

# **Colorado River Fire Protection District**

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**Annual Financial Report**

**December 31, 2020**

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2020**


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Board of Directors and Management  
Colorado River Fire Protection District

## **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Fire Protection District as of and for the years 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities each major fund of the Colorado River Fire Protection District, as of December 31, 2020 for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Colorado River Fire Protection District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Colorado River Fire Protection District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Colorado River Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Colorado River Fire Protection District's ability to continue as a going concern for a reasonable period of time.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado River Fire Protection District's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Other Information*

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

Sincerely,

*Haynie & Company*

Littleton, Colorado

May 11, 2021

# **Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2020**

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

## **FINANCIAL HIGHLIGHTS**

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$24,318,615 at December 31, 2020.
- Total District's cash and investments decreased by \$1,287,807 or 13% from 2019.
- The December 31, 2020 General Fund balance is \$1,296,846 less than the previous year. The total fund balance is 62% of 2020 General Fund operating expenditures.

## **USING THIS ANNUAL REPORT**

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

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

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

### **A. Government-wide Financial Statements**

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

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

# **Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2020**

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

## **B. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

### General Fund

The District's General Fund statements include:

The *Balance Sheets* present information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenditures and Changes in Fund Balance* present information which reflects how the District's fund balance changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

## **C. Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6-41 of this report.

## **D. Required Supplementary Information and Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

### **REPORTING THE DISTRICT AS A WHOLE**

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

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2020**

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

**Statement of Net Position  
December 31**

	<u>2019</u>	<u>2020</u>
<b>Assets</b>		
Current and other assets	\$ 14,389,373	\$ 12,878,475
Net pension assets	1,846,763	2,546,547
Capital assets	<u>14,159,796</u>	<u>13,507,255</u>
Total assets	<u>30,395,932</u>	<u>28,932,277</u>
<b>Deferred Outflows of Resources</b>	<u>3,113,609</u>	<u>2,193,761</u>
<b>Liabilities</b>		
Current and other liabilities	477,714	546,425
Long-term liabilities	<u>2,036,369</u>	<u>912,717</u>
Total liabilities	<u>2,514,083</u>	<u>1,459,142</u>
<b>Deferred Inflows of Resources</b>	<u>4,890,804</u>	<u>5,348,281</u>
<b>Net Position</b>		
Net investment in capital assets	14,159,796	13,507,255
Restricted	198,447	177,507
Unrestricted	<u>11,746,411</u>	<u>10,633,853</u>
Total net position	<u><u>26,104,654</u></u>	<u><u>24,318,615</u></u>

A significant portion of the District's position represents unrestricted net position of \$10,633,853 which may be used to meet the ongoing obligations to patrons and creditors.

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

An additional \$177,507 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2020**

The following table indicates the changes in net position for 2019 and 2020:

**Statement of Activities  
December 31**

<b>Revenue</b>	<u><b>2019</b></u>	<u><b>2020</b></u>
Program revenues		
Charges for services	\$ 1,127,316	\$ 1,112,301
Capital grants and contributions	188,851	270,026
General revenues		
General property taxes	4,681,365	4,307,574
Specific ownership tax	353,316	278,460
Investment earnings	282,866	89,163
Other taxes	36,474	64,148
Other income	<u>133,572</u>	<u>65,256</u>
<b>Total revenue</b>	<u><b>6,803,760</b></u>	<u><b>6,186,928</b></u>
<b>Expenses</b>		
Administration	103,018	93,348
Fire protection/EMS services	<u>7,883,668</u>	<u>7,879,619</u>
Total expenses	<u>7,986,686</u>	<u>7,972,967</u>
Change in Net Position	<u><u>\$ (1,182,926)</u></u>	<u><u>\$ (1,786,039)</u></u>

**District Revenue and Expense Analysis:**

***Revenues***

District revenues as of December 31, 2020 decreased by \$616,832, over the year ended December 31, 2019. This change in revenue is due to a decrease in both ambulance calls and inter-facility transfers which resulted in less revenue for services.

***Expenditures/Expenses***

District expenditures/expenses as of December 31, 2020 stayed consistent with the year ended December 31, 2019.

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2020**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements.

Additional information on the District's detailed budget can be found in page 42 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The District's investment in capital assets at December 31, 2020 amounts to \$13,507,255 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

Additional information on the District's capital assets can be found in Note 5 of this report.

During the year ended December 31, 2020, the District had personal time off payable of \$359,568.

Additional information on the District's debt can be found in Note 6.

**ECONOMIC FACTORS AND OTHER MATTERS**

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

- A decrease in anticipated general property tax collection for 2021 due to property valuations within the District decreasing by 8%.

**REQUESTS FOR INFORMATION**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District, 1850 Railroad Ave., Rifle, Colorado 81650.

