



Roaring Fork Fire Rescue Authority

**Financial Statements
December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Roaring Fork Fire Rescue Authority

We have audited the accompanying financial statements of the Roaring Fork Fire Rescue Authority (the "Authority"), as of and for the year ended December 31, 2020, which collectively comprise the Authority's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Roaring Fork Fire Rescue Authority as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B and the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E 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 Management's Discussion and Analysis in Section B and the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedule in Section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
April 5, 2021**



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2020**

As management of the Roaring Fork Fire Rescue Authority, (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2020.

The Management's Discussion and Analysis (the MD&A) should be read in conjunction with the Authority's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's general purpose financial statements. The Authority's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

The Authority was formed on December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District ("BRFPD") and Snowmass-Wildcat Fire Protection District ("SWFPD"). The Authority is a separate legal entity whose boundaries cover the combined territory of BRFPD and SWFPD. Operations of BRFPD and SWFPD were combined under the Authority on January 1, 2019. At this time, all BRFPD's and SWFPD's employees became employees of the Authority and all BRFPD's and SWFPD's capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

Financial Statements: The financial statements of the Authority are presented as a special purpose government engaged only in business type activities - providing fire protection services.

The *Statement of Net Position* present information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* present information that reflects how the Authority's net position changed during the past year. All changes in the net position 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 statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* report the Authority's cash flows from operating, capital and related financing, and investing activities.

The Authority's financial statements can be found on pages C1 through C3 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2020
(continued)**

Financial Analysis of the Authority

Roaring Fork Fire Rescue Authority's Net Position

	2020	2019
Assets:		
Current assets	\$ 9,228,759	\$ 10,523,439
Capital assets, net	27,631,935	27,024,939
Net pension assets	404,512	152,292
Total Assets	\$ 37,265,206	\$ 37,700,670
Deferred Outflows of Resources:		
Pension related deferred outflows	1,381,810	1,735,437
Total Deferred Outflows of Resources	\$ 1,381,810	\$ 1,735,437
Liabilities:		
Current liabilities	280,086	97,132
Long-term liabilities	261,378	632,812
Total Liabilities	\$ 541,464	\$ 729,944
Deferred Inflows of Resources:		
Pension related deferred inflows	404,823	99,374
Total Deferred Inflows of Resources	\$ 404,823	\$ 99,374
Net Position:		
Net investment in capital assets	27,631,935	27,024,939
Restricted:		
Pensions	404,512	152,292
Impact fees	195,034	105,020
Capital projects	1,416,041	1,761,452
Unrestricted	8,053,207	9,563,086
Total Net Position	\$ 37,700,729	\$ 38,606,789

Approximately 73% of the Authority's net position reflects its investment in capital assets, which includes land, fire stations, vehicles and equipment, less debt outstanding related to capital assets. The Authority uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Authority currently has no debt, as capital assets were either contributed or purchased with available funds.

At the end of 2020, the Authority is able to report positive balances in all categories of net position. Overall, the Authority's net position decreased during 2020.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2020**

Financial Analysis of the Authority (continued)

Roaring Fork Fire Rescue Authority's Net Position

	<u>2020</u>	<u>2019</u>
Revenues:		
Operating revenues:		
Charges for services	\$ 1,060,962	\$ 1,131,101
Transfers from BRFPD	3,230,597	2,856,329
Transfers from SWFPD	3,162,130	3,252,506
Non-operating revenues:		
Transfers from SWFPD restricted for capital purposes	357,437	369,156
Interest and investment income	30,107	54,349
Grants and donations	113,620	282,330
Special event income	14,000	24,740
Employee rentals	108,776	100,848
Wildfire contracts	123,966	-
EMS supplemental	24,754	-
Gain (loss) on sale of capital assets	17,612	440,643
Other non-operating revenues	26,538	3,096
Pension revenue (expense) and changes in deferrals	19,770	121,109
Capital contributions:		
Contributed capital assets:		
Basalt Rural Fire Protection District	-	8,263,683
Snowmass-Wildcat Fire Protection District	120,853	19,065,497
Contributed impact fees restricted for capital:		
Basalt Rural Fire Protection District	90,000	-
Contributed cash:		
Basalt Rural Fire Protection District	-	3,225,531
Snowmass-Wildcat Fire Protection District	-	6,857,554
Contributed pensions:		
Basalt Rural Fire Protection District	-	252,167
Snowmass-Wildcat Fire Protection District	-	988,454
Total Revenues	<u>\$ 8,501,122</u>	<u>\$ 47,289,093</u>
Expenses:		
Operating Expenses:		
Administration	\$ 1,578,277	\$ 1,493,914
Fire prevention	531,868	511,615
Operations	5,494,956	5,239,180
Vehicle maintenance and repair	294,804	263,635
Non-operating expenses:		
Depreciation	1,507,277	1,173,960
Total Expenses	<u>\$ 9,407,182</u>	<u>\$ 8,682,304</u>
Change in Net Position	(906,060)	38,606,789
Net Position - Beginning of Year	<u>38,606,789</u>	<u>-</u>
Net Position - End of Year	<u>\$ 37,700,729</u>	<u>\$ 38,606,789</u>

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2020
(continued)**

Financial Analysis of the Authority (continued)

Operating transfers from BRFPD and SWFPD were the most significant source of revenues, accounting for 75% of the total revenues. Charges for services accounted for 12% of total revenues.

