

**COLORADO RIVER FIRE PROTECTION DISTRICT**

ANNUAL FINANCIAL REPORT

**DECEMBER 31, 2021**




**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2021**


**Table of Contents**

	<b>Page</b>
INDEPENDENT AUDITOR'S REPORT .....	i-iii
Management's Discussion and Analysis .....	iii-viii
<b>FINANCIAL STATEMENTS:</b>	
Statement of Net Position .....	1
Statement of Activities .....	2
Governmental Funds Balance Sheet and Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Position .....	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	5
NOTES TO FINANCIAL STATEMENTS .....	6-44
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances General Fund (Budget and Actual) .....	45
Schedule of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios —Statewide FPPA Pension Plan .....	46
Schedule of Employer Contributions—Statewide FPPA Pension Plan .....	47
Schedule of Proportionate Share of the Net Pension Liability and OPEB Liability and Related Ratios —PERA Pension Plan .....	48
Schedule of Employer Contributions—PERA Pension Plan .....	49
Schedule of Employer Contributions—Rifle Volunteer Firefighters' Pension Plan Fund.....	50
Schedule of Employer Contributions—Burning Mountain Volunteer Firefighters' Pension Plan Fund.....	51
Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 Years – Rifle Volunteer Firefighters' Pension Plan Fund .....	52
Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 Years – Burning Mountain Volunteer Firefighters' Pension Plan Fund .....	53
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances Capital Projects Fund (Budget and Actual) .....	54



1221 W. Mineral Avenue, Suite 202  
Littleton, CO 80120

 303-734-4800

 303-795-3356

 [www.HaynieCPAs.com](http://www.HaynieCPAs.com)

Board of Directors and Management  
Colorado River Fire Protection District

## Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Fire Protection District (the “District”) as of and for the years ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position and budgetary comparison schedules, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 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 these 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 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

In performing an audit in accordance with GAAS, 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 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 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

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

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

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

Sincerely,

*Haynie & Company*

Littleton, Colorado

July 18, 2022

# **Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2021**

The discussion and analysis of the Colorado River Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 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 \$23,995,253 at December 31, 2021.
- Total District's cash and investments decreased by \$387,550 or 4.62% from 2020.
- The December 31, 2021 General Fund balance is \$101,125 less than the previous year restated fund balance. The total fund balance is 66% of 2021 General Fund operating expenditures.

## **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2021**

District capital assets will also need to be evaluated.

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

**B. Fund Financial Statements**

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

The District's Fund statements include:

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

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

**C. Notes to Basic Financial Statements**

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

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

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

**REPORTING THE DISTRICT AS A WHOLE**

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

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2021**

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

**Statement of Net Position  
December 31**

	<b>2020</b>	<b>2021</b>
	<b>(as restated)</b>	
<b>Assets</b>		
Current and other assets	\$ 13,325,707	\$ 14,799,478
Net pension assets	2,546,547	3,463,077
Capital assets	13,507,255	12,691,095
Total assets	29,379,509	30,953,650
<b>Deferred Outflows of Resources</b>	2,193,761	1,974,434
<b>Liabilities</b>		
Current and other liabilities	546,425	600,024
Long-term liabilities	912,717	752,318
Total liabilities	1,459,142	1,352,342
<b>Deferred Inflows of Resources</b>	5,348,281	7,580,489
<b>Net Position</b>		
Net investment in capital assets	13,507,255	12,691,095
Restricted	177,507	221,477
Unrestricted	11,081,085	11,082,681
Total net position	24,765,847	23,995,253

A significant portion of the District's position represents unrestricted net position of \$11,082,681 which may be used to meet the ongoing obligations to patrons and creditors.

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

An additional \$221,477 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2021**

The following table indicates the changes in net position for 2020 and 2021:

**Statement of Activities  
December 31**

	<b>2020</b>	<b>2021</b>
<b>Revenue</b>	<b>(as restated)</b>	<b></b>
Program revenues		
Charges for services	\$ 1,559,533	\$ 1,921,749
Capital grants and contributions	270,026	165,999
General revenues		
General property taxes	4,307,574	4,161,900
Specific ownership tax	278,460	311,145
Investment earnings	89,163	54,653
Other taxes	64,148	245,659
Other income	65,256	687,477
<b>Total revenue</b>	<u>6,634,160</u>	<u>7,548,582</u>
<b>Expenses</b>		
Administration	93,348	101,923
Fire protection/EMS services	7,879,619	8,217,253
Total expenses	<u>7,972,967</u>	<u>8,319,176</u>
Change in Net Position	<u>\$ (1,338,807)</u>	<u>\$ (770,594)</u>

**District Revenue and Expense Analysis:**

***Revenues***

District revenues as of December 31, 2021 increased by \$914,442, over the year ended December 31, 2020. This change in revenue is mostly due to both an increase in Wildland revenues as the District experienced more deployments in the CY and other income due to the sales of some of their vehicles.

***Expenditures/Expenses***

District expenditures/expenses as of December 31, 2021 increased slightly compared to the year ended December 31, 2020.

**Colorado River Fire Protection District  
Management's Discussion and Analysis  
December 31, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The District's investment in capital assets at December 31, 2021 amounts to \$12,691,095 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

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

During the year ended December 31, 2021, the District had personal time off payable of \$375,165.

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

**ECONOMIC FACTORS AND OTHER MATTERS**

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2022 budget:

- An increase in anticipated general property tax collection for 2022 due to an increase in the mill levy rate for the District.

