

**OAK CREEK FIRE PROTECTION DISTRICT**

Financial Statements

December 31, 2020

# OAK CREEK FIRE PROTECTION DISTRICT

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## Independent Auditor's Report

The Board of Directors  
Oak Creek Fire Protection District  
Routt County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the Oak Creek 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Oak Creek Fire Protection District as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

## Report on Summarized Comparative Financial Information

We have previously audited the District's December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2020. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on page 26, and the defined benefit pension plan schedules on pages 27-30 as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 U.S. generally accepted auditing standards, 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.

Management has omitted Management's Discussion and Analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Catterson + Company, P.C.*

Steamboat Springs, Colorado  
November 9, 2021

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Statement of Net Position**  
**December 31, 2020**  
**(with summarized financial information as of December 31, 2019)**

	2020 Governmental Activities	2019 Governmental Activities
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Cash and investments	\$ 133,037	\$ 263,885
Accounts receivable, net	222,241	24,240
Due from other government	8,550	2,651
Other assets	28,379	17,109
Property taxes receivable	727,020	522,055
Capital assets, net	567,262	535,993
Net pension asset:		
Cost-sharing defined benefit plan	17,426	-
	<u>1,703,915</u>	<u>1,365,933</u>
Total assets		
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pensions	175,043	209,168
	<u>175,043</u>	<u>209,168</u>
Total deferred outflows of resources		
<b>Liabilities:</b>		
Accrued expenses payable	48,994	12,468
Noncurrent liabilities:		
Due within one year:		
Notes payable	18,398	-
Due in more than one year:		
Notes payable	70,598	-
Net pension liabilities:		
Agent employer defined benefit plan	294,094	357,724
Cost-sharing defined benefit plan	-	40,826
	<u>432,084</u>	<u>411,018</u>
Total liabilities		
<b>Deferred Inflows of Resources:</b>		
Deferred property taxes	727,020	522,055
Deferred inflows related to pensions	59,098	15,494
	<u>786,118</u>	<u>537,549</u>
Total liabilities		
<b>Net Position:</b>		
Net investment in capital assets, net of debt	478,266	535,993
Restricted for:		
Emergencies	25,072	16,148
Unrestricted	157,418	74,393
	<u>660,756</u>	<u>626,534</u>
Total net position	<u>\$ 660,756</u>	<u>\$ 626,534</u>

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**  
**(with summarized financial information for the year ended December 31, 2019)**

Functions/Programs	2020				Net (Expense) Revenue and Change in Net Position	2019 Net (Expense) Revenue and Change in Net Position
	Expenses	Program Revenues		Capital Grants and Contributions		
		Charges for Services	Operating Grants and Contributions			
<b>Governmental activities:</b>						
Fire protection and ambulance services	\$ 816,172	\$ 247,968	\$ -	\$ -	\$ (568,204)	\$ (516,138)
Pension expense	(14,653)	-	-	-	14,653	(28,119)
<b>Total governmental activities</b>	<u>\$ 801,519</u>	<u>\$ 247,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(553,551)</u>	<u>(544,257)</u>
<b>General revenues:</b>						
Taxes:						
Property					520,097	436,781
Specific ownership					33,639	29,542
Other					34,037	15,842
<b>Total general revenues</b>					<u>587,773</u>	<u>482,165</u>
Change in net position					34,222	(62,092)
Net position, beginning of year					<u>626,534</u>	<u>688,626</u>
Net position, end of year					<u>\$ 660,756</u>	<u>\$ 626,534</u>

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**General Fund**  
**Balance Sheet**  
**December 31, 2020**  
(with summarized financial information as of December 31, 2019)

	2020	2019
<b>Assets:</b>		
Cash and investments	\$ 133,037	\$ 263,885
Accounts receivable, net	222,241	24,240
Due from other government	8,550	2,651
Other assets	28,379	17,109
Property taxes receivable	727,020	522,055
Total assets	\$ 1,119,227	\$ 829,940
<b>Liabilities, deferred inflows of resources and fund balances:</b>		
<b>Liabilities:</b>		
Accrued expenses payable	\$ 48,994	\$ 12,468
Total liabilities	48,994	12,468
<b>Deferred inflows of resources:</b>		
Deferred property taxes	727,020	522,055
Total deferred inflows of resources	727,020	522,055
<b>Fund balances:</b>		
Nonspendable	20,894	9,510
Restricted for:		
Emergencies	25,072	16,148
Unassigned	297,247	269,759
Total fund balances	343,213	295,417
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,119,227	\$ 829,940