Non-operating revenues totaled \$836,580. Transfers from SWFPD for capital purposes accounted for 43% of total non-operating revenues.

When compared to 2019, overall revenues decreased by \$38,787,971 mainly due to the large capital, cash and pension contributions from BRFPD and SWFPD during the Authority's first year of operations.

When compared to 2019, overall expenses increased by \$724,878 mainly due to an increase in depreciation expense of \$333,317 and an increase in personnel expenses, which includes wages, payroll taxes and benefits, of \$301,579.

Budget Variances

In 2020, revenues exceeded budget expectations by \$274,487. The favorable variance is mainly due to the Authority budgeting conservatively.

Actual expenditures were \$242,032 less than budgeted. The favorable variance is mainly due to less capital expenditures than budgeted.

Capital Asset Administration

At December 31, 2020, the Authority's capital assets, net of accumulated depreciation, totaled \$27,631,935. In 2020, the Authority capitalized \$2,199,461 of new assets, which includes \$120,853 of capital asset contributions received from SWFPD, and reported depreciation expense in the amount of \$1,507,277. Additional information on the Authority's capital assets can be found in the Notes to the Financial Statements in section D of this report.

2021 Budget Considerations

In 2021, the Authority approved budgeted revenues of \$16,751,756 and budgeted expenditures of \$9,065,762, which includes capital additions of \$1,445,000.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Authority's Administrative Offices, 1089 JW Drive, Carbondale, Colorado 81623.



BASIC FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Statement of Net Position
December 31, 2020
(With Comparative Actual Amounts as of December 31, 2019)

	2020	2019
Assets:		
Cash and cash equivalents - Unrestricted	7,427,065	8,899,462
Investments	1,211,625	1,206,256
Receivables, net of allowance for uncollectibles:		
Accounts	331,690	342,618
Other	170,793	75,103
Prepaid expenses	87,586	-
Capital assets	30,266,606	28,198,899
Accumulated depreciation	(2,634,671)	(1,173,960)
Net pension asset - defined benefit plan	170,591	-
Net pension asset - hybrid plan	233,921	152,292
	37,265,206	37,700,670
Total Assets		
Deferred Outflows of Resources:		
Pension related deferred outflows - defined benefit plan	1,162,305	1,469,031
Pension related deferred outflows - hybrid plan	219,505	266,406
	1,381,810	1,735,437
Total Deferred Outflows of Resources		
	38,647,016	39,436,107
Total Assets and Deferred Outflows of Resources		
Liabilities:		
Current Liabilities:		
Accounts payable	63,703	19,204
Accrued payroll and taxes	208,383	69,578
Deposits	8,000	8,350
	280,086	97,132
Total Current Liabilities		
Non-current Liabilities:		
Compensated absences	261,378	206,185
Net pension liability - defined benefit plan	-	426,627
	261,378	632,812
Total Non-current Liabilities		
	541,464	729,944
Total Liabilities		
Deferred Inflows of Resources:		
Pension related deferred inflows - defined benefit plan	345,269	90,068
Pension related deferred inflows - hybrid plan	59,554	9,306
	404,823	99,374
Total Deferred Inflows of Resources		
Net Position:		
Net investment in capital assets	27,631,935	27,024,939
Restricted for:		
Pensions	404,512	152,292
Impact fees	195,034	105,020
Capital projects	1,416,041	1,761,452
Unrestricted	8,053,207	9,563,086
	37,700,729	38,606,789
Total Net Position		

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

Roaring Fork Fire Rescue Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended 2019)

