

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Financial Statements and  
Report of Independent Auditors  
December 31, 2020

PLATEAU VALLEY FIRE PROTECTION DISTRICT

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December 31, 2020

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Plateau Valley Fire Protection District Management's Discussion and Analysis

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the MD&A.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a government type activity. The following statements and schedules are included:

- Statement of net position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 3)
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 5)
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2020 (See page 27).

STATEMENT OF NET POSITION – GENERAL FUND

The following table shows the condensed statement of net position for the past two years.

	<u>2020</u>	<u>2019</u>
Current Assets	\$ 2,474,700	\$ 2,878,186
Capital Assets (Net of Depreciation)	1,748,759	1,743,262
Net Pension Assets	529,627	307,966
Deferred Outflow of Resources	<u>321,306</u>	<u>478,075</u>
Total Assets	<u>5,074,392</u>	<u>5,407,489</u>
Current Liabilities	126,780	464,726
Long-term Liabilities	<u>63,748</u>	<u>124,950</u>
Total Liabilities	<u>190,528</u>	<u>589,676</u>
Deferred Inflow of Resources		
Pension	298,984	267,104
Property Taxes	<u>941,039</u>	<u>1,138,641</u>
Total Deferred Inflow of Resources	<u>1,240,023</u>	<u>1,405,745</u>
Net Position		
Investment in Capital Assets (Net of Related Debt)	1,748,759	1,743,262
Restricted for Tabor	48,300	52,100
Restricted for Net pension Position	551,949	448,684
Committed for Capital Replacement	800,000	800,000
Unrestricted	<u>494,834</u>	<u>368,022</u>
Total Net Position	<u>\$ 3,643,842</u>	<u>\$ 3,412,068</u>

Plateau Valley Fire Protection District Management's Discussion and Analysis

The net position of the District increased \$231,774 in 2020. This is largely due to purchase off capital assets and the net change in the pension reporting. The District's total assets decreased by \$333,097 in 2020 due to the net change in pension reporting as well as the purchase of capital assets. The District's total liabilities decreased in 2020 by \$399,148 due to a decrease in accounts payable related to purchasing of capital assets.

	2020	2019
Operating Revenue		
Charges for Services	\$ 287,920	\$ 189,470
Total Operating Revenue	<u>287,920</u>	<u>189,470</u>
Non-Operating Revenue:		
General Property Taxes	1,042,339	783,509
Specific Ownership Tax	161,534	110,113
Investment Income	19,376	29,800
Other Revenue	43,308	163,679
Total Non-Operating Revenue	<u>1,266,557</u>	<u>1,087,101</u>
Total Revenue	<u>\$ 1,554,477</u>	<u>\$ 1,276,571</u>

The District's total revenues increased in 2020 by \$267,906 from 2019. The revenue increase was a result of an increase in property taxes.

REVIEW OF EXPENDITURES

	2020	2019
Operating Expenditures:		
EMS & Fire Operating Expenditures	\$ 108,300	\$ 101,178
Building & Grounds	28,194	25,871
Administration	1,090,102	933,125
Communication	11,428	9,786
Capital Outlays	193,441	692,950
Total Expenditures	<u>\$ 1,431,465</u>	<u>\$ 1,762,910</u>

The District's expenses decreased \$331,445; in large part, this was due to a decrease in capital expenditures. The major capital assets purchased during 2020 delivery of a new ambulance.

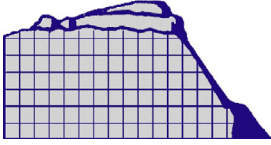
ECONOMIC AND OTHER FACTORS

Plateau Valley has been subject to economic cycles of boom and bust primarily due to the oil and gas activity in the area. Around 2008 the economy showed a decline and then became more stable in 2012. Growth has been fairly flat since that time.

The District provides 24-hour advance life services to the individuals who live, work and visit areas within the district as well as providing fire protection to the more than 842 square miles of service area.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Plateau Valley Fire Protection District, P.O. Box 210, Mesa, Colorado 81643, or 970-268-5283.