## **Basic Financial Statements**

**Colorado River Fire Protection District**  
**Statement of Net Position**  
**December 31, 2020**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 8,391,606
Property taxes receivable	4,185,212
Accounts receivable	301,657
Noncurrent assets	
Capital assets, nondepreciable	2,194,034
Capital assets, net	11,313,221
Net pension asset -	
Rifle Fire Protection District 7306-5 Volunteer Plan	2,317,342
Net pension asset - FPPA	<u>229,205</u>
<b>Total assets</b>	<u><u>28,932,277</u></u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	1,739,056
Deferred outflows related to Rifle 7306-5 volunteer pensions	245,565
Deferred outflows related to Burning Mountains 7247-5 volunteer pensions	201,997
Deferred outflows related to OPEB	<u>7,143</u>
Total deferred outflows of resources	<u>2,193,761</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 31,126,038</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 55,184
Accrued payroll	131,673
Compensated absences	359,568
Noncurrent liabilities:	
Net OPEB liability	43,297
Net pension liability -	
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	501,565
Net pension liability - PERA	<u>367,855</u>
<b>Total liabilities</b>	<u>1,459,142</u>
<b>Deferred Inflows of Resources</b>	
Unearned revenue - property taxes	4,185,212
Unearned revenue - Training consortium	21,233
Deferred inflows related to pensions	515,298
Deferred inflows related to Rifle 7306-5 volunteer pensions	418,214
Deferred inflows related to Burning Mountains 7247-5 volunteer pensions	200,326
Deferred inflows related to OPEB	<u>7,998</u>
<b>Total deferred inflows of resources</b>	<u>5,348,281</u>
<b>Net Position</b>	
Net investment in capital assets	13,507,255
Restricted for TABOR emergencies	177,507
Unrestricted	<u>10,633,853</u>
Total net position	<u>24,318,615</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u><u>\$ 31,126,038</u></u>

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

**Colorado River Fire Protection District**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

<b>Functions/Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net</b>
		<b>Charges for Services</b>	<b>Capital Grants and Contribution</b>	<b>Governmental Activities</b>
Governmental activities				
Administration	\$ 93,348	\$ -	\$ -	\$ (93,348)
Fire protection/EMS services	<u>7,879,619</u>	<u>1,112,301</u>	<u>270,026</u>	<u>(6,497,292)</u>
Total governmental activities	<u>\$ 7,972,967</u>	<u>\$ 1,112,301</u>	<u>\$ 270,026</u>	<u>\$ (6,590,640)</u>
<b>General revenues:</b>				
Property taxes				4,307,574
Specific ownership taxes				278,460
Other taxes				64,148
Investment earnings				89,163
Other income				<u>65,256</u>
Total General revenues				<u>4,804,601</u>
<b>Change in net position</b>				<b>(1,786,039)</b>
<b>Net position - beginning of year</b>				<u>26,104,654</u>
<b>Net position - end of year</b>				<u>\$ 24,318,615</u>

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

**Colorado River Fire Protection District**  
**Governmental Funds Balance Sheet and**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**with the Statement of Net Position**  
**December 31, 2020**

	<b>General Fund</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	4,342,854	\$ 4,023,495	\$ 8,366,349
Cash with County	25,257	-	25,257
Accounts receivable (net of allowance of \$189,075)	301,657	-	301,657
Property taxes receivable	4,185,212	-	4,185,212
Due (to) from funds	208,390	(208,390)	-
Total assets	<u>\$ 9,063,370</u>	<u>\$ 3,815,105</u>	<u>\$ 12,878,475</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	55,184	-	55,184
Accrued payroll	<u>131,673</u>	-	<u>131,673</u>
Total liabilities	<u>186,857</u>	-	<u>186,857</u>
<b>Deferred Inflows of Resources</b>			
Unearned revenue—Training consortium	21,233	-	21,233
Unearned revenue—property taxes	<u>4,185,212</u>	-	<u>4,185,212</u>
Total deferred inflows of resources	<u>4,206,445</u>	-	<u>4,206,445</u>
<b>Fund Balances</b>			
Restricted for:			
TABOR emergencies	177,507	-	177,507
Assigned for:			
Capital reserve	-	3,815,105	3,815,105
Unassigned	<u>4,492,561</u>	-	<u>4,492,561</u>
Total fund equity	<u>4,670,068</u>	<u>3,815,105</u>	<u>8,485,173</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 9,063,370</u>	<u>\$ 3,815,105</u>	<u>\$ 12,878,475</u>
<b>Fund Balances - Total Governmental Funds</b>	<u>\$ 4,670,068</u>	<u>\$ 3,815,105</u>	<u>\$ 8,485,173</u>

Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:

Capital assets used in governmental activities are not current financial resources and are excluded from the funds.

Governmental capital assets	
Less accumulated depreciation	13,507,255

Compensated absences are not payable with current resources	(359,568)
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Long-term liabilities, such as pension assets and liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Net pension asset- Rifle 7306-5 volunteer plan	2,317,342
Net pension asset - FPPA	229,205
Net pension liability- Burning Mountains 7247-5 volunteer plan	(501,565)
Net pension liability - PERA	(367,855)
Net OPEB liability	(43,297)

Pension balances are not available resources and are not included in fund financial statements.

Deferred outflows related to pensions	1,739,056
Deferred outflows related to Rifle 7306-5 volunteer pensions	245,565
Deferred outflows related to Burning Mountains 7247-5 volunteer pensions	201,997
Deferred outflows related to OPEB	7,143
Deferred inflows related to pensions	(515,298)
Deferred inflows related to Rifle 7306-5 volunteer pensions	(418,214)
Deferred inflows related to Burning Mountains 7247-5 volunteer pensions	(200,326)
Deferred inflows related to OPEB	<u>(7,998)</u>

<b>Net position of governmental activities</b>	<u><u>\$ 24,318,615</u></u>
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The accompanying notes are an integral part of these financial statements.