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Charges for services	1,060,962	1,131,101
Transfers from Basalt Rural Fire Protection District	3,230,597	2,856,329
Transfers from Snowmass-Wildcat Fire Protection District	<u>3,162,130</u>	<u>3,252,506</u>
Total Operating Revenues	<u>7,453,689</u>	<u>7,239,936</u>
Operating Expenses:		
Administration	1,578,277	1,493,914
Fire prevention	531,868	511,615
Operations	5,494,956	5,239,180
Vehicle maintenance and repair	<u>294,804</u>	<u>263,635</u>
Total Operating Expenses	<u>7,899,905</u>	<u>7,508,344</u>
Operating Income (Loss)	<u>(446,216)</u>	<u>(268,408)</u>
Non-operating Revenues (Expenses):		
Transfers from Snowmass-Wildcat Fire Protection District restricted for capital purposes	357,437	369,156
Interest and investment income	30,107	54,349
Grants and contributions	113,620	282,330
Special event income	14,000	24,740
Employee rentals	108,776	100,848
Wildfire contracts	123,966	-
EMS supplemental	24,754	-
Gain (loss) on sale of capital assets	17,612	440,643
Other non-operating revenues	26,538	3,096
Pension revenue (expense) and changes in deferrals	19,770	121,109
Depreciation	<u>(1,507,277)</u>	<u>(1,173,960)</u>
Total Non-operating Revenues (Expenses)	<u>(670,697)</u>	<u>222,311</u>
Income (Loss) Before Capital Contributions	<u>(1,116,913)</u>	<u>(46,097)</u>
Capital Contributions:		
Contributed capital assets:		
Basalt Rural Fire Protection District	-	8,263,683
Snowmass-Wildcat Fire Protection District	120,853	19,065,497
Contributed impact fees restricted for capital:		
Basalt Rural Fire Protection District	90,000	-
Contributed cash:		
Basalt Rural Fire Protection District	-	3,225,531
Snowmass-Wildcat Fire Protection District	-	6,857,554
Contributed pensions:		
Basalt Rural Fire Protection District	-	252,167
Snowmass-Wildcat Fire Protection District	<u>-</u>	<u>988,454</u>
Total Capital Contributions	<u>210,853</u>	<u>38,652,886</u>
Change in Net Position	(906,060)	38,606,789
Net Position - Beginning of Year	<u>38,606,789</u>	<u>-</u>
Net Position - End of Year	<u><u>37,700,729</u></u>	<u><u>38,606,789</u></u>

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

Roaring Fork Fire Rescue Authority
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Cash received from customers and others	976,200	713,380
Cash received from Basalt Rural Fire Protection District	3,230,597	2,856,329
Cash received from Snowmass-Wildcat Fire Protection District	3,162,130	3,252,506
Cash payments for goods and services	(2,281,404)	(2,129,131)
Cash payments to employees and for benefits	(5,467,590)	(5,084,246)
Net Cash Provided (Used) by Operating Activities	<u>(380,067)</u>	<u>(391,162)</u>
Cash Flows From Non-capital Financing Activities:		
Cash received from grants and contributions	113,620	282,330
Cash received from employee rentals	108,426	100,848
Cash received from special events	14,000	24,740
Other cash receipts	175,258	11,449
Net Cash Provided (Used) by Non-capital Financing Activities	<u>411,304</u>	<u>419,367</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of capital assets	102,800	1,004,530
Contributed cash	90,000	8,885,143
Transfers restricted for capital purposes	357,437	369,156
Cash paid for capital acquisitions	(2,078,608)	(1,433,607)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,528,371)</u>	<u>8,825,222</u>
Cash Flows From Investing Activities:		
Interest income received	24,737	46,035
Net Cash Provided (Used) by Investing Activities	<u>24,737</u>	<u>46,035</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,472,397)	8,899,462
Cash and Cash Equivalents - Beginning of Year	<u>8,899,462</u>	<u>-</u>
Cash and Cash Equivalents - End of Year	<u><u>7,427,065</u></u>	<u><u>8,899,462</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	<u>(446,216)</u>	<u>(268,408)</u>
Adjustments:		
(Increase) decrease in accounts receivable	(84,762)	(417,721)
(Increase) decrease in prepaid expenses	(87,586)	-
Increase (decrease) in accounts payable	44,499	19,204
Increase (decrease) in accrued payroll	138,805	69,578
Increase (decrease) in compensated absences	55,193	206,185
Total Adjustments	<u>66,149</u>	<u>(122,754)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(380,067)</u></u>	<u><u>(391,162)</u></u>
Non-cash Investing, Capital, and Financing Activities:		
Contribution of pension assets, deferred inflows and outflows	-	1,240,621
Contribution of capital assets	<u>120,853</u>	<u>27,329,180</u>

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



NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies

Roaring Fork Fire Rescue Authority (the "Authority") was formed December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District and Snowmass-Wildcat Fire Protection District (the "parties"). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties' employees became employees of the Authority and all parties' capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

The Authority is governed by six appointed directors, who each cast one vote on matters that come before the board. Each party will appoint three directors. The purposes of the Authority are to provide fire rescue services on behalf of the parties, take assignment of all existing assets of the parties unless otherwise specifically exempt by the agreement, and to employ, supervise, and manage all employees and volunteers of the parties.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Authority are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government; i.e., the Authority. The Authority 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 Authority. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Authority. Organizations for which the nature and significance of their relationship with the Authority 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 criteria above, the Authority is not financially accountable for any other entity nor is the Authority a component unit of any other government.

B. Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority uses a proprietary fund-type, an enterprise fund, to account for its activity, providing fire protection services to residents within the Authority's boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are operating transfers from the parties and charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts and Accounting Policies

1. Cash, Cash Equivalents and Investments

For purposes of the Statements of Cash Flows, the Authority considers cash on hand, demand deposits, U.S. government obligations and other highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments are stated at fair value or net asset value. The change in value of investments is recognized as an increase or decrease to investment assets and investment income.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2020, the Authority established an allowance for doubtful accounts in the amount of \$25,556 (2019 – \$41,816) to estimate uncollectible accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

4. Capital Assets

Capital assets, which include land, construction in progress, vehicles, equipment, buildings and improvements, are reported in the financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Each of the participating parties contributed their capital assets to the Authority at no cost to the Authority.

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

Vehicles, equipment, buildings and improvements, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles & Equipment	5 - 25
Buildings & Improvements	5 - 50

In the event of the dissolution of the Authority, the assets assigned to the Authority by each party will be returned to the assigning party. Assets acquired by the Authority and other financial assets will be liquidated and conveyed to each party in proportion to the total amounts paid to the Authority by each party during the term of the agreement.

5. Pensions

The Authority participates in the Statewide Defined Benefit Plan and the Statewide Hybrid Plan, both administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The Statewide Hybrid Plan is comprised of two components: Defined Benefit and Money Purchase. 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 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.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

6. Compensated Absences

The Authority permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the statement of net position.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category, which are the pension-related deferred outflow of the defined benefit pension plan and pension-related deferred outflow of the hybrid pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category, which are the pension-related deferred inflow of the defined benefit pension plan and pension-related deferred inflow of the hybrid pension plan reported in the statement of net position.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

9. Use of Estimates

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

10. Restricted and Unrestricted Resources

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations and all appropriations lapse at year-end.

As required by Colorado statutes, the Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2020:

1. The Authority submitted, on or before October 15, 2019, a recommended budget that detailed the necessary revenues to meet the Authority's operating requirements.
2. On or prior to December 31, 2019, after a required publication of "Notice of Budget" and a public hearing, the Authority adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the Authority may make the following changes: a) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) it may approve emergency appropriations; and c) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The Authority's management believes its operations qualify for this exclusion.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

The Authority believes it is in compliance with the financial 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 and qualification as an enterprise, will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The Authority's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the Authority's cash and cash equivalents were \$7,427,065 as of December 31, 2020.

Interest Rate Risk. The Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than two years from the purchase date. As a result of limited length of maturities the Authority has limited its interest rate risk.

Credit Risk. The Authority's investment policy limits investments to those authorized by State statutes. The Authority's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The investment policy permits investments in the following types of obligations:

- U.S. Treasury Obligations – U.S. Treasury bills and notes. Federally insured mortgages and student loans.
- Shares of a local government surplus funds trust (Colorado Trust, Government Asset Pool) established under the provisions of 24-74-701, CRS, as amended.
- Money market funds authorized under CRS, 24-75-601.1(l)(k) and rated in the highest category by a nationally recognized rating agency.

Concentration of Credit Risk. According to the Authority's investment policy, the maximum amount deposited in any one local government surplus fund shall not exceed \$6,000,000.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2020, the Authority had the following cash and investments with the following maturities:

	December 31, 2020			
	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Checking	Not rated	\$ 3,023,478	3,023,478	-
Money market	Not rated	1,867,205	1,867,205	-
Government investment pools	AAAm	2,536,382	2,536,382	-
<i>Investments:</i>				
Certificates of deposit	Not rated	1,211,625	1,211,625	-
Total		\$ 8,638,690	8,638,690	-

The investment pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price, and is measured at net asset value. The Authority has no regulatory oversight for the pool.

Fair Value of Investments - The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2020, the Authority had the following recurring measurements:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 1,211,625	-	1,211,625	-
Investments Measured at Net Asset Value	Total			
Colotrust	\$ 2,536,382			

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 364,985	-	-	364,985
Construction in progress	1,684,587	1,822,018	(3,506,605)	-
Total capital assets, not being depreciated	<u>2,049,572</u>	<u>1,822,018</u>	<u>(3,506,605)</u>	<u>364,985</u>
Capital assets, being depreciated:				
Buildings & Improvements	23,179,525	120,853	(672)	23,299,706
Vehicles & Equipment	2,969,802	3,763,195	(131,082)	6,601,915
Total capital assets being depreciated	<u>26,149,327</u>	<u>3,884,048</u>	<u>(131,754)</u>	<u>29,901,621</u>
Less accumulated depreciation for:				
Buildings & Improvements	(753,062)	(747,038)	336	(1,499,764)
Vehicles & Equipment	(420,898)	(760,239)	46,230	(1,134,907)
Total accumulated depreciation	<u>(1,173,960)</u>	<u>(1,507,277)</u>	<u>46,566</u>	<u>(2,634,671)</u>
Total capital assets, being depreciated, net	<u>24,975,367</u>	<u>2,376,771</u>	<u>(85,188)</u>	<u>27,266,950</u>
Total capital assets, net	<u><u>\$ 27,024,939</u></u>	<u><u>4,198,789</u></u>	<u><u>(3,591,793)</u></u>	<u><u>27,631,935</u></u>

Fully depreciated assets totaled \$156,007 for the year ended December 31, 2020.