Paul D. Miller CPA, LLC.

Certified Public Accountant

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Plateau Valley Fire Protection District  
Mesa, Colorado

I have audited the accompanying financial statements of the governmental activities and the major fund of Plateau Valley Fire Protection District, State of Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinions**

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

## **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-ii, required pension information, pages 22-25, and budgetary comparison information on page 26 for the General Fund, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

*Paul D. Miller, CPA, LLC*

Grand Junction, CO  
June 8, 2021

Plateau Valley Fire Protection District  
Statement of Net Position and Governmental Fund Balance Sheet  
December 31, 2020

	Governmental Fund	Adjustments	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,272,354	\$ -	\$ 1,272,354
Investment	201,362	-	201,362
Accounts receivable (less allowance of \$39,675)	27,773	-	27,773
Property taxes receivable	941,039	-	941,039
Other current receivables	14,051	-	14,051
Prepaid expenses	18,121	-	18,121
Capital Assets (net of accumulated depreciation):			
Building and improvements	-	647,343	647,343
Fire trucks and equipment	-	709,027	709,027
Rescue vehicles and equipment	-	277,275	277,275
Station equipment	-	98,801	98,801
Communication equipment	-	16,313	16,313
Construction in Process	-	-	-
Net Pension Asset-SWDB	-	27,613	27,613
Net Pension Asset-Volunteer Pension	-	502,014	502,014
DEFERRED OUTFLOW OF RESOURCES:			
SWDB	-	74,870	74,870
Volunteer Pension	-	246,436	246,436
<b>TOTAL ASSETS</b>	<b>\$ 2,474,700</b>	<b>2,599,692</b>	<b>5,074,392</b>
<b>LIABILITIES</b>			
Accounts payable	8,187	-	8,187
Other current liabilities	18,294	-	18,294
Tax abatement liability	100,298	-	100,298
Long-term liabilities:			
Net Pension Liability- SWDB	-	-	-
Compensated absences	63,748	-	63,748
<b>TOTAL LIABILITIES</b>	<b>190,527</b>	<b>-</b>	<b>190,527</b>
DEFERRED INFLOW OF RESOURCES			
Property taxes	941,039	-	941,039
Volunteer Pension	-	268,309	268,309
State Wide Defined Benefit Plan- FPPA	-	30,675	30,675
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>941,039</b>	<b>298,984</b>	<b>1,240,023</b>
FUND BALANCES AND NET Position			
Emergency reserve - TABOR	48,300	(48,300)	-
Committed for Capital Replacement	800,000	(800,000)	-
Nonspendable	18,121	(18,121)	-
Unassigned	476,713	(476,713)	-
<b>TOTAL FUND BALANCES</b>	<b>1,343,134</b>	<b>(1,343,134)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,474,700</b>		
NET Position			
Invested in capital assets, net of related debt	\$ -	1,748,759	1,748,759
Restricted for:			
Pensions	-	551,949	551,949
TABOR emergency	-	48,300	48,300
Committed for Capital Replacement	-	800,000	800,000
Unrestricted	-	494,834	494,834
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ 3,643,842</b>	<b>\$ 3,643,842</b>

The notes to the financial statement are an integral part of this statement.

Plateau Valley Fire Protection District  
Statement of Net Position  
December 31, 2020

Fund balance per general fund balance sheet	\$ 1,343,134
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,748,759
Long-term liabilities, including leases payable used to fund capital assets are not due and payable in the current period are therefore not reported in the fund	-
Pension Funds not reported at General fund level	551,949
Net Position for governmental activities	<u>\$ 3,643,842</u>

Plateau Valley Fire Protection District  
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental  
and Statement of Activities  
For the Year Ended December 31, 2020

