

GRAND VALLEY FIRE PROTECTION DISTRICT

—

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

—

DECEMBER 31, 2021

FINANCIAL STATEMENTS - 2021

GRAND VALLEY FIRE PROTECTION DISTRICT

2021 BOARD OF DIRECTORS

Michelle Foster, President

Bill Nelson, Vice President

Ed Baker, Secretary/Treasurer

Julie Jenkinson, Director

Shirley Barrick, Director

ADMINISTRATIVE STAFF

Barbara (Kim) Reeves, Administrative Specialist

David A. Blair, Fire Chief

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT DISCUSSION & ANALYSIS	3-6
FINANCIAL STATEMENTS	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Funds	11
Reconciliation of Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	14
Notes to Financial Statements	17-49
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	51-52
Budgetary Comparison Schedule – Capital Projects Fund	53-54
Schedule of Contributions – Volunteer Firefighters' Pension Plan	55
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Volunteer Firefighters' Pension Plan	57-58
Schedule of the District's Proportionate Share of the Net Pension Liability – Statewide FPPA Pension Plan	59
Schedule of the District's Contributions – Statewide FPPA Pension Plan	60
Schedule of the District Proportionate Share of the Net Pension Liability – PERA Pension Plan	61
Schedule of the District's Contributions – PERA Pension Plan	62
Schedule of the District Proportionate Share of the Net OPEB Liability – PERA OPEB Plan	63
Schedule of the District's Contributions – PERA OPEB Plan	64
SUPPLEMENTARY INFORMATION	
Schedule of General Fund Operating Expenditures	67-68

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grand Valley Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grand Valley Fire Protection District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Grand Valley Fire Protection 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, the major fund, and the aggregate remaining fund information of the Grand Valley Fire Protection District, as of December 31, 2021, 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.

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 Grand Valley 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Grand Valley Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 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.

Meeker Office

685 Main St, Suite 2, PO Box 1109, Meeker, CO 81641

☎ : 970-878-5219

☎ : 970-878-3210 ✉ : rangely@colocpa.com

Rangely Office

118 W Main St, PO Box 770, Rangely, CO 81648

☎ : 970-675-2222

☎ : 970-675-2220 ✉ : rangely@colocpa.com

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 Grand Valley 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 Grand Valley Fire Protection District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of contributions – Volunteer Firefighters' Pension Plan, schedule of changes in net pension liability (asset) and related ratios – Volunteer Firefighters' Pension Plan, schedule of the District's proportionate share of the net pension liability – Statewide FPPA Pension Plan, schedule of the District's contributions – Statewide FPPA Pension Plan, schedule of the District's proportionate share of the net pension liability – PERA Pension Plan, schedule of the District's contributions – PERA Pension Plan, schedule of the District's proportionate share of the net OPEB liability - PERA OPEB Plan, and schedule of the District's contributions – PERA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises of the schedule of General Fund operating expenditures but does not included the basic financials statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Calo CPA Services, PC

Rangely, Colorado
June 23, 2022

MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis of the Grand Valley 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 of resources by \$22,226,378 at December 31, 2021.
- Total District's cash and investments increased by \$1,574,430 or 20 percent from 2020.
- The December 31, 2021 General fund balance is \$1,132,698 more than the previous year. The total fund balance is 225 percent of 2021 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

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 positions. 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.

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

Fund Financial Statements

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 49 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund and Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund on page 51 through 52 and for the Capital Projects Fund on pages 53 through 54.

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.

The following table provides a summary of the District's net position for 2020 and 2021.

	Governmental Activities	
	2020	2021
Assets		
Current and other assets	\$ 14,010,264	\$ 15,273,493
Capital assets	11,022,933	10,480,895
Total assets	25,033,197	25,754,388
Deferred Outflows of Resources	914,653	829,917
Liabilities		
Current and other liabilities	288,600	220,033
Noncurrent liabilities	92,391	67,267
Total Liabilities	380,991	287,300
Deferred Inflows of Resources	4,225,164	4,070,627
Net Position		
Net investment in capital assets	11,022,933	10,480,895
Restricted	161,183	145,756
Unrestricted	10,157,579	11,599,727
Total net position	\$ 21,341,695	\$ 22,226,378

A significant portion of the District's position represents unrestricted net position of \$11,599,727 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 \$145,756 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.

The following table indicates the changes in net position.

	Governmental Activities	
	2020	2021
Revenues:		
Program revenues:		
Charge for services	\$ 350,438	\$ 414,150
Capital grants and contributions	381,790	28,844
General revenues:		
General property taxes	4,308,228	4,118,566
Specific ownership tax	288,993	276,173
Investment earnings	43,957	3,631
Other	7,494	39,605
Total revenues	5,380,900	4,880,969
Expenses:		
Administration	3,007,242	3,055,258
Firefighting & prevention	458,943	563,633
Medical services	448,453	377,395
Total expenses	3,914,638	3,996,286
Increase (decrease) in net position	\$ 1,466,262	\$ 884,683

Governmental Activities. Governmental activities increased the District's net position by \$884,683 in 2021. Key elements of this increase are as follows:

The District's charges for services were up \$63,712 from 2020.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. Information about the District's governmental funds begins on page 11. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2021, the total fund balances of the District's governmental funds were \$9,177,077. Approximately 9 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a state-Constitution mandated emergency reserve (\$145,756); (2) assigned for capital projects (\$1,559,676); and (3) assigned for future operating expenses (\$6,662,768). The District had Governmental revenues of \$4,859,169, expenditures of \$3,471,004, and other financing sources of \$21,800.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

2021 General Fund Budget

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 6,662,221	\$ -	\$ 6,662,221	\$ 6,484,703
Revenue and other financing sources	4,478,554	-	4,478,554	4,880,320
Expenditures and other financing uses	(4,485,991)	-	(4,485,991)	(3,747,622)
Ending Fund Balance	<u>\$ 6,654,784</u>	<u>\$ -</u>	<u>\$ 6,654,784</u>	<u>\$ 7,617,401</u>

Actual expenditures and other financing uses were under budget by \$738,369. The difference includes capital outlay and administration expenditures being under budget by \$385,987 and \$373,304, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental activities as of December 31, 2021 totaled \$10,480,895 (net of accumulated depreciation). This investment includes all land, buildings, and equipment.

A major capital asset event during the current fiscal year included an expenditure of \$19,650 for the purchase of a tank for Brush Truck #32 and \$16,730 for the purchase of an alerting system for Station #32.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

Long-term Debt. The District has no long-term debt.

ECONOMIC FACTORS AND OTHER MATTERS

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 2022 budget:

- A transfer from the General Fund to the Capital Projects Fund of \$334,391.
- Decrease in property taxes collected.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, 0124 Stone Quarry Road, Parachute, CO 81635.

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL STATEMENTS

GRAND VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
December 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,037,191
Cash with County	19,467
Investments	1,618,581
Accounts receivable, net of uncollectible of \$32,509	43,140
Property taxes receivable	3,268,074
Prepaid expense	15,963
Restricted cash	6,662,768
Noncurrent assets	
Capital assets, nondepreciable	859,165
Capital assets, net	9,621,730
Net pension asset - FPPA	319,207
Net pension asset - volunteer fire	2,289,102
	<u>25,754,388</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	672,443
Deferred outflows related to OPEB	652
Deferred outflows related to volunteer fire pensions	156,822
	<u>829,917</u>
LIABILITIES	
Accounts payable	54,213
Accrued liabilities	25,311
Compensated absences	140,509
Noncurrent liabilities	
Net pension liability - PERA	59,047
Net OPEB liability	8,220
	<u>287,300</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue - property taxes	3,268,074
Deferred inflows related to pensions	391,546
Deferred inflows related to OPEB	2,653
Deferred inflows related to volunteer fire pensions	408,354
	<u>4,070,627</u>
NET POSITION	
Net investment in capital assets	10,480,895
Restricted for TABOR emergencies	145,756
Unrestricted	11,599,727
	<u>\$ 22,226,378</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

		<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities				
Administration	\$ 3,055,258	\$ -	\$ -	\$ (3,055,258)
Firefighting & prevention	563,633	-	28,844	(534,789)
Medical services	<u>377,395</u>	<u>414,150</u>	<u>-</u>	<u>36,755</u>
TOTAL GOVERNMENTAL				
 ACTIVITIES	<u>\$ 3,996,286</u>	<u>\$ 414,150</u>	<u>\$ 28,844</u>	<u>(3,553,292)</u>
General revenues:				
				4,118,566
				276,173
				3,631
				21,800
				<u>17,805</u>
				4,437,975
				884,683
				<u>21,341,695</u>
				<u><u>\$22,226,378</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,034,860	\$ 2,331	\$ 1,037,191
Cash with County	19,467	-	19,467
Investments	61,236	1,557,345	1,618,581
Accounts receivable, net of estimated uncollectible of \$32,509	43,140	-	43,140
Property taxes receivable	3,268,074	-	3,268,074
Prepaid expenses	15,963	-	15,963
Restricted investments	6,662,768	-	6,662,768
TOTAL ASSETS	<u>\$ 11,105,508</u>	<u>\$ 1,559,676</u>	<u>\$ 12,665,184</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 54,213	\$ -	\$ 54,213
Accrued liabilities	25,311	-	25,311
Compensated absences	140,509	-	140,509
TOTAL LIABILITIES	<u>220,033</u>	<u>-</u>	<u>220,033</u>
 DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	3,268,074	-	3,268,074
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,268,074</u>	<u>-</u>	<u>3,268,074</u>
 FUND EQUITY			
Fund Balance			
Restricted for:			
TABOR emergencies	145,756	-	145,756
Assigned for:			
Capital projects	-	1,559,676	1,559,676
Future operations	6,662,768	-	6,662,768
Unassigned	808,877	-	808,877
TOTAL FUND EQUITY	<u>7,617,401</u>	<u>1,559,676</u>	<u>9,177,077</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY	 <u>\$ 11,105,508</u>	 <u>\$ 1,559,676</u>	 <u>\$ 12,665,184</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021

Balance sheet - total fund balances \$ 9,177,077

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds. 10,480,895

Long-term assets and liabilities, including net pension assets and liabilities, are not due, payable or receivable in the current period and, therefore, are not reported in the funds.