C. Long-Term Liabilities

Long-term liabilities activity for the year ended December 31, 2020 was as follows:

	<u>1/1/20 Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/20 Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	206,185	55,193	-	261,378	-
Net pension liabilities/(assets):					
Defined benefit plan	426,627	-	(597,218)	(170,591)	-
Total	<u><u>632,812</u></u>	<u><u>55,193</u></u>	<u><u>(597,218)</u></u>	<u><u>90,787</u></u>	<u><u>-</u></u>

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

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

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

Contributions. Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Effective January 1, 2021, contribution rates may be increased by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2019, employees and employers are contributing at a rate of 10.5% and 8%, respectively, of base salary for a total contribution rate of 18.5%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5% of base salary in 2019. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member and employer contribution rates increase 0.5% annually. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution to the plan for reentry contributions.

The contribution rate for members and employers of affiliated social security employers is 5.25% and 4% of base salary for a total contribution rate of 9.25% in 2019. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of base salary.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits. On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50.

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

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

Net Pension Liability. At December 31, 2020, the Authority reported (\$170,591) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2020. The Authority's proportionate share of the net pension liability/(asset) was based on Authority's contributions to the Plan for the calendar year 2019 relative to the total contributions of participating employers to the Plan.

At December 31, 2020, the Authority's proportionate share was 0.301632%, as compared to 0.337447% at December 31, 2019.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Liability (continued). For the year ended December 31, 2020, the Authority recognized pension expense/(income) of (\$35,291). At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 577,315	3,339
Changes of assumptions or other inputs	323,918	-
Net difference between projected and actual earnings on pension plan investments	-	268,175
Difference between actual and reported contributions recognized	-	1,531
Changes in proportionate share of contributions	92,014	72,224
Contributions subsequent to the measurement date	169,058	-
Total	\$ 1,162,305	345,269

Contributions subsequent to the measurement date of December 31, 2019, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended December 31, 2021.

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

Year ending December 31:

2021	\$	57,450
2022		34,225
2023		121,468
2024		8,308
2025		124,615
Thereafter		301,912
		\$ 647,978

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate*	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

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

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective pension liability/(asset)	\$ 342,913,305	(56,556,341)	(387,863,540)
Proportionate share of net pension liability/(asset)	\$ 1,034,335	\$ (170,591)	\$ (1,169,920)

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

Collective Pension Expense for the Plan Year Ended December 31, 2019

Service Cost	\$ 335,378
Interest on the Total Pension Liability	562,737
Current-Period Benefit Changes	-
IRC 414(h)(2) Employer-paid Member Contributions	(230,829)
Member Purchases of Service Credit	(108,091)
Projected Earnings on Plan Investments	(541,982)
Pension Plan Administrative Expense	10,632
Other Changes in Plan Fiduciary Net Position	-
Recognition of Outflow of Resources due to Liabilities	124,843
Recognition of Outflow of Resources due to Assets	(143)
Total Pension Plan Expense	\$ 152,545

2. FPPA Statewide Hybrid Plan

Plan Description. The Plan was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Plan Description (continued). The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan ("DROP") assets are included in the Fire & Police Members' Self-Directed Investment Fund.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8% of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.8%. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.4%.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after five years of service. Employer and member contributions are invested in funds at the discretion of members.

Benefits. The Plan states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0% to 3%.

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or at age 50 with at least five years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' base salary for each year of credited service.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability. At December 31, 2020, the Authority reported (\$233,921) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2020. The Authority's proportionate share of the net pension liability/(asset) was based on Authority's contributions to the Plan for the calendar year 2019 relative to the total contributions of participating employers to the Plan.

At December 31, 2020, the Authority's proportionate share was 1.201195%, as compared to 1.103290% at December 31, 2019.