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Reconciliation of the General Fund Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2020**

General fund balance	\$	343,213
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the general fund.		567,262
Long-term liabilities within governmental activities are not due and payable in the current period and therefore, are not reported in the general fund.		(88,996)
Net pension asset and net pension liability are not financial resources and, therefore are not reported as assets and liabilities in the general fund:		
Net pension asset		17,426
Net pension liability		(294,094)
Deferred outflows related to pensions		175,043
Deferred inflows related to pensions		<u>(59,098)</u>
Governmental activities net position	\$	<u>660,756</u>

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2020**  
(with summarized financial information for the year ended December 31, 2019)

	2020	2019
<b>Revenues:</b>		
Taxes:		
Property	\$ 520,097	\$ 436,781
Specific ownership	33,639	29,542
Charges for services, net:		
Ambulance	48,991	51,151
Wildland firefighting	198,977	4,934
Grants	-	10,583
Other	34,037	15,842
	835,741	548,833
Total revenues		
<b>Expenditures:</b>		
Wages and benefits	551,601	358,269
Insurance	44,324	30,727
Supplies	33,633	35,244
Training and education	6,839	4,106
Utilities	28,098	29,359
Professional fees	9,731	10,279
Tax collection fees	15,842	13,103
Repairs and maintenance	28,732	25,057
Other	34,645	23,649
Capital outlay	93,996	3,834
Volunteer pension plan contribution	29,500	29,253
	876,941	562,880
Total expenditures		
Excess (deficiency) of revenues over expenditures	(41,200)	(14,047)
<b>Other Financing Sources (Uses):</b>		
Loan proceeds	88,996	-
	88,996	-
Total other financing sources		
Change in fund balance	47,796	(14,047)
Fund balance, beginning of year	295,417	309,464
	295,417	309,464
Fund balance, end of year	\$ 343,213	\$ 295,417

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**General Fund Balance to the Statement of Activities**  
**For the Year Ended December 31, 2020**

Change in general fund balance	\$	47,796
<p style="margin-left: 20px;">Amounts reported for governmental activities in the statement of activities are different because:</p>		
The general fund reports capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities.		31,269
Proceeds from noncurrent liabilities is reported as an other financing source in the general fund but increases noncurrent liabilities in the statement of net position.		(88,996)
In the general fund, expenditures for the defined benefit pension plans are measured by the amount of the financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension asset and liability and the related deferred inflows and outflows changed in the current year.		44,153
Change in net position of governmental activities	\$	34,222

See accompanying notes to financial statements.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 1: Summary of Significant Accounting Policies**

The Oak Creek Fire Protection District (the District) was established in 1982 in Routt County, Colorado as a local government entity under Colorado Revised Statutes (CRS) to provide fire protection and ambulance services to the Town of Oak Creek, Stagecoach and surrounding rural areas excluding Phippsburg and covering approximately 262 square miles.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (US GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for the establishment of US GAAP in governmental entities. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

*Reporting Entity*

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District does not have any component units for which it is financially accountable.

*Measurement Focus and Basis of Accounting*

The government-wide financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues collected within 60 days after year end to be available and thus recognizes them as revenues in the current year.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Financial Statement Presentation*

Government-wide Financial Statements

The statement of net position and the statement of activities report information about the nonfiduciary activities of the District. The District's primary activities are categorized as governmental activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are clearly identified with a specific program. Program revenues include (a) charges for services and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements report information about the District's funds.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 1: Summary of Significant Accounting Policies (continued)**

*Fund Balance Presentation*

Fund balances of the governmental fund are classified as follows:

- Non-spendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed – includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the District. Such formal action may be in form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Assigned – includes amounts that are intended by the District to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the Board of Directors.
- Unassigned – represents the residual positive balance within the General Fund which has not been restricted, committed or assigned.