**REQUESTS FOR INFORMATION**

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

## **Basic Financial Statements**

**Colorado River Fire Protection District**  
**Statement of Net Position**  
**December 31, 2021**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 8,779,156
Property taxes receivable	5,703,894
Accounts receivable	316,428
Noncurrent assets	
Capital assets, nondepreciable	2,194,034
Capital assets, net	10,497,061
Net pension asset -	
Rifle Fire Protection District 7306-5 Volunteer Plan	2,699,004
Net pension asset - FPPA	<u>764,073</u>
<b>Total assets</b>	<u><b>30,953,650</b></u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to PERA and FPPA pensions	1,666,819
Deferred outflows related to Rifle 7306-5 volunteer pension	150,362
Deferred outflows related to Burning Mountains 7247-5 volunteer pension	154,704
Deferred outflows related to OPEB	<u>2,549</u>
Total deferred outflows of resources	<u>1,974,434</u>
<b>Total assets and deferred outflows of resources</b>	<u><b>\$ 32,928,084</b></u>
<b>Liabilities</b>	
Accounts payable	\$ 80,373
Accrued payroll	144,486
Compensated absences	375,165
Noncurrent liabilities:	
Net OPEB liability	33,562
Net pension liability -	
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	477,834
Net pension liability - PERA	<u>240,922</u>
<b>Total liabilities</b>	<u><b>1,352,342</b></u>
<b>Deferred Inflows of Resources</b>	
Unearned revenue - property taxes	5,703,894
Unearned revenue - Training consortium	22,133
Deferred inflows related to PERA and FPPA pensions	1,074,541
Deferred inflows related to Rifle 7306-5 volunteer pension	526,339
Deferred inflows related to Burning Mountains 7247-5 volunteer pension	241,411
Deferred inflows related to OPEB	<u>12,171</u>
<b>Total deferred inflows of resources</b>	<u><b>7,580,489</b></u>
<b>Net Position</b>	
Net investment in capital assets	12,691,095
Restricted for TABOR emergencies	221,477
Unrestricted	<u>11,082,681</u>
Total net position	<u>23,995,253</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u><b>\$ 32,928,084</b></u>

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

**Colorado River Fire Protection District**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

<b>Functions/Program Activities</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net</b>
		<b>Charges for Services</b>	<b>Capital Grants and Contribution</b>	<b>Governmental Activities</b>
Governmental activities				
Administration	\$ 101,923	\$ -	\$ -	\$ (101,923)
Fire protection/EMS services	<u>8,217,253</u>	<u>1,921,749</u>	<u>165,999</u>	<u>(6,129,505)</u>
Total governmental activities	<u>\$ 8,319,176</u>	<u>\$ 1,921,749</u>	<u>\$ 165,999</u>	<u>\$ (6,231,428)</u>
<b>General revenues:</b>				
Property taxes				4,161,900
Specific ownership taxes				311,145
Other taxes				245,659
Investment earnings				54,653
Other income				<u>687,477</u>
Total General revenues				<u>5,460,834</u>
<b>Change in net position</b>				
				(770,594)
<b>Net position - beginning of year, as restated</b>				<u>24,765,847</u>
<b>Net position - end of year</b>				<u>\$ 23,995,253</u>

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

**Colorado River Fire Protection District**  
**Governmental Funds Balance Sheet and**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**with the Statement of Net Position**  
**December 31, 2021**

	<b>General Fund</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,764,710	\$ 3,992,512	\$ 8,757,222
Cash with County	21,934	-	21,934
Accounts receivable (net of allowance of \$101,878)	316,428	-	316,428
Property taxes receivable	5,703,894	-	5,703,894
Due (to) from funds	160,095	(160,095)	-
<b>Total assets</b>	<b><u>\$ 10,967,061</u></b>	<b><u>\$ 3,832,417</u></b>	<b><u>\$ 14,799,478</u></b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	80,373	-	80,373
Accrued payroll	144,486	-	144,486
<b>Total liabilities</b>	<b><u>224,859</u></b>	<b><u>-</u></b>	<b><u>224,859</u></b>
<b>Deferred Inflows of Resources</b>			
Unearned revenue—Training consortium	22,133	-	22,133
Unearned revenue—property taxes	5,703,894	-	5,703,894
<b>Total deferred inflows of resources</b>	<b><u>5,726,027</u></b>	<b><u>-</u></b>	<b><u>5,726,027</u></b>
<b>Fund Balances</b>			
Restricted for:			
TABOR emergencies	221,477	-	221,477
Assigned for:			
Capital reserve	-	3,832,417	3,832,417
Unassigned	4,794,698	-	4,794,698
<b>Total fund equity</b>	<b><u>5,016,175</u></b>	<b><u>3,832,417</u></b>	<b><u>8,848,592</u></b>
<b>Total liabilities, deferred inflows of resources     and fund equity</b>	<b><u>\$ 10,967,061</u></b>	<b><u>\$ 3,832,417</u></b>	<b><u>\$ 14,799,478</u></b>
<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 5,016,175</b>	<b>\$ 3,832,417</b>	<b>\$ 8,848,592</b>

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

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

Governmental capital assets	
Less accumulated depreciation	12,691,095

Compensated absences are not payable with current resources (375,165)

Long-term liabilities, such as pension assets and liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Net pension asset- Rifle 7306-5 volunteer plan	2,699,004
Net pension asset - FPPA	764,073
Net pension liability- Burning Mountains 7247-5 volunteer plan	(477,834)
Net pension liability - PERA	(240,922)
Net OPEB liability	(33,562)

