferred outflows pension - SWDBP Plan	4,192,300
Deferred outflows pension - Old Hire Plan	304,323
Deferred outflows pension - Volunteer Plan	7,037
Deferred outflows pension - SWAC Volunteer Plan	58,094
<b>Total Deferred Outflows Of Resources</b>	<b>4,630,282</b>
<b>Liabilities</b>	
Accounts payable	661,329
Accrued interest payable	54,295
Noncurrent liabilities:	
Due within one year	2,068,267
Due in more than one year	11,499,459
Net pension liability - Old Hire Plan	1,080,244
Net pension liability - Volunteer Plan	4,718
Net pension liability - SWAC Volunteer Plan	979,577
<b>Total Liabilities</b>	<b>16,347,889</b>
<b>Deferred Inflows Of Resources</b>	
Unearned revenue - property taxes	19,995,625
Deferred inflows pension - SWDBP Plan	1,090,233
Deferred inflows pension - Old Hire Plan	121,473
Deferred inflows pension - Volunteer Plan	11,919
Deferred inflows pension - SWAC Volunteer Plan	84,637
<b>Total Deferred Inflows Of Resources</b>	<b>21,303,887</b>
<b>Net Position</b>	
Net investment in capital assets	11,683,117
Restricted for:	
Debt service	5,614
Emergencies	636,789
Unrestricted	10,123,682
<b>Total Net Position</b>	<b>\$ 22,449,202</b>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

Function/Program	Expenses	Program Revenues		Net Revenue (Expense) And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Governmental Activities
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Firefighting	\$ 14,435,188	\$ 13,950	\$ —	\$ (14,421,238)
Administration	1,903,044	254,634	—	(1,648,410)
Communications	636,209	—	—	(636,209)
Medical	1,591,968	—	—	(1,591,968)
Station and grounds maintenance	534,579	—	—	(534,579)
Information technology	183,112	—	—	(183,112)
Ambulance	194,086	3,095,169	214,433	3,115,516
Training	156,740	1,140	—	(155,600)
Fire prevention	55,453	—	—	(55,453)
Truck and equipment maintenance	444,767	—	—	(444,767)
Special operations	180,522	—	—	(180,522)
Capital outlay	12,190	—	—	(12,190)
Interest	442,831	—	—	(442,831)
Fundraising and special events	10,070	144,776	1,500	136,206
Miscellaneous	16,483	—	—	(16,483)
<b>Total - Primary Government</b>	<b>\$ 20,797,242</b>	<b>\$ 3,509,669</b>	<b>\$ 215,933</b>	<b>(17,071,640)</b>
<b>General Revenues</b>				
				19,329,404
				1,449,288
				88,056
				616,058
				1,500
				179,642
				<u>21,663,948</u>
				4,592,308
				<u>17,856,894</u>
				<u>\$ 22,449,202</u>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2020

Assets					
	General	Capital Reserve	Bond	Special Event	Total Governmental Funds
<b>Assets</b>					
Cash, cash equivalents and investments	\$ 8,367,794	\$ 2,811,053	\$ 23	\$ 38,263	\$ 11,217,133
Cash with County Treasurer	219,775	—	—	—	219,775
Receivables:					
Property taxes	19,493,427	—	502,198	—	19,995,625
Medical billing accounts (net)	1,000,386	—	—	—	1,000,386
Interfund	—	—	5,591	—	5,591
Other	238,634	—	—	—	238,634
<b>Total Assets</b>	<b>\$ 29,320,016</b>	<b>\$ 2,811,053</b>	<b>\$ 507,812</b>	<b>\$ 38,263</b>	<b>\$ 32,677,144</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 661,122	\$ 58,475	\$ —	\$ —	\$ 719,597
Interfund	5,591	—	—	—	5,591
<b>Total Liabilities</b>	<b>666,713</b>	<b>58,475</b>	<b>—</b>	<b>—</b>	<b>725,188</b>
<b>Deferred Inflows Of Resources</b>					
Unavailable revenue - property taxes	19,493,427	—	502,198	—	19,995,625
<b>Fund Balances</b>					
Restricted:					
Debt service	—	—	5,614	—	5,614
Emergencies - TABOR reserve	636,789	—	—	—	636,789
Assigned:					
SCBA equipment	—	448,820	—	—	448,820
Impact fees	—	1,018,646	—	—	1,018,646
Major equipment	—	617,648	—	—	617,648
Station and grounds	1,228,522	667,464	—	—	1,895,986
Health	100,000	—	—	—	100,000
Sick leave	1,140,371	—	—	—	1,140,371
Stabilization for future use	700,000	—	—	—	700,000
Special events	—	—	—	38,263	38,263
Unassigned	5,354,194	—	—	—	5,354,194
<b>Total Fund Balance</b>	<b>9,159,876</b>	<b>2,752,578</b>	<b>5,614</b>	<b>38,263</b>	<b>11,956,331</b>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balance</b>	<b>\$ 29,320,016</b>	<b>\$ 2,811,053</b>	<b>\$ 507,812</b>	<b>\$ 38,263</b>	<b>\$ 32,677,144</b>

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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

**Total Governmental Fund Balances** \$ 11,956,331

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

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the funds. However, in the statement of net position, the cost of these assets is capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	\$ 34,253,902	
Accumulated depreciation	<u>(12,063,599)</u>	22,190,303

Pension plan accounts, such as deferred inflows/outflows and net pension assets (liabilities), are not current financial resources and, therefore, are not reported in the government funds. However, in the statement of net position, the deferred inflows and outflows for pensions are amortized into pension expense in future periods.

Net pension assets	608,840	
Net pension liabilities	(2,064,539)	
Deferred outflows of resources - pensions	4,561,754	
Deferred inflows of resources - pensions	<u>(1,308,262)</u>	1,797,793

Charges on advance refunding are not current financial resources and, therefore, not reported in the funds. However, in the statement of net position, the amounts are deferred outflows of resources and are amortized over the life of the debt.

68,528

Liabilities, including bonds, accrued interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(955,000)	
Bond and COPs premium	(580,913)	
Bond discount	5,266	
COPs	(7,950,000)	
Capital leases	(1,036,799)	
Accrued interest payable	(54,295)	
Compensated absences payable	<u>(2,992,012)</u>	<u>(13,563,753)</u>

**Net Position Of Governmental Activities** \$ 22,449,202

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended December 31, 2020

	General	Capital Reserve	Bond	Special Event	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 18,877,933	\$ —	\$ 451,471	\$ —	\$ 19,329,404
Specific ownership taxes	1,449,288	—	—	—	1,449,288
Grant revenue	214,433	—	—	—	214,433
Charges for services	3,095,169	—	—	—	3,095,169
Permit fees	254,634	—	—	—	254,634
Impact fees	—	616,058	—	—	616,058
Fundraising and special events	—	—	—	1,500	1,500
Rental income	12,525	—	—	—	12,525
Insurance reimbursement	47,617	—	—	—	47,617
Interest	80,454	6,092	1,509	1	88,056
Miscellaneous	280,866	—	—	—	280,866
<b>Total Revenues</b>	<b>24,312,919</b>	<b>622,150</b>	<b>452,980</b>	<b>1,501</b>	<b>25,389,550</b>
<b>Expenditures</b>					
Current:					
Firefighting	14,215,767	—	—	—	14,215,767
Office	124,602	—	—	—	124,602
Administration	1,129,081	—	—	—	1,129,081
Utilities	232,893	—	—	—	232,893
Communications	585,655	—	—	—	585,655
Medical	1,591,968	—	—	—	1,591,968
Station and grounds maintenance	157,704	—	—	—	157,704
Station supplies	33,600	—	—	—	33,600
Information technology	183,112	—	—	—	183,112
Capital reserve	313,075	—	—	—	313,075
Ambulance	192,945	—	—	—	192,945
Training	154,093	—	—	—	154,093
Fire prevention	60,396	—	—	—	60,396
Trucks and equipment	447,523	—	—	—	447,523
Special operations	195,646	—	—	—	195,646
Special events	—	—	—	10,070	10,070
Capital outlay	—	1,149,080	—	—	1,149,080
Debt service:					
Principal	—	457,957	455,000	—	912,957
Interest	1,010	391,621	48,212	—	440,843
<b>Total Expenditures</b>	<b>19,619,070</b>	<b>1,998,658</b>	<b>503,212</b>	<b>10,070</b>	<b>22,131,010</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>4,693,849</b>	<b>(1,376,508)</b>	<b>(50,232)</b>	<b>(8,569)</b>	<b>3,258,540</b>
<b>Other Financing Sources (Uses)</b>					
Transfer in	—	3,062,927	—	—	3,062,927
Transfer out	(3,062,927)	—	—	—	(3,062,927)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,062,927)</b>	<b>3,062,927</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balance</b>	<b>1,630,922</b>	<b>1,686,419</b>	<b>(50,232)</b>	<b>(8,569)</b>	<b>3,258,540</b>
<b>Fund Balance, Beginning Of The Year</b>	<b>7,528,954</b>	<b>1,066,159</b>	<b>55,846</b>	<b>46,832</b>	<b>8,697,791</b>
<b>Fund Balance, End Of Year</b>	<b>\$ 9,159,876</b>	<b>\$ 2,752,578</b>	<b>\$ 5,614</b>	<b>\$ 38,263</b>	<b>\$ 11,956,331</b>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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