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position*

Cash and Investments

The District's cash includes cash on hand, demand deposits, and certificates of deposit. The District's investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST) PLUS+ fund is measured at net asset value, equal to \$1.00 per share.

Accounts Receivable

The District's accounts receivable consists primarily of charges for ambulance services and wildland firefighting services. The District estimates an allowance for uncollectible accounts for ambulance services based on review of trends in collection percentages and insurance coverage of the transported persons.

As of December 31, 2020 and 2019, the District's net accounts receivable was as follows:

	<u>2020</u>	<u>2019</u>
Accounts receivable:		
Wildland firefighting services	\$ 197,270	\$ -
Ambulance services	54,971	60,240
Allowance for uncollectible accounts	<u>(30,000)</u>	<u>(36,000)</u>
	<u>\$ 222,241</u>	<u>\$ 24,240</u>

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 1: Summary of Significant Accounting Policies (continued)**

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)*

Capital Assets

Capital assets include land, buildings, vehicles and equipment. Capital assets are defined by the District as assets with an initial individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased by the District or fair value if contributed to the District. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	27.5
Vehicles	5-10
Equipment	5-7

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The District's deferred outflows of resources relate to the recording of the net pension asset and net pension liability.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources consist of unavailable revenues from property taxes and the recording of the net pension asset and net pension liability.

*Property Taxes*

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The Routt County Treasurer's office collects property taxes and remits collections to the District on a monthly basis. In accordance with US GAAP, the assessed but uncollected property taxes have been recorded as receivable and as deferred inflows of resources as property taxes are assessed in one year as a lien on the property, but not collected by the District until the subsequent year.

*Pensions*

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan (SWDB) and the Volunteer Firefighters' Pension Fund and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado (FPPA). 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.

*Use of Estimates*

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

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2020**  
(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 1: Summary of Significant Accounting Policies (continued)**

*Comparative Financial Statements*

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

**Note 2: Stewardship, Compliance and Accountability**

*Budgetary Information*

An annual budget is adopted on a basis consistent with US GAAP for the General Fund.

The District conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Board of Directors.
- All appropriations lapse at the end of each fiscal year.

The District did not adopt any supplemental appropriations for the year ended December 31, 2020.

*Compliance*

The District's General Fund expenditures exceeded appropriations by \$178,290. The excess expenditures were funded by proceeds from loans and wildland firefighting services.

*TABOR Amendment*

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains tax spending, revenue and debt limitations that apply to the State of Colorado and all local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflations and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 2: Stewardship, Compliance and Accountability (continued)**

*TABOR Amendment (continued)*

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has reserved \$25,072 of the December 31, 2020 fund balance in the General Fund for this purpose.

The District's voters passed a ballot question in 2002 that permanently lifted TABOR restrictions on the amount of revenue that the District can collect and retain.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and many of its provisions may require judicial interpretation.

**Note 3: Detailed Notes on the Fund**

*Deposits*

The carrying amount of the District's deposits as of December 31, 2020 and 2019 was \$31,228 and \$102,580, respectively, and bank balances were \$39,790 and \$108,586, respectively. All of the bank balances as of December 31, 2020 and 2019 were covered by federal deposit insurance.

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 determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral 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 or exceed 102% of the aggregate uninsured deposits.

*Investments*

As of December 31, 2019 and 2018, the District had \$100,226 and \$159,068, respectively, invested in the COLOTRUST PLUS+ fund. COLOTRUST PLUS+ is a short-term money market fund organized in conformity with Part 7 of Article 75 of Title 24, CRS. The portfolio offers Colorado governmental entities a convenient and efficient means to pool their funds to take advantage of short-term investments and maximize net interest earnings. COLOTRUST PLUS+'s investment objective is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity. The investment adviser for COLOTRUST PLUS+ is Public Trust Advisors LLC, a Colorado-based investment adviser, registered with the SEC. The portfolio manager is responsible for making all of the investment decisions for the portfolio. Wells Fargo Bank, N.A. is custodian of the portfolio's securities and cash. The COLOTRUST PLUS+ portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements, collateralized bank deposits, the highest rated commercial paper, and highly-rated corporate bonds. The weighted average maturity to reset is kept under 60 days, which helps to enhance liquidity and limits market price exposure. The COLOTRUST PLUS+ fund holds a 'AAAm' rating by Standard and Poor's.