	General Fund	Adjustments (See Page 7)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Fire protection-operation	\$ 1,238,024	\$ -	\$ 1,238,024
Capital outlay	193,441	(193,441)	-
Depreciation	-	187,944	187,944
Pension Activity	-	(103,265)	(103,265)
Total expenditures/expenses	1,431,465	(108,762)	1,322,703
<b>PROGRAM REVENUES</b>			
Charges for services	287,920	-	287,920
Net program expenses	(1,143,545)	108,762	(1,034,783)
<b>GENERAL REVENUES/(EXPENSES)</b>			
Property taxes	1,042,339	-	1,042,339
Specific ownership	161,534	-	161,534
Interest income	19,376	-	19,376
Miscellaneous income/(expense)	43,308	-	43,308
Total general revenues	1,266,557	-	1,266,557
Excess of expenditures over revenues	123,012	108,762	
Change in net Position			231,774
<b>FUND BALANCE/NET Position</b>			
Beginning of the year	1,220,122	2,191,946	3,412,068
End of the year	\$ 1,343,134	\$ 2,300,708	\$ 3,643,842

The notes to the financial statement are an integral part of this statement.

Plateau Valley Fire Protection District  
 Reconciliation of the Statement of Revenues Expenditures,  
 and Change in the Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2020

Amounts reported for the governmental activities in the statement of activities (page 7) are different because:

Excess of expenditures over revenues - general funds (page 5)	<u>\$ 123,012</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	193,441
Loss on disposal of fixed asset	-
Depreciation	<u>(187,944)</u>
	<u>5,497</u>
Pension Activity	<u>103,265</u>
	<u>103,265</u>
Change in Net Position of governmental activities (page 5)	<u><u>\$ 231,774</u></u>

The notes to the financial statement are an integral part of this statement.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

**Summary of Significant Accounting Policies**

December 31, 2020

The Plateau Valley Fire Protection District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection and ambulance services within and surrounding the area of Plateau Valley.

The District operates under the Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

Based upon the National Council on Governmental Accounting (NCGA) in its Statement 1, the District's financial statements include the pension trust fund. The District exercises significant control through budget adoption, accountability for fiscal matters and board appointments.

Reporting Entity

The Plateau Valley Fire Protection District is a special district as defined by Colorado Statutes and is governed by an elected board of directors. The Board of Directors has oversight responsibility and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all the non-fiduciary activities of the primary government and its component units.

*Governmental activities*, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund*

A. Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services. The District retains no risk of loss.

B. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$1,500 or more.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The District considers revenues to be available if they are collectible within 120 days except for property taxes which are considered available if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The General Fund is the District's operating fund. It accounts for all financial resources of the government. Additionally, the District reports the following fund type:

Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Compensated Absences

The District adopted a policy addressing the compensated absences for full time employees only. A summary of that policy follows.

**Paid Time Off - 40 - hour Employees:**

1 thru 5 years	15.75 Days
6 thru 10 years	18.00 Days
11 thru 15 years	21.75 Days
16 + years	24.75 Days

**Paid Time Off - 56 - hour Employees:**

1 thru 5 years	18.00 Days
6 thru 10 years	22.50 Days
11 thru 15 years	27.00 Days
16 + years	31.50 Days

The maximum accrual rate is three times the annual PTO hours. On December 31, 2020, the vacation time accrued was \$63,748.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

E. Budgets and Budgetary Accounting

Annual appropriated expenditures budgets are adopted for Governmental Fund and the Fiduciary Fund. Annual budgets for the Governmental Fund are prepared on the modified accrual basis of accounting. Annual appropriation budgets are adopted for the Fiduciary Fund on the accrual basis of accounting. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar are outlined below:

August 25	Assessors certify to all taxing entities and to the Division of Local Government the total new assessed and actual values (for real and personal property) used to compute the statutory and TABOR property tax revenue limits. (C.R.S. 39-5-121 (2)(b) and 39-5-128).
October 15	Budget officer must submit proposed budget to the governing body. (C.R.S. 29-1-105) Governing body must publish "Notice of Budget" upon receiving proposed budget. (C.R.S. 29-1-106(1)) Notice may be posted if budget is less than \$50,000.
November 1	Deadline for submitting applications to the Division for an increased levy pursuant to 29-1-302, C.R.S. and applications for exclusion of assessed valuation attributable to new primary oil or gas production from the 5.5% limit pursuant to (C.R.S. 29-1-301 (1)(b))
December 10	Assessors' changes in assessed valuation will be made only once by a single notification (re-certification) to the county commissioners or other body authorized by law to levy property tax, and to DLG. (C.R.S. 39-1-111(5))
December 15	Deadline for certification of mill levy to county commissioners (C.R.S. 39-5-128(1)). Local governments levying property tax must adopt their budgets before certifying the levy to the county. If the budget is not adopted by certification deadline, then <b>90 percent</b> of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the purposes specified in such last appropriation. (C.R.S. 29-1-108(4))
December 22	Deadline for county commissioners to levy taxes and to certify the levies to the assessor. (C.R.S. 39-1-111(1))
December 31	Local governments not levying a property tax must adopt the budget on or before this date; if they fail to adopt the budget see the penalty for failure to adopt cited on December 15. All governing bodies must enact a resolution or ordinance to appropriate funds for the ensuing fiscal year. If the budget is not appropriated by year-end, then <b>90 percent</b> of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the budget year. (C.R.S. 29-1-108(4))

On or before December 31, the Board shall enact an ordinance appropriating the budget for the ensuing fiscal year. The Board may amend the appropriation ordinance at any time during the year in the event of an emergency.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2020

F. Property Taxes

Annual property taxes are levied on January 1, based on assessed valuation certified by Mesa County by December 15 of the prior year. On January 1, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections monthly to the District.

The District recognizes a receivable for property tax when the tax is levied. Deferred revenue is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

G. Encumbrances

Encumbrance accounting is not employed.

H. Use of Estimates

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

I. Pensions

State Wide Defined Benefit Plan

For purposes of measuring the net pension 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 and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

Volunteer Fire Pension Fund

The District participates in the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS), administered by FPPA, which represents the assets of numerous separate plans that have been pooled for investment purposes. The net pension liabilities or assets, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the pensions have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Employee Retirement State Wide Plan

**General Information about the Fire & Police Statewide Defined Benefit Plan**

Plan Description

The Plan 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 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

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

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues an available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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. 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 80).

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

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

Contributions

Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 1 - Employee Retirement State Wide Plan-continued

**General Information about the Fire & Police Statewide Defined Benefit Plan-continued**

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

Contributions to the Plan from the Department were \$33,140 for 2020.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due.

Employer contributions received and processed within the year ended December 31, 2019, are used as the basis for reporting within the Schedule of Employer Contributions. As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2019, Comprehensive Annual Financial Report (CAFR), employer contributions to the SWDB plan were \$58,608,381 compared to total employer contributions of \$58,962,621 on the Schedule of Employer Contributions. Significant adjustments of approximately \$0.4 million were made to the total employer contribution to annualize departments that joined the plan during the year. Additional adjustments were made to reduce employer contributions to zero for departments that had no remaining members at year end and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the SWDB plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting, and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from changes in employer proportion, differences between employer contributions and proportionate share of contributions and employer contributions subsequent to the measurement date.

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2019, is based upon the January 1, 2020, actuarial valuation. The actuarially determined contributions as of December 21, 2019, are based upon the January 1, 2019, actuarial valuation.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 1 - Employee Retirement State Wide Plan-continued

**General Information about the Fire & Police Statewide Defined Benefit Plan-continued**

**Collective Net Pension Liability (Asset)**

The components of the calculation of the net pension liability of the SWDB plan for participating departments as of December 31, 2019, are shown in the following table:

	MEASUREMENT Date	
	December 31, 2019	
Total Pension Liability	\$	2,919,378,738
Plan Fiduciary Net Position		2,975,935,079
Employers' Net Pension Liability (Asset)		<b>(56,556,341)</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		101.9%

Actuarial Assumptions.