<b>Net Change In Fund Balances - Total Governmental Funds</b>		\$ 3,258,540
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	\$ 1,136,890	
Depreciation expense	<u>(1,571,576)</u>	(434,686)
Interest expense accrued and reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.		
Liability at December 31, 2019	58,759	
Liability at December 31, 2020	<u>(54,295)</u>	4,464
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments made	912,957	
Amortization of premium, discount and deferred charge on refunding, net	<u>(7,462)</u>	905,495
Pension income (expense) relates to changes the pension assets, liabilities and deferred outflows/inflows that are not receivable or payable in the current period and, therefore, are not reported in the governmental funds.		
		815,506
Compensated absences for nonvested employees reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Liability at December 31, 2019	3,035,001	
Liability at December 31, 2020	<u>(2,992,012)</u>	42,989
<b>Change In Net Position Of Governmental Activities</b>		<u>\$ 4,592,308</u>

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**ADAMS COUNTY FIRE PROTECTION DISTRICT**

**STATEMENT OF PLAN NET POSITION -  
PENSION TRUST FUND  
December 31, 2020**

	<u><b>Pension Trust Fund</b></u>
<b>Assets</b>	
Cash	\$ 145,472
Investments	1,056,392
Cash surrender value of life insurance	107,030
Accounts receivable	8,100
<b>Total Assets</b>	<u>1,316,994</u>
<b>Liabilities</b>	
Accounts payable	<u>810</u>
<b>Net Position Held In Trust For Pension Benefits</b>	<u>\$ 1,316,184</u>

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**ADAMS COUNTY FIRE PROTECTION DISTRICT**

**STATEMENT OF CHANGES IN PLAN NET POSITION -  
PENSION TRUST FUND**

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

	<u>Pension Trust Fund</u>
<b>Additions</b>	
General property taxes	\$ 119,000
State contribution	8,100
Investment gain	65,770
Insurance claims	18,188
<b>Total Additions</b>	<u>211,058</u>
<b>Deductions</b>	
Benefit payments	241,649
Administration	6,584
Miscellaneous	8,672
<b>Total Deductions</b>	<u>256,905</u>
<b>Net Change In Net Position Held In Trust For Pension Benefits</b>	(45,847)
<b>Net Position Held In Trust For Pension Benefits, Beginning Of The Year</b>	<u>1,362,031</u>
<b>Net Position Held In Trust For Pension Benefits - End Of Year</b>	<u><u>\$ 1,316,184</u></u>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

### 1. Summary Of Significant Accounting Policies

#### **Organization**

The Adams County Fire Protection District (the District) provides emergency services to the northern metro area of Denver, Colorado. Effective May 7, 2014, the District's legal name changed from North Washington Fire Protection District to Adams County Fire Protection District, also doing business as Adams County Fire Rescue. The name change occurred in connection with a merger between the District and the Southwest Adams County Fire Protection District (SWAC), effective January 1, 2015.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District uses funds to maintain its financial records during the year.

#### **Reporting Entity**

For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District's ability to exercise significant operational control or financial accountability over the potential component unit. Financial relationship or operational control is determined on the basis of the District's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management and the ability to significantly influence operations.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

#### **Basis Of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities. The government-wide financial statements report information for the District as a whole.

Individual funds are not displayed at this financial reporting level. Internal balances and activity are eliminated at the government-wide level.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

The statement of net position presents the financial position of the governmental activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

### **Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds (the Pension Trust). The activity of the fiduciary funds is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Non-major Governmental Funds."

***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balances. The following are the District's major governmental funds:

*General* - This fund accounts for general operations and for financial resources of the District that are not accounted for in other funds. Primary sources of revenue are property taxes and interest on deposits. The major expenditures are for personnel and services. The General Fund also accounts for the District's health benefit activity.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

*Capital Reserve* - This fund is used to account for the accumulation of resources for, and the payment for the purchase of, capital improvements and equipment. The primary source of revenues is transfers from the General Fund and grant revenue.

*Bond* - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The primary sources of revenues are property taxes levied specifically to retire general obligation bonds and interest on deposits.

*Special Event* - This fund is used to account for the accumulation of resources for, and the payment of, community and charitable activities and related costs. The primary sources of revenues are fundraisers and donations from individuals.

***Fiduciary Fund*** - This fund is used for assets held by the District in a trustee capacity and is presented accordance with the Governmental Accounting Standard Board Statement No. 84, *Fiduciary Activities*.

*Pension Trust* - This fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. This fund is accounted for on the accrual basis of accounting.

### **Measurement Focus**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

All governmental funds are accounted for using a flow of current financial resources measurement focus. Within this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

## **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

#### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and Pension Trust Fund are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of certain deferred outflows of resources and in the presentation of expenses versus expenditures. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt and compensated absences, which are recognized when due.

#### **Property Tax Revenue And Recognition**

Property taxes are levied on December 15 and attach as an enforceable lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Adams and Denver Counties bill and collect property taxes for the District. The property tax receipts collected by the counties are remitted to the District in the subsequent month. Property taxes receivable not collected within 60 days of year end have been recorded as a deferred inflow of resources in the fund financial statements. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

#### **Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations are at the total fund level and lapse at fiscal year end.

## **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

The Fire Chief submits the proposed budget to the Board of Directors prior to the October 15 statutory deadline for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control tool during the year for the District's funds.

#### **Cash And Cash Equivalents**

The District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these instruments.

#### **Investments**

Investments are measured at fair value in accordance with the Governmental Accounting Standard Board Statement No. 72, *Fair Value Measurement and Application*.

#### **Short-Term Interfund Receivables/Payables**

During the course of operations, transactions may occur between individual funds for the goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. The interfund balances are eliminated at the government-wide level, except for the residual balances between the governmental activities and the Pension Trust Fund.

#### **Other Receivables**

Other receivables consist of short term receivables that the Districts expects to collect within the next fiscal year.

#### **Capital Assets**

General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the fund financial statements.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

All capital assets are recorded at cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date donated. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	10 - 30 years
Equipment and vehicles	5 - 20 years

### **Compensated Absences**

Accrued vacation and sick leave represent amounts earned, but not paid or taken, as of year end. The District's sick leave policy allows accumulation of up to 2,160 hours. A total of either 16 hours (line personnel) or 8 hours (administrative employees) of sick leave is earned on the 1<sup>st</sup> of each month following an employee's hire date. After 10 years of service, employees are partially vested in their accrued but unused sick leave, with the vesting increasing each year per an approved vesting schedule, with a maximum vesting of 100%. Unused and vested sick leave hours are paid upon separation of employment. The vested portion of accrued sick leave is shown as a liability in the governmental statement of net position and is liquidated out of the General Fund. Vacation time is accrued on January 1 and must be taken within 1 year of the accrued date; therefore, no accrual is made for unused vacation time.

### **Deferred Outflows/Inflows Of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The deferred charge on advanced refunding is recorded as a deferred outflow. A deferred charge on advanced refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as a deferred inflow. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available, at both the governmental fund level and in the period the taxes are levied at the government-wide reporting level. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

#### **Fund Balance/Net Position**

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints.

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

***Restricted*** - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation

***Committed*** - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to motions or resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through motions or resolutions approved by the Board of Directors.

***Assigned*** - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Fire Chief or designee.

***Unassigned*** - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund

## **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the District considers restricted funds to have been spent first. Although not included in a formal policy, the District considers decreases to fund balance to first reduce committed, then assigned and then unassigned balances, in that order.

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **Pensions**

The District participates in four defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

#### **Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

## 2. Cash, Cash Equivalents And Investments

	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 2,215,241
Investments	9,001,892
Cash with County Treasurer	<u>219,775</u>
<b>Total Government Activities</b>	<u><u>\$ 11,436,908</u></u>
Cash, Pension Trust, bank	\$ 145,472
Pension Trust Fund investments	<u>1,056,392</u>
<b>Total Pension Trust</b>	<u><u>\$ 1,201,864</u></u>

### Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2020, the District had bank deposits of \$2,252,760 collateralized with securities held by the financial institution's agent but not in the District's name.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2020, the District's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Investments**

Colorado Revised Statutes (C.R.S.) and the District's deposit and investment policy permit District funds to be invested in the following types of securities and transactions:

- Fully collateralized or insured interest-bearing checking accounts, savings accounts and time certificates of deposit in state or national banks doing business in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Fully collateralized or insured interest-bearing accounts or time certificates of deposit at state-chartered or federally chartered savings and loan associations in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Local government investment pools that are organized in conformity with Part 7 of Article 57 of Title 24, of C.R.S., which provides specific authority for pooling of local government funds
- Securities and Exchange Commission-regulated money market funds which comply with Colorado state law
- U.S. Treasury obligations (Treasury bills, notes and bonds)

The District had invested \$9,001,892 in Colorado Government Liquid Asset Trust (COLOTRUST) as of December 31, 2020. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice periods.

COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios: COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST financial statements may be obtained at [www.colotrust.com](http://www.colotrust.com).

## ADAMS COUNTY FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

The District had the following investments at December 31, 2020:

<u>Investment Type</u>	<u>S&amp;P Rating</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 To 5 Years</u>
Local government investment pools	AAAm	\$ 9,001,892	\$ 9,001,892	\$ —
<b>Total Government Activities</b>		\$ 9,001,892	\$ 9,001,892	\$ —

The District also has the following investments reported in the Pension Trust Fund as of December 31, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Allocation</u>
Mutual funds	\$ 521,504	49%
Common stocks	534,888	51%
<b>Total</b>	\$ 1,056,392	100%

**Interest Rate Risk** - The District's investment policy states that investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. The period from the date of purchase of an investment to its maturity date will be three years or less, or as authorized by the District Board, as a means of limiting exposure to fair value losses arising from prevailing market interest rates.

**Credit Risk** - The District's investment policy is to apply the prudent person rule, where investments are made as a prudent person would be expected to act. The District's investment policy requires that investments in local government investment pools and authorized money market fund investments must maintain an AAA rating from a nationally recognized independent rating agency.

**Concentration Of Credit Risk** - It is the policy of the District to diversify its use of investment instruments. Investments shall be diversified to avoid incurring unreasonable risks of loss inherent in over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The asset allocation in the portfolio should, however, be flexible, depending on the outlook of the economy, the securities market and the District's anticipated cash flow needs.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## Notes To Financial Statements (Continued)

### Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments in the Pension Trust Fund have a Level 1 fair value measurement as of December 31, 2020.

<u>Investment Type</u>	<u>December 31,</u>		<u>Level 1</u>	<u>Total</u>
	<u>2020</u>			
Mutual funds	\$	521,504	\$ 521,504	\$ 521,504
Common stocks		534,888	534,888	534,888
<b>Total</b>	\$	<b>1,056,392</b>	\$ 1,056,392	\$ 1,056,392

**Mutual Funds** - These are public investment vehicles, valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

**Common Stocks** - These are publicly traded and valued at the per share closing price reported on the active market on which the individual securities are traded.

### 3. Interfund Transactions

The District had the following interfund receivables and payables in 2020.

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>		<u>Payable</u>	
General Fund	\$	—	\$	5,591
Bond Fund		5,591		—
<b>Total</b>	\$	<b>5,591</b>	\$	<b>5,591</b>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## Notes To Financial Statements (Continued)

### 4. Accounts Receivable

The District considers all receivables, other than medical billing receivables, to be fully collectible. The allowance for doubtful medical billing accounts totaled \$568,183 as of December 31, 2020. The allowance is estimated using past collection rates and trends for emergency medical revenue billed, net of contractually adjusted write-offs.

### 5. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2020 is as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
<b>Governmental Activities</b>				
Nondepreciable capital assets:				
Land	\$ 973,188	\$ —	\$ —	\$ 973,188
<b>Total Nondepreciable Capital Assets</b>	<b>973,188</b>	<b>—</b>	<b>—</b>	<b>973,188</b>
Depreciable capital assets:				
Buildings and improvements	22,520,449	—	—	22,520,449
Transportation equipment	7,003,953	1,136,890	—	8,140,843
Furniture, fixtures and equipment	2,619,422	—	—	2,619,422
<b>Total Depreciable Capital Assets</b>	<b>32,143,824</b>	<b>1,136,890</b>	<b>—</b>	<b>33,280,714</b>
Accumulated depreciation	(10,492,023)	(1,571,576)	—	(12,063,599)
<b>Total Depreciable Capital Assets - Net</b>	<b>21,651,801</b>	<b>(434,686)</b>	<b>—</b>	<b>21,217,115</b>
<b>Total Capital Assets - Net</b>	<b>\$ 22,624,989</b>	<b>\$ (434,686)</b>	<b>\$ —</b>	<b>\$ 22,190,303</b>

Depreciation expense for the year ended December 31, 2020 was charged to functions/programs of the primary government, as follows:

<b>Governmental Activities</b>	
Firefighting	\$ 1,571,576

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## Notes To Financial Statements (Continued)

### 6. Long-Term Liabilities

During the year ended December 31, 2020, the following changes occurred in long-term liabilities reported for governmental activities:

	Balance December 31, 2019			Balance December 31, 2020		
		Additions	Deletions			Current
General Obligation Refunding Bonds						
Series 2011	\$ 1,410,000	\$ —	\$ (455,000)	\$ 955,000	\$ 470,000	
Premium	26,636	—	(8,877)	17,759	—	
Discount	(7,899)	—	2,633	(5,266)	—	
Fire apparatus capital lease	107,704	—	(35,291)	72,413	35,575	
PNC apparatus capital lease	128,784	—	(64,398)	64,386	64,386	
North Valley Bank lease	1,050,000	—	(150,000)	900,000	150,000	
Motorola radio equipment lease	58,268	—	—	58,268	58,268	
Certificates of Participation (COPs) Series 2018	8,100,000	—	(150,000)	7,950,000	160,000	
Premium - COP	583,710	—	(20,556)	563,154	—	
Compensated absences	3,035,001	525,964	(568,953)	2,992,012	1,130,038	
<b>Total</b>	<b>\$ 14,492,204</b>	<b>\$ 525,964</b>	<b>\$ (1,450,442)</b>	<b>\$ 13,567,726</b>	<b>\$ 2,068,267</b>	

#### General Obligation Bonds

In August 2002, the District issued \$5,500,000 General Obligation Bonds, Series 2002. The proceeds of the issue were placed in a project account to provide funds to improve fire safety and emergency response capabilities of the District, to purchase a municipal bond insurance policy and to pay the costs of issuing the bonds. The bonds bear interest at rates ranging from 2.5% to 5.0% per annum. Principal payments are due semiannually on November 1 and May 1, and payments range from \$35,000 to \$500,000.

On February 22, 2011, the District issued General Obligation Refunding Bonds, Series 2011, in the amount of \$4,095,000, with interest rates ranging from 2% to 4%. The bonds were issued to advance refund a portion of the outstanding Series 2002 General Obligation Bonds.

The advance refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$376,886. This difference is reported in the statement of net position as a deferred outflow of resources and is amortized over the new debt's life using the effective interest method.

The bonds constitute general obligations of the District. All of the taxable property in the District is subject to the levy of a separate ad valorem property tax to pay the principal and interest on the bonds.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

As of December 31, 2020, debt service requirements through the maturity date of November 1, 2022 are as follows:

<u>Series 2011</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 470,000	\$ 33,425	\$ 503,425
2022	485,000	16,975	501,975
<b>Total</b>	<b>\$ 955,000</b>	<b>\$ 50,400</b>	<b>\$ 1,005,400</b>

### Capital Leases

The District entered into capital lease-purchase financing for fire apparatus dated September 7, 2012. Total acquisition cost of the fire apparatus was \$577,936, and the total amount financed was \$316,442. Net book value of the asset at December 31, 2020 is \$203,178. Payments are to be made in annual installments of \$38,145 beginning September 8, 2013, with final payment due September 8, 2022. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 35,575	\$ 2,570	\$ 38,145
2022	36,838	1,307	38,145
<b>Total</b>	<b>\$ 72,413</b>	<b>\$ 3,877</b>	<b>\$ 76,290</b>

The District entered into capital lease-purchase financing for a fire apparatus on May 12, 2016. Total acquisition cost of the apparatus is \$588,517, and the total amount financed was \$305,517. Net book value of the asset at December 31, 2020 is \$203,178. Payments are to be made in annual installments of \$66,031 beginning June 12, 2017, with final payment due June 12, 2021. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 64,386	\$ 1,645	\$ 66,031

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

The District entered into capital lease-purchase financing with North Valley Bank (the Bank) on February 8, 2017, to finance the renovation and equipping of Fire Station No. 14 located at 8055 North Washington Street, Denver, Colorado, and pay costs of issuance in connection with the financing. The lease is secured by certain property of the District. In connection with the lease, the District borrowed \$1,500,000 which will be paid back in annual installments beginning April 30, 2017, with final payment due April 30, 2026. Net book value of the asset at December 31, 2020 is \$ 1,300,457. Upon maturity of the lease, the District has an option to purchase the Bank's interest for \$1. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 150,000	\$ 26,100	\$ 176,100
2022	150,000	21,250	171,250
2023	150,000	17,400	167,400
2024	150,000	13,086	163,086
2025	150,000	8,700	158,700
<u>Thereafter</u>	<u>150,000</u>	<u>4,350</u>	<u>154,350</u>
<b>Total</b>	<b>\$ 900,000</b>	<b>\$ 90,886</b>	<b>\$ 990,886</b>