**Colorado River Fire Protection District**  
**Governmental Fund Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**December 31, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 4,650,182	\$ -	\$ 4,650,182
Charges for services, net	1,112,301	-	1,112,301
Interest	60,353	28,810	89,163
Grants	165,548	104,478	270,026
Other	<u>65,256</u>	<u>-</u>	<u>65,256</u>
Total Revenues	<u>6,053,640</u>	<u>133,288</u>	<u>6,186,928</u>
<b>Expenditures</b>			
Bank service charges	5,431	-	5,431
Elections	27,881	-	27,881
Board stipend	5,500	-	5,500
Volunteer stipend	20,751	-	20,751
Dues and subscriptions	6,536	-	6,536
Insurance	326,361	-	326,361
Office expense	194,449	-	194,449
Payroll taxes	86,878	-	86,878
Professional services	150,684	-	150,684
Protective clothing	64,946	-	64,946
Repairs and maintenance	225,091	-	225,091
Salaries and benefits	5,106,628	-	5,106,628
Career pension contributions	299,787	-	299,787
Supplies	133,749	-	133,749
Training	107,885	-	107,885
Treasurer's fees	93,348	-	93,348
Tax abatements and interest	25,876	-	25,876
Utilities	147,528	-	147,528
Volunteer benefits	80,929	-	80,929
Community cares expense	1,542	-	1,542
Capital outlay	<u>30,316</u>	<u>263,143</u>	<u>293,459</u>
Total Expenditures	<u>7,142,096</u>	<u>263,143</u>	<u>7,405,239</u>
<b>Excess of Revenues over Expenditures</b>	<u>(1,088,456)</u>	<u>(129,855)</u>	<u>(1,218,311)</u>
<b>Excess of Revenues and Other Financing Sources</b>			
<b>Over (Under) Expenditures and Other uses</b>	<u>(1,088,456)</u>	<u>(129,855)</u>	<u>(1,218,311)</u>
<b>Fund balances:</b>			
<b>Beginning of the year</b>	<u>5,758,524</u>	<u>3,944,960</u>	<u>9,703,484</u>
<b>End of the year</b>	<u>\$ 4,670,068</u>	<u>\$3,815,105</u>	<u>\$ 8,485,173</u>

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

**Colorado River Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**December 31, 2020**

**Net change in fund balance—total governmental funds** \$ (1,218,311)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation	(915,683)
Capital outlay- capitalized portion	263,142

Compensated absences not payable from current resources are not reported as expenditures in the current year. In the Statement of Activities these costs represent expenses of the current year.

Current year increase in accrued compensated absences	(18,323)
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Pension and OPEB expenses and income do not use current financial resources and are excluded from the funds.

Current-year pension and OPEB contributions are reported as deferred outflows	295,409
Current-year Burning Mountains 7247-5 plan contributions are reported as deferred outflows	80,929
Net pension income- Burning Mountains 7247-5 volunteer pension plan	(92,244)
Net pension expense- Rifle 7306-5 volunteer pension plan	104,332
Net pension and OPEB income	<u>(285,290)</u>

**Change in net position of governmental activities** **\$ (1,786,039)**

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

# Colorado River Fire Protection District

## Notes to Financial Statements

### December 31, 2020

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#### 1. Definition of Reporting Entity

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The District, located in Garfield County, Colorado, is organized pursuant to provisions set forth in the Colorado Special District Act. The governing body consists of a five-member Board of Directors which is elected by the registered voters within the District. The objective of the District is to provide for the preservation of life and protection of property from and during such fires and/or other emergencies as may occur within the fire protection district. In December 2013, the District combined the boundaries of Rifle Fire Protection District and Burning Mountains Fire Protection District and all of Rifle Fire Protection District's and Burning Mountains Fire Protection District's assets and liabilities were transferred to Colorado River Fire Protection District.

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 is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

The District is not a component unit of any other governmental entity.

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#### 2. Summary of Significant Accounting Policies

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The financial statements of the Colorado River Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

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

The fund financial statements report detailed information about the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

The District reports the following major governmental funds:

**General Fund**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

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**Capital Projects Fund**

The Capital Projects Fund is the District's capital outlay fund and is used to account for major capital outlay purchases. The major revenue sources are interest earned and transfers from the General Fund. Expenditures include all costs associated with the purchase of major capital outlay.

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

**Budgets and Budgetary Accounting**

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

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

Public hearings are conducted to obtain the taxpayers' comments.

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

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

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

The District may authorize supplemental appropriations during the year.

In the current year, actual expenditures were less than budgeted appropriations.

**Property Taxes**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

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**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Equipment	5 - 15 years
Infrastructure	7 - 50 years

**Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

**Net Position and Fund Balance**

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position*– This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

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- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

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**Compensated Absences**

Full-Time employees of the District are allowed to accumulate unused paid time off. Upon termination of employment with the District, an employee is compensated for all accrued paid time off at the current rate of pay if these benefits have matured.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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**3. Cash and Investments**

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*Custodial Credit Risks – Deposits*

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2020, the District had cash deposits with a bank balance of \$743,983 and a carrying balance of \$630,379. The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Depository Act.

*Investments*

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**3. Cash and Investments (continued)**

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- obligations 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' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

*Custodial Credit Risk - Investments*

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

*Interest Rate Risk*

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

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

Investments held as of December 31, 2020 are as follows:

COLOTRUST	<u>\$ 7,735,970</u>
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At December 31, 2020, the District had invested \$7,735,970 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes as authorized by state statute. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**3. Cash and Investments (continued)**

All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. At December 31, 2020 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST as net asset value as determined by fair value.