Net pension assets	2,608,309
Net pension liability	(59,047)
Net OPEB liability	<u>(8,220)</u>

Net pension assets (liability) 2,541,042

Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	829,265
Deferred outflows of resources related to OPEB	652
Deferred inflows of resources related to pensions	(799,900)
Deferred inflows of resources related to OPEB	<u>(2,653)</u>

Net deferred outflows (inflows) 27,364

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 22,226,378

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 4,394,739	\$ -	\$ 4,394,739
Interest	2,982	649	3,631
Grants	28,844	-	28,844
User charges	414,150	-	414,150
Other	<u>17,805</u>	<u>-</u>	<u>17,805</u>
TOTAL REVENUES	<u>4,858,520</u>	<u>649</u>	<u>4,859,169</u>
 EXPENDITURES			
Administration	2,933,376	-	2,933,376
Firefighting	86,149	-	86,149
Fire prevention	4,224	-	4,224
Training	55,680	-	55,680
Communications	5,211	-	5,211
Repairs	99,706	-	99,706
Medical services	102,138	-	102,138
Stations, buildings and grounds	103,469	-	103,469
Capital outlay	<u>56,501</u>	<u>24,550</u>	<u>81,051</u>
TOTAL EXPENDITURES	<u>3,446,454</u>	<u>24,550</u>	<u>3,471,004</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,412,066</u>	<u>(23,901)</u>	<u>1,388,165</u>
 OTHER FINANCING SOURCES (USES)			
Sale of capital asset	21,800	-	21,800
Transfers in	-	301,168	301,168
Transfers out	<u>(301,168)</u>	<u>-</u>	<u>(301,168)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(279,368)</u>	<u>301,168</u>	<u>21,800</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>1,132,698</u>	<u>277,267</u>	<u>1,409,965</u>
 FUND BALANCE, BEGINNING OF YEAR	<u>6,484,703</u>	<u>1,282,409</u>	<u>7,767,112</u>
 FUND BALANCE, END OF YEAR	<u>\$ 7,617,401</u>	<u>\$ 1,559,676</u>	<u>\$ 9,177,077</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

GRAND VALLEY FIRE PROTECTION DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds	\$ 1,409,965
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$623,089) exceeded capital outlay (\$81,051) in the current period.	(542,038)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension (expense) income.	16,028
Governmental funds recognize District OPEB contributions as expenditures at the time of payment whereas the statement of activities factors in items related to OPEB on a full accrual perspective.	<u>728</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 884,683</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO FINANCIAL STATEMENTS

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Valley Fire Protection District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

The District is governed by an elected five member Board of Directors. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District provides protection of life and property from fire, including fire prevention and fire code enforcement, and emergency medical assistance to the Town of Parachute, Colorado, and the community of Battlement Mesa, Colorado and surrounding areas.

B. 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 non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers 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.

C. Measurement focus, basis of accounting, and financial statement presentation

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

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

Property taxes, sales tax, franchise tax, licenses, 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.

Capital Projects Fund

The Capital Projects Fund is the District's capital outlay fund. The major revenue sources are interest earned and transfers from the General Fund. Expenditures include all costs for the purchase of capital items by the District.

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.

D. 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 Fire Chief 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, Capital Projects Fund, and Fiduciary Fund. The budget is 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. No supplemental appropriations were made during the year.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. 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.

F. 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 column 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 \$500 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, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	7-10
Fire vehicles	10-20
Ambulances	15
Equipment	5-20

G. Encumbrances

The District does not use encumbrance accounting. Accordingly, no encumbrances have been recorded in the financial statements.

H. Use of Estimates

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

NOTE 2 - CASH AND INVESTMENTS

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 Deposit Protection Act.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS, Continued

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, Local Government, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

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.

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

Investments held are as follows:

December 31, 2021	<u>Fair Value</u>	<u>Cost</u>
COLOTRUST	<u>\$ 8,120,941</u>	<u>\$ 8,120,941</u>

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), and investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust offer shared in three portfolios, COLOTRUST Prime, COLOTRUST Plus+, and COLOTRUST EDGE. COLOTRUST Prime and COLOTRUST Plus+ operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST EDGE is a variable NAV fund managed to approximate a \$10.00 transactional share price, calculated and publishing a fair value NAV on a daily basis. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially 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. At December 31, 2021, the District invested \$8,120,941 in COLOTRUST Plus+. The District's investment in the COLOTRUST Plus+ is rated AAAM by S&P Global Ratings and COLOTRUST EDGE is rated AAAs/S1 by FitchRatings.

Summary of Cash

Cash and Cash Equivalents	
Cash deposits in bank – General Fund	\$ 1,159,342
Cash deposits in bank – Capital Projects Fund	37,876
Investments – COLOTRUST – General Fund	6,599,141
Investments – COLOTRUST – Capital Projects Fund	1,521,800
Cash on hand	381
Cash with County	<u>19,467</u>
Total cash and investments	<u>\$ 9,338,007</u>

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - PROPERTY TAXES

Property taxes for 2021, collectible in 2022, are certified by the Board of Directors by December 15, 2021. Property taxes attached as an enforceable lien on January 1, 2022, are due in total April 30, 2022, or in equal installments February 28, 2022 and June 15, 2022, at the option of the taxpayer. The County Treasurer remits taxes collected to the District by the 10th day of the month following collection.