The District entered into capital lease-purchase financing for Motorola radio equipment on December 31, 2015 and took possession of the equipment in January 2016. Total acquisition cost of the equipment is \$291,339, and the total amount financed is \$291,339. Payments are to be made in annual installments of \$58,268 beginning December 15, 2016. The final payment was made in January 2021. Net book value of the asset at December 31, 2020 is \$100,581. The lease has a 0% nominal annual rate of interest. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>2021</u>	<u>\$ 58,268</u>	<u>\$ —</u>	<u>\$ 58,268</u>

### Certificates Of Participation

The District entered into lease-purchase financing with Zions Bank on April 30, 2018. In connection with the lease, COPs Series 2018 were issued to finance certain capital improvements for the District. The 2018 COPs were issued in the amount of \$8,545,000 and mature in December 2047.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

The proceeds of the issue were placed in a project account to provide funds for certain capital improvements for the District and to pay the costs of issuing the COPs. The COPs bear interest at rates ranging from 3.0% to 5.0% per annum. Principal and interest payments are due semiannually on June 1 and December 1, and payments range from \$150,000 to \$495,000. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 160,000	\$ 353,063	\$ 513,063
2022	175,000	348,263	523,263
2023	175,000	341,263	516,263
2024	175,000	334,263	509,263
2025 - 2029	980,000	1,568,313	2,548,313
2030 - 2034	1,245,000	1,309,563	2,554,563
2035 - 2039	1,590,000	965,313	2,555,313
2040 - 2044	2,020,000	531,875	2,551,875
2045 - 2047	1,430,000	108,563	1,538,563
<b>Total</b>	<b>\$ 7,950,000</b>	<b>\$ 5,860,479</b>	<b>\$ 13,810,479</b>

## 7. Operating Leases

In December 2019, the District entered into a 49-month lease for bunker gear. The District makes payments beginning in January 2021 through January 2024. A summary of future lease requirements follows:

2021	\$ 52,675
2022	55,306
2023	57,089
2024	58,930
<b>Total</b>	<b>\$ 224,000</b>

**8. Fire And Police Pension Association (FPPA) Statewide Cost-Sharing Defined Benefit Pension Plan (SWDBP)**

**SWDBP Plan Description**

Eligible employees of the District are provided with pensions through SWDBP, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

**Benefits Provided**

SWDBP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (rule of 50).

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to SWDBP. Benefits paid to retired members are evaluated and may be redetermined every October 1. The amount of any increase is at the FPPA Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

A member is eligible for an early retirement after completion of 20 years of service or attainment of age 50 with at least five years of credited services. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with SWDBP and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Contributions**

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Through December 31, 2020, contribution rates for the 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.

Members of SWDBP and their employers are contributing at the rate of 10.5% and 8%, respectively, of base salary for a total contribution rate of 18.5% in 2019. In 2014, the members elected to increase the member contribution rate to SWDBP beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions remained at 8.0% through 2020, but will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings.

Contributions from members and employers or 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% and 23.0% of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4% 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% 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.

The contribution rate for members and employers of affiliated Social Security employers is 5.25% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.25% in 2019 and 9.50% in 2020. Per the 2014 member election, members of the affiliate Social Security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are 4% in 2019 and 2020. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member, and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the District were \$702,844 for the year ended December 31, 2020.

#### **Pension Assets, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

At December 31, 2020, the District reported a net pension asset of \$608,840 as its proportionate share of the plan's net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset was determined by an actuarial valuation as of January 1, 2020. The District's proportion of the net pension asset was based on District contributions to SWDBP for the calendar year 2019, relative to the total contributions of participating employers.

At December 31, 2019, the District's proportion was 1.076518%, which was a decrease of 0.008262% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension benefit of \$152,460. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to SWDBP from the following sources:

<b>Deferred Outflows Of Resources</b>	
Change in proportionate share	\$ 272,977
Changes of assumptions	1,156,056
Differences between expected and actual experience	2,060,423
Contributions subsequent to measurement date	<u>702,844</u>
<b>Total Deferred Outflows Of Resources</b>	<b><u><u>\$ 4,192,300</u></u></b>
<b>Deferred Inflows Of Resources</b>	
Change in proportionate share	\$ 121,205
Net difference between projected and actual earnings on pension plan investments	957,110
Differences between expected and actual experience	<u>11,918</u>
<b>Total Deferred Inflows Of Resources</b>	<b><u><u>\$ 1,090,233</u></u></b>

## ADAMS COUNTY FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

The amount of \$702,844 was reported as deferred outflows of resources related to SWDBP, resulting from contributions subsequent to the measurement date, and will be recognized as an increase in the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDBP will be recognized in pension expense (benefit) as follows:

<b>For The Year</b>		
<b>Ended December 31,</b>		
2021	\$	223,688
2022		140,800
2023		452,168
2024		48,300
2025		457,960
Thereafter		1,076,307
<b>Total</b>	<b>\$</b>	<b>2,399,223</b>

### Actuarial Assumptions

The actuarial valuations for SWDBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	<b>Total Pension Liability</b>	<b>Actuarially Determined Contributions</b>
Valuation date	January 1, 2020	January 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % Payroll, Open
Remaining amortization period	N/A	30 Years
Actuarial assumptions:		
Investment rate of return*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments	0.0%	0.0%
* Includes inflation at:	2.5%	2.5%

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

For determining the total pension liability, the post-retirement mortality tables for nondisabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using MP-2017 projection scales, and projected prospectively using the ultimate rates of the scale for all years. The preretirement 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, FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by FPPA's actuaries based on their analysis of past experience and expectations for the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credits 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%). Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global equity	38.00%	7.0%
Equity long/short	8.00%	6.0%
Illiquid alternatives	25.00%	9.2%
Fixed income	15.00%	5.2%
Absolute return	8.00%	5.5%
Managed futures	4.00%	5.0%
Cash	2.00%	2.5%
<b>Total</b>	<b>100.00%</b>	

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

#### Discount Rate

The discount rate used to measure the total pension asset was 7.0%. 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 SWDBP 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.

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

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 1.59% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.0%, based upon the plan's fiduciary net position projected to be sufficient to pay benefits.

#### Sensitivity Of The District's Proportionate Share Of The Net Pension Asset To Changes In The Discount Rate

Regarding the sensitivity of the net pension asset to changes in the single discount rate, the following presents the plan's net pension asset, calculated using a single discount rate of 7.0%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.0%) or one percent higher (8.0%):

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of the net pension (asset) liability	\$ 3,691,522	\$ (608,840)	\$ (4,175,419)

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (Continued)

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

Detailed information about SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

## **9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978)**

### **Plan Description**

The Old Hire Defined Benefit Pension Plan (the Old Hire Plan) is an agent multiple-employer defined benefit pension plan, established by resolution of the District. All assets are held and invested by FPPA. Firefighters hired prior to April 8, 1978 who elected not to invest in SWDBP are covered by this plan. Any changes to this plan are referred to the membership by the Pension Trustee Board and voted upon. The Old Hire Plan is closed to new entrants as of April 8, 1978.

### **Benefits Provided**

The member's normal retirement date for the Old Hire Plan is based on the date a member has completed 20 years of credited service and attained the age of 50. A member that retires after the normal retirement date shall be eligible for a monthly pension equal to one-half of the monthly salary at the date of retirement. For each full year a member continues working past eligibility for normal retirement, the member's benefit increases by 4% of the monthly salary.

There is no maximum benefit. Severance benefits are offered for contributions plus interest, up to 5% per annum, to members who terminate employment prior to being eligible for retirement. If a retired member dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-third of the salary of a firefighter of the same rank held by the deceased firefighter including rank escalation.

### **Members Covered By Benefit Terms**

Membership of the Old Hire Plan consists of the following at December 31, 2019:

	<u>Old Hire Plan</u>
Retirees and beneficiaries receiving benefits	7

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Contributions**

The District is required by statute to contribute the remaining amounts necessary to pay benefits when due using the actuarial basis specified by statute. In 2009, legislation was adopted to defer the State of Colorado contributions for the Old Hire Plan for 2009 through 2011 and resume in 2012 through 2015. In 2011, legislation was adopted to change payment dates to 2012 until 2019. Senate Bill 13-234 authorized the State of Colorado to fulfill its obligation during 2013. A payment of \$1,456,060 was made into the Old Hire Plan during 2013. As a result, the Old Hire Plan will receive no further payments from the State of Colorado, and all future funding is the requirement of the District. Legislation passed during 2014 requires the District to begin funding an actuarially appropriate amount annually beginning no later than 2016, calculated by the actuary as \$199,964 for 2020.

#### **Net Pension Liability**

The District's Old Hire Plan net pension liability measurement date is December 31, 2019, and the total pension liability was determined by an actuarial valuation as of January 1, 2020. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2020 and may be used for December 31, 2020 reporting purposes.