**Summary of Cash**

Cash and Cash Equivalents

Cash deposits in bank—General Fund	\$ 630,379
COLOTRUST—General Fund	3,712,475
COLOTRUST—Capital Projects Fund	4,023,495
Cash with County	<u>25,257</u>
Total cash and investments	<u>\$ 8,391,606</u>

**4. Property Taxes**

**Revenue Recognized in 2020**

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

	Assessed Valuation	Amount of Taxes		Collected	Percent Collected
		Mill Levy	Levied		
General Fund	\$ 745,562,180	6.102	\$ 4,549,420	\$ 4,650,182	99.4%

**Property Taxes Receivable and Unearned Revenue**

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

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Unearned Revenue
General Fund	\$ 685,875,430	6.102	100%	\$ 4,185,212	\$ 4,185,212

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**5. Property, Plant & Equipment**

The following table presents capital assets activity of the District for the year ended December 31, 2020:

	Balance December 31, 2019	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Total capital assets, not being depreciated	<u>2,194,034</u>	<u>-</u>	<u>-</u>	<u>2,194,034</u>
Capital assets, being depreciated:				
Buildings	11,915,170	-	-	11,915,170
Equipment	6,748,174	263,142	-	7,011,316
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>18,704,115</u>	<u>263,142</u>	<u>-</u>	<u>18,967,257</u>
Less accumulated depreciation for:				
Buildings	(2,703,478)	(301,103)	-	(3,004,581)
Equipment	(3,999,851)	(608,833)	-	(4,608,684)
Land improvements	<u>(35,024)</u>	<u>(5,747)</u>	<u>-</u>	<u>(40,771)</u>
Total accumulated depreciation	<u>(6,738,353)</u>	<u>(915,683)</u>	<u>-</u>	<u>(7,654,036)</u>
Total capital assets, being depreciated, net	<u>11,965,762</u>	<u>(652,541)</u>	<u>-</u>	<u>11,313,221</u>
Capital assets, net	<u>\$ 14,159,796</u>	<u>\$ (652,541)</u>	<u>\$ -</u>	<u>\$ 13,507,255</u>

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

Governmental activities:

Fire protection/EMS services	\$ 915,683
Total depreciation expense—governmental activities	<u>\$ 915,683</u>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**6. Compensated Absences Payable**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2020.

	Balance December 31, 2019	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Governmental activities:					
Compensated absences	\$ 341,245	\$ 380,910	\$ (362,587)	\$ 359,568	\$ 359,568
Total long-term liabilities	<u>\$ 341,245</u>	<u>\$ 380,910</u>	<u>\$ (362,587)</u>	<u>\$ 359,568</u>	<u>\$ 359,568</u>

**7. Defined Benefit Plan—FPPA**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

*Plan Description.* The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly available financial report that includes the assets of the SWBD Plan. The report may be obtained on FPPA's website at [www.fppaco.org](http://www.fppaco.org).

*Benefits Provided.* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for normal retirement pension of the member's combined years of service and age equals at least 80, with a minimum age of 50.

The annual retirement benefit is 2% of the average of the member's highest three years' pensionable earnings 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**7. Defined Benefit Plan—FPPA (continued)**

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Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB 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 ranges from 0% to the higher of 3% of 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% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% 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.

*Contributions.* The SWDB Plan 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 Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both employers and members.

Members of the SWDB plan 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% in 2019. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 22.5% and 23% of pensionable earnings in 2019 and 2020. It is a local decision as to whether the member or employer pays the additional 4% contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution, to reflect the actual cost of reentry by department.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**7. Defined Benefit Plan—FPPA (continued)**

The contribution rate for members and employers of affiliated social security employers is 5.25% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.25% in 2019 and 9.50% in 2020. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are at 4% in 2019 and 2020. Employer contributions will increase 0.2% annually beginning in 2021 through 2030 to a total of 5.6% of pensionable earnings.

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

At December 31, 2020, the District reported an asset of \$229,205 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2019 relative to the total contributions of participating employers to the SWBD Plan.

At December 31, 2019, the District's proportion was 0.405268 percent, which was a decrease of 0.104851 percent from its proportion measurement as of December 31, 2018.

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

For the year ended December 31, 2020, the District recognized pension expense of \$235,132. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of resources</b>	<b>Deferred Inflows of resources</b>
Difference between expected and actual experience	775,672	4,487
Changes of assumptions or other inputs	435,212	-
Net difference between projected and actual earnings on pension plan investments	-	360,316
Net change in proportionate share	213,038	-
Contributions subsequent to the measurement date	247,772	-
<b>Total</b>	<b>1,671,694</b>	<b>364,803</b>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**7. Defined Benefit Plan—FPPA (continued)**

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\$247,772 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year December 31, 2021. Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year ended December 31:</b>	
2021	\$ 80,463
2022	72,124
2023	189,342
2024	37,301
2025	191,051
Thereafter	488,839
	<u>\$ 1,059,120</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Open
Amortization Period:	30 Years
Asset Valuation Method:	5-Year smoothed fair value
Projected Salary Increases:	4.25%- 11.25%
Long-term Investment Rate of Return*:	7.00%
*Includes Inflation at:	2.50%
Cost of Living Adjustment (COLA):	0.0%

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 .00015.

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**7. Defined Benefit Plan—FPPA (continued)**

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These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

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

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

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**7. Defined Benefit Plan—FPPA (continued)**

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

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	1,389,720	(229,205)	(1,571,889)

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

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**8. Defined Contribution Plan**

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

Employees covered by the plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8 percent each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute.

