

RIO BLANCO FIRE PROTECTION DISTRICT

—

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

—

DECEMBER 31, 2021

FINANCIAL STATEMENTS – 2021

RIO BLANCO FIRE PROTECTION DISTRICT

2021 BOARD OF DIRECTORS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rio Blanco Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rio Blanco 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 Rio Blanco 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rio Blanco 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 Rio Blanco 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 Rio Blanco 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.

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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 Rio Blanco 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 Rio Blanco 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 schedule – General Fund, schedule of the contributions – Volunteer Firefighters' Pension Plan, schedule of the 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 (asset) – 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, schedule of the District's contributions – PERA Pension Plan, schedule of the District's proportionate share of the net OPEB liability, 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 budgetary comparison schedule – Meeker Ambulance Service and schedule of General Fund operating expenditures but does not include the basic financial 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.

ColoCPA Services, PC
Rangely, Colorado
June 28, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Rio Blanco 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, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$14,433,445 at December 31, 2021.
- Total District's cash and investments increased by \$558,484 or 6 percent from 2020.
- The December 31, 2021 General fund balance is \$545,734 more than the previous year. The total fund balance is 2,199 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 long-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 or Business-type 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.

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The District uses an enterprise fund which essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to a customer external to the District organization which is the ambulance service.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

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 23 through 56 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund and Meeker Ambulance Service Fund. A budgetary comparison statement has been provided for the General Fund on pages 55 through 56 and for the Meeker Ambulance Service Fund on pages 69 through 70 of this report.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents a schedule of general fund operating expenditures for additional analysis of the District. This statement can be found on page 71 of this report.

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		Business-type Activities		Total	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Assets						
Current and other assets	\$10,999,470	\$10,750,596	\$ 767,052	\$ 770,148	\$11,766,522	\$11,520,744
Capital assets	4,282,385	4,147,836	428,986	348,738	4,711,371	4,496,574
Total assets	<u>15,281,855</u>	<u>14,898,432</u>	<u>1,196,038</u>	<u>1,118,886</u>	<u>16,477,893</u>	<u>16,017,318</u>
Deferred Outflows	<u>717,663</u>	<u>574,514</u>	<u>-</u>	<u>-</u>	<u>717,663</u>	<u>574,514</u>
Liabilities						
Current and other liabilities	166,934	220,697	7,885	945	174,819	221,642
Noncurrent liabilities	225,870	178,321	-	-	225,870	178,321
Total Liabilities	<u>392,804</u>	<u>399,018</u>	<u>7,885</u>	<u>945</u>	<u>400,689</u>	<u>399,963</u>
Deferred Inflows	<u>1,548,119</u>	<u>1,758,424</u>	<u>-</u>	<u>-</u>	<u>1,548,119</u>	<u>1,758,424</u>
Net Position						
Net investment in capital assets	4,282,385	4,147,836	428,986	348,738	4,711,371	4,496,574
Restricted	39,346	36,543	-	-	39,346	36,543
Unrestricted	<u>9,736,864</u>	<u>9,131,125</u>	<u>759,167</u>	<u>769,203</u>	<u>10,496,031</u>	<u>9,900,328</u>
Total net position	<u>\$14,058,595</u>	<u>\$13,315,504</u>	<u>\$1,188,153</u>	<u>\$1,117,941</u>	<u>\$15,246,748</u>	<u>\$14,433,445</u>

A significant portion of the District's position represents unrestricted net position of \$9,900,328 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net 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 \$36,543 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		Business-type Activities		Total	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 9,600	\$ 9,600	\$ 174,587	\$ 101,046	\$ 184,187	\$ 110,646
Operating grants and contributions	5,050	3,148	-	-	5,050	3,148
Capital grants and contributions	54,883	1,800	-	-	54,883	1,800
General revenues:						
General property taxes	1,100,259	1,029,790	-	-	1,100,259	1,029,790
Specific ownership tax	40,231	39,669	-	-	40,231	39,669
Investment earnings	91,026	73,029	-	-	91,026	73,029
Other	10,469	61,057	23,458	4,256	33,927	65,313
Total revenues	<u>1,311,518</u>	<u>1,218,093</u>	<u>198,045</u>	<u>105,302</u>	<u>1,509,563</u>	<u>1,323,395</u>
Expenses:						
Administration	375,973	399,437	-	-	375,973	399,437
Public safety	219,986	1,458,179	-	-	219,986	1,458,179
Ambulance services	-	-	297,520	279,082	297,520	279,082
Total expenses	<u>595,959</u>	<u>1,857,616</u>	<u>297,520</u>	<u>279,082</u>	<u>893,479</u>	<u>2,136,698</u>
Transfer in (out)	<u>(100,000)</u>	<u>(100,000)</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>(3,568)</u>	<u>-</u>	<u>3,568</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 615,559</u>	<u>\$ (743,091)</u>	<u>\$ 525</u>	<u>\$ (70,212)</u>	<u>\$ 616,084</u>	<u>\$ (813,303)</u>

Governmental Activities. Governmental activities decreased the District's net position by \$743,091 in 2021. Key elements of this decrease are as follows:

Volunteer pension expense significantly increased from prior year.