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

Deferred outflows related to pensions	1,666,819
Deferred outflows related to Rifle 7306-5 volunteer pensions	150,362
Deferred outflows related to Burning Mountains 7247-5 volunteer pensions	154,704
Deferred outflows related to OPEB	2,549
Deferred inflows related to pensions	(1,074,541)
Deferred inflows related to Rifle 7306-5 volunteer pensions	(526,339)
Deferred inflows related to Burning Mountains 7247-5 volunteer pensions	(241,411)
Deferred inflows related to OPEB	(12,171)

**Net position of governmental activities** **\$ 23,995,253**

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

**Colorado River Fire Protection District**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances- Governmental Funds**  
**December 31, 2021**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes	\$ 4,718,704	\$ -	\$ 4,718,704
Charges for services, net	1,921,749	-	1,921,749
Interest	52,729	1,924	54,653
Grants	117,703	48,296	165,999
Other	687,477	-	687,477
	<u>7,498,362</u>	<u>50,220</u>	<u>7,548,582</u>
<b>Expenditures</b>			
Treasurer and tax fees	101,923	-	101,923
Repairs and maintenance	221,881	-	221,881
Dues and subscriptions	5,087	-	5,087
Insurance	295,259	-	295,259
Utilities	127,748	-	127,748
Election expense	28,613	-	28,613
Strategic planning	5,000	-	5,000
Board of Directors stipend	5,278	-	5,278
Salaries and benefits	5,865,752	-	5,865,752
Payroll taxes	80,242	-	80,242
Honor guard	1,305	-	1,305
Volunteer benefits	21,817	-	21,817
Training and development	88,800	-	88,800
Professional service fees	101,399	-	101,399
Banking and merchant fees	1,606	-	1,606
Community cares expense	3,915	-	3,915
Operations expense	405,290	-	405,290
Vehicle and apparatus	211,641	-	211,641
Capital outlay	50,392	9,447	59,839
	<u>7,622,948</u>	<u>9,447</u>	<u>7,632,395</u>
<b>Excess of Revenues over Expenditures</b>	<u>(124,586)</u>	<u>40,773</u>	<u>(83,813)</u>
<b>Other Financing Sources</b>			
Transfer from (to) other funds	23,461	(23,461)	-
Total other financing sources (uses)	23,461	(23,461)	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other uses</b>	<u>(101,125)</u>	<u>17,312</u>	<u>(83,813)</u>
<b>Fund balances:</b>			
Beginning of the year, as restated	5,117,300	3,815,105	8,932,405
End of the year	<u>\$ 5,016,175</u>	<u>\$ 3,832,417</u>	<u>\$ 8,848,592</u>

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

**Colorado River Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**December 31, 2021**

**Net change in fund balance—total governmental funds** \$ (83,813)

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

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

Current year depreciation	(739,048)
Capital outlay- capitalized portion	59,839
Net loss on disposal of capital assets	(136,951)

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

Current year increase in accrued compensated absences	(15,597)
---	----------

Pension and OPEB expenses and income do not use current financial resources and are excluded from the funds.

FPPA Pension	8,477
PERA Pension	21,844
Burning Mountain Volunteer Pension	(64,647)
Rifle Volunteer Pension	178,334
OPEB	<u>968</u>

<b>Change in net position of governmental activities</b>	<b><u>\$ (770,594)</u></b>
--	----------------------------

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

# Colorado River Fire Protection District

## Notes to Financial Statements

### December 31, 2021

---

#### 1. Definition of Reporting Entity

---

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

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

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

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

---

#### 2. Summary of Significant Accounting Policies

---

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

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

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

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

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

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

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

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

The District reports the following major governmental funds:

**General Fund**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

**Capital Projects Fund**

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

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

**Budgets and Budgetary Accounting**

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

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

Public hearings are conducted to obtain the taxpayers' comments.

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

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

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

The District may authorize supplemental appropriations during the year.

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

**Property Taxes**

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

# Colorado River Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2021

---

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

---

### Capital Assets

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

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

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

Equipment	5 - 15 years
Infrastructure	7 - 50 years

### Long-Term Obligations

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

### Net Position and Fund Balance

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

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

# Colorado River Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2021

---

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

---

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

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

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

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

**Compensated Absences**

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

**Deferred Outflows/Inflows of Resources**

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

**Estimates**

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

---

**3. Cash and Investments**

---

*Custodial Credit Risks – Deposits*

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2021, the District had cash deposits with a bank balance of \$522,144 and a carrying balance of \$372,633. The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Depository Act.

*Investments*

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

*Custodial Credit Risk - Investments*

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

*Interest Rate Risk*

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

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

Investments held as of December 31, 2021 are as follows:

COLOTRUST	<u>\$ 8,384,589</u>
-----------	---------------------

At December 31, 2021, the District had invested \$8,384,589 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes as authorized by state statute. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. At December 31, 2021 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST as net asset value as determined by fair value. There were no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**Summary of Cash**

Cash and Cash Equivalents

Cash deposits in bank—General Fund	\$ 372,633
COLOTRUST—General Fund	4,392,077
COLOTRUST—Capital Projects Fund	3,992,512
Cash with County	<u>21,934</u>
Total cash and investments	<u>\$ 8,779,156</u>

**4. Property Taxes**

**Revenue Recognized in 2021**

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

	Assessed Valuation	Amount of Taxes			Percent Collected
		Mill Levy	Levied	Collected	
General Fund	\$ 685,875,430	6.102	\$ 4,185,212	\$ 4,718,704	112.7%