The actuarial valuation for the Statewide Defined Benefit Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial determined Contributions</u>
	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	700.00%
Projected Salary Increases*	4.25% - 11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

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

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

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 1 - Employee Retirement State Wide Plan-continued

**General Information about the Fire & Police Statewide Defined Benefit Plan-continued**

Actuarial Assumptions-continued

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Rate of Return</b>
Global Equity	38.0%	7.00%
Equity Long/Short	8.00%	6.00%
Liquid Alternatives	25.0%	9.20%
Fixed Income	15.0%	5.20%
Absolute Return	8.00%	5.50%
Managed Futures	4.0%	5.00%
Cash	2.0%	2.52%
<b>Total</b>	<b>100%</b>	

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

*Discount Rate.*

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.0%.

*Regarding the sensitivity of the Department's proportionate share of the net pension liability/(asset) to changes in the discount rate.* The following presents the Department's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the Department'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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
Department's proportionate share of the net pension liability/(asset)	\$ 167,424	\$ (27,613)	\$ (189,370)

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 1 - Employee Retirement State Wide Plan-continued

**General Information about the Fire & Police Statewide Defined Benefit Plan-continued**

**Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years**

The following table presents the Districts SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2018, adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2019, collective deferral amounts:

<u>For the Plan Year Ended December 31,</u>	<u>Amounts Recognized in Collective Pension Expense</u>
2020	\$ 8,911
2021	5,934
2022	20,056
2023	1,739
2024	20,262
Thereafter	44,245

Note 2 – Volunteer Retirement Plan

**General Information about the Volunteer Fire Pension Plan**

Plan Description.

The District contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). 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 on FPPA's website at <http://www.fppaco.org>. For the measurement period ending December 31, 2019, the VFDP included membership of 12 retirees and beneficiaries, 2 inactive, non-retired member, and 16 active members for a total of 30 members.

Benefits Provided.

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is \$700. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service in excess of 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years.

Vested Retirement

A member with 10 or more but less than 21 years of service is eligible to receive a benefit of \$35 per month times the number of vesting years.

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
Notes to the Financial Statements  
December 31, 2020

Note 2 - Volunteer Retirement Plans-continued

**General Information about the Volunteer Fire Pension Plan-continued**

Disability Retirement Benefit

A member is eligible for short and long-term disability for injuries in the line of duty. Short-term payments of \$350 per month last for a maximum of one year. Long-term disability is a lifetime amount after one year of service of \$700 per month.

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or \$350 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and following death after disability retirement. An additional amount of \$17.50 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent. This annuity shall cease if the surviving spouse or dependent parent remarries, and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Funeral Benefits

A one-time funeral benefit is paid of \$1,400 in the event of a death of a member.

Contributions.

The District contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2020, the District contributed \$21,279 and the state's matching contribution was \$0.

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

On December 31, 2020, the District reported a net pension liability/ (asset) of \$(502,014). The net pension liability/ (asset) were measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2020. The total pension liability as of December 31, 2020, is based upon the January 1, 2020, actuarial valuation.

On 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	\$ 10,601	\$ 113,044
Net difference between projected and actual earnings on pension plan investments	91,966	155,265
Change in Assumptions	45,108	-
Contributions subsequent to the measurement date	<u>98,761</u>	<u>-</u>
Total	<u>\$ 246,436</u>	<u>\$ 268,309</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 2 - Volunteer Retirement Plans-continued

**Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued**

\$98,761 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$(33,188)
2021	(56,397)
2022	( 4,116)
2023	(26,933)
2024	-
Thereafter	-
Total	<u>\$ (120,634)</u>

Actuarial Assumptions.

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, 2015, determines the contribution amounts for 2016 and 2017. The valuation used the following actuarial assumptions and other inputs:

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

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
Notes to the Financial Statements  
December 31, 2020

Note 2 - Volunteer Retirement Plans-continued

**Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued**

Assumption Changes

The assumptions shown above pertain to the actuarial valuation as of January 1, 2017, and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018, the Board adopted a new assumption set for use in the January 1, 2019, valuation. 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 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 2019 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

**Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for male and females projected to 2019 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 male and females projected to 2019 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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 Fund's target asset allocation as of December 31, 2019, are summarized in the following table:

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

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to the Financial Statements

December 31, 2020

Note 2 - Volunteer Retirement Plans-continued

**Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued**

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	<u>\$(306,739)</u>	<u>\$(502,014)</u>	<u>\$(662,336)</u>

Note 3 – Statewide Death and Disability Plan

*Plan Description* – The District contributes to the Statewide Death and disability Plan (SWD&DP), a cost sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by social security may elect supplementary coverage by the Plan. The Plan was established in Section 1098 pursuant to Colorado Revised Statutes. FPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at [www.fppaco.org](http://www.fppaco.org).