The employer contributions to the plan for the year ended December 31, 2020 was \$17,452.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**9. Deferred Compensation Plan—FPPA**

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The District adopted a deferred compensation plan (457 Plan) as defined under the Internal Revenue Code Section 457. Participants may defer up to the lesser of \$19,500 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$6,500 more than the \$19,500 limit due to a catch-up provision in the plan. The 457 Plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 Plan.

The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2020, participating employees contributed \$28,412.

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**10. Statewide Death and Disability Plan**

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Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2020, the District contributed \$84,516.

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**11. Defined Benefit Pension Plan—PERA**

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**Summary of Significant Accounting Policies**

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

# Colorado River Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2020

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#### 11. Defined Benefit Pension Plan—PERA (continued)

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##### General Information about the Pension Plan

*Plan description.* Eligible employees of the Colorado River Fire Protection District are provided with pensions through the Local Government Division Trust Fund (LGDTF)-a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**11. Defined Benefit Pension Plan—PERA (continued)**

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

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

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

*Contributions.* Eligible employees and Colorado River Fire Protection District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%
Amount Apportioned to the LGDRF <sup>1</sup>	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C. R. S. § 24-51-51-411 <sup>1</sup>	1.50%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	12.68%

Rates are expressed as a percentage of salary as defined in C.R.S. § 4-51-101(42).

# Colorado River Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2020

#### 11. Defined Benefit Pension Plan—PERA (continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Colorado River Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Colorado River Fire Protection District were \$44,090 for the year ended December 31, 2020.

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

At December 31, 2020, the Colorado River Fire Protection District reported a liability of \$367,855 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019.

The Colorado River Fire Protection District proportion of the net pension liability was based on Colorado River Fire Protection District contributions to the LGDTF for the calendar year 2019 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2019, the Colorado River Fire Protection District proportion was 0.050295, which was a decrease of 0.003200 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the Colorado River Fire Protection District recognized pension expense of \$46,516. At December 31, 2019, the Colorado River Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Difference between expected and actual experience	24,072	-
Net difference between projected and actual earnings on pension plan investments	-	150,495
Net change in proportionate share	(800)	-
Contributions subsequent to the measurement date	44,090	-
Total	67,362	150,495

\$44,090 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**11. Defined Benefit Pension Plan—PERA (continued)**

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**Year ended December 31:**

2021	\$ (22,684)
2022	(46,791)
2023	(6,399)
2024	(51,349)
	\$ (127,223)

*Actuarial assumptions.* Based on the 2018 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and were effective as of December 31, 2017. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2016 to December 31, 2017:

Actuarial Cost Method:	Entry Age Normal
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50-10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	0% through 2019 and 1.5% compounded annually thereafter
PERA Benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

As a result of the 2017 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative load, and pre- and post-retirement and disability mortality rates were adopted by PERA’s Board on November 18, 2016 to more closely reflect PERA’s actual experience. These revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy, post-retirement mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant

Mortality Table with some adjustments using the MP-2015 projection scale for further credibility. For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**11. Defined Benefit Pension Plan—PERA (continued)**

The LGDTF's long-term expected rate of return on pension plan investments was determined using long-term historical data, estimates inherent in current market data, and a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of November 18, 2016, adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%, which is consistent with the prior year.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**11. Defined Benefit Pension Plan—PERA (continued)**

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

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	675,723	367,855	108,942

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

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**12. Other Post-Employment Healthcare Benefits—PERA**

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**Summary of Significant Accounting Policies OPEB**

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

**General Information about the OPEB Plan**

Eligible employees of Colorado River Fire Protection District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**12. Other Post-Employment Healthcare Benefits—PERA**

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Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid. Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**12. Other Post-Employment Healthcare Benefits—PERA**

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For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit.

Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the Trust Fund or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and Colorado River Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Colorado River Fire Protection District were \$3,547 for the year ended December 31, 2020.

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

At December 31, 2020, Colorado River Fire Protection District reported a liability of \$43,297 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019.

Colorado River Fire Protection District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. At December 31, 2019, the District's proportion was 0.003852 percent.

For the year ended December 31, 2020, Colorado River Fire Protection District recognized OPEB expense of \$3,642. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**12. Other Post-Employment Healthcare Benefits—PERA**

	Outflows of resources	Inflows of resources
Difference between expected and actual experience	144	7,275
Changes of assumptions or other inputs	358	-
Net difference between projected and actual earnings on pension plan investments	-	723
Net change in proportionate share	3,094	-
Contributions subsequent to the measurement date	3,547	-
Total	7,143	7,998

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended December 31:**

2021	\$ (605)
2022	(605)
2023	(395)
2024	(607)
2025	(2,104)
Thereafter	(85)
	<u>\$ (4,401)</u>

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**12. Other Post-Employment Healthcare Benefits—PERA**

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Medicare Part A premiums	3.00 percent for 2019, gradually rising to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point. Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services.

Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**12. Other Post-Employment Healthcare Benefits—PERA**

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**12. Other Post-Employment Healthcare Benefits—PERA**

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as needed.

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

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

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**12. Other Post-Employment Healthcare Benefits—PERA**

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$42,268	\$43,297	\$44,485

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

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

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	48,955	43,297	35,457

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

**13. Volunteer Firefighters' Pension Plans**

**Summary of Significant Accounting Policies**

*Pensions.* The District has established two Volunteer Firefighters' Pension Plans (the "Volunteer Plans"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA").

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**13. Volunteer Firefighters' Pension Plans (continued)**

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These plans are delineated as Rifle Fire Protection District 7306-5 Volunteer Plan and Burning Mountains Fire Protection District 7247-5 Volunteer Plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

*Plan Description.* Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for year of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board.