The District's investments are subject to interest rate, credit risk, and concentration of credit risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District currently invests only in investment pools which may be redeemed at any time.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 3: Detailed Notes on the Fund (continued)**

*Capital Assets*

Capital asset activity for the year ended December 31, 2020 is summarized below:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities:</b>				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Other capital assets:				
Buildings	763,854	-	-	763,854
Vehicles	1,043,024	20,000	-	1,063,024
Equipment	479,454	73,996	-	553,450
Total other capital assets at cost	<u>2,286,332</u>	<u>93,996</u>	<u>-</u>	<u>2,380,328</u>
Less accumulated depreciation for:				
Buildings	(379,550)	(27,777)	-	(407,327)
Vehicles	(931,891)	(23,024)	-	(954,915)
Equipment	<u>(453,898)</u>	<u>(11,926)</u>	<u>-</u>	<u>(465,824)</u>
Total accumulated depreciation	<u>(1,765,339)</u>	<u>(62,727)</u>	<u>-</u>	<u>(1,828,066)</u>
Other capital assets, net	<u>520,993</u>	<u>31,269</u>	<u>-</u>	<u>552,262</u>
Governmental activities capital assets, net	<u>\$ 535,993</u>	<u>\$ 31,269</u>	<u>\$ -</u>	<u>\$ 567,262</u>

*Long-Term Liabilities*

The District had the following long-term debt outstanding as of December 31, 2020:

The District entered into a \$15,000 promissory note with Yampa Valley Bank on June 18, 2020. The note is payable in annual installments of \$5,438 on July 1 including interest at 4.25% through maturity on July 1, 2023. The note is secured by a vehicle purchased with the proceeds.

The District entered into a \$73,996 promissory note with Yampa Valley Bank on December 22, 2020. The note is payable in annual installments of \$16,719 on December 22 including interest at 4.15% through maturity on December 22, 2025. The note is secured by radio equipment purchased with the proceeds.

Activity in long-term liabilities for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes payable	\$ -	\$ 88,996	\$ -	\$ 88,996	\$ 18,398
	<u>\$ -</u>	<u>\$ 88,996</u>	<u>\$ -</u>	<u>\$ 88,996</u>	<u>\$ 18,398</u>

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 3: Detailed Notes on the Fund (continued)**

*Long-Term Liabilities (continued)*

Aggregate debt service requirements as of December 31, 2020 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 18,398	\$ 3,759	\$ 22,157
2022	19,177	2,981	22,158
2023	19,984	2,173	22,157
2024	15,397	1,323	16,720
2025	16,040	679	16,719
Total	<u>\$ 88,996</u>	<u>\$ 10,915</u>	<u>\$ 99,911</u>

*Governmental Fund Balances*

The District has restricted fund balance as of December 31, 2020 for the following:

- Emergency reserve required by TABOR

The District has no committed or assigned fund balances as of December 31, 2020.

When expenditures are incurred and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

**Note 4: Pension Plans**

*Fire and Police Statewide Defined Benefit Plan*

Plan Description

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

Employers once had the option to elect to withdraw from the SWDB, but a change in state statutes permitted no further withdrawals after January 1, 1988.

CRS Title 31, Article 31 grants the authority to establish and amend the benefit terms to the FPPA Board of Directors. The FPPA issues a publicly available financial report that can be obtained at [www.fppaco.org](http://www.fppaco.org).

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2020**  
(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Fire and Police Statewide Defined Benefit Plan (continued)*

Benefits Provided

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.

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% 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 Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB. Benefit adjustments paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" (SRA) each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their SRA until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their SRA has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0%. The reentry Separate Retirement Account contribution rate was set at 3.6%.