For the year ended December 31, 2020, the Authority recognized pension expense/(income) of \$15,521. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 110,979	-
Changes of assumptions or other inputs	19,828	-
Net difference between projected and actual earnings on pension plan investments	-	28,704
Changes in proportionate share of contributions	68,747	30,850
Contributions subsequent to the measurement date	19,951	-
Total	\$ 219,505	59,554

Contributions subsequent to the measurement date of December 31, 2019, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended December 31, 2021.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability (continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2021	\$	34,240
2022		31,908
2023		41,076
2024		22,178
2025		11,132
Thereafter		(534)
	<u>\$</u>	<u>140,000</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate*	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

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

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

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective pension liability/(asset)	\$ (11,844,345)	(19,474,018)	(25,856,826)
Proportionate share of net pension liability/(asset)	\$ (142,274)	(233,921)	(310,591)

Pension plan fiduciary net position. Detailed information about the Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

Collective Pension Expense for the Plan Year Ended December 31, 2019

Service Cost	\$ 19,043
Interest on the Total Pension Liability	49,310
Current-Period Benefit Changes	6,106
IRC 414(h)(2) Employer-paid Member Contributions	(7,808)
Member Purchases of Service Credit	(10,739)
Projected Earnings on Plan Investments	(61,547)
Pension Plan Administrative Expense	1,146
Other Changes in Plan Fiduciary Net Position	(624)
Recognition of Outflow of Resources due to Liabilities	30,656
Recognition of Outflow of Resources due to Assets	(567)
Total Pension Plan Expense	\$ 24,976

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information

A. Retirement Plans

1. FPPA Statewide Death and Disability Plan

Plan Description. The Statewide Death and Disability Plan (“SWDD”) is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy. Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD. Contributions may be increased 0.1% biennially by the FPPA Board. As of January 1, 2019, the contribution rate is 2.8% of base salary. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the Authority or member, or it may be split between the Authority and the member as determined at the local level. The Authority paid \$73,227 on-behalf of members to the SWDD in 2020.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

2. FPPA Section 457 Deferred Compensation Plan

The Authority adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). Participants may defer up to the lesser of \$11,000 or 100% of the participant’s includable compensation. Participants over age 50 are eligible to contribute more than the \$11,000 limit due to a catch-up provision in the plan. The Authority is neither the trustee nor the administrator and has no liability under the plan. The Authority contributed \$70,373 in 2020.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information (continued)

A. Retirement Plans (continued)

3. Defined Contribution Money Purchase Retirement Plan

The Authority adopted the Roaring Fork Fire Rescue Authority Defined Contribution Money Purchase Retirement Plan and Trust (the "Trust") On January 1, 2019. This Trust is administered by ICMA. All non-responder personnel of the Authority are eligible to participate in the plan. The contribution rate for members is 8% of covered salaries, and for the Authority is 15% of covered salaries. For members that are grandfathered into FPPA plans, the Authority contribution rate ranges from 3% to 7%. The plan vests 20% after each year of service completed. Members are fully vested after 5 years of service are completed. The Authority contributed \$164,458 in 2020.

4. Fidelity Section 457 Deferred Compensation Plan

The Authority offers its non-responder personnel an additional voluntary deferred compensation plan created in accordance with IRC section 457 (the "457 Plan"). The plan is administered by Fidelity. All compensation deferred under the 457 Plan, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The Authority does not contribute to this 457 plan.

5. Length of Service Award Program Volunteer Plan

In 2019, the Authority adopted a Length of Service Award Plan ("LOSAP") in accordance with exclusions listed under IRC section 457. All benefits earned under LOSAP, together with all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for exclusive benefit of the participants and their designated beneficiaries. The plan was established for the purpose of providing service awards to qualified volunteer firefighters and volunteer emergency medical technicians who do not participate in the FPPA Volunteer Pension Plan, as defined.

Annually, the Authority determines eligible participants and amount of the service awards, although no award shall exceed \$3,000 for any given year of service. The Authority made contributions totaling \$15,000 to the plan for the year ended December 31, 2020, in accordance with established provisions.

The individual participants determine investment decisions within the LOSAP Plan and, therefore, the LOSAP Plan's investment concentration varies between participants. The Authority, as Trustee of the LOSAP Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the LOSAP Plan. Consequently, the LOSAP Plan is not part of the Authority's financial statements.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Other Information (continued)

B. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

The Authority participates in the Western Slope Health Care Group, currently with 9 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

C. Intergovernmental Agreements

1. Regional Emergency Dispatch Center

On January 1, 2019 the Authority entered into an intergovernmental agreement (IGA) with Pitkin County, the City of Aspen, Town of Snowmass Village, and the Town of Basalt, and the Special Districts of Aspen Fire Protection District, Aspen Ambulance District, and Carbondale and Rural Fire Protection District (the "Participating Members") for the operation, administration, and financial support of the Pitkin County Regional Emergency Dispatch Center (the "Center").

The Center is governed by a Communications Board comprised of individual Participating Members. The purpose of the Board is to provide representatives of the Participating Members with a means to offer advice, suggestions and recommendations to the Director and the County with respect to the operation and management of the Center to ensure the efficient operation of the Center. The Center will remain a department of Pitkin County.