Business-type Activities. Business-type activities decreased the District's net position by \$70,212 in 2021. Key elements of this decrease are as follows:

Charges for services was \$73,541 less than in 2020.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Fund. Information about the District's governmental fund begins on page 15. This fund is accounted for using the modified accrual basis of accounting.

As of December 31, 2021, the total fund balance of the District's governmental fund was \$8,566,807. Approximately 99 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 (\$36,543). The District had Governmental revenues and other financing sources of \$1,218,094 and expenditures and other financing uses of \$749,302.

Proprietary Fund. Information about the District's proprietary fund begins on page 19. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2021, the total net position of the District's proprietary fund was \$1,117,941. Approximately 69 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of net position is restricted to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$348,738). The District had Proprietary operating revenues of \$101,046, miscellaneous income of \$4,256, transfer in of \$100,000, and expenses of \$279,082.

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	\$ 7,961,868	\$ -	\$ 7,961,868	\$ 8,017,505
Revenue and other financing sources	1,080,318	-	1,080,318	1,218,094
Expenditures and other financing uses	<u>(2,358,001)</u>	-	<u>(2,358,001)</u>	<u>(668,792)</u>
Ending Fund Balance	<u>\$ 6,684,185</u>	<u>\$ -</u>	<u>\$ 6,684,185</u>	<u>\$ 8,566,807</u>

Actual revenue and other financing sources were \$137,776 more than budgeted revenue and other financing sources. Investment income was more than budgeted by \$63,029 and was the main contributors for the difference.

Actual expenditures and other financing uses were \$1,689,209 less than budgeted expenditures and other financing uses. Capital outlay was less than budgeted by \$1,255,743 and was the main contributor for the difference.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its governmental and business-type activities as of December 31, 2021 totaled \$4,147,836 and \$348,738 (net of accumulated depreciation), respectively. This investment includes all land, buildings, and equipment.

Major capital asset events during the current fiscal year included an expenditure of \$146,659 for a rescue truck, \$16,415 for Velocity coat/pant sets, and \$13,425 for Jaws of Life.

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

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:

- Reduction in property tax revenues.

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, P.O. Box 737, Meeker, Colorado, 81641.

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FINANCIAL STATEMENTS

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RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
December 31, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 9,242,107	\$ -	\$ 9,242,107
Accounts receivable, net of estimated uncollectible of \$245,505	-	87,709	87,709
Property taxes receivable	988,933	-	988,933
Other receivables	685	-	685
Due (to) from other funds	(682,439)	682,439	-
Due from volunteer pension	190,608	-	190,608
Restricted cash	36,543	-	36,543
Noncurrent assets			
Capital assets, nondepreciable	116,344	-	116,344
Capital assets, net	4,031,492	348,738	4,380,230
Net pension asset - volunteer fire	974,159	-	974,159
TOTAL ASSETS	14,898,432	1,118,886	16,017,318
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	116,008	-	116,008
Deferred outflows related to OPEB	9,157	-	9,157
Deferred outflows related to volunteer fire pension	449,349	-	449,349
TOTAL DEFERRED OUTFLOWS OF RESOURCES	574,514	-	574,514
LIABILITIES			
Accounts payable	192,997	945	193,942
Accrued liabilities	27,700	-	27,700
Noncurrent liabilities			
Net pension liability - PERA	156,658	-	156,658
Net OPEB Liability	21,663	-	21,663
TOTAL LIABILITIES	399,018	945	399,963
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	988,933	-	988,933
Deferred inflows related to pension	166,122	-	166,122
Deferred inflows related to OPEB	6,997	-	6,997
Deferred inflows related to volunteer fire pension	596,372	-	596,372
TOTAL DEFERRED INFLOWS OF RESOURCES	1,758,424	-	1,758,424
NET POSITION			
Net investment in capital assets	4,147,836	348,738	4,496,574
Restricted for TABOR emergencies	36,543	-	36,543
Unrestricted	9,131,125	769,203	9,900,328
TOTAL NET POSITION	\$ 13,315,504	\$ 1,117,941	\$ 14,433,445

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

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government			
Governmental activities			
Administration	\$ 399,437	\$ -	\$ 3,148
Public safety	1,458,179	9,600	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>1,857,616</u>	<u>9,600</u>	<u>3,148</u>
Business-type activities			
Ambulance services	279,082	101,046	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>279,082</u>	<u>101,046</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,136,698</u>	<u>\$ 110,646</u>	<u>\$ 3,148</u>

General revenues:

Taxes:

 Property taxes

 Specific ownership tax

 Other taxes

Unrestricted investment earnings

Miscellaneous

Transfer in (out)

 Total general revenues

 Change in net position

Net position - beginning

 Prior period adjustment

Net position - ending

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (396,289)	\$ -	\$ (396,289)
1,800	(1,446,779)	-	(1,446,779)
<u>1,800</u>	<u>(1,843,068)</u>	<u>-</u>	<u>(1,843,068)</u>
-	-	(178,036)	(178,036)
-	-	(178,036)	(178,036)
<u>\$ 1,800</u>	<u>(1,843,068)</u>	<u>(178,036)</u>	<u>(2,021,104)</u>
	1,029,790	-	1,029,790
	39,669	-	39,669
	37,540	-	37,540
	73,029	-	73,029
	23,517	4,256	27,773
	(100,000)	100,000	-
	<u>1,103,545</u>	<u>104,256</u>	<u>1,207,801</u>
	(739,523)	(73,780)	(813,303)
	14,058,595	1,188,153	15,246,748
	(3,568)	3,568	-
	<u>\$ 13,315,504</u>	<u>\$ 1,117,941</u>	<u>\$ 14,433,445</u>

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

RIO BLANCO FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2021

	<u>General</u>
ASSETS	
Cash and cash equivalents	9,242,107
Property taxes receivable	988,933
Other receivables	685
Restricted cash	36,543
Due from volunteer pension	190,608
TOTAL ASSETS	\$ 10,458,876
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 192,997
Accrued liabilities	27,700
Due to other funds	682,439
TOTAL LIABILITIES	903,136
DEFERRED INFLOWS	
Unearned revenue - property taxes	988,933
TOTAL DEFERRED INFLOWS	988,933
FUND EQUITY	
Fund Balance	
Restricted for:	
TABOR emergencies	36,543
Unassigned	8,530,264
TOTAL FUND EQUITY	8,566,807
TOTAL LIABILITIES AND FUND EQUITY	\$ 10,458,876

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

RIO BLANCO FIRE PROTECTION DISTRICT

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

Balance sheet - total fund balances \$ 8,566,807

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. 4,147,836

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 asset	974,159
Net pension liability	(156,658)
Net OPEB liability	<u>(21,663)</u>

Net asset (liability) 795,838

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

Deferred outflows of resources related to pensions	565,357
Deferred outflows of resources related to OPEB	9,157
Deferred inflows of resources related to pensions	(762,494)
Deferred inflows of resources related to OPEB	<u>(6,997)</u>

Net deferred outflows (inflows) (194,977)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 13,315,504

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

RIO BLANCO FIRE PROTECTION DISTRICT

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

For the Year Ended December 31, 2021

REVENUES	
Taxes	\$ 1,106,999
Grants	1,800
Investment income	
Net increase (decrease) in fair value of investment	(3,814)
Interest	76,843
Other	36,266
	<hr/>
TOTAL REVENUES	1,218,094
	<hr/>
EXPENDITURES	
Administration	167,211
Public safety	222,324
Capital outlay	179,257
	<hr/>
TOTAL EXPENDITURES	568,792
	<hr/>
EXCESS OF REVENUES OVER (UNDER) OPERATING EXPENDITURES	649,302
	<hr/>
OTHER FINANCING SOURCES (USES)	
Transfer in (out)	(100,000)
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(100,000)
	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	549,302
	<hr/>
FUND BALANCE, BEGINNING OF YEAR	8,021,073
Prior period adjustment	(3,568)
	<hr/>
FUND BALANCE, END OF YEAR	\$ 8,566,807
	<hr/>

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

RIO BLANCO 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 \$ 549,302

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 (\$313,806) exceeded capital outlay (\$179,257) in the current period. (134,549)

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. (1,154,343)

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. 67

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (739,523)

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

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2021

	<u>Enterprise Fund Meeker Ambulance Service</u>
ASSETS	
Accounts receivable, net of estimated uncollectible of \$245,505	\$ 87,709
Due from other funds	682,439
Property, plant and equipment, net	<u>348,738</u>
TOTAL ASSETS	<u>1,118,886</u>
LIABILITIES	
Accounts payable	<u>945</u>
TOTAL LIABILITIES	<u>945</u>
NET POSITION	
Net investment in capital assets	348,738
Unrestricted	<u>769,203</u>
TOTAL NET POSITION	<u>\$ 1,117,941</u>

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

RIO BLANCO FIRE PROTECTION DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended December 31, 2021