**Property Taxes Receivable and Unearned Revenue**

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

	Assessed Valuation	Mill Levy	Estimated	Property	Unearned Revenue
			Percent Collectible	Taxes Receivable	
General Fund	\$ 626,663,760	9.102	100%	5,703,894	\$ 5,703,894

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**5. Property, Plant & Equipment**

The following table presents capital assets activity of the District for the year ended December 31, 2021:

	Balance December 31, 2020	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Total capital assets, not being depreciated	<u>2,194,034</u>	<u>-</u>	<u>-</u>	<u>2,194,034</u>
Capital assets, being depreciated:				
Buildings	11,915,170	19,151	-	11,934,321
Equipment	7,011,316	40,688	(2,119,348)	4,932,656
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>18,967,257</u>	<u>59,839</u>	<u>(2,119,348)</u>	<u>16,907,748</u>
Less accumulated depreciation for:				
Buildings	(3,004,581)	(298,211)	-	(3,302,792)
Equipment	(4,608,684)	(440,837)	1,982,397	(3,067,124)
Land improvements	<u>(40,771)</u>	<u>-</u>	<u>-</u>	<u>(40,771)</u>
Total accumulated depreciation	<u>(7,654,036)</u>	<u>(739,048)</u>	<u>1,982,397</u>	<u>(6,410,687)</u>
Total capital assets, being depreciated, net	<u>11,313,221</u>	<u>(679,209)</u>	<u>(136,951)</u>	<u>10,497,061</u>
Capital assets, net	<u>\$ 13,507,255</u>	<u>\$ (679,209)</u>	<u>\$ (136,951)</u>	<u>\$ 12,691,095</u>

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

Governmental activities:

Fire protection/EMS services	\$ 739,048
Total depreciation expense—governmental activities	<u>\$ 739,048</u>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**6. Compensated Absences Payable**

---

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balance				Balance	Due
	December 31,	Additions	Retirements	December 31,	Within	
	2020			2021	One Year	
Governmental activities:						
Compensated absences	\$ 359,568	\$ 420,002	\$ (404,405)	\$ 375,165	\$ 375,165	
Total long-term liabilities	<u>\$ 359,568</u>	<u>\$ 420,002</u>	<u>\$ (404,405)</u>	<u>\$ 375,165</u>	<u>\$ 375,165</u>	

---

**7. Defined Benefit Plan—FPPA**

---

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

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

The annual retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and ranges from 0% to the higher of 3% of Consumer Price Index.

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

*Contributions.* The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 11% and 8%, respectively, of pensionable earnings for a total contribution rate of 19% in 2020. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 23% and 23.5% of pensionable earnings in 2020 and 2021. It is a local decision as to whether the member or employer pays the additional 4% contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution, to reflect the actual cost of reentry by department.

# Colorado River Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2021

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

The contribution rate for members and employers of affiliated social security employers is 5.5% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.50% in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are at 4% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

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

At December 31, 2021, the District reported an asset of \$764,073 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2020 relative to the total contributions of participating employers to the SWBD Plan.

At December 31, 2020, the District's proportion was 0.351944 percent, which was a decrease of 0.053324 percent from its proportion measurement as of December 31, 2019.

#### **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 expense of \$270,637. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of resources</b>	<b>Deferred Inflows of resources</b>
Difference between expected and actual experience	648,009	3,039
Changes of assumptions or other inputs	324,972	-
Net difference between projected and actual earnings on pension plan investments	-	784,813
Net change in proportionate share	316,258	-
Contributions subsequent to the measurement date	279,113	-
<b>Total</b>	<b>1,568,352</b>	<b>787,852</b>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

\$279,113 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year December 31, 2022. Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year ended December 31:</b>	
2022	\$ (47,585)
2023	54,210
2024	(77,826)
2025	55,694
2026	180,378
Thereafter	<u>336,516</u>
	<u>\$ 501,387</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is .00015.

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.0%	8.23%
Equity 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 discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

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

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	768,920	(764,073)	(2,033,583)

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

---

**8. Defined Contribution Plan**

---

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

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

The employer contributions to the plan for the year ended December 31, 2021 was \$10,701.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**9. Deferred Compensation Plan—FPPA**

---

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

The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2021, participating employees contributed \$31,601.

---

**10. Statewide Death and Disability Plan**

---

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2021, the District contributed \$105,389.

---

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

---

**Summary of Significant Accounting Policies**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Colorado River Fire Protection District are provided with pensions through the Local Government Division Trust Fund (LGDTF)-a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

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, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible 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 lesser 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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

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

	Rate: Jan 1 <sup>st</sup> - Jun 30 <sup>th</sup>	Rate: Jul 1 <sup>st</sup> – Dec 31 <sup>st</sup>
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) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the LGDRF <sup>1</sup>	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C. R. S. § 24-51-51-411 <sup>1</sup>	1.50%	1.50%
Defined Contribution Supplement as Specified in C.R.S § 24-51-415	0.02%	0.02%
<b>Total Employer Contribution Rate to the LGDTF <sup>1</sup></b>	<b>13.20%</b>	<b>13.20%</b>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Colorado River Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Colorado River Fire Protection District were \$42,201 for the year ended December 31, 2020.

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

At December 31, 2021, the Colorado River Fire Protection District reported a liability of \$240,922 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020.