#### **Actuarial Methods And Assumptions**

The actuarial valuation for the Old Hire Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuation used the following actuarial assumption and other inputs:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	4 years
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions	
Investment rate of return*	4.5%
Projected salary increase*	N/A
Cost of living	None
* Includes inflation at:	2.5%

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Fixed income	80.00%	5.0%
Global public equity	10.00%	7.7%
Cash	10.00%	3.2%
Equity long/short	0.00%	6.5%
Absolute return	0.00%	5.0%
Managed futures	0.00%	4.7%
Private capital	0.00%	9.5%
<b>Total</b>	<b>100.00%</b>	

### Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%, the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 4.50%.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

#### Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 4.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (3.5%) or one percent higher (5.5%):

	1% Decrease (3.5%)	Current (4.5%)	1% Increase (5.5%)
Net pension liability	\$ 1,315,375	\$ 1,080,244	\$ 873,420

#### Change In Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances At December 31, 2019</b>	\$ 3,237,116	\$ 1,980,018	\$ 1,257,098
<b>Changes For The Year</b>			
Interest	229,909	—	229,909
Differences between expected and actual experience	(482,978)	—	(482,978)
Changes of assumptions	498,607	—	498,607
Contributions - employer	—	199,964	(199,964)
Net investment income	—	225,056	(225,056)
Benefit payments	(349,636)	(349,636)	—
Administrative expense	—	(2,628)	2,628
<b>Net Changes</b>	<b>(104,098)</b>	<b>72,756</b>	<b>(176,854)</b>
<b>Balances At December 31, 2020</b>	<b>\$ 3,133,018</b>	<b>\$ 2,052,774</b>	<b>\$ 1,080,244</b>

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

#### **Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

For the year ended December 31, 2020, the District recognized pension benefit of \$67,006. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan from the following sources:

	<u>Governmental Activities</u>
<b>Deferred Outflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 104,323
Contributions subsequent to measurement date	<u>200,000</u>
<b>Total Deferred Outflows Of Resources</b>	<u>\$ 304,323</u>
<b>Deferred Inflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	<u>\$ 121,473</u>

The amount of \$200,000 reported as deferred outflows of resources related to the Old Hire Plan, resulting from contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability for the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan will be recognized in pension expense (benefit) as follows:

<b>For The Year Ended December 31,</b>	
2021	\$ (1,721)
2022	(13,434)
2023	14,436
2024	<u>(16,431)</u>
<b>Total</b>	<u>\$ (17,150)</u>

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

Detailed information about Old Hire Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (Continued)

### 10. Volunteer Firefighters Defined Benefit Pension Plan

#### Plan Description

The District established the Volunteer Firefighters Pension Plan (the Volunteer Plan) in 1964. In January 1990, the District funded its Volunteer Plan through FPPA as an agent multiple-employer defined benefit noncontributing pension plan. The Volunteer Plan was closed to new members in 1974. The Volunteer Plan is administered by a seven-member Board of Trustees that includes the District's Board of Directors and two retired volunteer firefighters. Investment decisions are made by FPPA. The District Board has the authority to establish or amend benefit provisions, including contribution levels, in accordance with the biennial actuarial study.

#### Benefits Provided

The benefit provisions and the Volunteer Plan requirements were established according to C.R.S. The Board of Trustees has adopted the following schedule of monthly benefits that was in effect at December 31, 2020:

<b>Normal Retirement Benefit Age 50 With 20 Years Of Service</b>	
Regular, monthly benefit	\$ 350
<b>Survivor Benefits (Monthly)</b>	
After age and service retirement	50
Following death after vested retirement with 10 to 20 years of service amount per year of service per minimum vesting years	8.75
<b>Vested Retirement Benefit (Monthly)</b>	
With 10 to 20 years of service amount per year of service per minimum 10 vesting years	17.50
<b>Funeral Benefits</b>	
Lump-sum benefit, one time	300

#### Members Covered By Benefit Terms

Membership of the Volunteer Plan consists of the following at December 31, 2020:

	<b>Volunteer Plan</b>
Retirees and beneficiaries receiving benefits	<u>9</u>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (*Continued*)

### **Contributions**

There are no paid employees within the Volunteer Plan, and employees do not contribute to the plan. The District is required by statute to contribute the amounts remaining necessary to pay benefits when due using the actuarial basis specified by statute.

### **Net Pension Liability**

The District's Volunteer Plan net pension liability was measured as of December 31, 2019, and the total pension liability was determined by an actuarial valuation as of January 1, 2019. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2020 and may be used for December 31, 2020 reporting purposes.

### **Actuarial Methods And Assumptions**

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied in all periods included in the measurement:

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	12 Years
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions:	
Investment rate of return*	7.0%
Projected salary increase*	N/A
Cost of living adjustments	None
* Includes inflation at:	2.5%

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global public equity	38.00%	7.0%
Private capital	25.00%	9.2%
Fixed income	15.00%	5.2%
Equity long/short	8.00%	6.0%
Absolute return	8.00%	5.5%
Managed futures	4.00%	5.0%
Cash	2.00%	2.5%
<b>Total</b>	<b>100.00%</b>	

### Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.00%.

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

Notes To Financial Statements *(Continued)*

**Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate**

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.0%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower (6.0%) or one percent higher (8.0%):

	<b>1% Decrease (6.0%)</b>	<b>Current (7.0%)</b>	<b>1% Increase (8.0%)</b>
Net pension liability	\$ 11,972	\$ 4,718	\$ (1,844)

**Change In Net Pension Liability (Asset)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) Liability (a) - (b)</b>
<b>Balances At December 31, 2018</b>	\$ 143,998	\$ 133,986	\$ 10,012
<b>Changes For The Year</b>			
Interest	9,401	—	9,401
Net investment income	—	17,750	(17,750)
Benefit payments	(19,716)	(19,716)	—
Administrative expense	—	(3,055)	3,055
<b>Net Changes</b>	<b>(10,315)</b>	<b>(5,021)</b>	<b>(5,294)</b>
<b>Balances At December 31, 2019</b>	<b>\$ 133,683</b>	<b>\$ 128,965</b>	<b>\$ 4,718</b>

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (Continued)

### Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2020, the District recognized a pension expense of \$4,340. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan from the following sources:

	<u>Governmental Activities</u>
<b>Deferred Outflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	<u>\$ 7,037</u>
<b>Deferred Inflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	<u>\$ 11,919</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan will be recognized in pension expense (benefit) as follows:

<u>For The Year Ended December 31,</u>	
2021	\$ (1,343)
2022	(2,003)
2023	294
2024	(1,830)
<b>Total</b>	<u>\$ (4,882)</u>

### Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

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Notes To Financial Statements (Continued)

## 11. Southwest Adams County Volunteer Firefighters Pension Plan

### Plan Description

The Southwest Adams County Volunteer Firefighters Pension Plan (the SWAC Volunteer Plan) is a single-employer defined benefit pension plan. The SWAC Volunteer Plan is administered by the SWAC Volunteer Plan Board of Trustees. Assets are held and administered by an independent third party.

### Benefits Provided

The SWAC Volunteer Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted by the Board of Directors of SWAC (now merged with the District). C.R.S., as amended, establishes basic benefit provisions. Retirees are eligible to receive full retirement benefits of \$800 per month after 20 years of service and reaching the age of 50. Retirees may also receive 50% of retirement benefits after 10 years of service and reaching the age of 50. Prorated pension can be vested between 10 and 20 years of eligible volunteer service.

### Members Covered By Benefit Terms

Membership of the SWAC Volunteer Plan consists of the following at December 31, 2020:

	<u>SWAC Volunteer Plan</u>
Retirees and beneficiaries receiving benefits	37

### Contributions

There are no paid employees within the SWAC Volunteer Plan, and employees do not contribute to the plan. Contributions consist of contributions determined by the District Board of Directors and a matching contribution by the State of Colorado based on statute.

### Net Pension Liability

The SWAC Volunteer Plan total pension liability was measured as of December 31, 2020 and was based on an actuarial valuation performed as of January 1, 2021.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

#### Actuarial Methods And Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied in all periods included in the measurement:

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	19 Years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	6.5%
Projected salary increase*	N/A
Cost of living adjustments	None
* Includes inflation at	Implicit Rate

#### Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%, the municipal bond rate is 2% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index) and the resulting single discount rate is 6.5%.

#### Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (5.5%) or one percent higher (7.5%):

	1% Decrease (5.5%)	Current (6.5%)	1% Increase (7.5%)
Net pension liability	\$ 1,167,654	\$ 979,577	\$ 816,552

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

Notes To Financial Statements *(Continued)*

**Change In Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances At December 31, 2019</b>	\$ 2,937,906	\$ 1,362,031	\$ 1,575,875
<b>Changes For The Year</b>			
Interest	92,589	—	92,589
Contributions - employer	(81,163)	119,000	(200,163)
Contributions - state	(411,902)	8,100	(420,002)
Net investment income	—	83,979	(83,979)
Benefit payments	(241,649)	(241,649)	—
Professional fees	—	(15,257)	15,257
<b>Net Changes</b>	(642,125)	(45,827)	(596,298)
<b>Balances At December 31, 2020</b>	\$ 2,295,781	\$ 1,316,204	\$ 979,577

**Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

For the year ended December 31, 2020, the District recognized a pension benefit of \$600,380. At December 31, 2020, the District reported deferred outflows and deferred inflows of resources related to the SWAC Volunteer Plan from the following sources:

	Governmental Activities
<b>Deferred Outflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 58,094
<b>Deferred Inflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 84,637

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

There were no contributions subsequent to the measurement date of December 31, 2020. Amounts reported as deferred outflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>For The Year</b>	
<b>Ended December 31,</b>	
<hr/>	
2021	\$ (11,263)
2022	6,783
2023	(22,129)
2024	66
<hr/>	
<b>Total</b>	<b>\$ (26,543)</b>
<hr/>	

## 12. Statewide Death And Disability Plan

The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at [www.fppaco.org](http://www.fppaco.org).