	<u>Enterprise Fund Meeker Ambulance Service</u>
OPERATING REVENUES	
User charges	\$ 101,046
TOTAL OPERATING REVENUES	<u>101,046</u>
OPERATING EXPENSES	
Bookkeeping	22,052
Billing fees	5,235
Director fees	51,097
Driver fees	46,209
Gas and oil	4,462
Repairs and maintenance	24,254
Training	7,447
Depreciation	83,539
Other expense	34,787
TOTAL OPERATING EXPENSES	<u>279,082</u>
OPERATING INCOME (LOSS)	<u>(178,036)</u>
OTHER FINANCING SOURCES (USES)	
Miscellaneous income	4,256
Transfer in	100,000
TOTAL OTHER FINANCING SOURCES	<u>104,256</u>
CHANGE IN NET POSITION	(73,780)
NET POSITION, BEGINNING OF YEAR	1,188,153
Prior period adjustment	3,568
NET POSITION, END OF YEAR	<u>\$ 1,117,941</u>

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

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended December 31, 2021

	Enterprise Fund
	<u>Meeker Ambulance Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 110,885
Cash payments for goods and services	<u>(211,851)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(100,966)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Miscellaneous income	4,256
Operating transfer	<u>100,000</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>104,256</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Equipment	<u>(3,290)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,290)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
None	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income/Change plan net position	\$ (178,036)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:	
Depreciation	83,539
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	9,839
Decrease (increase) in due from other funds	(9,366)
Increase (decrease) in accounts payable	<u>(6,942)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (100,966)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Rio Blanco Fire Protection District, (the District), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

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 Meeker, 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 changes in Net Position) 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported 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. 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 and claims and judgments, are recorded only when payment is due.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The District reports the following major governmental fund:

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.

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

The District reports the following major proprietary funds:

Meeker Ambulance Service

The Meeker Ambulance Service is used to account for operation and capital needs of ambulance services for the Town of Meeker, Colorado and the surrounding area.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

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

D. Budgets and Budgetary Accounting

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

Prior to October 15, the administrator submits to the District's trustees 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.

Budgets are adopted for the General, Enterprise and Trust Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for the Enterprise Fund. The budgets of the Enterprise Fund are based on cash receipts and cash disbursements rather than a revenues and expenditures measurement required by GAAP.

Appropriations lapse at the end of each calendar year.

The District's directors may authorize supplemental appropriations during the year. No supplemental appropriations were made during the year ended December 31, 2021.

RIO BLANCO 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 and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

	<u>Governmental</u>	<u>Meeker Ambulance Service</u>
Ambulances		7 years
Equipment	5-10 years	5-10 years
Building and improvements	10-40 years	
Fire trucks	5-10 years	

G. Encumbrances

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

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

I. Use of Estimates

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

J. Prepaid Items

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement of Net Position. A reconciliation of the differences can be found on page 6 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 18 of the financial statements.

NOTE 3 - 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 Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

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, school, 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 for the District are reported at market value. Investments held are as follows:

December 31, 2021	Cost	Market Value
Colostrust	\$ 3,814,737	\$ 3,810,923
Total	\$ 3,814,737	\$ 3,810,923

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 \$3,810,923 in COLTRUST EDGE. The District's investment in the COLOTRUST Plus+ is rated AAAM by S&P Global Ratings and COLOTRUST EDGE is rated AAaf/S1 by FitchRatings.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - CASH AND INVESTMENTS, Continued

Summary of cash and investments is as follows:

Cash and cash equivalents	
Cash deposits in bank	\$ 5,464,495
Colostrust	3,810,923
Cash with county	<u>3,232</u>
Total cash and investments	<u>\$ 9,278,650</u>

NOTE 4 - PROPERTY TAXES

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:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$527,575,940	1.948	\$1,027,718	\$1,029,790	100.20%
Volunteer Pension	\$527,575,940	0.375	\$ 197,841	\$ 198,197	100.17%

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.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Taxes Receivable</u>	<u>Unearned Revenue</u>
General Fund	\$477,054,140	2.073	100.0%	\$ 988,933	\$ 988,933
Volunteer Pension	\$477,054,140	0.500	100.0%	\$ 238,527	\$ 238,527

NOTE 5 - 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	\$ 116,344	\$ -	\$ -	\$ 116,344
Construction in progress	80,583	-	(80,583)	-
Total assets not being depreciated	<u>196,927</u>	<u>-</u>	<u>(80,583)</u>	<u>116,344</u>
Capital assets being depreciated:				
Building and improvements	4,443,532	15,349	(36,277)	4,422,604
Equipment	2,719,839	268,258	-	2,988,097
Radio equipment	215,725	12,510	-	228,235
Total assets being depreciated	<u>7,379,096</u>	<u>296,117</u>	<u>(36,277)</u>	<u>7,638,936</u>

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 – CAPITAL ASSETS, Continued