Revenue Recognized in 2021

Local property taxes levied in 2020 and collected in 2021 are recognized as revenue in these financial statements as shown below:

	Garfield County				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount Levied</u>	<u>of Taxes Collected</u>	<u>Percent Collected</u>
General Fund	\$ 597,115,970	6.233	\$3,721,824	\$3,721,167	99.9%

	Mesa County				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount Levied</u>	<u>of Taxes Collected</u>	<u>Percent Collected</u>
General Fund	\$ 359,710	6.233	\$ 2,242	\$ 2,242	100.0%

Property Taxes Receivable and Unearned Revenue

Local property taxes levied in 2021 but not collectible until 2022 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	Garfield County				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$ 523,837,180	6.233	100.0%	\$3,265,700	\$ 3,265,700

	Mesa County				
	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Property Taxes Receivable</u>	<u>Deferred Revenue</u>
General Fund	\$ 380,870	6.233	100.0%	\$ 2,374	\$ 2,374

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital assets during the year ended December 31, 2021 is as follows:

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Capital assets not being depreciated:				
Land	\$ 859,165	\$ -	\$ -	\$ 859,165
Total assets not being depreciated	<u>859,165</u>	<u>-</u>	<u>-</u>	<u>859,165</u>
Capital assets being depreciated:				
Buildings	10,779,046	-	-	10,779,046
Equipment	<u>6,580,048</u>	<u>81,051</u>	<u>(108,682)</u>	<u>6,552,417</u>
Total assets being depreciated	<u>17,359,094</u>	<u>81,051</u>	<u>(108,682)</u>	<u>17,331,463</u>
Less accumulated depreciation:				
Buildings	(2,851,811)	(217,484)	-	(3,069,295)
Equipment	<u>(4,343,515)</u>	<u>(405,605)</u>	<u>108,682</u>	<u>(4,640,438)</u>
Total accumulated depreciation	<u>(7,195,326)</u>	<u>(623,089)</u>	<u>108,682</u>	<u>(7,709,733)</u>
Total assets being depreciated, net	<u>10,163,768</u>	<u>(542,038)</u>	<u>-</u>	<u>9,621,730</u>
Governmental activities capital assets, net	<u>\$ 11,022,933</u>	<u>\$ (542,038)</u>	<u>\$ -</u>	<u>\$ 10,480,895</u>

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

Governmental activities:	
Administration	\$ 96,698
Firefighting & prevention	365,922
Medical services	<u>160,469</u>
Total depreciation expense - governmental activities	<u>\$ 623,089</u>

NOTE 5 - LEASES

Dry hydrants

The District has leased property from four homeowners in the District for the location of dry hydrants to increase firefighting capability. The District is not paying for the use of the property; in exchange the property owners will have increased fire protection. Three of the leases are for terms of 50 years each. One of the 50 year lease properties became District owned property with the Rulison land purchase/fire station construction project. The fourth lease is for 10 years. Two of the leases became effective during 1997, the others during 1999.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District has established the Volunteer Firefighters’ Pension Plan (Volunteer Plan) an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association (FPPA). 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 plan 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 services 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 Plan 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 Plan. That report may be obtained at 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 Plan. Colorado law requires the State to make an annual contribution to the Volunteer Plan. 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, 2021, indicated that the current levels of contributions to the fund are adequate to support an actuarially sound basis of prospective benefits for the present Volunteer Plan.

Membership. Below is a table of the members as of January 1, 2021:

Number of	
- Retirees and Beneficiaries	21
- Inactive, Nonretired Members	1
- Active Members	<u>8</u>
- Total	<u>30</u>

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

At December 31, 2021, the District reported an asset of \$2,289,102. The net pension asset was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension asset to December 31, 2021.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued

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

For the year ended December 31, 2021, the District recognized pension income of \$6,369. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	41,834	-
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	114,988	408,354
Contribution subsequent to the measurement date	-	-
Total	156,822	408,354

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:	
2022	(54,458)
2023	(45,594)
2024	(103,088)
2025	(48,392)

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 fair value
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality for males and females projected to 2018 using the MP-2017 projection scale, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-17 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disable: 2006 central rates from the RP-2014 Disabled Mortality Table for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, 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 addition expected inflation. Best estimates of arithmetic real rates of return for each major assets 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 Nominal Rate of Return
Global Equity	39.0%	8.23%
Long Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income – Rates	10.0%	4.01%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.00%	

The figures in the above table were supplied by Fire and Police Pension Association staff.

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 contractual required rates under Colorado statutes. Based on those assumptions, the Volunteer 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.

Sensitivity of the District’s Net Pension Asset to Changes in the Discount Rate. The following presents the net pension asset calculation using the discount rate of 7.00 percent as well as the net position asset 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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net Pension Asset	2,072,282	2,289,102	2,472,334

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 FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the ‘Annual Report’ link.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION 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 covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire district whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

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

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

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.

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 if the member's combined years of services and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Through December 31, 2020, 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 the employers and members.

In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent and 8.5 percent in 2020 and 2021, respectively.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

General Information about the Pension Plan, continued

Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at a rate of 11 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 percent.