The Colorado River Fire Protection District proportion of the net pension liability was based on Colorado River Fire Protection District contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the Colorado River Fire Protection District proportion was 0.046231, which was a decrease of 0.004064 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the Colorado River Fire Protection District recognized pension expense of \$6,753. At December 31, 2020, the Colorado River Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Difference between expected and actual experience	11,648	-
Changes of assumptions or other inputs	58,222	
Net difference between projected and actual earnings on pension plan investments	-	260,544
Net change in proportionate share	-	26,145
Contributions subsequent to the measurement date	28,597	-
Total	98,467	286,689

\$28,597 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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<b>Year ended December 31:</b>	
2022	\$ (50,541)
2023	(36,839)
2024	(88,320)
2025	(41,120)
	<u>\$ (216,820)</u>

*Actuarial assumptions.* The total pension 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	3.50-10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.25%
PERA Benefit structure hired after 12/31/06 <sup>1</sup> (ad hoc, substantively automatic)	Financed by the AIR

<sup>1</sup> 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.

Healthy, post-retirement 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

- **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.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or 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 LGDTF, 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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 <sup>1</sup>	6.00%	4.70%
Total	100.00%	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020

***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 3.00 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, including 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 included 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan member
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, LGDTF's fiduciary net position 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 District's 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 (measured in thousands)

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	554,989	240,922	(21,282)

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

*Plan Description*

Eligible employees of the 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 that can be obtained at [www.copera.org/investments/pera-financial-reports](http://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 on 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

---

*PERA Benefit Structure*

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$3,332 for the year ended December 31, 2020.

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

At December 31, 2021, Colorado River Fire Protection District reported a liability of \$33,562 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

Colorado River Fire Protection District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF. At December 31, 2020, the District’s proportion was 0.003532 percent.

For the year ended December 31, 2021, Colorado River Fire Protection District recognized OPEB expense of \$1,241. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Difference between expected and actual experience	89	7,378
Changes of assumptions or other inputs	251	2,058
Net difference between projected and actual earnings on pension plan investments	-	1,371
Net change in proportionate share	-	1,363
Contributions subsequent to the measurement date	2,210	-
Total	2,550	12,170

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	\$ (2,208)
2023	(2,016)
2024	(2,204)
2025	(3,719)
2026	(1,579)
Thereafter	(105)
	<u>\$ (11,831)</u>

*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	

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

PERA benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	8.10 % in 2020, Gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50 % for 2020, gradually rising to 4.50% in 2029

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:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to
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, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**12. Other Post-Employment Healthcare Benefits—PERA (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 for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

1. 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.
2. 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.

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

---

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

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

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

1. 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 2019 plan year.
2. The morbidity assumptions were updated to reflect the assumed standard aging factors.
3. The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

---

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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 <sup>1</sup>	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

<sup>1</sup> 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%.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

*Sensitivity of the District 's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
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	\$32,694	\$33,562	\$34,572

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

1. Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020 measurement date.
2. 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.
3. 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.
4. 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.
5. Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all 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.

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**12. Other Post-Employment Healthcare Benefits—PERA (continued)**

---

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 District 's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	38,446	33,562	29,839

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

---

**13. Volunteer Firefighters’ Pension Plans**

---

**Summary of Significant Accounting Policies**

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

These plans are delineated as Rifle Fire Protection District 7306-5 Volunteer Plan and Burning Mountains Fire Protection District 7247-5 Volunteer Plan. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plans have been determined using the economic resources measurement focus and the accrual basis of accounting.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

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

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

The actuarial study as of January 1, 2021, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Volunteer Plans.

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

At December 31, 2021 the District reported a net pension asset of \$2,699,004 for the Rifle Fire Protection District 7306-5 plan. The net pension asset was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2021, the District recognized pension income related to this plan of \$178,334. At December 31, 2021, the District reported deferred outflow of resources related to pension from the following sources:

	<b>Outflows of resources</b>	<b>Inflows of resources</b>
Net difference between projected and actual earnings on pension plan investments	150,362	526,339
Total	150,362	526,339

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

**Year ended December 31:**

2022	\$ (124,470)
2023	(57,386)
2024	(132,566)
2025	(61,555)
	<u>\$ (375,977)</u>

At December 31, 2021 the District reported a net pension liability of \$477,834 for the Burning Mountains Fire Protection District 7247-5 plan. The net pension liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2021, the District recognized pension expense related to this plan of \$195,576. At December 31, 2021, the District reported deferred outflow of resources related to pension from the following sources:

	Outflows of resources	Inflows of resources
Net difference between projected and actual earnings on pension plan investments	73,775	241,411
Contributions subsequent to the measurement date	80,929	-
Total	154,704	241,411

\$80,929 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

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	\$ (56,828)
2023	(23,479)
2024	(60,369)
2025	(26,960)
	<u>\$ (167,636)</u>

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

**13. Volunteer Firefighters' Pension Plans (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:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65

Mortality: Pre-retirement: 2006 central rates from RP-2014 Mortality Tables for males and females using the MP-2017 projection scales, 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 RP-2014 Mortality Tables for males and females using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.  
 Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females project to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Plan memberships as of January 1, 2021 was as follows:

<b>Membership by type</b>	<b>Rifle Fire Protection District 7306-5 Volunteer Plan</b>	<b>Burning Mountains Fire Protection District 7247-5 Volunteer Plan</b>
Active members	35	36
Retirees and beneficiaries	4	5
Inactive, non-retired members	2	0
Total	41	41

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by addition expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Global Equity	39.0%	8.23%
Equity 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%*
<b>Total</b>	<b>100.0%</b>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes.