A. Governmental Activities, continued

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Less accumulated depreciation:				
Building and improvements	\$ (936,692)	\$ (199,651)	-	\$ (1,136,343)
Equipment	(2,159,552)	(108,278)	-	(2,267,830)
Radio equipment	(197,394)	(5,877)	-	(203,271)
Total accumulated depreciation	<u>(3,293,638)</u>	<u>(313,806)</u>	<u>-</u>	<u>(3,607,444)</u>
Total assets being depreciated, net	<u>4,085,458</u>	<u>(17,689)</u>	<u>(36,277)</u>	<u>4,031,492</u>
Governmental activities capital assets, net	<u>\$ 4,282,385</u>	<u>\$ (17,689)</u>	<u>\$ (116,860)</u>	<u>\$ 4,147,836</u>

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

Governmental activities:	
Administration	\$ 232,227
Public safety	<u>81,579</u>
Total depreciation expense – governmental activities	<u>\$ 313,806</u>

B. Business-type Activities

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Capital assets not being depreciated:				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets being depreciated:				
Ambulances	828,264	-	-	828,264
Equipment	<u>626,659</u>	<u>3,291</u>	<u>-</u>	<u>629,950</u>
Total assets being depreciated	<u>1,454,923</u>	<u>3,291</u>	<u>-</u>	<u>1,458,214</u>
Less accumulated depreciation:				
Ambulances	(528,159)	(51,504)	-	(579,663)
Equipment	<u>(497,778)</u>	<u>(32,035)</u>	<u>-</u>	<u>(529,813)</u>
Total accumulated depreciation	<u>(1,025,937)</u>	<u>(83,539)</u>	<u>-</u>	<u>(1,109,476)</u>
Total assets being depreciated, net	<u>428,986</u>	<u>(80,248)</u>	<u>-</u>	<u>348,738</u>
Business-type activities capital assets, net	<u>\$ 428,986</u>	<u>\$ (80,248)</u>	<u>\$ -</u>	<u>\$ 348,738</u>

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

Business-type activities:	
Meeker Ambulance Service/Total depreciation expense – business-type activities	<u>\$ 83,539</u>

RIO BLANCO 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 years 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 for the 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	39
- Inactive, Nonretired Members	2
- Active Members	<u>19</u>
- Total	<u>60</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 \$974,159. 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.

RIO BLANCO 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

For the year ended December 31, 2021, the District recognized pension income of \$143,039. 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	17,719	-
Change in assumptions	5,410	-
Net difference between projected and actual earnings on pension plan investments	155,033	596,372
Contribution subsequent to the measurement date	271,187	N/A
Total	449,349	596,372

\$271,187 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	(123,411)
2023	(67,514)
2024	(151,820)
2025	(75,495)

RIO BLANCO 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

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

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open*
Remaining Amortization Period:	20 years*
Asset Valuation Method:	5-Year smoothed market
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
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 an amortization period based on the expected remaining lifetime of the participants.

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

RIO BLANCO 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 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 what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net Pension Asset	387,119	974,159	1,467,534

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.

NOTE 7 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Funds. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in excess (deficiency) of revenues over expenditures for the year ended December 31, 2021, is presented below:

Net change in Net Position (NON-GAAP Basis)	<u>Enterprise</u> \$ 6,469
Plus:	
Capital Outlay	3,290
Less:	
Depreciation	<u>(83,539)</u>
Net change in net position (GAAP Basis)	<u>\$ (73,780)</u>

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 - INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2021, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 190,608	\$ 682,439
Meeker Ambulance Service - Proprietary Fund	682,439	-
Volunteer Pension	<u>-</u>	<u>190,608</u>
	<u>\$ 873,047</u>	<u>\$ 873,047</u>

An interfund transfer from the General fund of \$100,000 to the Meeker Ambulance Service – Proprietary Fund was made in 2021 to help with operating costs.

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA

Summary of Significant Accounting Policies

Pensions. The Rio Blanco 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 Rio Blanco 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

General Information about the Pension Plan, continued

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

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

The 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

General Information about the Pension Plan, continued

Contributions provisions as of December 31, 2021. Eligible employees and Rio Blanco 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).

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).

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

General Information about the Pension Plan, continued

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Rio Blanco Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Rio Blanco Fire Protection District were \$28,237 for the year ended December 31, 2021.

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

At December 31, 2021, the Rio Blanco Fire Protection District reported a liability of \$156,658 for its proportionate share of the net pension liability. The net pension liability for the LGDTF 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 Rio Blanco Fire Protection District proportion of the net pension liability was based on Rio Blanco Fire Protection District contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the Rio Blanco Fire Protection District proportion was 0.030061 percent, which was an increase of 0.002427 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Rio Blanco Fire Protection District recognized pension expense of \$17,160. At December 31, 2021, the Rio Blanco 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	7,574	-
Changes of assumptions or other inputs	37,858	-
Net difference between projected and actual earnings on pension plan investments	-	169,417
Changes in proportion and differences between contributions recognized and proportionate share of contributions	42,339	(3,295)
Contributions subsequent to the measurement date	28,237	N/A
Total	116,008	166,122

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

\$28,237 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 as follows:

Year ended December 31:	
2022	590
2023	(726)
2024	(51,477)
2025	(26,738)
2026	-
Thereafter	-

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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - 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 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.