The Volunteer Plans also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plans. That report may be obtained on FPPA's website at [http://www.fppaco.org/annual\\_reports.htm](http://www.fppaco.org/annual_reports.htm).

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

The actuarial study as of January 1, 2020, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Volunteer Plans.

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

At December 31, 2020 the District reported a net pension asset of \$2,317,342 for the Rifle Fire Protection District 7306-5 plan. The net pension asset was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2020.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**13. Volunteer Firefighters' Pension Plans (continued)**

For the year ended December 31, 2020, the District recognized pension income related to this plan of \$104,332. At December 31, 2020, the District reported deferred outflow of resources related to pension from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Net difference between projected and actual earnings on pension plan investments	245,565	418,214
Total	245,565	418,214

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

**Year ended December 31:**

2021	\$ (42,892)
2022	(62,915)
2023	4,169
2024	(71,011)
	<u>\$ (172,649)</u>

At December 31, 2020 the District reported a net pension liability of \$501,565 for the Burning Mountains Fire Protection District 7247-5 plan. The net pension liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2020.

For the year ended December 31, 2020, the District recognized pension expense related to this plan of \$92,244. At December 31, 2020, the District reported deferred outflow of resources related to pension from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Net difference between projected and actual earnings on pension plan investments	121,068	200,326
Contributions subsequent to the measurement date	80,929	-
Total	201,997	200,326

\$80,929 reported as deferred outflows of resources 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**13. Volunteer Firefighters' Pension Plans (continued)**

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

**Year ended December 31:**

2021	\$	(19,462)
2022		(29,868)
2023		3,481
2024		(33,409)
	<u>\$</u>	<u>(79,258)</u>

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

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years
Asset Valuation Method:	5-Year smoothed market
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65
 Mortality:	 Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, 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. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females project to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

**13. Volunteer Firefighters' Pension Plans (continued)**

Plan memberships as of January 1, 2020 was as follows:

Membership by type	Rifle Fire Protection District 7306-5 Volunteer Plan	Burning Mountains Fire Protection District 7247-5 Volunteer Plan
Active members	35	36
Retirees and beneficiaries	6	5
Inactive, non-retired members	1	0
Total	42	41

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

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

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

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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**13. Volunteer Firefighters' Pension Plans (continued)**

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Based on those assumptions, the Volunteer Plans 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.

*Sensitivity of the District's net pension liability to changes in the discount rate.* The following presents the net pension liability (asset) calculation using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

Rifle Fire Protection District 7306-5 Volunteer Plan	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	(2,029,950)	(2,317,342)	(2,560,707)

Burning Mountain Protection District 7247-5 Volunteer Plan	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	794,192	501,565	254,298

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

FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

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**14. Contingencies**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**14. Contingencies (continued)**

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The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2020, \$177,507 of the year-end fund balance in the General Fund will be reserved for emergencies.

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

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

The District is party to legal proceedings which normally occur in governmental operations. It is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

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**15. Tax Abatements**

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During 2018, Garfield County ("County") signed two property tax abatement agreements with oil and gas companies related to misreported production revenues. The County agreed to refund the companies for overpayment of taxes related to errors identified by the companies in the volumes and revenues of natural gas reported in prior years. The cost to the District in 2020 related to these refunds, including interest, was \$8,234.

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**16. Risk Management**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2020**

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**17. Subsequent Events**

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The District has evaluated subsequent events through May 11, 2021, the date which the financial statements were available to be issued. During this period, the District was not aware of any material recognizable subsequent events.

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**18. Risks and Uncertainties**

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On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, many state and local governments instituted restrictions that substantially limited the operations of non-essential businesses and the activities of individuals. While some of these restrictions have been eased, there is still significant uncertainty around the extent and duration of those still in place and the possibility for restrictions to be increased again in the future. The extent to which the pandemic will impact the District's financial results in the coming periods depends on future developments, including where there are additional outbreaks of COVID-19 and the actions taken to contain or address the virus. However, the District believes it will be able to continue operations under current governmental guidelines while mitigating the impact as much as possible to minimize losses.

# **Colorado River Fire Protection District**

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**Required Supplementary Information**

**Colorado River Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Governmental Fund Type—General Fund**  
**December 31, 2020**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Taxes	\$ 4,824,420	\$ 4,650,182	\$ (174,238)
Charge for services	1,153,000	1,709,074	556,074
Interest	123,500	60,353	(63,147)
Grants	40,079	165,548	125,469
Other	60,000	65,256	5,256
Total Revenues	<u>6,200,999</u>	<u>6,650,413</u>	<u>449,414</u>
<b>Expenditures:</b>			
Operational supply and expense	285,000	328,198	(43,198)
Elections	35,000	27,881	7,119
Dues and subscriptions	6,500	6,536	(36)
Bank service charges	5,000	5,431	(431)
Insurance	365,500	326,361	39,139
Board stipend	6,000	5,500	500
Professional services	165,000	150,684	14,316
Protective clothing	35,000	64,946	(29,946)
Repairs and Maintenance	184,500	225,091	(40,591)
Utilities	150,000	147,528	2,472
Payroll taxes	85,466	86,878	(1,412)
Salaries and benefits	5,660,735	5,427,166	233,569
Training	181,350	107,885	73,465
Treasurer and Tax abatement fees	111,182	119,224	(8,042)
Volunteer benefits	66,500	80,929	(14,429)
Community cares expense	2,500	1,542	958
911/Transport Service Write-offs	707,000	596,773	110,227
Capital outlay	171,500	30,316	141,184
Total Expenditures	<u>8,223,733</u>	<u>7,738,869</u>	<u>484,864</u>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<u>(2,022,734)</u>	<u>(1,088,456)</u>	<u>934,278</u>
<b>Fund Balance—Beginning of year</b>	<u>6,081,314</u>	<u>5,758,524</u>	<u>(322,790)</u>
<b>Fund Balance—End of Year</b>	<u>\$ 4,058,580</u>	<u>\$ 4,670,068</u>	<u>\$ 611,488</u>