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 23 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.5 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2021, the District reported an asset of \$319,207 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension asset to December 31, 2021. The District's proportion of the net pension asset was based on the District's contributions to the SWDB Plan for the calendar year 2020 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2020, the District's proportion was 0.147032 percent, which was a decrease of 0.015786 percent from its proportion measurement as of December 31, 2019.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

For the year ended December 31, 2021, the District recognized pension income of \$1,083. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	270,719	1,270
Changes of assumptions or other inputs	135,764	-
Net difference between projected and actual earnings on pension plan investments	-	327,872
Changes in proportion and differences between contributions recognized and proportionate share of contributions	130,355	-
Contribution subsequent to the measurement date	108,373	-
Total	645,211	329,142

\$108,373 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year 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 (income) as follows:

Year ended December 31:	
2022	(16,742)
2023	25,875
2024	(29,286)
2025	26,828
2026	77,792
Thereafter	123,229

Actuarial Assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the first year ending December 31, 2020. The valuation used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases*	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

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

At least every five years the FPPA’s Board of Directors, 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 assumption. 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 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. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major assets 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	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Absolute Return	10%	5.60%
Fixed Income - Credit	5%	5.25%
Cash	2%	2.32%
Total	100%	

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’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 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 2.00 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.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

Sensitivity of the District's Net Pension Liability (Asset) 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 the net position liability (asset) 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:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	321,232	(319,207)	(849,570)

NOTE 8 – DEFINED CONTRIBUTION PLAN

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 (Money Purchase Plan) administered by the ICMA Retirement Corporation (ICMA). Each Participant has an individual account with ICMA 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 by 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 this plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8% 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 contribution to the plan for the years ended December 31, 2019 totaled \$77,630, which consisted of \$38,815 contributed by employees and \$38,815 contributed by the District. The contribution to the plan for the year ended December 31, 2020 totaled \$85,296, which consisted of \$42,648 contributed by employees and \$42,648 contributed by the District. The contribution to the Money Purchase Plan for the year ended December 31, 2021 totaled \$85,608, which consisted of \$42,804 contributed by employees and \$42,804 contributed by the District.

NOTE 9 – DEFERRED COMPENSATION PLAN

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, 2021, participating employees contributed \$86,486.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN

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 3% 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 2021, the District contributed \$55,285.

NOTE 11 - DEFINED BENEFIT PENSION PLAN - PERA

Summary of Significant Accounting Policies

Pensions. Grand Valley Fire Protection District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the Grand Valley Fire Protection District are provided with pensions through the 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

General Information about the Pension Plan, continued

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases 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.

As of December 31, 2020, 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., once certain criteria are met. Pursuant to SB 18-200, PERA benefit structure who began membership before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) 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 provisions as of December 31, 2021. Eligible employees and Grand Valley 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. § 24-51-413. Employee contribution rates for the period January 1, 2021 through December 31, 2021 are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution (all employees except State Troopers)	8.5 %	8.50%
State Troopers Only	12.00%	12.50%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

General Information about the Pension Plan, continued

The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%
Total employer contribution rate to the LGDTF	13.20%	13.20%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for State Troopers are summarized in the table below:

	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	13.60%	13.60%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	12.58%	12.58%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%
Total employer contribution rate to the LGDTF	16.30%	16.30%

**Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Grand Valley Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Grand Valley Fire Protection District were \$10,636 for the year ended December 31, 2021.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

At December 31, 2021, the Grand Valley Fire Protection District reported a liability of \$59,047 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The Grand Valley Fire Protection District proportion of the net pension liability was based on Grand Valley 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, 2020, the Grand Valley Fire Protection District proportion was 0.011331 percent, which was an increase of 0.000029 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Grand Valley Fire Protection District recognized pension income of \$8,578. At December 31, 2021, the Grand Valley Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	2,855	-
Changes of assumptions or other inputs	14,269	-
Net difference between projected and actual earnings on pension plan investments	-	63,856
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(528)	(1,452)
Contributions subsequent to the measurement date	10,636	-
Total	27,232	62,404

\$10,636 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, 2022. 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:	
2022	(6,854)
2023	(7,350)
2024	(21,526)
2025	(10,078)
2026	-
Thereafter	-

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

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

Actuarial cost method	Entry age
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%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Healthy mortality assumptions for active members reflect 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.

Post-retirement non-disabled mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees is based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, 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.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20%-11.30%
State Troopers ¹	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 ²	Financed by the AIR

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

² Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 percent.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and method, the LGDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Grand Valley 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 Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	136,021	59,047	(5,206)

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 11 - DEFINED BENEFIT PENSION PLAN – PERA, Continued

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

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.

NOTE 12 – DEFINED BENEFIT OTHER POSTEMPLOYMENT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. Grand Valley 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 (FNP) and additions to/deductions from the FNP 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

Plan description. Eligible employees of the Grand Valley 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 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. 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.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan, continued

PERA Benefit Structure

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.

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 HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees 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 subsidy, in each case, is for retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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 the Grand Valley Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Grand Valley Fire Protection District were \$822 for the year ended December 31, 2021.