Based on those assumptions, the Volunteer Plans fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current (7.00%)	1% Decrease (8.00%)
Rifle Fire Protection District 7306-5 Volunteer Plan	(2,414,143)	(2,699,004)	(2,940,815)
Proportionate share of the net pension liability (asset)	(2,414,143)	(2,699,004)	(2,940,815)

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

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

---

Burning Mountain Protection District 7247-5 Volunteer Plan	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	775,893	477,834	225,629

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

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

---

**14. Contingencies**

---

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

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

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2021, \$221,477 of the year-end fund balance in the General Fund will be reserved for emergencies.

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

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

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**15. Tax Abatements**

---

During 2018, Garfield County (“County”) signed two property tax abatement agreements with oil and gas companies related to misreported production revenues. The County agreed to refund the companies for overpayment of taxes related to errors identified by the companies in the volumes and revenues of natural gas reported in prior years. The cost to the District in 2021 related to these refunds, including interest, was \$554.

---

**16. Risk Management**

---

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

---

**17. Restatement**

---

The District has restated the prior year financial statements to correctly reflect accounts receivable and charges for services for the General Fund related to 2020 service revenue not reported in the prior year, causing revenue and accounts receivable to be understated. The effect of the restatement is summarized as follows:

Restatement in Governmental Funds Balance sheet and Revenues, Expenditures and Changes in Fund Balances

	December 31, 2020		December 31, 2021
	<u>As Originially Stated</u>	<u>Restatement</u>	<u>As Restated</u>
Accounts Receivable, net	301,657	447,232	748,889
Charges for services, net	1,112,301	447,232	1,559,533
Excess of Revenues over Expenditures	(1,088,456)	447,232	(641,224)
Fund balance, End of the year	4,670,068	447,232	5,117,300

Restatement in Governmental Wide Statement of Net Position and Statement of Activities

	December 31, 2020		December 31, 2021
	<u>As Originially Stated</u>	<u>Restatement</u>	<u>As Restated</u>
Accounts Receivable	301,657	447,232	748,889
Charges for Services	1,112,301	447,232	1,559,533
Change in net position	(1,786,039)	447,232	(1,338,807)
Net position- end of year	24,318,615	447,232	24,765,847

**Colorado River Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

---

**18. Subsequent Events**

---

The District has evaluated subsequent events through July 18, 2022, the date which the financial statements were available to be issued. During this period, the District was not aware of any material recognizable subsequent events.

---

**19. Risks and Uncertainties**

---

As the world and business community continues to deal with the pandemic, the District has not been immune to its effects, but has positioned itself to sustain operations. The District believes it will be able to continue to adapt to the pandemic impacts and any local, state or federal government guidelines.

# **Colorado River Fire Protection District**

---

**Required Supplementary Information**

**Colorado River Fire Protection District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**General Fund (Budget and Actual)**  
**December 31, 2021**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 4,530,212	\$ 4,718,704	\$ 4,718,704	\$ -
Charge for services	1,578,250	2,593,236	2,593,236	-
Interest	35,900	52,729	52,729	-
Grants	148,929	117,703	117,703	-
Transfers from other funds	-	23,461	23,461	-
Other	79,729	687,477	687,477	-
Total Revenues	<u>6,373,020</u>	<u>8,193,310</u>	<u>8,193,310</u>	<u>-</u>
<b>Expenditures:</b>				
Treasurer and Tax abatement fees	111,214	101,923	101,923	-
Repairs and Maintenance	159,550	221,881	221,881	-
Dues and subscriptions	6,360	5,087	5,087	-
Insurance	327,675	295,259	295,259	-
Utilities	147,500	127,748	127,748	-
Elections	35,000	28,613	28,613	-
Strategic planning	5,000	5,000	5,000	-
Board stipends	6,000	5,278	5,278	-
Salaries and benefits	5,950,422	5,865,752	5,865,752	-
Payroll taxes	85,082	80,242	80,242	-
Honor Guard	2,500	1,305	1,305	-
Volunteer benefits and stipends	22,500	21,817	21,817	-
Training and development	162,950	88,800	88,800	-
Professional services	124,000	101,399	101,399	-
Bank service charges	5,000	1,606	1,606	-
Community cares expense	-	3,915	3,915	-
Operations expense	307,250	405,290	405,290	-
Vehicle and apparatus expense	-	211,641	211,641	-
EMS Billing writeoffs	700,000	671,487	671,487	-
Capital outlay	85,500	50,392	50,392	-
Total Expenditures	<u>8,243,503</u>	<u>8,294,435</u>	<u>8,294,435</u>	<u>-</u>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>(1,870,483)</u>	<u>(101,125)</u>	<u>(101,125)</u>	<u>-</u>
<b>Fund Balance—Beginning of year, as restated</b>	<u>4,374,150</u>	<u>5,117,300</u>	<u>5,117,300</u>	<u>-</u>
<b>Fund Balance—End of Year</b>	<u>\$ 2,503,667</u>	<u>\$ 5,016,175</u>	<u>\$ 5,016,175</u>	<u>\$ -</u>

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

# **Colorado River Fire Protection District**

---

**Other Supplementary Information**

**Colorado River Fire Protection District**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios**  
**Statewide FPPA Pension Plan**

<b>Measurement Period Ended*</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Actual Covered Payroll</b>	<b>Net Pension Asset as a Percentage of Covered Payroll</b>	<b>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</b>
12/31/2021	0.35%	\$ (764,073)	\$ 2,758,725	-27.7%	106.7%
12/31/2020	0.41%	\$ (229,205)	\$ 2,986,171	-7.7%	101.9%
12/31/2019	0.51%	\$ 644,932	\$ 3,409,510	18.9%	95.2%
12/31/2018	0.52%	\$ (749,440)	\$ 2,942,059	-25.5%	106.3%
12/31/2017	0.49%	\$ 177,757	\$ 2,614,397	6.8%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,581,439	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,792,346	-21.9%	106.8%
12/31/2014	0.55%	\$ (489,255)	\$ 2,975,839	-16.4%	105.8%