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

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2019 was \$125,223,290. This amount was not included in the SWDB Net Position.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Fire and Police Statewide Defined Benefit Plan (continued)*

Contributions

The SWDB sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB 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.

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

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5% 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 non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the 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 affiliated social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Contributions to the Plan from the District were \$24,904 and \$18,168, respectively, for the years ended December 31, 2020 and 2019.

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

As of December 31, 2020 and 2019, the District reported a liability (asset) of (\$17,426) and \$40,826, respectively, for its proportionate share of the collective net pension liability (asset) of the Plan. The net pension liability (asset) was measured as of December 31, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability (asset) was based on the District's contributions to the SWDB for the years ended December 31, 2019 and 2018 relative to the total contributions of participating employers to the SWDB. As of December 31, 2019 and 2018, the District's proportion was 0.030811% and 0.032292%, respectively.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Fire and Police Statewide Defined Benefit Plan (continued)*

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

For the years ended December 31, 2020 and 2019, the District recognized pension expense (revenue) of \$16,606 and \$5,314, respectively. As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 58,971	\$ 341
Changes of assumptions or other inputs	33,088	-
Net difference between projected and actual investment earnings	-	27,393
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,378	-
Contributions subsequent to the measurement date	<u>24,904</u>	<u>-</u>
 Total	 <u>\$ 126,341</u>	 <u>\$ 27,734</u>

\$24,904 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2020	\$ 6,117
2021	4,996
2022	13,908
2023	2,349
2024	14,038
Thereafter	<u>32,295</u>
	<u>\$ 73,703</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.0%, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.0%
Inflation	2.5%

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Fire and Police Statewide Defined Benefit Plan (continued)*

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

At least every five years the FPPA's Board of Directors reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the FPPA's Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 weighting 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 SWDB's target asset allocation as of December 31, 2019 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Markets	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	<u>100%</u>	

Discount Rate

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

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the collective net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Discount Rate:	Sensitivity of the NPL		
	6.00%	7.00%	8.00%
Proportionate share of the NPL	\$ 105,655	\$ (17,426)	\$ (119,505)

Plan Fiduciary Net Position

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

Volunteer Firefighters Pension Fund

Plan Description

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

The District contributes, on behalf of its volunteers, to an agent multiple-employer defined benefit pension plan included in the PERS. Title 31, Article 30 of CRS, as amended, establishes basic benefit provisions under the plan. The Plan covers 24 members at the measurement date of December 31, 2019.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Volunteer Firefighters Pension Fund (continued)*

Benefits Provided

The following were the benefit provisions used to determine the total pension liability as of December 31, 2019 (measurement date of the plan):

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$400.00
b. Extended Service Amount Per Year of Service	\$0.00
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$0.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$0.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; Due to death in line of duty as volunteer firefighter	\$0.00
b. Following Death after Normal Retirement	\$0.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$0.00
e. Following Death after Disability Retirement	\$0.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$100.00

Contributions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019.

Contribution to the Plan from the District was \$29,500 and \$29,253 for the years ended December 31, 2020 and 2019, respectively. Plan members do not make contributions.

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Volunteer Firefighters Pension Fund (continued)*

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of December 31, 2020 and 2019, the District reported a net pension liability of \$294,094 and \$357,724, respectively. The net pension liability was measured as of December 31, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the years ended December 31, 2020 and 2019, the District recognized pension expense of (\$6,355) and \$22,805, respectively. As of December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual investment earnings	19,202	31,364
Contribution subsequent to the measurement date	29,500	-
 Total	 \$ 48,702	 \$ 31,364

\$29,500 reported as deferred outflows of resources related to pensions resulting from the District's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2021	\$ (2,829)
2022	(4,509)
2023	509
2024	(5,333)
	\$ (12,162)

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Volunteer Firefighters Pension Fund (continued)*

Actuarial Assumptions

The following methods and assumptions were used to determine contribution rates to the Plan as of December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Actuarial Assumption Changes

The assumptions above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018, the FPPA Board adopted a new assumption set for first use in the January 1, 2019 valuations. This new assumption set is used in determining the net pension liability as of December 31, 2018 and as of December 31, 2019.