*Funding Policy* – The District and/or employee is required to contribute at a rate of 2.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.8% contribution may be paid entirely by the employer or the member, or it may be split between SWD&DP on behalf of the employees was \$11,954 equal to the required contribution for each year

Note 4 – Change in Fixed Assets

	Balance 12/31/2019	Additions	Reclass Deletions	Balance 12/31/2020
Buildings	\$ 1,107,915	\$ -	\$ -	\$ 1,107,915
Radio system	172,750	7,453	-	180,203
Fire Vehicles & Equipment	2,081,377	603,440	58,230	2,626,587
Medical Vehicles & Equipment	867,232	34,053	9,210	892,075
Station Equipment	292,628	74,872	-	367,500
Total Fixed Assets	<u>4,521,902</u>	<u>719,818</u>	<u>67,440</u>	<u>5,174,280</u>
Accumulated Depreciation:				
Buildings	(425,830)	(34,742)	-	(460,572)
Radio system	(161,223)	(2,666)	-	(163,889)
Fire Vehicles & Equipment	(1,912,120)	(63,670)	58,230	(1,917,560)
Medical Vehicles & Equipment	(552,281)	(71,730)	9,210	(614,801)
Station Equipment	(253,563)	(15,135)	-	(268,698)
Total Accum Depreciation	<u>(3,305,017)</u>	<u>(187,943)</u>	<u>67,440</u>	<u>(3,425,520)</u>
Construction-in-Process	526,286	8,653	(534,939)	-
Net Fixed Assets	<u>\$ 1,743,171</u>	<u>\$ 540,528</u>	<u>\$(400,059)</u>	<u>\$ 1,748,760</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

Note 5 – Fund Balance Classification Policies and Procedures

With the implementation of GASB 54, Fund Balance Classification, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision-making authority, in the Districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) Unassigned – which are funds available for any purpose. The District does have Committed, Restricted, and Non-spendable fund classification in 2020.

It is the District's policy to spend restricted funds first then unrestricted funds for the purpose for which both funds are available and committed and assigned funds are spent when expenditure are incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
- Non-spendable, which is its prepaid expenses,
- Committed, which are fund designated by the board of directors for a specific purpose
- Unassigned.

Note 6 - Budget to Actual Comparison

	General Fund
Revenue and Other Financing Resources	
GAAP Basis	\$ 1,554,477
Modification to GAAP Basis	
Carryover from prior year	1,174,180
Resources Budgetary Basis	2,728,657
20 Budgeted Resources	1,600,260
Variance Favorable (Unfavorable)	<u>\$ 1,128,397</u>
Expenditures- GAAP Basis	\$ 1,238,024
Modification to GAAP Basis	
Capital Outlays	193,411
Pension Expense	(173,518)
Depreciation	(187,944)
Emergency Reserve	51,350
Expenditures Budgeted Basis	1,121,323
20 Budgeted Expenditures	1,742,015
Variance Favorable (Unfavorable)	<u>\$ 620,692</u>

Note 7 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit more than 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 pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

Note 7 - Deposits and Investments-continued

	<u>2020</u>	
Cash & Investments consisted of the following:		
Petty Cash - Uninsured	\$ 600	
Checking & Money Markets:		
Insured	250,000	
Collateralized by PDPA	1,021,754	
Total	<u>1,271,754</u>	
Total Cash & Cash Equivalents	1,271,754	
Investments CD's:(Measured at amortized cost)		
Insured	201,362	Level 1
Total Deposits & Investments	<u>\$ 1,473,116</u>	

Colorado Statues specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligation of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts.