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

At December 31, 2021, the Grand Valley Fire Protection District reported a liability of \$170,553 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Grand Valley Fire Protection District proportion of the net OPEB liability was based on Grand Valley Fire Protection District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

At December 31, 2020, the Grand Valley Fire Protection District proportion was 0.00087 percent, which was a decrease of 0.00000 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Grand Valley Fire Protection District recognized OPEB income of \$728. At December 31, 2021, the Grand Valley Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	22	1,807
Changes of assumptions or other inputs	61	504
Net difference between projected and actual earnings on OPEB plan investments	-	336
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(253)	6
Contributions subsequent to the measurement date	822	N/A
Total	652	2,653

\$822 was reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year ended December 31:	
2022	(598)
2023	(551)
2024	(613)
2025	(570)
2026	(216)
Thereafter	(16)

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Plan			
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

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, 2019, 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.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees, was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA’s 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care cost assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 percent.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

Sensitivity of the Grand Valley 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
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	8,007	8,220	8,467

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF’s FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of Grand Valley 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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	9,416	8,220	7,198

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 12 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 13 - CONTINGENCIES

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. The amendment also requires that reserves be established for declared emergencies, with 3 percent 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 2021, \$145,756 of the year-end fund balance in the General Fund will be reserved for emergencies.

In May, 1996, the registered voters of the Grand Valley 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 Grand Valley 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.

NOTE 14 - RISK MANAGEMENT

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.

NOTE 15 – USE OF CAPITAL ASSETS

The District is allowed use of capital assets obtained through the LESO (military surplus program). These assets may be returned at any time by the program. The District insures the assets while they are being used by the District. The estimated original value to the District is \$297,596.

GRAND VALLEY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 16 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2010, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

NOTE 17 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the District's participation in Fire and Police Pension Association of Colorado (FPPA) and Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date*.

NOTE 18 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 23, 2022, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

GRAND VALLEY FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021**

	Budget		Actual Amounts
	Original	Final	
REVENUES			
Taxes	\$ 3,974,066	\$ 3,974,066	\$ 4,394,739
Interest	45,000	45,000	2,982
Grants	-	-	28,844
User charges	360,000	360,000	414,150
Other	99,488	99,488	17,805
TOTAL REVENUES	<u>4,478,554</u>	<u>4,478,554</u>	<u>4,858,520</u>
EXPENDITURES			
Administration	3,306,680	3,306,680	2,933,376
Firefighting	15,000	15,000	86,149
Fire prevention	13,500	13,500	4,224
Training	34,500	34,500	55,680
Communications	9,500	9,500	5,211
Repair	105,255	105,255	99,706
Medical services	145,400	145,400	102,138
Stations, buildings and grounds	112,500	112,500	103,469
Capital outlay	442,488	442,488	56,501
TOTAL EXPENDITURES	<u>4,184,823</u>	<u>4,184,823</u>	<u>3,446,454</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	293,731	293,731	1,412,066
OTHER FINANCING SOURCES (USES)			
Sale of capital asset	-	-	21,800
Transfers out	(301,168)	(301,168)	(301,168)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(301,168)</u>	<u>(301,168)</u>	<u>(279,368)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(7,437)	(7,437)	1,132,698
FUND BALANCE, BEGINNING OF YEAR	<u>6,662,221</u>	<u>6,662,221</u>	<u>6,484,703</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,654,784</u>	<u>\$ 6,654,784</u>	<u>\$ 7,617,401</u>

Variance from
final budget

\$ 420,673
(42,018)
28,844
54,150
(81,683)

379,966

373,304
(71,149)
9,276
(21,180)
4,289
5,549
43,262
9,031
385,987

738,369

1,118,335

21,800
-

21,800

1,140,135

(177,518)

\$ 962,617

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2021**

	Budget		Actual Amounts
	Original	Final	
REVENUES			
Interest	\$ 18,977	\$ 18,977	\$ 649
TOTAL REVENUES	18,977	18,977	649
EXPENDITURES			
Administration	10,000	10,000	-
Capital outlay	80,000	80,000	24,550
TOTAL EXPENDITURES	90,000	90,000	24,550
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(71,023)	(71,023)	(23,901)
OTHER FINANCING SOURCES (USES)			
Transfers in	301,168	301,168	301,168
TOTAL OTHER FINANCING SOURCES (USES)	301,168	301,168	301,168
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	230,145	230,145	277,267
FUND BALANCE, BEGINNING OF YEAR	1,265,108	1,265,108	1,282,409
FUND BALANCE, END OF YEAR	\$ 1,495,253	\$ 1,495,253	\$ 1,559,676

<u>Variance from final budget</u>	
\$	<u>(18,328)</u>
	<u>(18,328)</u>
	10,000
	<u>55,450</u>
	<u>65,450</u>
	<u>47,122</u>
	<u>-</u>
	<u>-</u>
	47,122
	<u>(17,301)</u>
\$	<u><u>29,821</u></u>

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF CONTRIBUTIONS
Volunteer Firefighters' Pension Plan
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Actuarially Determined Contributions</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contributions as a % of Covered Payroll</u>
2013	\$ -	\$ 77,905	\$ (77,905)	N/A	N/A
2014	-	55,571	(55,571)	N/A	N/A
2015	-	10,380	(10,380)	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	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.