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

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

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 4: Pension Plans (continued)**

*Volunteer Firefighters Pension Fund (continued)*

Long-Term Expected Return on Plan Assets

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2.0%	2.52%
Fixed Income	15.0%	5.20%
Managed Futures	4.0%	5.00%
Absolute Return	8.0%	5.50%
Long Short	8.0%	6.00%
Global Equity	38.0%	7.00%
Private Markets	25.0%	9.20%
Total	<u>100.0%</u>	

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%. December 31, 2119 is the end of the projection period for which projected benefit payments are fully funded.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension asset of the Plan calculated using the discount rate of 7.0%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Discount Rate:	<u>Sensitivity of the NPL</u>		
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Net pension liability	<u>\$ 367,296</u>	<u>\$ 294,094</u>	<u>\$ 232,488</u>

**OAK CREEK FIRE PROTECTION DISTRICT**

**Notes to Financial Statements**

**December 31, 2020**

(with summarized financial information as of December 31, 2019 and for the year then ended)

**Note 5: Other Information**

*Developer Ground Lease*

The District leases the land under its new Stagecoach fire station from the Stagecoach Property Owners Association. The lease calls for an annual payment of \$1 through the term of the lease ending on March 28, 2103.

*Building Lease Agreement*

The District leases garage and office facilities from the Town of Oak Creek (the Town) for \$1 annual payment. The lease has no expiration date and terms include allowing the Town use of the District's tanker truck for certain Town purposes.

*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 maintains commercial insurance for these risks of loss, including workers compensation. Settled claims have not exceeded coverage in the past three fiscal years.

*Subsequent Events*

The District has evaluated subsequent events through November 9, 2021, the date these financial statements were available to be issued.

**OAK CREEK FIRE PROTECTION DISTRICT**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2020**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Taxes:			
Property	\$ 522,055	\$ 520,097	\$ (1,958)
Specific ownership	20,000	33,639	13,639
Charges for services, net			
Ambulance	30,000	48,991	18,991
Wildland firefighting	-	198,977	198,977
Loan proceeds	-	88,996	88,996
Other	6,431	34,037	27,606
Total revenues	<u>578,486</u>	<u>924,737</u>	<u>346,251</u>
<b>Expenditures:</b>			
Wages and benefits	445,000	551,601	(106,601)
Insurance	46,000	44,324	1,676
Supplies	30,000	33,633	(3,633)
Training and education	8,000	6,839	1,161
Utilities	28,000	28,098	(98)
Professional fees	10,000	9,731	269
Tax collection fees	16,000	15,842	158
Repairs and maintenance	27,000	28,732	(1,732)
Other	47,151	34,645	12,506
Volunteer pension plan contribution	31,500	29,500	2,000
Capital outlay	10,000	93,996	(83,996)
Total expenditures	<u>698,651</u>	<u>876,941</u>	<u>(178,290)</u>
Excess (deficiency) of revenues over expenditures	(120,165)	47,796	<u>\$ 167,961</u>
Fund balance, beginning of year	<u>295,417</u>	<u>295,417</u>	
Fund balance, end of year	<u>\$ 175,252</u>	<u>\$ 343,213</u>	

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share**  
**of the Net Pension Liability (Asset)**  
**FPPA Statewide Defined Benefit Pension Plan (SWDB)**  
**Last 10 Years**

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0308%	0.0323%	0.0331%	0.0368%	0.0395%	0.0323%
District's proportionate share of the net pension liability (asset)	\$ (17,426)	\$ 40,826	\$ (47,617)	\$ 13,289	\$ (696)	\$ (36,406)
District's covered payroll	\$ 311,296	\$ 227,097	\$ 216,313	\$ 214,388	\$ 180,176	\$ 195,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-5.60%	17.98%	-22.01%	6.20%	-0.39%	-18.67%
Plan fiduciary net position as a percentage of the total pension liability	95.2%	95.2%	106.3%	98.2%	100.1%	106.8%