The initial term of this IGA commenced on January 1, 2019, and is set to expire on December 31, 2023, with automatic five-year renewals. Annual operating costs of the Center including salaries, utilities, maintenance, insurance premiums and deductibles and any other expenses related to the operation and administration of the Center will be allocated to each Participating Member as set forth in the IGA.

During the year ended December 31, 2020, the Authority paid \$108,579 related to this agreement.

D. Coronavirus Relief Funds

In 2020, the Authority was awarded \$100,000 in grant funds under Colorado's Coronavirus Relief Fund program to fund Authority-wide operational needs due to the COVID-19 emergency. The Authority expended 100% of this grant during 2020.



SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services	675,000	675,000	1,060,962	385,962	1,131,101
Interest and investment income	30,000	30,000	30,107	107	54,349
Grants and contributions	-	-	113,620	113,620	282,330
Special event income	15,000	15,000	14,000	(1,000)	24,740
Employee rentals	106,200	106,200	108,776	2,576	100,848
Wildfire income	-	-	123,966	123,966	-
EMS supplemental	-	-	24,754	24,754	-
Gain (loss) on sale of capital assets	510,000	75,000	102,800	27,800	1,004,530
Other	-	-	26,538	26,538	3,096
Transfers from Basalt Rural Fire Protection District	3,000,000	3,000,000	3,230,597	230,597	2,856,329
Transfers from Snowmass-Wildcat Fire Protection District	3,580,000	3,580,000	3,519,567	(60,433)	3,621,662
Contributed cash	600,000	600,000	-	(600,000)	10,083,085
Total Revenues	<u>8,516,200</u>	<u>8,081,200</u>	<u>8,355,687</u>	<u>274,487</u>	<u>19,162,070</u>
Expenditures:					
Administration:					
Salaries	790,265	790,265	817,200	(26,935)	795,273
Payroll taxes	14,104	14,104	13,100	1,004	12,601
Health benefits	245,337	245,337	217,136	28,201	203,130
Pension benefits	121,435	121,435	117,901	3,534	116,508
Workmen's compensation	100,000	100,000	129,751	(29,751)	100,908
Public relations	12,000	12,000	8,312	3,688	25,942
Office expenses	167,000	167,000	127,526	39,474	73,804
Fees	137,143	137,143	118,181	18,962	69,909
Wildland mitigation	-	-	13,117	(13,117)	48,761
Subtotal - Administration	<u>1,587,284</u>	<u>1,587,284</u>	<u>1,562,224</u>	<u>25,060</u>	<u>1,446,836</u>
Fire Prevention:					
Salaries	437,275	437,275	377,836	59,439	354,007
Payroll taxes	7,478	7,478	5,945	1,533	5,791
Health benefits	82,836	82,836	75,589	7,247	57,025
Pension benefits	70,080	70,080	56,431	13,649	54,421
Public relations	7,000	7,000	2,750	4,250	5,031
Office expenses	3,300	3,300	1,797	1,503	2,321
Equipment	38,000	38,000	3,899	34,101	3,461
Subtotal - Fire Prevention	<u>645,969</u>	<u>645,969</u>	<u>524,247</u>	<u>121,722</u>	<u>482,057</u>
Operations:					
Salaries	2,855,510	2,855,510	2,836,468	19,042	2,766,666
Payroll taxes	66,154	66,154	64,574	1,580	64,970
Health benefits	453,606	453,606	487,943	(34,337)	383,294
Pension benefits	340,891	340,891	363,443	(22,552)	339,269
Communications	105,000	105,000	108,579	(3,579)	122,018
Rent	38,000	38,000	33,932	4,068	33,307
Building maintenance	179,000	179,000	173,755	5,245	163,293
Utilities	187,000	187,000	163,063	23,937	151,780
Benefits	171,500	171,500	129,958	41,542	129,320
Repair and maintenance	107,000	107,000	206,670	(99,670)	165,462
Equipment and supplies	286,500	286,500	235,127	51,373	298,843
Staff development	159,500	159,500	71,101	88,399	123,189
COVID-19 direct expenses	-	-	74,399	(74,399)	-
Subtotal - Operations	<u>4,949,661</u>	<u>4,949,661</u>	<u>4,949,012</u>	<u>649</u>	<u>4,741,411</u>