The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children
- On-duty: 70% of the base salary paid to the member prior to death

Disability benefits are as follows:

- Total disability: 70% of the base salary preceding disability
- Permanent occupational disability: 50% of the base salary preceding disability
- Temporary occupational disability: 40% of the base salary preceding disability for up to five years

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect the Consumer Price Index, but in no case may be higher than 3%.

Once a member is eligible to retire, contributions to the plan and plan benefit obligations cease.

#### **Contributions**

The member contribution requirements are established by state statutes. However, in accordance with C.R.S. 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contributes to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the District.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the District contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2020. Contributions to the plan for the year ended December 31, 2020 were \$203,061, equal to the required contributions.

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8%, effective January 1, 2019 through December 31, 2020.

#### **Other Post-Employment Benefit (OPEB) Liabilities, OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB**

The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the District does not report a net liability for other postemployment benefits or deferred outflows of resources and deferred inflows of resources related to OPEB.

## **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

#### **OPEB Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

### **13. Deferred Compensation Plans**

The District participates in a deferred compensation plan (the 457 Plan), as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the year ended December 31, 2020, participating employees contributed \$478,317.

The District provides a money purchase pension plan for full-time firefighting, prevention and maintenance SWAC personnel who elected to stay with the plan as part of the merger with the District. The District contributes 8% of covered salary to the money purchase pension plan. There are no employee voluntary contributions. The District contributed \$94,383 to the plan during 2020.

### **14. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

## ADAMS COUNTY FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

The District administers a self-insurance program for medical and dental insurance that covers the premiums for District employees and medical claims up to \$30,000 per year per person. Amounts over \$30,000 per year are covered by the District's reinsurance policy. The estimated liability for pending and incurred but not reported claims at December 31, 2020 are reported as claims payable in the financial statements. Claims incurred but not reported for the past two years are as follows:

<u>Year Ended December 31,</u>	<u>Claims Payable January 1,</u>	<u>Claims And Changes In Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable December 31,</u>
2019	\$ 167,849	\$ 1,551,910	\$ 1,583,899	\$ 135,860
2020	135,860	1,132,066	1,185,561	82,365

### 15. Tax, Spending And Debt Limitations

In November 1992, Colorado voters passed the Taxpayer Bill of Rights (TABOR), which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

TABOR requires voter approval for any increase in mill levies or tax rates, new taxes or creation of multi-fiscal year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves of 1% of 1993 fiscal year spending, excluding bonded debt service, be established for declared emergencies, with 2% of fiscal year spending required in 1994 and 3% thereafter.

As of December 31, 2020, the District reported \$636,789 as restricted net position and restricted fund balance in the governmental activities and General Fund, respectively, to comply with the reserve for emergencies.

## **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

In 2002, the voters of the District approved a ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the general operations and capital construction. The District's management believes that it has legally removed itself from TABOR's revenue and spending limitations. However, TABOR is complex and subject to future judicial interpretation.

#### **16. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

#### **17. Risks And Uncertainties**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world has caused significant volatility in U.S. and international markets. The District has taken a number of measures to monitor and mitigate the effects of COVID-19. There continues to be uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and as such, the District is unable to determine if it will have a material impact to its operations in future years.

#### **18. Subsequent Events**

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditor's Report.

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**Required Supplementary Information**

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# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND

For The Year Ended December 31, 2020

	Original Budget	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 19,022,019	\$ 19,022,019	\$ 18,877,933	\$ (144,086)
Specific ownership taxes	1,450,000	1,450,000	1,449,288	(712)
Grant revenue	13,000	13,000	214,433	201,433
Charges for services	3,200,000	3,200,000	3,095,169	(104,831)
Permit fees	150,000	150,000	254,634	104,634
Rental income	—	—	12,525	12,525
Insurance reimbursement	40,000	40,000	47,617	7,617
Interest	130,000	130,000	80,454	(49,546)
Miscellaneous	58,500	58,500	280,866	222,366
<b>Total Revenues</b>	<b>24,063,519</b>	<b>24,063,519</b>	<b>24,312,919</b>	<b>249,400</b>
<b>Expenditures</b>				
Current:				
Firefighting	14,887,725	14,887,725	14,215,767	671,958
Administration	1,250,698	1,250,698	1,486,576	(235,878)
Communications	592,892	592,892	585,655	7,237
Medical payments	2,219,723	2,219,723	1,591,968	627,755
Stations and grounds maintenance	486,271	486,271	191,304	294,967
Information technology	262,075	262,075	183,112	78,963
Ambulance	173,020	173,020	192,945	(19,925)
Training	282,701	282,701	154,093	128,608
Fire prevention	62,563	62,563	60,396	2,167
Truck and equipment maintenance	347,333	347,333	447,523	(100,190)
Special projects	233,289	233,289	195,646	37,643
Capital outlay:	428,000	428,000	313,075	114,925
Debt service:				
Interest	—	—	1,010	(1,010)
<b>Total Expenditures</b>	<b>21,226,290</b>	<b>21,226,290</b>	<b>19,619,070</b>	<b>1,607,220</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>2,837,229</b>	<b>2,837,229</b>	<b>4,693,849</b>	<b>1,856,620</b>
<b>Other Financing Uses</b>				
Transfers in	324,851	324,851	—	324,851
Transfers out	(3,066,203)	(3,066,203)	(3,062,927)	3,276
<b>Total Other Financing Uses</b>	<b>(2,741,352)</b>	<b>(3,066,203)</b>	<b>(3,062,927)</b>	<b>328,127</b>
<b>Excess (Deficit) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses</b>				
	\$ 95,877	\$ (228,974)	1,630,922	\$ 2,184,747
<b>Fund Balance, Beginning Of Year</b>			<u>7,528,954</u>	
<b>Fund Balance, End Of Year</b>			<u>\$ 9,159,876</u>	

Note to Required Supplementary Information:

This budgetary comparison schedule is presented on a basis in conformity with generally accepted accounting principles.

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION (ASSET) LIABILITY - SWDBP  
Employee Pension Plan  
Last Six Measurement Periods<sup>1</sup>**

<b>Measurement Period Ending December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's portion of the net pension asset	1.7651761	1.8047796	1.2040830	1.2621596	1.2515737	1.0612325
District's proportionate share of the net pension (asset) liability	\$ (608,840)	\$ 1,371,459	\$ (1,733,467)	\$ 456,067	\$ (22,063)	\$ (1,197,681)
District's covered payroll	\$ 7,593,238	\$ 7,577,507	\$ 7,043,039	\$ 6,459,505	\$ 6,071,376	\$ 4,611,454
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-8.02%	18.10%	-24.61%	7.06%	-0.36%	-25.97%
Plan fiduciary net position as a percentage of the total pension (asset) liability	101.9%	95.2%	-106.3%	-98.2%	100.1%	106.8%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
TO THE PENSION PLAN - SWDBP  
Employee Pension Plan  
Last Seven Fiscal Years<sup>1</sup>**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 702,844	\$ 606,341	\$ 606,201	\$ 563,443	\$ 516,761	\$ 485,709	\$ 381,791
Contributions in relation to the contractually required contribution	702,844	606,341	606,201	563,443	516,761	485,709	381,791
<b>Contribution (Excess) Deficiency</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
District's covered payroll	\$ 8,792,649	\$ 7,593,238	\$ 7,577,507	\$ 7,043,039	\$ 6,459,505	\$ 6,071,376	\$ 4,611,454
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.28%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS - OLD HIRE PLAN