See the accompanying independent auditors' report

THIS PAGE INTENTIONALLY LEFT BLANK

GRAND VALLEY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 Volunteer Firefighters' Pension Plan
 Last 10 Fiscal Years

<u>Measurement period ending December 31,</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Pension Liability			
Service Cost	\$ 8,068	\$ 10,604	\$ 10,604
Interest on the Total Pension Liability	121,446	126,141	125,215
Benefit Changes	94,451	-	82,734
Difference between Expected and Actual Expenditures	(15,741)	-	(9,308)
Assumption Changes	-	-	55,634
Benefit Payments	(141,434)	(152,516)	(145,553)
Net Change in Total Pension Liability	66,790	(15,771)	119,326
Total Pension Liability - Beginning	<u>1,684,763</u>	<u>1,751,553</u>	<u>1,735,782</u>
Total Pension Liability - Ending (a)	<u>\$ 1,751,553</u>	<u>\$ 1,735,782</u>	<u>\$ 1,855,108</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 45,191	\$ -	\$ -
Pension Plan Net Investment Income	236,521	65,562	187,234
Benefit Payments	(141,434)	(152,516)	(145,553)
Pension Plan Administrative Expense	(5,795)	(7,484)	(5,838)
State of Colorado supplemental discretionary payment	10,380	10,380	-
Net Change in Plan Fiduciary Net Position	144,863	(84,058)	35,843
Plan Fiduciary Net Position - Beginning	<u>3,489,794</u>	<u>3,634,657</u>	<u>3,550,599</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,634,657</u>	<u>\$ 3,550,599</u>	<u>\$ 3,586,442</u>
Net Pension Liability (Asset) - Ending (a)-(b)	(1,883,104)	(1,814,817)	(1,731,334)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	207.51%	204.55%	193.33%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

2017	2018	2019	2020
\$ 13,656	\$ 13,656	\$ 5,879	\$ 5,879
134,188	133,442	135,556	133,274
-	73,143	-	124,427
-	30,819	-	104,583
-	77,546	-	-
(147,958)	(167,987)	(166,795)	(181,526)
(114)	160,619	(25,360)	186,637
1,855,108	1,854,994	2,015,613	1,990,253
<u>\$1,854,994</u>	<u>\$2,015,613</u>	<u>\$1,990,253</u>	<u>\$2,176,890</u>
\$ -	\$ -	\$ -	\$ -
516,713	2,076	531,551	524,525
(147,958)	(167,987)	(166,795)	(181,526)
(8,415)	(7,605)	(9,367)	(5,662)
-	-	-	-
360,340	(173,516)	355,389	337,337
3,586,442	3,946,782	3,773,266	4,128,655
<u>\$3,946,782</u>	<u>\$3,773,266</u>	<u>\$4,128,655</u>	<u>\$4,465,992</u>
(2,091,788)	(1,757,653)	(2,138,402)	(2,289,102)
212.77%	187.20%	207.44%	205.15%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATEWIDE FPPA PENSION PLAN
Last 10 Fiscal Years**

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as Percentage of Total Pension Liability</u>
12/31/2014	0.233%	\$ (208,168)	\$ 1,011,150	-21%	105.8%
12/31/2015	0.242%	(272,699)	1,086,618	-25%	106.8%
12/31/2016	0.232%	(4,096)	1,131,930	0%	100.1%
12/31/2017	0.234%	84,598	1,221,275	7%	98.2%
12/31/2018	0.209%	(300,377)	1,091,448	-28%	106.3%
12/31/2019	0.157%	197,894	1,201,881	16%	95.2%
12/31/2020	0.163%	(92,084)	1,219,378	-8%	101.9%
12/31/2021	0.147%	(319,207)	1,274,976	-25%	106.7%

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

* The data provided in the schedule is based as of the measurement date of FPPA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE FPPA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 80,892	\$ 80,892	\$ -	\$1,011,150	8.00%
2014	86,930	86,930	-	1,086,618	8.00%
2015	90,554	90,554	-	1,131,930	8.00%
2016	91,991	91,991	-	1,149,893	8.00%
2017	97,702	97,702	-	1,221,275	8.00%
2018	87,316	87,316	-	1,091,448	8.00%
2019	96,150	96,150	-	1,201,881	8.00%
2020	97,550	97,550	-	1,219,377	8.00%
2021	108,373	108,373	-	1,274,976	8.50%

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

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as Percentage of Total Pension Liability</u>
12/31/2014	0.011%	\$ 94,447	\$ 61,231	154%	81.8%
12/31/2015	0.012%	105,112	64,260	164%	80.7%
12/31/2016	0.012%	131,965	68,035	194%	76.9%
12/31/2017	0.012%	160,122	71,874	223%	73.6%
12/31/2018	0.012%	132,763	75,264	176%	79.4%
12/31/2019	0.011%	144,326	75,296	192%	76.0%
12/31/2020	0.011%	82,662	79,991	103%	86.3%
12/31/2021	0.011%	59,047	80,575	73%	90.9%

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

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 7,764	\$ 7,764	\$ -	\$ 61,231	12.68%
2014	8,148	8,148	-	64,260	12.68%
2015	8,627	8,627	-	68,035	12.68%
2016	9,114	9,114	-	71,874	12.68%
2017	9,543	9,543	-	75,264	12.68%
2018	9,547	9,547	-	75,296	12.68%
2019	9,869	9,869	-	77,832	12.68%
2020	10,343	10,343	-	79,991	12.93%
2021	11,458	11,458	-	80,575	14.22%

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

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA OPEB PLAN
Last 10 Fiscal Years**

<u>Year Ended*</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as Percentage of Total OPEB Liability</u>
12/31/2017	0.001%	\$ 11,802	\$ 75,264	16%	16.7%
12/31/2018	0.001%	12,048	75,296	16%	17.5%
12/31/2019	0.001%	12,113	77,832	16%	17.3%
12/31/2020	0.001%	9,729	79,991	12%	24.5%
12/31/2021	0.001%	8,220	80,575	10%	32.8%