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

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Year Ended 2019)
(Continued)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Vehicle Maintenance and Repair:					
Salaries	115,654	115,654	72,506	43,148	81,534
Payroll taxes	2,030	2,030	1,206	824	1,372
Health benefits	26,500	26,500	13,555	12,945	11,138
Pension benefits	17,350	17,350	11,004	6,346	12,102
Repair and maintenance	175,000	175,000	202,071	(27,071)	149,913
Equipment and supplies	3,000	3,000	983	2,017	1,056
Subtotal - Vehicle Maintenance and Repair	<u>339,534</u>	<u>339,534</u>	<u>301,325</u>	<u>38,209</u>	<u>257,115</u>
Other:					
Capital outlay	1,935,000	2,135,000	2,078,608	56,392	1,433,607
Transfers to vehicle fund	575,000	-	-	-	-
Subtotal - Other	<u>2,510,000</u>	<u>2,135,000</u>	<u>2,078,608</u>	<u>56,392</u>	<u>1,433,607</u>
Total Expenditures	<u>10,032,448</u>	<u>9,657,448</u>	<u>9,415,416</u>	<u>242,032</u>	<u>8,361,026</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,516,248)	(1,576,248)	(1,059,729)	516,519	10,801,044
Funds Available - Beginning of Year	<u>7,402,358</u>	<u>10,426,304</u>	<u>10,801,044</u>	<u>374,740</u>	<u>-</u>
Funds Available - End of Year	<u>5,886,110</u>	<u>8,850,056</u>	<u>9,741,315</u>	<u>891,259</u>	<u>10,801,044</u>
Reconciliation to GAAP Basis:					
Excess (deficiency) of revenues over expenditures			(1,059,729)		10,801,044
Contributed capital assets			120,853		27,329,180
Contributed pension assets, deferred inflows and outflows			-		1,240,621
Gain (loss) on sale of capital assets			(85,188)		(563,887)
Depreciation			(1,507,277)		(1,173,960)
Provision for uncollectible income			(507,904)		(374,740)
Pension expense and change in deferrals			19,770		121,109
Capitalized assets			2,078,608		1,433,607
Change in compensated absences			(55,193)		(206,185)
Change in Net Position - GAAP Basis			<u>(996,060)</u>		<u>38,606,789</u>

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

Roaring Fork Fire Rescue Authority
Schedule of Authority's Proportionate Share of Net Pension Asset / Liability
Fire and Police Association of Colorado
Last 10 Fiscal Years *

Defined Benefit Plan:	2019	2018	2017	2016	2015	2014	2013
Authority's portion of the net pension liability/(asset)	0.301632%	0.337447%	0.335945%	0.328790%	0.306189%	0.280935%	0.232311%
Authority's proportionate share of the net pension liability/(asset)	\$ (170,591)	\$ 426,627	\$ (483,307)	\$ 118,805	\$ (5,396)	\$ 317,056	\$ 207,728
Authority's covered payroll	\$ 2,067,957	\$ 1,997,386	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792	\$ 1,226,852	\$ 952,400
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-8.2%	21.4%	-25.5%	7.3%	-0.4%	25.8%	21.8%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%
Hybrid Plan:							
	2019	2018	2017	2016	2015	2014	2013
Authority's portion of the net pension liability/(asset)	1.201195%	1.103290%	1.237387%	1.246679%	1.685480%	1.765584%	1.574854%
Authority's proportionate share of the net pension liability/(asset)	\$ (233,921)	\$ (152,292)	\$ (241,943)	\$ (135,704)	\$ (177,530)	\$ (209,392)	\$ (160,638)
Authority's covered payroll	\$ 191,687	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-122.0%	-86.2%	-127.9%	-84.2%	-80.0%	-95.8%	-78.8%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	130.1%	123.5%	138.9%	125.8%	129.4%	140.6%	139.0%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

**Roaring Fork Fire Rescue Authority
Schedule of Authority Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

Defined Benefit Plan:

	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 177,850	\$ 162,366	\$ 160,390	\$ 150,455	\$ 136,101	\$ 113,095	\$ 86,331	\$ 79,648
Contributions in relation to the statutorily required contribution	(177,850)	(162,366)	(160,390)	(150,455)	(136,101)	(113,095)	(86,331)	(79,648)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 2,118,128	\$ 2,067,957	\$ 1,997,386	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792	\$ 1,226,852	\$ 952,400
Contributions as a percentage of covered payroll	8.4%	7.9%	8.0%	8.0%	8.3%	8.2%	7.0%	8.4%

Hybrid Plan:

	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 19,169	\$ 19,169	\$ 17,584	\$ 18,920	\$ 16,122	\$ 22,196	\$ 21,855	\$ 20,374
Contributions in relation to the statutorily required contribution	(19,169)	(19,169)	(17,584)	(18,920)	(16,122)	(22,196)	(21,855)	(20,374)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 191,687	\$ 191,687	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Contributions as a percentage of covered payroll	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

* Information is only available beginning in fiscal year 2014.

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2020

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan and Hybrid Plan

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

5. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2020

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan and Hybrid Plan (continued)

A. Changes to assumptions or other inputs (continued)

6. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of Authority Contributions – Statewide Defined Benefit Plan and Hybrid Plan

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.

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