The Districts investments on December 31, 2020, are categorized above to give an indication of the level of risk assumed by the District at year-end.

Note 8 - Deposits and Investments-continued

The District considers cash in the bank, cash on hand, and investment with original maturities of three months or less as cash and cash equivalents.

The District Categorizes its fair value measurements within the fair vale hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

**Level 1:** Quoted prices (unadjusted) in active markets for an identical asset or liability that a government ca access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

**Level 3:** Unobservable inputs for an asset or liability.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2020

Note 9 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue more than the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District believes it is in compliance with this amendment.

Note 10 – Use of Restricted Funds and Unrestricted Funds

It is the District's policy to apply restricted assets first then unrestricted when restricted funds can be applied to an item.

REQUIRED SUPPLEMENTAL INFORMATION

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
 Required Supplementary Information Pensions  
 December 31, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset)  
 Fire & Police Statewide Defined Benefit Plan  
 As of December 31,

	<b>2020</b>	<b>2019</b>
Department's proportion of the net pension liability/(asset)	.049%	.056%
Department's proportionate share of the net pension liability/(asset)	\$ (27,613)	\$ (70,253)
Department's covered payroll	\$ 414,217	\$ 359,858
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	6.6%	5.12%
Plan fiduciary net position as a percentage of the total pension liability	101.9%	106.3%

Schedule of Department Contributions  
 Fire & Police Statewide Defined Benefit Plan  
 As of December 31,

	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 33,137	\$ 28,789
Contributions in relation to the contractually required contribution	\$ 33,137	\$ 28,789
Contribution deficiency (excess)	\$ 0	\$ 0
Department's covered payroll	\$ 414,217	\$ 359,858
Contributions as a percentage of covered payroll	8.0%	8.0%

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
Required Supplementary Information Pensions  
December 31, 2020

**Notes to Required Supplementary Information  
December 31, 2020**

*Changes in plan provisions.* The plan provisions have not changed since the prior valuation.

*Benefit Adjustments.* Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS MULTIYEAR

Measurement period ending December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service Cost	21279	\$ 26,925	\$ 26,925	\$ 23,357	\$ 23,357	\$ 20,310
Interest on the Total Pension Liability	107307	120,455	115,067	80,043	76,613	61,280
Benefit Changes	-	-	-	321,384	-	302,243
Difference between Expected & Actual Experience	-	(217,652)	-	69,957	-	(133,831)
Assumption Changes	-	76,147	-	36,691	-	-
Benefit Payments	-82460	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
<b>Net Change in Total Pension Liability</b>	46,126	(64,265)	71,852	469,039	53,586	202,289
<b>Total Pension Liability - Beginning</b>	1,563,025	1,627,290	1,555,438	1,086,399	1,032,813	830,524
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 1,609,151</u>	<u>\$ 1,563,025</u>	<u>\$ 1,627,290</u>	<u>\$ 1,555,438</u>	<u>\$ 1,086,399</u>	<u>\$ 1,032,813</u>
<b>Plan Fiduciary Net Position</b>						
Employer Contributions	65372	\$ 28,901	\$ 52,357	\$ 74,523	\$ 69,376	\$ 68,420
Pension Plan Net Investment Income	264795	605	245,286	85,365	29,465	98,368
Benefit Payments	-82460	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
Pension Plan Administrative Expense	-7533	(7,314)	(6,927)	(2,805)	(4,687)	(2,643)
State of Colorado Discretionary Payment	0	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	240,174	(47,948)	220,576	94,690	47,770	116,432
<b>Plan Fiduciary Net Position - Beginning</b>	1,870,991	1,918,939	1,698,363	1,603,673	1,555,903	1,439,471
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 2,111,165</u>	<u>\$ 1,870,991</u>	<u>\$ 1,918,939</u>	<u>\$ 1,698,363</u>	<u>\$ 1,603,673</u>	<u>\$ 1,555,903</u>
<b>Net Position Liability/(Asset) - Ending (a) - (b)</b>	<u>\$ (502,014)</u>	<u>\$ (307,966)</u>	<u>\$ (291,649)</u>	<u>\$ (142,925)</u>	<u>\$ (517,274)</u>	<u>\$ (523,090)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>131.20%</u>	<u>119.70%</u>	<u>117.92%</u>	<u>109.19%</u>	<u>147.61%</u>	<u>150.65%</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT  
 SCHEDULE OF CONTRIBUTIONS MULTIYEAR  
 LAST 10 FISCAL YEARS