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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

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 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - 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 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.

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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 9 - 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 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 Rio Blanco 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)	360,878	156,658	(13,839)

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 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. Rio Blanco 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan

Plan description. Eligible employees of the Rio Blanco 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.

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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 10 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan, continued

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 Rio Blanco Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Rio Blanco Fire Protection District were \$2,182 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 Rio Blanco Fire Protection District reported a liability of \$21,663 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 Rio Blanco Fire Protection District proportion of the net OPEB liability was based on Rio Blanco Fire Protection District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Rio Blanco Fire Protection District proportion was 0.002 percent, which was an increase of 0.000 from its proportion measured as of December 31, 2019.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – 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

For the year ended December 31, 2021, the Rio Blanco Fire Protection District recognized OPEB income of \$67. At December 31, 2021, the Rio Blanco 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	57	4,762
Changes of assumptions or other inputs	162	1,328
Net difference between projected and actual earnings on OPEB plan investments	-	885
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,756	22
Contributions subsequent to the measurement date	2,182	N/A
Total	9,157	6,997

\$2,182 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 as follows:

Year ended December 31:	
2022	50
2023	139
2024	223
2025	(263)
2026	(159)
Thereafter	(12)

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – 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 decreasing to 4.50% in 2029	8.10% in 2020, gradually
Medicare Part A premiums increasing to 4.50% in 2029	3.50% in 2020, gradually
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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 10 – 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 10 – 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 10 – 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – 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 Rio Blanco 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	21,102	21,663	22,314

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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – 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 Rio Blanco 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	24,815	21,663	18,969

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 11 - 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 that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for an 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% of fiscal year spending required in 1995 and thereafter.

The District has no authorized but unissued debt subject to the amendment's limitation. Based on fiscal year spending for 2021, \$36,543 of the year-end fund balance in the General Fund has been reserved for emergencies.

During 1996 a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR.

The District's management believes it is in compliance with the applicable 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 12 - RISK MANAGEMENT

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded this commercial coverage in any of the three preceding years.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 13 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2011, 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).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

NOTE 14 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the District's participation in Volunteer Firefighters' Pension Plan administered by 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 15 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 28, 2022, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2021, the District had a prior period adjustment for expenditures of \$3,568 incorrectly recorded in the Meeker Ambulance Service Fund in 2020. The prior period adjustment decreased the governmental activities net position and General Fund balance by \$3,568 and increased the business-type activities and Meeker Ambulance Service net position by \$3,568.

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REQUIRED SUPPLEMENTARY INFORMATION

RIO BLANCO FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2021

	<u>Budget</u>	
	<u>Original</u>	<u>Final</u>
REVENUES		
Taxes	\$ 1,053,218	\$ 1,053,218
Investment income	10,000	10,000
Grants	5,000	5,000
Other	<u>12,100</u>	<u>12,100</u>
TOTAL REVENUES	<u>1,080,318</u>	<u>1,080,318</u>
EXPENDITURES		
Administration	257,101	257,101
Public safety	415,900	415,900
Capital outlay	<u>1,435,000</u>	<u>1,435,000</u>
TOTAL EXPENDITURES	<u>2,108,001</u>	<u>2,108,001</u>
REVENUES OVER (UNDER) OPERATING EXPENDITURES	<u>(1,027,683)</u>	<u>(1,027,683)</u>
OTHER FINANCING SOURCES (USES)		
Transfer in (out)	<u>(250,000)</u>	<u>(250,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>(250,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(1,277,683)	(1,277,683)
FUND BALANCE, BEGINNING OF YEAR	7,961,868	7,961,868
Prior period adjustment	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,684,185</u>	<u>\$ 6,684,185</u>

<u>Actual Amounts</u>	<u>Variance from final budget</u>
\$ 1,106,999	\$ 53,781
73,029	63,029
1,800	(3,200)
<u>36,266</u>	<u>24,166</u>
<u>1,218,094</u>	<u>137,776</u>
167,211	89,890
222,324	193,576
<u>179,257</u>	<u>1,255,743</u>
<u>568,792</u>	<u>1,539,209</u>
<u>649,302</u>	<u>1,676,985</u>
<u>(100,000)</u>	<u>150,000</u>
<u>(100,000)</u>	<u>150,000</u>
549,302	1,826,985
8,021,073	59,205
<u>(3,568)</u>	<u>(3,568)</u>
<u>\$ 8,566,807</u>	<u>\$ 1,882,622</u>