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

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

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

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2021	\$ 279,113	\$ 279,113	\$ -	\$ 3,197,323	9%
12/31/2020	\$ 226,148	\$ 235,130	\$ 8,982	\$ 2,758,725	9%
12/31/2019	\$ 238,957	\$ 256,778	\$ 17,821	\$ 2,986,171	9%
12/31/2018	\$ 273,366	\$ 294,428	\$ 21,062	\$ 3,409,510	9%
12/31/2017	\$ 243,766	\$ 237,633	\$ (6,133)	\$ 2,942,059	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439	8%
12/31/2014	\$ 223,388	\$ 223,388	\$ -	\$ 2,792,346	8%
12/31/2013	\$ 238,067	\$ 238,067	\$ -	\$ 2,975,839	8%

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

# Colorado River Fire Protection District

## Required Supplementary Information

### Retirement Plan Supplementary Information

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

<b>Colorado PERA - Pension</b>				<b>Net Pension</b>	<b>Fiduciary Net</b>
<b>Measurement</b>	<b>Proportion of</b>	<b>Proportionate</b>	<b>Actual</b>	<b>Liability as a</b>	<b>Position as a</b>
<b>Period Ended*</b>	<b>the Net Pension</b>	<b>Share of the Net</b>	<b>Covered</b>	<b>Percentage of</b>	<b>Percentage of Total</b>
	<b>Liability</b>	<b>Pension Liability</b>	<b>Payroll</b>	<b>Covered Payroll</b>	<b>Pension Liability</b>
12/31/2021	0.460%	\$ 240,922	\$ 326,618	73.8%	90.9%
12/31/2020	0.503%	\$ 367,855	\$ 373,789	98.4%	86.3%
12/31/2019	0.535%	\$ 672,533	\$ 376,947	178.4%	76.0%
12/31/2018	0.440%	\$ 490,003	\$ 277,621	176.5%	79.4%
12/31/2017	0.495%	\$ 668,498	\$ 288,729	231.5%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%
12/31/2014	0.046%	\$ 375,347	\$ 243,342	154.2%	81.8%

<b>Colorado PERA - OPEB</b>				<b>OPEB Liability as</b>	<b>Fiduciary Net</b>
<b>Measurement</b>	<b>Proportion of</b>	<b>Proportionate</b>	<b>Actual</b>	<b>a Percentage of</b>	<b>Position as a</b>
<b>Period Ended*</b>	<b>the Net OPEB</b>	<b>Share of the Net</b>	<b>Covered</b>	<b>a Percentage of</b>	<b>Percentage of Total</b>
	<b>Liability</b>	<b>OPEB Liability</b>	<b>Payroll</b>	<b>Covered Payroll</b>	<b>OPEB Liability</b>
12/31/2021	0.004%	\$ 33,562	\$ 326,618	10.3%	32.8%
12/31/2020	0.004%	\$ 43,297	\$ 373,789	11.6%	24.5%
12/31/2019	0.004%	\$ 56,443	\$ 376,947	15.0%	17.0%
12/31/2018	0.003%	\$ 44,442	\$ 277,621	16.0%	17.5%

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

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

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

**Colorado PERA - Pension**

<b><u>Measurement Period Ended*</u></b>	<b><u>Actuarially Required Contributions</u></b>	<b><u>Actual Employer Contributions</u></b>	<b><u>Contribution Excess/ (Deficiency)</u></b>	<b><u>Actual Covered Payroll</u></b>	<b><u>Contributions as a Percentage of Covered Payroll</u></b>
12/31/2021	\$ 28,596	\$ 28,596	\$ -	\$ 216,643	13.20%
12/31/2020	\$ 41,687	\$ 41,687	\$ -	\$ 326,618	12.76%
12/31/2019	\$ 48,377	\$ 48,377	\$ -	\$ 373,789	12.94%
12/31/2018	\$ 47,797	\$ 47,797	\$ -	\$ 376,947	12.68%
12/31/2017	\$ 35,217	\$ 35,217	\$ -	\$ 277,621	12.69%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230	12.68%
12/31/2014	\$ 45,157	\$ 45,157	\$ -	\$ 356,125	12.68%
12/31/2013	\$ 30,856	\$ 30,856	\$ -	\$ 243,342	12.68%

**Colorado PERA - OPEB**

<b><u>Measurement Period Ended*</u></b>	<b><u>Actuarially Required Contributions</u></b>	<b><u>Actual Employer Contributions</u></b>	<b><u>Contribution Excess/ (Deficiency)</u></b>	<b><u>Actual Covered Payroll</u></b>	<b><u>Contributions as a Percentage of Covered Payroll</u></b>
12/31/2021	\$ 2,210	2209.7586	\$ -	\$ 216,643	1.02%
12/31/2020	\$ 3,845	3844.8594	\$ -	\$ 376,947	1.02%
12/31/2019	\$ 2,832	2831.7342	\$ -	\$ 277,621	1.02%
12/31/2018	\$ 3,845	3844.8594	\$ -	\$ 376,947	1.02%
12/31/2017	\$ 2,832	2831.7342	\$ -	\$ 277,621	1.02%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