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

# Colorado River Fire Protection District

## Required Supplementary Information

### Statewide FPPA Pension Plan

#### Schedules of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios

<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2020	0.41%	\$ (229,205)	\$ 2,758,725	-8.3%	101.9%
12/31/2019	0.51%	\$ 644,932	\$ 2,986,171	21.6%	95.2%
12/31/2018	0.52%	\$ (749,440)	\$ 3,409,510	-22.0%	106.3%
12/31/2017	0.49%	\$ 177,757	\$ 2,942,059	6.0%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,614,397	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,581,439	-23.7%	106.8%
12/31/2014	0.55%	\$ (489,255)	\$ 2,792,346	-17.5%	105.8%

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

\* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Statewide FPPA Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

<b>Measurement Period Ended*</b>	<b>Actuarially Required Contributions</b>	<b>Actual Employer Contributions</b>	<b>Contribution Excess/ (Deficiency)</b>	<b>Actual Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/2019	\$ 238,957	\$ 256,778	\$ 17,821	\$ 2,986,171	9%
12/31/2018	\$ 273,366	\$ 294,428	\$ 21,062	\$ 3,409,510	9%
12/31/2017	\$ 243,766	\$ 237,633	\$ (6,133)	\$ 2,942,059	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439	8%
12/31/2014	\$ 223,388	\$ 223,388	\$ -	\$ 2,792,346	8%
12/31/2013	\$ 238,067	\$ 238,067	\$ -	\$ 2,975,839	8%

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

# Colorado River Fire Protection District

## Required Supplementary Information

### Retirement Plan Supplementary Information

#### Schedules of Proportionate Share of the Net Pension and OPEB Liability and Related Ratios

<b>Colorado PERA - Pension</b>				<b>Net Pension</b>	<b>Fiduciary Net</b>
<b>Measurement</b>	<b>Proportion of</b>	<b>Proportionate</b>	<b>Actual</b>	<b>Liability as a</b>	<b>Position as a</b>
<b>Period Ended*</b>	<b>the Net Pension</b>	<b>Share of the Net</b>	<b>Covered</b>	<b>Percentage of</b>	<b>Percentage of Total</b>
	<b>Liability</b>	<b>Pension Liability</b>	<b>Payroll</b>	<b>Covered Payroll</b>	<b>Pension Liability</b>
12/31/2020	0.503%	\$ 367,855	\$ 373,789	98.4%	86.3%
12/31/2019	0.535%	\$ 672,533	\$ 376,947	178.4%	76.0%
12/31/2018	0.440%	\$ 490,003	\$ 277,621	176.5%	79.4%
12/31/2017	0.495%	\$ 668,498	\$ 288,729	231.5%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%
12/31/2014	0.046%	\$ 375,347	\$ 243,342	154.2%	81.8%

<b>Colorado PERA - OPEB</b>				<b>OPEB Liability as</b>	<b>Fiduciary Net</b>
<b>Measurement</b>	<b>Proportion of</b>	<b>Proportionate</b>	<b>Actual</b>	<b>a Percentage of</b>	<b>Position as a</b>
<b>Period Ended*</b>	<b>the Net OPEB</b>	<b>Share of the Net</b>	<b>Covered</b>	<b>a Percentage of</b>	<b>Percentage of Total</b>
	<b>Liability</b>	<b>OPEB Liability</b>	<b>Payroll</b>	<b>Covered Payroll</b>	<b>OPEB Liability</b>
12/31/2020	0.004%	\$ 43,297	\$ 373,789	11.6%	24.5%
12/31/2019	0.004%	\$ 56,443	\$ 376,947	15.0%	17.0%
12/31/2018	0.003%	\$ 44,442	\$ 277,621	16.0%	17.5%

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

\* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**PERA Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2019	\$ 44,490	\$ 44,490	\$ -	\$ 373,789	11.90%
12/31/2018	\$ 35,202	\$ 35,202	\$ -	\$ 376,947	9.34%
12/31/2017	\$ 38,049	\$ 38,049	\$ -	\$ 277,621	13.71%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230	12.68%
12/31/2014	\$ 45,157	\$ 45,157	\$ -	\$ 356,125	12.68%
12/31/2013	\$ 30,856	\$ 30,856	\$ -	\$ 243,342	12.68%

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

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Rifle Volunteer Firefighters' Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2019	\$ -	\$ -	\$ -	N/A	N/A
12/31/2018	\$ -	\$ -	\$ -	N/A	N/A
12/31/2017	\$ -	\$ -	\$ -	N/A	N/A
12/31/2016	\$ -	\$ 50,000	\$ (50,000)	N/A	N/A
12/31/2015	\$ -	\$ 236,751	\$ (236,751)	N/A	N/A
12/31/2014	\$ -	\$ 460,795	\$ (460,795)	N/A	N/A
12/31/2013	\$ -	\$ -	\$ -	N/A	N/A