See the accompanying independent auditors' report

RIO BLANCO 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>Contributions as a % of Covered Payroll</u>
2013	\$ 39,809	\$ 519,761	\$ (479,952)	N/A	N/A
2014	39,809	415,381	(375,572)	N/A	N/A
2015	39,809	384,346	(344,537)	N/A	N/A
2016	-	424,270	(424,270)	N/A	N/A
2017	-	335,239	(335,239)	N/A	N/A
2018	-	328,317	(328,317)	N/A	N/A
2019	-	158,930	(158,930)	N/A	N/A
2020	-	277,657	(277,657)	N/A	N/A
2021	-	271,217	(271,217)	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

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RIO BLANCO FIRE PROTECTION DISTRICT

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

Measurement period ending December 31,	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 39,843	\$ 39,694	\$ 39,694
Interest on the Total Pension Liability	228,022	213,333	214,332
Benefit Changes	-	-	589,620
Difference between Expected and Actual Expenditures	(254,623)	-	32,307
Assumption Changes	-	-	105,410
Benefit Payments	(204,484)	(213,750)	(266,595)
Net Change in Total Pension Liability	(191,242)	39,277	714,768
Total Pension Liability - Beginning	3,121,131	2,929,889	2,969,166
Total Pension Liability - Ending (a)	<u>\$ 2,929,889</u>	<u>\$ 2,969,166</u>	<u>\$ 3,683,934</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 385,908	\$ 354,873	\$ 394,797
Pension Plan Net Investment Income	241,432	64,721	232,131
Benefit Payments	(204,484)	(213,750)	(266,595)
Pension Plan Administrative Expense	(5,930)	(8,254)	(6,990)
State of Colorado supplemental discretionary payment	29,473	29,473	29,473
Net Change in Plan Fiduciary Net Position	446,399	227,063	382,816
Plan Fiduciary Net Position - Beginning	3,384,843	3,831,242	4,058,305
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,831,242</u>	<u>\$ 4,058,305</u>	<u>\$ 4,441,121</u>
Net Pension Liability (Asset) - Ending (a)-(b)	(901,353)	(1,089,139)	(757,187)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	130.76%	136.68%	120.55%
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
\$ 41,480	\$ 41,480	\$ 41,970	\$ 41,970
268,000	270,867	270,934	269,876
-	-	-	1,549,340
-	44,978	-	25,867
-	175,876	-	-
(266,760)	(275,918)	(272,790)	(385,125)
42,720	257,283	40,114	1,501,928
3,683,934	3,726,654	3,983,937	4,024,051
<u>\$ 3,726,654</u>	<u>\$ 3,983,937</u>	<u>\$ 4,024,051</u>	<u>\$ 5,525,979</u>
\$ 305,766	\$ 298,844	\$ 158,930	\$ 277,657
662,147	712	740,920	780,979
(266,760)	(275,918)	(272,790)	(385,125)
(14,327)	(13,982)	(15,813)	(10,642)
29,473	29,473	-	29,473
716,299	39,129	611,247	692,342
4,441,121	5,157,420	5,196,549	5,807,796
<u>\$ 5,157,420</u>	<u>\$ 5,196,549</u>	<u>\$ 5,807,796</u>	<u>\$ 6,500,138</u>
(1,430,766)	(1,212,612)	(1,783,745)	(974,159)
138.39%	130.44%	144.33%	117.63%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

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

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability/Asset
12/31/2014	0.000%	\$ -	\$ -	0%	105.8%
12/31/2015	0.000%	-	-	0%	106.8%
12/31/2016	0.000%	-	14,272	0%	100.1%
12/31/2017	0.015%	5,240	73,866	7%	98.2%
12/31/2018	0.013%	(18,167)	49,183	-37%	106.3%
12/31/2019	0.007%	9,284	-	N/A	95.2%
12/31/2020	0.000%	-	-	N/A	101.9%
12/31/2021	0.000%	-	-	N/A	N/A

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

* The date 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

RIO BLANCO 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 Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ -	\$ -	\$ -	\$ -	0.00%
2014	-	-	-	-	0.00%
2015	-	-	-	-	0.00%
2016	1,142	1,142	-	14,272	8.00%
2017	5,909	5,909	-	73,866	8.00%
2018	3,935	3,935	-	49,183	8.00%
2019	-	-	-	-	N/A
2020	-	-	-	-	N/A
2021	-	-	-	-	N/A

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

RIO BLANCO FIRE PROTECTION DISTRICT

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

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.027%	\$ 221,032	\$ 159,122	139%	81.8%
12/31/2015	0.028%	248,860	176,119	141%	80.7%
12/31/2016	0.031%	342,179	122,873	278%	76.9%
12/31/2017	0.020%	273,679	116,560	235%	73.6%
12/31/2018	0.018%	204,529	146,144	140%	79.4%
12/31/2019	0.022%	279,955	190,331	147%	76.0%
12/31/2020	0.028%	202,111	214,389	94%	86.3%
12/31/2021	0.030%	156,658	213,925	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