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District Contributions**  
**FPPA Statewide Defined Benefit Pension Plan (SWDB)**  
**Last 10 Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 24,904	\$ 18,168	\$ 17,305	\$ 17,151	\$ 14,414	\$ 15,600
Contributions in relation to the contractually required contribution	<u>\$ (24,904)</u>	<u>\$ (18,168)</u>	<u>\$ (17,305)</u>	<u>\$ (17,151)</u>	<u>\$ (14,414)</u>	<u>\$ (15,600)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 311,296	\$ 227,097	\$ 216,313	\$ 214,388	\$ 180,176	\$ 195,000
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability**  
**and Related Ratios Multiyear**  
**FPPA Volunteer Firefighter Defined Benefit Pension Plan**  
**Last 10 Years**

Measurement period ending December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	\$ 2,575	\$ 2,553	\$ 2,553	\$ 1,920	\$ 1,920	\$ 2,023
Interest on the Total Pension Liability	49,807	54,900	55,024	39,622	40,378	39,321
Benefit Changes	-	-	-	186,135	-	-
Difference between Expected and Actual Experience	-	(44,186)	-	14,141	-	17,596
Assumption Changes	-	26,538	-	24,625	-	-
Benefit Payments	(64,080)	(56,583)	(61,780)	(61,015)	(44,040)	(45,540)
<b>Net Change in Total Pension Liability</b>	<u>(11,698)</u>	<u>(16,778)</u>	<u>(4,203)</u>	<u>205,428</u>	<u>(1,742)</u>	<u>13,400</u>
<b>Total Pension Liability - Beginning</b>	<u>741,755</u>	<u>758,533</u>	<u>762,736</u>	<u>557,308</u>	<u>559,050</u>	<u>545,650</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 730,057</u>	<u>\$ 741,755</u>	<u>\$ 758,533</u>	<u>\$ 762,736</u>	<u>\$ 557,308</u>	<u>\$ 559,050</u>
<b>Plan Fiduciary Net Position</b>						
Employer Contributions	\$ 29,253	\$ 31,500	\$ 31,645	\$ 32,436	\$ 32,436	\$ 27,912
Net Investment Income	53,486	712	51,678	17,960	6,432	21,359
Benefit Payments	(64,080)	(56,583)	(61,780)	(61,015)	(44,040)	(45,540)
Pension Plan Administrative Expense	(6,182)	(5,378)	(5,525)	(823)	(2,847)	(888)
State of Colorado supplemental discretionary payment	39,455	-	18,355	17,473	17,564	22,088
<b>Net Change in Plan Fiduciary Net Position</b>	<u>51,932</u>	<u>(29,749)</u>	<u>34,373</u>	<u>6,031</u>	<u>9,545</u>	<u>24,931</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>384,031</u>	<u>413,780</u>	<u>379,407</u>	<u>373,376</u>	<u>363,831</u>	<u>338,900</u>
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ 435,963</u>	<u>\$ 384,031</u>	<u>\$ 413,780</u>	<u>\$ 379,407</u>	<u>\$ 373,376</u>	<u>\$ 363,831</u>
<b>Net Pension Liability</b>	<u>\$ 294,094</u>	<u>\$ 357,724</u>	<u>\$ 344,753</u>	<u>\$ 383,329</u>	<u>\$ 183,932</u>	<u>\$ 195,219</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	59.72%	51.77%	54.55%	49.74%	67.00%	65.08%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A

**OAK CREEK FIRE PROTECTION DISTRICT**  
**Required Supplementary Information**  
**Schedule of Contributions Multiyear**  
**FPPA Volunteer Firefighter Defined Benefit Pension Plan**  
**Last 10 Years**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 23,237	\$ 50,000	\$ (26,763)	N/A	N/A
2015	\$ 23,237	\$ 50,000	\$ (26,763)	N/A	N/A
2016	\$ 17,606	\$ 49,909	\$ (32,303)	N/A	N/A
2017	\$ 17,606	\$ 50,000	\$ (32,394)	N/A	N/A
2018	\$ 40,136	\$ 31,500	\$ 8,636	N/A	N/A
2019	\$ 40,136	\$ 68,708	\$ (28,572)	N/A	N/A

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