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

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

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Burning Mountain Volunteer Firefighters' Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2019	\$ 49,359	\$ 50,000	\$ (641)	N/A	N/A
12/31/2018	\$ 49,359	\$ 50,000	\$ (641)	N/A	N/A
12/31/2017	\$ 92,694	\$ 80,929	\$ 11,765	N/A	N/A
12/31/2016	\$ 92,694	\$ 468,429	\$ (375,735)	N/A	N/A
12/31/2015	\$ 116,592	\$ 230,929	\$ (114,337)	N/A	N/A
12/31/2014	\$ 116,592	\$ 478,479	\$ (361,887)	N/A	N/A
12/31/2013	\$ 116,592	\$ 143,666	\$ (27,074)	N/A	N/A

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

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

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Rifle Volunteer Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**

Measurement period ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Service cost	\$ 1,957	\$ 7,082	\$ 7,082	\$ 7,687	\$ 7,687	\$ 7,453
Interest	205,951	219,189	222,007	228,124	232,163	230,538
Changes of benefit terms	-	-	-	-	-	98,350
Difference between expected and actual expenditures	-	(39,879)	-	(139,205)	-	(6,499)
Assumption changes	-	107,374	-	93,301	-	-
Benefit payments	<u>(271,857)</u>	<u>(271,069)</u>	<u>(262,401)</u>	<u>(279,646)</u>	<u>(307,240)</u>	<u>(309,315)</u>
<b>Net change in total pension liability</b>	(63,949)	22,697	(33,312)	(89,739)	(67,390)	20,527
<b>Total pension liability - Beginning</b>	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569	3,222,042
<b>Total pension liability - Ending (a)</b>	3,010,876	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569
<b>Plan fiduciary net position</b>						
Employer contributions	-	-	-	50,000	200,000	424,044
Employee contributions	-	-	-	-	-	-
Net investment income	689,822	3,655	684,417	249,309	84,449	304,757
Benefit payments	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Administrative expense	(11,335)	(9,680)	(10,670)	(7,706)	(9,268)	(7,391)
State of Colorado supplemental discretionary payment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,751</u>	<u>36,751</u>
<b>Net change in plan fiduciary net position</b>	406,630	(277,094)	411,346	11,957	4,692	448,846
<b>Plan fiduciary net position - beginning</b>	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687	4,321,841
<b>Plan fiduciary net position - end (b)</b>	5,328,218	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687
<b>District's net pension asset - ending (a)-(b)</b>	(2,317,342)	(1,846,763)	(2,146,554)	(1,701,896)	(1,600,200)	(1,528,118)
<b>Plan fiduciary net position as a percentage of the total pension asset</b>	176.97%	160.06%	170.33%	155.16%	150.40%	147.13%

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

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Burning Mountain Volunteer Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**

Measurement period ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Service cost	\$ -	\$ -	\$ -	\$ 7,593	\$ 7,593	\$ 14,738
Interest	203,480	215,806	219,824	224,353	227,329	224,056
Changes of benefit terms	-	-	-	-	-	93,077
Difference between expected and actual expenditures	-	(30,112)	-	(105,812)	-	(15,512)
Assumption changes	-	114,361	-	90,604	-	-
Benefit payments	<u>(267,395)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(273,399)</u>	<u>(275,771)</u>	<u>(262,869)</u>
<b>Net change in total pension liability</b>	(63,915)	26,656	(53,575)	(56,661)	(40,849)	53,490
<b>Total pension liability - Beginning</b>	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720	3,109,230
<b>Total pension liability - Ending (a)</b>	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720
<b>Plan fiduciary net position</b>						
Employer contributions	50,000	50,000	50,000	437,500	200,000	447,550
Net investment income	325,483	2,451	344,119	116,753	37,731	136,320
Benefit payments	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Administrative expense	(11,126)	(9,250)	(10,106)	(3,752)	(5,435)	(3,534)
State of Colorado supplemental discretionary payment	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>
<b>Net change in plan fiduciary net position</b>	127,891	(199,269)	141,543	308,031	(12,546)	348,396
<b>Plan fiduciary net position - beginning</b>	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019	1,820,623
<b>Plan fiduciary net position - end (b)</b>	2,534,669	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019
<b>District's net pension liability - ending (a)-(b)</b>	439,707	631,513	405,588	600,706	965,398	993,701
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	85.22%	79.21%	86.53%	80.40%	69.08%	68.58%

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

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

# **Colorado River Fire Protection District**

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**Other Supplementary Information**

**Colorado River Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Governmental Fund Type—Capital Projects Fund**  
**December 31, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$ 73,500	\$ 28,810	\$ (44,690)
Grants	<u>122,745</u>	<u>104,478</u>	<u>(18,267)</u>
Total Revenues	<u>196,245</u>	<u>133,288</u>	<u>(62,957)</u>
<b>Expenditures:</b>			
Capital outlay	<u>283,050</u>	<u>263,143</u>	<u>19,907</u>
Total Expenditures	<u>283,050</u>	<u>263,143</u>	<u>19,907</u>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<u>(86,805)</u>	<u>(129,855)</u>	<u>(43,050)</u>
<b>Fund Balance—Beginning of year</b>	<u>4,444,888</u>	<u>3,944,960</u>	<u>(499,928)</u>
<b>Fund Balance—End of Year</b>	<u>\$ 4,358,083</u>	<u>\$ 3,815,105</u>	<u>\$ (542,978)</u>

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