RIO BLANCO 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	\$ 17,732	\$ 17,732	\$ -	\$139,841	12.68%
2014	20,177	20,177	-	159,122	12.68%
2015	22,332	22,332	-	176,119	12.68%
2016	15,580	15,580	-	122,873	12.68%
2017	14,780	14,780	-	116,560	12.68%
2018	18,531	18,531	-	146,144	12.68%
2019	24,185	24,185	-	190,736	12.68%
2020	27,943	27,943	-	214,389	13.03%
2021	28,237	28,237	-	213,925	13.20%

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

RIO BLANCO FIRE PROTECTION DISTRICT

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

Year Ended*	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Actual Covered Payroll	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total OPEB Liability
12/31/2017	0.002%	\$ 20,171	\$ 116,560	17%	16.7%
12/31/2018	0.001%	18,560	146,144	13%	17.5%
12/31/2019	0.002%	23,494	190,736	12%	17.0%
12/31/2020	0.002%	23,759	214,389	11%	24.5%
12/31/2021	0.002%	21,663	213,925	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

RIO BLANCO 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	\$ 1,189	\$ 1,189	\$ -	\$116,560	1.02%
2018	1,491	1,491	-	146,144	1.02%
2019	1,946	1,946	-	190,736	1.02%
2020	2,187	2,187	-	214,389	1.02%
2021	2,182	2,182	-	213,925	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

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SUPPLEMENTARY INFORMATION

RIO BLANCO FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
MEEKER AMBULANCE SERVICE
For the Year Ended December 31, 2021

	Budget	
	Original	Final
REVENUES		
User charges	\$ 89,500	\$ 89,500
Transfer in	250,000	250,000
Miscellaneous income	100	100
TOTAL REVENUES	339,600	339,600
EXPENDITURES		
Bookkeeping	24,000	24,000
Billing fees	10,000	10,000
Director fees	75,000	75,000
Driver fees	50,000	50,000
Gas and oil	7,000	7,000
Repairs and maintenance	62,500	62,500
Training	35,000	35,000
Other expense	55,027	55,027
Capital outlay	85,000	85,000
TOTAL EXPENDITURES	403,527	403,527
NET CHANGE IN NET POSITION	(63,927)	(63,927)
NET POSITION, BEGINNING OF YEAR	940,489	940,489
Prior period adjustment		0
NET POSITION, END OF YEAR	\$ 876,562	\$ 876,562

RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP

Add:

 Capital outlay

Subtract:

 Depreciation

NET POSITION, END OF YEAR GAAP BASIS (Page 20)

<u>Actual Amounts</u>	<u>Variance from final budget</u>
\$ 101,046	\$ 11,546
100,000	(150,000)
4,256	4,156
205,302	(134,298)
22,052	1,948
5,235	4,765
51,097	23,903
46,209	3,791
4,462	2,538
24,254	38,246
7,447	27,553
34,787	20,240
3,290	81,710
198,833	204,694
6,469	70,396
1,188,153	247,664
3,568	3,568
1,198,190	\$ 321,628
3,290	
(83,539)	
\$ 1,117,941	

RIO BLANCO FIRE PROTECTION DISTRICT

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

	12/31/2021		12/31/2020	
	Amount	Percent	Amount	Percent
Accounting and auditing	\$ 5,555	3.2%	\$ 5,268	2.7%
Banquet	4,589	1.2%	8,091	1.9%
Election expense	-	0.0%	399	0.1%
Employee benefits	25,023	6.4%	22,216	5.1%
Fireworks display	8,931	2.3%	8,000	1.8%
Dispatching	36,000	9.2%	36,000	8.3%
Dues and other	10,837	2.8%	12,730	2.9%
Gas, oil, and lubrication	4,100	1.1%	2,360	0.5%
Insurance	26,733	6.9%	26,810	6.2%
Legal	4,706	1.2%	12,060	2.8%
Materials and supplies	16,209	4.2%	25,031	5.8%
Meals/Refreshments - Board	7,388	1.9%	10,550	2.4%
MVF&R Budget	-	0.0%	130	0.0%
Office supplies	4,565	1.2%	6,482	1.5%
Public relations	12,559	3.2%	7,031	1.6%
Repairs and maintenance	45,138	11.6%	62,303	14.4%
Salaries, office	15,471	4.0%	14,506	3.3%
Salaries, fire chief	45,348	11.6%	55,185	12.7%
Salaries, fire department	30,943	7.9%	32,665	7.5%
Training	3,923	1.0%	3,478	0.8%
Treasurer's fees	53,511	13.7%	54,802	12.7%
Utilities	20,968	5.4%	21,455	5.0%
Wildland fire	7,038	1.8%	5,594	1.3%
	<u>\$ 389,535</u>	<u>100.0%</u>	<u>\$ 433,146</u>	<u>100.0%</u>