FY ENDING DECEMBER 31, (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)
<b>2014</b>	\$ -	\$ 68,420	\$ (68,420)	N/A	N/A
<b>2015</b>	\$ -	\$ 69,376	\$ (69,376)	N/A	N/A
<b>2016</b>	\$ -	\$ 74,523	\$ (74,523)	N/A	N/A
<b>2017</b>	\$ -	\$ 52,357	\$ (52,357)	N/A	N/A
<b>2018</b>	\$ 5,136	\$ 28,901	\$ (23,765)	N/A	N/A
<b>2019</b>	\$ 5,136	\$ 65,372	\$ (60,236)	N/A	N/A

\*Includes both Employer & State of Colorado Discretionary Payment

Plateau Valley Fire Protection District  
Statement of Revenues, Expenditures, and Change in Fund Balance  
Actual and Budget  
For the Year Ended December 31, 2020

	General Fund		
	Budget Original & Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 1,161,879	\$ 1,042,339	\$ (119,540)
Specific ownership tax	120,000	161,534	41,534
Ambulance	130,000	287,920	157,920
Interest income	25,531	19,376	(6,155)
Grants/Miscellaneous	162,850	43,308	(119,542)
Total Revenues	<u>1,600,260</u>	<u>1,554,477</u>	<u>(45,783)</u>
Expenditures:			
<b>Administrative:</b>			
Salaries	580,000	492,585	87,415
Payroll taxes & benefits	110,127	154,998	(44,871)
Insurance	142,000	154,361	(12,361)
Office expense	26,500	10,471	16,029
Accounting & legal	49,000	50,431	(1,431)
Dues & subscriptions	3,525	3,793	(268)
Treasurers fee	23,238	21,002	2,236
Directors fee	8,000	6,100.00	1,900
IT & maintenance expense	18,000	12,110	5,890
Human resource expense	1,500	146.00	1,354
Bad Debt expense	29,000	184,105	(155,105)
Capital outlay	-	-	-
Total Administrative Expenditures	<u>990,890</u>	<u>1,090,102</u>	<u>(99,212)</u>
<b>Operating Expenditures:</b>			
Chemicals	2,000	151	1,849
Communications	11,000	11,428	(428)
EMS Supplies/drugs	19,000	17,406	1,594
EMS Billing Service	12,000	10,310	1,690
Fuel	25,000	13,127	11,873
Meals	11,900	6,126	5,774
Motor vehicle repairs & maintenance	15,000	17,985	(2,985)
Operating supplies	3,600	761	2,839
Fire prevention/Public education	1,500	-	1,500
Other equipment repairs & maintenance	3,500	4,616	(1,116)
Radio repairs & maintenance	5,000	2,596	2,404
Training expense	30,000	13,825	16,175
Travel expense	15,000	9,255	5,745
Uniforms	20,000	2,693	17,307
Postage & freight	500	144	356
Small tools & equipment	17,000	9,305	7,695
Building expenses	43,875	28,194	15,681
Capital outlays	515,250	193,441	321,809
Total Operating Expenditures	<u>751,125</u>	<u>341,363</u>	<u>409,762</u>
Total Expenditures	<u>1,742,015</u>	<u>1,431,465</u>	<u>310,550</u>
Revenue Over /(Under) Expenditures	<u>(141,755)</u>	<u>123,012</u>	<u>264,767</u>
Fund Balance - January 1,	1,174,180	1,220,122	45,942
Fund Balance - December 31,	<u>\$ 1,032,425</u>	<u>\$ 1,343,134</u>	<u>\$ 310,709</u>