### Last Six Measurement Periods<sup>1</sup>

Measurement Period Ending December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Interest	\$ 229,909	\$ 241,731	\$ 254,227	\$ 271,496	\$ 307,681	\$ 324,580
Differences between expected and actual experience in the measurement of the total pension liability	(482,978)	—	54,973	—	(569,630)	—
Changes of assumptions	498,607	—	—	—	294,822	—
Benefit payments, including lump sums	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
<b>Net Change In Total Pension Liability</b>	<b>(104,098)</b>	<b>(205,563)</b>	<b>(194,126)</b>	<b>(228,747)</b>	<b>(497,024)</b>	<b>(244,603)</b>
<b>Total Pension Liability - Beginning</b>	<b>3,237,116</b>	<b>3,442,679</b>	<b>3,636,805</b>	<b>3,865,552</b>	<b>4,362,576</b>	<b>4,607,179</b>
<b>Total Pension Liability - Ending {a}</b>	<b>\$ 3,133,018</b>	<b>\$ 3,237,116</b>	<b>\$ 3,442,679</b>	<b>\$ 3,636,805</b>	<b>\$ 3,865,552</b>	<b>\$ 4,362,576</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 199,964	\$ 180,163	\$ 180,163	\$ 196,745	\$ 45,912	\$ 45,912
Net investment income	225,056	4,227	298,038	115,263	52,699	201,507
Benefit payments, including lump sums	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
Administrative expenses	(2,628)	(5,157)	(2,380)	(5,753)	(4,119)	(8,200)
<b>Net Change In Fiduciary Net Position</b>	<b>72,756</b>	<b>(268,061)</b>	<b>(27,505)</b>	<b>(193,988)</b>	<b>(435,405)</b>	<b>(329,964)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,980,018</b>	<b>2,248,079</b>	<b>2,275,584</b>	<b>2,469,572</b>	<b>2,904,977</b>	<b>3,234,941</b>
<b>Plan Fiduciary Net Position - Ending {b}</b>	<b>\$ 2,052,774</b>	<b>\$ 1,980,018</b>	<b>\$ 2,248,079</b>	<b>\$ 2,275,584</b>	<b>\$ 2,469,572</b>	<b>\$ 2,904,977</b>
<b>Plan Fiduciary Net Pension Liability - Ending {a} - {b}</b>	<b>\$ 1,080,244</b>	<b>\$ 1,257,098</b>	<b>\$ 1,194,600</b>	<b>\$ 1,361,221</b>	<b>\$ 1,395,980</b>	<b>\$ 1,457,599</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability {b} / {a}</b>	<b>65.52%</b>	<b>61.17%</b>	<b>65.30%</b>	<b>62.57%</b>	<b>63.89%</b>	<b>66.59%</b>
<b>Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan's Net Pension Liability As A Percentage Of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OLD HIRE PLAN Last 7 Fiscal Years<sup>1</sup>

<b>Fiscal Year Ending (a)</b>	<b>Actuarially Determined Contribution* (b)</b>	<b>Actual Contribution* (c)</b>	<b>Contribution Deficiency (Excess) (d) = (b) - (c)</b>	<b>Covered Payroll (e)</b>	<b>Actual Contribution As A % Of Covered Payroll (f)</b>
2014	\$ 375,468	\$ 45,912	\$ 329,556	N/A	N/A
2015	196,745	45,912	150,833	N/A	N/A
2016	196,745	196,745	—	N/A	N/A
2017	180,163	180,163	—	N/A	N/A
2018	180,163	180,163	—	N/A	N/A
2019	199,964	199,964	—	N/A	N/A
2020	199,964	200,000	(36)	N/A	N/A

\* Actuarially determined contribution is net of employee contributions, if any. Actual contribution is from the employer only and does not include employee amounts.

N/A = Information not applicable.

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.

**ADAMS COUNTY FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S**  
**NET PENSION (ASSET) LIABILITY AND RELATED RATIOS -**  
**VOLUNTEER PLAN**

**Last Six Measurement Periods<sup>1</sup>**

Measurement Period Ending December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Interest	\$ 9,401	\$ 9,857	\$ 10,667	\$ 3,504	\$ 3,770	\$ 3,688
Differences between expected and actual experience in the measurement of the total pension liability	—	12,756	108,661	(6,029)	—	5,594
Changes of assumptions	—	1,500	—	2,859	—	—
Benefit payments, including lump sums	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
<b>Net Change In Total Pension Liability</b>	<b>(10,315)</b>	<b>1,433</b>	<b>99,048</b>	<b>(6,626)</b>	<b>(3,890)</b>	<b>597</b>
<b>Total Pension Liability - Beginning</b>	<b>143,998</b>	<b>142,565</b>	<b>43,517</b>	<b>50,143</b>	<b>54,033</b>	<b>53,436</b>
<b>Total Pension Liability - Ending {a}</b>	<b>\$ 133,683</b>	<b>\$ 143,998</b>	<b>\$ 142,565</b>	<b>\$ 43,517</b>	<b>\$ 50,143</b>	<b>\$ 54,033</b>
<b>Plan Fiduciary Net Position</b>						
Net investment income	\$ 17,750	\$ 358	\$ 22,636	\$ 8,393	\$ 2,991	\$ 10,941
Benefit payments, including lump sums	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
Administrative expenses	(3,055)	(2,582)	(4,006)	(527)	(1,383)	(634)
<b>Net Change In Fiduciary Net Position</b>	<b>(5,021)</b>	<b>(24,904)</b>	<b>(1,650)</b>	<b>906</b>	<b>(6,052)</b>	<b>1,622</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>133,986</b>	<b>158,890</b>	<b>160,540</b>	<b>159,634</b>	<b>165,686</b>	<b>164,064</b>
<b>Plan Fiduciary Net Position - Ending {b}</b>	<b>\$ 128,965</b>	<b>\$ 133,986</b>	<b>\$ 158,890</b>	<b>\$ 160,540</b>	<b>\$ 159,634</b>	<b>\$ 165,686</b>
<b>Plan Fiduciary Net Pension Asset - Ending {a} - {b}</b>	<b>\$ 4,718</b>	<b>\$ 10,012</b>	<b>\$ (16,325)</b>	<b>\$ (117,023)</b>	<b>\$ (109,491)</b>	<b>\$ (111,653)</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Asset {b} / {a}</b>	<b>96.47%</b>	<b>93.05%</b>	<b>111.45%</b>	<b>368.91%</b>	<b>318.36%</b>	<b>306.64%</b>
<b>Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan's Net Pension Asset As A Percentage Of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - VOLUNTEER PLAN Last Seven Fiscal Years<sup>1</sup>

Fiscal Year Ending (a)	Actuarially Determined Contribution (b)	Actual Contribution (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution As A % Of Covered Payroll (f)
2014	\$ —	\$ —	\$ —	N/A	N/A
2015	—	—	—	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

N/A = Information not applicable.

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS - SWAC VOLUNTEER PLAN

### Last Seven Measurement Periods<sup>1</sup>

Measurement Period Ending December 31,	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Interest	\$ 92,589	\$ 161,964	\$ 161,964	\$ 167,073	\$ 170,217	\$ 176,197	\$ 188,602
Differences between expected and actual experience in the measurement of the total pension liability	(81,163)	—	39,474	—	(56,558)	—	(92,587)
Changes of assumptions	(411,902)	—	445,898	—	276,961	—	—
Benefit payments, including lump sums	(241,649)	(242,333)	(241,644)	(249,679)	(254,214)	(269,026)	(277,441)
<b>Net Change In Total Pension Liability</b>	<b>(642,125)</b>	<b>(80,369)</b>	<b>405,692</b>	<b>(82,606)</b>	<b>136,406</b>	<b>(92,829)</b>	<b>(181,426)</b>
<b>Total Pension Liability - Beginning</b>	<b>2,937,906</b>	<b>3,018,275</b>	<b>2,612,583</b>	<b>2,695,189</b>	<b>2,558,783</b>	<b>2,651,612</b>	<b>2,833,038</b>
<b>Total Pension Liability - Ending {a}</b>	<b>\$ 2,295,781</b>	<b>\$ 2,937,906</b>	<b>\$ 3,018,275</b>	<b>\$ 2,612,583</b>	<b>\$ 2,695,189</b>	<b>\$ 2,558,783</b>	<b>\$ 2,651,612</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 119,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 46,000
Contributions - state	8,100	8,100	8,100	8,100	8,100	8,100	8,100
Net investment income	83,979	193,463	(46,030)	211,971	76,142	12,099	102,011
Benefit payments, including lump sums	(241,649)	(242,333)	(241,644)	(249,680)	(254,214)	(269,026)	(277,441)
Administrative expenses	(15,257)	(22,441)	(23,866)	(13,242)	(8,707)	(9,585)	(40,342)
Other	—	—	—	—	123,930	(6,946)	22,328
<b>Net Change In Fiduciary Net Position</b>	<b>(45,827)</b>	<b>(7,211)</b>	<b>(247,440)</b>	<b>13,149</b>	<b>1,251</b>	<b>(209,358)</b>	<b>(139,344)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,362,031</b>	<b>1,369,242</b>	<b>1,616,682</b>	<b>1,603,533</b>	<b>1,602,282</b>	<b>1,811,640</b>	<b>1,950,984</b>
<b>Plan Fiduciary Net Position - Ending {b}</b>	<b>\$ 1,316,204</b>	<b>\$ 1,362,031</b>	<b>\$ 1,369,242</b>	<b>\$ 1,616,682</b>	<b>\$ 1,603,533</b>	<b>\$ 1,602,282</b>	<b>\$ 1,811,640</b>
<b>Plan Fiduciary Net Pension Liability - Ending {a} - {b}</b>	<b>\$ 979,577</b>	<b>\$ 1,575,875</b>	<b>\$ 1,649,033</b>	<b>\$ 995,901</b>	<b>\$ 1,091,656</b>	<b>\$ 956,501</b>	<b>\$ 839,972</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability {b} / {a}</b>	<b>57.33%</b>	<b>46.36%</b>	<b>45.37%</b>	<b>61.88%</b>	<b>59.50%</b>	<b>62.62%</b>	<b>68.32%</b>
<b>Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan's Net Pension Liability As A Percentage Of Covered-Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - SWAC VOLUNTEER PLAN Last Seven Fiscal Years<sup>1</sup>

Fiscal Year Ending (a)	Actuarially Determined Contribution (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b)-(c)	Covered Payroll (e)	Actual Contribution As A % Of Covered Payroll (f)
2014	\$ 61,667	\$ 54,100	\$ 7,567	N/A	N/A
2015	48,178	64,100	(15,922)	N/A	N/A
2016	48,178	64,100	(15,922)	N/A	N/A
2017	63,502	64,100	(598)	N/A	N/A
2018	63,502	64,100	(598)	N/A	N/A
2019	119,387	64,100	55,287	N/A	N/A
2020	119,387	127,100	(7,713)	N/A	N/A

N/A = Information not applicable.