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

* The data provided in the schedule is based as of the measurement date of PERA's net OPEB liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

GRAND VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA OPEB PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2017	\$ 768	\$ 768	\$ -	\$ 75,264	1.02%
2018	768	768	-	75,296	1.02%
2019	794	794	-	77,832	1.02%
2020	816	816	-	79,991	1.02%
2021	822	822	-	80,575	1.02%

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

See the accompanying independent auditors' report

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

GRAND VALLEY FIRE PROTECTION DISTRICT

SCHEDULE OF GENERAL FUND OPERATING EXPENDITURES
For the Years Ended December 31, 2021 and 2020

	December 31, 2021		December 31, 2020	
	Amount	Percent	Amount	Percent
Administration				
Accounting and auditing	\$ 6,400	0.2%	\$ 6,300	0.1%
Advertising	-	0.0%	-	0.0%
Banquet	4,702	0.2%	4,483	0.2%
Board member compensation	-	0.0%	-	0.0%
Books/periodicals/videos	787	0.0%	832	0.0%
Computer upgrade	405	0.0%	701	0.0%
Copier lease	3,066	0.1%	3,556	0.1%
Credit card service fees	-	0.0%	116	0.0%
Dues and other	10,941	0.4%	5,732	0.2%
Election expenses	-	0.0%	45	0.0%
Health insurance	370,221	12.6%	362,027	12.5%
Insurance	110,041	3.8%	109,573	3.8%
Legal	4,272	0.1%	9,885	0.3%
Materials and supplies	11,817	0.4%	15,065	0.5%
Office equipment	-	0.0%	1,025	0.0%
Payroll taxes	37,630	1.3%	35,892	1.2%
Printing and binding	1,806	0.1%	1,850	0.1%
Retirement contributions	212,011	7.2%	198,870	6.9%
Salaries - Regular Employees	1,484,361	50.6%	1,428,501	49.3%
Certification Pay - FT	47,490	1.6%	33,404	1.2%
Salaries - Reimburse Program	386,098	13.2%	413,433	14.3%
Certification Pay - PT	6,097	0.2%	4,841	0.2%
Salaries - Overtime	82,675	2.8%	91,324	3.2%
Software maintenance	43,295	1.5%	36,454	1.3%
Treasurer's fees	82,371	2.8%	86,165	3.0%
Telephone	14,403	0.5%	17,009	0.6%
Physical Exams	12,487	0.4%	29,466	1.0%
Total Administration	2,933,376	100.0%	2,896,549	100.0%
Firefighting				
Tech service	2,020	2.3%	2,170	4.1%
Supplies	3,303	3.8%	6,935	13.2%
Fire assignment wages	59,923	69.6%	-	0.0%
Fire assign per diem/expense	3,910	4.5%	-	0.0%
Other	16,993	19.7%	43,597	82.7%
Total Firefighting	86,149	100.0%	52,702	100.0%
Fire prevention				
Supplies	96	2.3%	-	0.0%
Other	4,128	97.7%	3,799	100.0%
Total Fire prevention	4,224	100.0%	3,799	100.0%

GRAND VALLEY FIRE PROTECTION DISTRICT

SCHEDULE OF GENERAL FUND OPERATING EXPENDITURES, Continued
For the Years Ended December 31, 2021 and 2020

	December 31, 2021		December 31, 2020	
	Amount	Percent	Amount	Percent
Training				
Part time fire members	\$ 8,598	15.4%	\$ 4,300	7.9%
Part time EMS members	4,566	8.2%	2,712	5.0%
Supplies	5,377	9.7%	3,728	6.9%
Full time members	32,524	58.4%	40,046	74.0%
Other	4,615	8.3%	3,347	6.2%
Total Training	55,680	100.0%	54,133	100.0%
Communications				
Repair/maintenance	4,512	86.6%	4,857	94.0%
Supplies	699	1.3%	312	6.0%
Total Communications	5,211	100.0%	5,169	100.0%
Repair				
Labor	41,120	41.2%	40,953	37.4%
Supplies	11,079	11.1%	13,047	11.9%
Fuel	30,723	30.8%	23,767	21.7%
Other	16,784	16.8%	31,817	29.0%
Total Repair	99,706	100.0%	109,584	100.0%
Medical services				
Physican advisor	10,800	10.6%	5,400	2.9%
Annual monitor	-	0.0%	-	0.0%
Supplies	19,224	18.8%	19,196	10.3%
Bad debt	46,454	45.5%	96,694	51.8%
Collection service fees	16,907	16.6%	12,893	6.9%
Other	8,753	8.6%	52,358	28.1%
Total Medical services	102,138	100.0%	186,541	100.0%
Stations, buildings and grounds				
Utilities	50,459	49.4%	49,983	44.3%
Custodial	4,440	4.3%	4,440	3.9%
Repair/maintenance	35,982	35.2%	43,648	38.7%
Supplies	8,014	7.8%	13,314	11.8%
Other	4,574	4.5%	1,468	1.3%
Total Stations, buildings and grounds	103,469	100.0%	112,853	100.0%
Total Operating expenditures	\$ 3,389,953		\$ 3,421,330	

THIS PAGE INTENTIONALLY LEFT BLANK