\* Includes employer and State of Colorado Supplementary Payment

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.  
The District is presenting information for those years for which information is available.

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**ADAMS COUNTY FIRE PROTECTION DISTRICT**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2020**

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**1. Budgets And Budgetary Accounting**

The District Board adopts an annual budget for all funds as required by C.R.S., as amended. Budgeted amounts for all funds are based on legally adopted budgets, including supplemental budget appropriations, if any, which are on a basis consistent with generally accepted accounting principles for each fund type. The Fire Chief is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures for any of the funds must be approved by the District Board.

The budgetary comparison schedule included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results.

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted.

On or before October 15 of each year, the District's budget officer must prepare and submit a proposed budget to the District Board for the next fiscal year. Thereupon, notice must be published stating, among other things, that the budget is open to inspection by the public and that interested electors may file or register any objection to the budget.

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increases in excess of the statutory limitation to the Division of Local Government (if within TABOR limits) or submit the question of an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption.

Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance by the District. Budget appropriations lapse at the end of each year. The encumbrance method is not used.

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## Supplementary Information

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# ADAMS COUNTY FIRE PROTECTION DISTRICT

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## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CAPITAL RESERVE FUND

For The Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Impact fees	\$ 150,000	\$ 150,000	\$ 616,058	\$ 466,058
Interest income	200	200	6,092	5,892
Grant revenues	662,952	662,952	—	(662,952)
<b>Total Revenues</b>	<b>813,152</b>	<b>813,152</b>	<b>622,150</b>	<b>(191,002)</b>
<b>Expenditures</b>				
Administration	5,000	5,000	—	5,000
Grant	1,183,820	1,183,820	—	1,183,820
Capital outlay	1,635,158	3,020,213	1,149,080	1,871,133
Debt service:				
Principal	518,444	518,444	457,957	60,487
Interest	388,097	388,097	391,621	(3,524)
<b>Total Expenditures</b>	<b>3,730,519</b>	<b>5,115,574</b>	<b>1,998,658</b>	<b>3,116,916</b>
<b>Deficiency Of Revenues Under Expenditures</b>	<b>(2,917,367)</b>	<b>(4,302,422)</b>	<b>(1,376,508)</b>	<b>2,925,914</b>
<b>Other Financing Sources</b>				
Proceeds from capital leases	280,000	280,000	—	(280,000)
Transfers in	3,062,927	3,062,927	3,062,927	—
<b>Total Other Financing Sources</b>	<b>3,342,927</b>	<b>3,342,927</b>	<b>3,062,927</b>	<b>(280,000)</b>
<b>Net Change In Fund Balance</b>	<b>\$ 425,560</b>	<b>\$ (959,495)</b>	<b>1,686,419</b>	<b>\$ 2,645,914</b>
<b>Fund Balance - Beginning Of Year</b>			<b>1,066,159</b>	
<b>Fund Balance - End Of Year</b>			<b>\$ 2,752,578</b>	

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**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -  
BOND FUND**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Property taxes	\$ 454,218	\$ 454,218	\$ 451,471	\$ (2,747)
Interest	500	500	1,509	1,009
<b>Total Revenues</b>	<b>454,718</b>	<b>454,718</b>	<b>452,980</b>	<b>(1,738)</b>
<b>Expenditures</b>				
Administration	500	500	—	500
Debt service:				
Principal	455,000	455,000	455,000	—
Interest	48,213	48,213	48,212	1
<b>Total Expenditures</b>	<b>503,713</b>	<b>503,713</b>	<b>503,212</b>	<b>501</b>
<b>Excess Of Revenues And Other</b>				
<b>Net Change In Fund Balance</b>	<b>\$ (48,995)</b>	<b>\$ (48,995)</b>	<b>(50,232)</b>	<b>\$ (1,237)</b>
<b>Fund Balance - Beginning Of Year</b>			<b>55,846</b>	
<b>Fund Balance - End Of Year</b>			<b>\$ 5,614</b>	

# ADAMS COUNTY FIRE PROTECTION DISTRICT

## SCHEDULE OF CHANGES IN NET POSITION - BUDGET TO ACTUAL - PENSION TRUST FUND For The Year Ended December 31, 2020

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Additions</b>			
General property taxes	\$ 119,000	\$ 119,000	\$ —
Investment income (loss)	82,007	65,770	(16,237)
State contribution	8,100	8,100	—
Other	7,500	18,188	10,688
<b>Total Additions</b>	<b>216,607</b>	<b>211,058</b>	<b>(5,549)</b>
<b>Deductions</b>			
Benefit payments	242,000	241,649	351
Death benefit expense	3,200	—	3,200
Administration	7,000	6,584	416
Professional fees	10,000	—	10,000
Miscellaneous	8,000	8,672	(672)
<b>Total Deductions</b>	<b>270,200</b>	<b>256,905</b>	<b>13,295</b>
<b>Net Decrease In Net Position Held In Trust For Pension Benefits</b>	<b>\$ (53,593)</b>	<b>(45,847)</b>	<b>\$ 7,746</b>
<b>Net Position Held In Trust For Pension Benefits - Beginning Of Year</b>		<u>1,362,031</u>	
<b>Net Position Held In Trust For Pension Benefits - End Of Year</b>		<u>\$ 1,316,184</u>	

**Independent Auditors' Report On Internal  
Control Over Financial Reporting And On  
Compliance And Other Matters Based On An  
Audit Of Financial Statements Performed In  
Accordance With *Government Auditing Standards***

Board of Directors  
Adams County Fire Protection District  
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Adams County Fire Protection District (the 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, and have issued our report thereon dated June 22, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, Given these limitations, during the audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose Of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

June 22, 2021

**Independent Auditors' Report On Compliance  
For The Major Federal Program, Report  
On Internal Control Over Compliance And  
Report On The Schedule Of Expenditures  
Of Federal Awards Required By The Uniform Guidance**

Board of Directors  
Adams County Fire Protection District

**Report On Compliance For The Major Federal Program**

We have audited the Adams County Fire Protection District's (the District) compliance with the types of compliance requirements described in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended December 31, 2020. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards, and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion On The Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

### **Report On Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the 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. We issued our report thereon dated June 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RubinBrown LLP*

June 22, 2021

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2020**

	<u>CFDA#</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>	<u>Expenditures To Subrecipients</u>
<b>U.S. Department Of Health and Human Services</b>				
Passed through Colorado Department of Health Care Policy and Financing State of Colorado: Medical Assistance Program	93.778	N/A	\$ 1,863,527	\$ —
<b>U.S. Department Of The Treasury</b>				
Passed through the Colorado Department of Local Affairs State of Colorado: Coronavirus Relief Fund	21.019	N/A	<u>167,603</u>	<u>—</u>
<b>Total Expenditures Of Federal Awards</b>			<u>\$ 2,031,130</u>	<u>\$ —</u>

# **ADAMS COUNTY FIRE PROTECTION DISTRICT**

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## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2020**

### **1. Organization**

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Adams County Fire Protection District, for the year ended December 31, 2020. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

### **2. Basis Of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

### **3. Indirect Costs**

The District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

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**Section I - Summary Of Audit Results**

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**Financial Statements**

Type of auditors' report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified?	_____ yes	____ <input checked="" type="checkbox"/> _____ none reported
Noncompliance material to financial statements noted?	_____ yes	____ <input checked="" type="checkbox"/> _____ no

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified?	_____ yes	____ <input checked="" type="checkbox"/> _____ none reported
Type of auditors' report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	____ <input checked="" type="checkbox"/> _____ no

**Identification Of Major Programs**

<b>CFDA No.</b>	<b>Name Of Federal Program Or Cluster</b>
93.778	State of Colorado Medical Assistance Program <i>Medicaid Cluster</i>

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes      ____ <input checked="" type="checkbox"/> _____ no

**ADAMS COUNTY FIRE PROTECTION DISTRICT**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended December 31, 2020**

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**Section II - Financial Statement Findings**

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There were no findings relating to the District's financial statements for the year ended December 31, 2020.

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**Section III - Federal Award Findings And Questioned Costs**

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There were no federal award findings or questioned costs for the year ended December 31, 2020.