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

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2021	\$ -	\$ -	\$ -	N/A	N/A
12/31/2020	\$ -	\$ -	\$ -	N/A	N/A
12/31/2019	\$ -	\$ -	\$ -	N/A	N/A
12/31/2018	\$ -	\$ -	\$ -	N/A	N/A
12/31/2017	\$ -	\$ -	\$ -	N/A	N/A
12/31/2016	\$ -	\$ 50,000	\$ (50,000)	N/A	N/A
12/31/2015	\$ -	\$ 236,751	\$ (236,751)	N/A	N/A
12/31/2014	\$ -	\$ 460,795	\$ (460,795)	N/A	N/A
12/31/2013	\$ -	\$ -	\$ -	N/A	N/A

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
\* Includes both employer and State of Colorado Supplemental Discretionary Payment

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

<b>Measurement Period Ended*</b>	<b>Actuarially Required Contributions</b>	<b>Actual Contributions</b>	<b>Contribution Excess/(Deficiency)</b>	<b>Actual Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/2021	\$ 65,106	\$ 80,929	\$ (15,823)	N/A	N/A
12/31/2020	\$ 58,639	\$ 80,929	\$ (22,290)	N/A	N/A
12/31/2019	\$ 49,359	\$ 80,929	\$ (31,570)	N/A	N/A
12/31/2018	\$ 49,359	\$ 50,000	\$ (641)	N/A	N/A
12/31/2017	\$ 92,694	\$ 80,929	\$ 11,765	N/A	N/A
12/31/2016	\$ 92,694	\$ 468,429	\$ (375,735)	N/A	N/A
12/31/2015	\$ 116,592	\$ 230,929	\$ (114,337)	N/A	N/A
12/31/2014	\$ 116,592	\$ 478,479	\$ (361,887)	N/A	N/A
12/31/2013	\$ 116,592	\$ 143,666	\$ (27,074)	N/A	N/A

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

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

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

Measurement period ended December 31,	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 1,957	\$ 1,957	\$ 7,082	\$ 7,082	\$ 7,687	\$ 7,687	\$ 7,453
Interest	201,403	205,951	219,189	222,007	228,124	232,163	230,538
Changes of benefit terms	-	-	-	-	-	-	98,350
Difference between expected and actual expenditures	77,487	-	(39,879)	-	(139,205)	-	(6,499)
Assumption changes	-	-	107,374	-	93,301	-	-
Benefit payments	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
<b>Net change in total pension liability</b>	<b>6,919</b>	<b>(63,949)</b>	<b>22,697</b>	<b>(33,312)</b>	<b>(89,739)</b>	<b>(67,390)</b>	<b>20,527</b>
<b>Total pension liability - Beginning</b>	<b>3,010,876</b>	<b>3,074,825</b>	<b>3,052,128</b>	<b>3,085,440</b>	<b>3,175,179</b>	<b>3,242,569</b>	<b>3,222,042</b>
<b>Total pension liability - Ending (a)</b>	<b>3,017,795</b>	<b>3,010,876</b>	<b>3,074,825</b>	<b>3,052,128</b>	<b>3,085,440</b>	<b>3,175,179</b>	<b>3,242,569</b>
<b>Plan fiduciary net position</b>							
Employer contributions	-	-	-	-	50,000	200,000	424,044
Employee contributions	-	-	-	-	-	-	-
Net investment income	671,032	689,822	3,655	684,417	249,309	84,449	304,757
Benefit payments	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Administrative expense	(8,523)	(11,335)	(9,680)	(10,670)	(7,706)	(9,268)	(7,391)
State of Colorado supplemental discretionary payment	-	-	-	-	-	36,751	36,751
<b>Net change in plan fiduciary net position</b>	<b>388,581</b>	<b>406,630</b>	<b>(277,094)</b>	<b>411,346</b>	<b>11,957</b>	<b>4,692</b>	<b>448,846</b>
<b>Plan fiduciary net position - beginning</b>	<b>5,328,218</b>	<b>4,921,588</b>	<b>5,198,682</b>	<b>4,787,336</b>	<b>4,775,379</b>	<b>4,770,687</b>	<b>4,321,841</b>
<b>Plan fiduciary net position - end (b)</b>	<b>5,716,799</b>	<b>5,328,218</b>	<b>4,921,588</b>	<b>5,198,682</b>	<b>4,787,336</b>	<b>4,775,379</b>	<b>4,770,687</b>
<b>District's net pension asset - ending (a)-(b)</b>	<b>(2,699,004)</b>	<b>(2,317,342)</b>	<b>(1,846,763)</b>	<b>(2,146,554)</b>	<b>(1,701,896)</b>	<b>(1,600,200)</b>	<b>(1,528,118)</b>
<b>Plan fiduciary net position as a percentage of the total pension asset</b>	<b>189.44%</b>	<b>176.97%</b>	<b>160.06%</b>	<b>170.33%</b>	<b>155.16%</b>	<b>150.40%</b>	<b>147.13%</b>

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

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

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

Measurement period ended December 31,	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 7,593	\$ 7,593	\$ 14,738
Interest	198,972	203,480	215,806	219,824	224,353	227,329	224,056
Changes of benefit terms	-	-	-	-	-	-	93,077
Difference between expected and actual expenditures	150,967	-	(30,112)	-	(105,812)	-	(15,512)
Assumption changes	-	-	114,361	-	90,604	-	-
Benefit payments	(268,375)	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
<b>Net change in total pension liability</b>	<u>81,564</u>	<u>(63,915)</u>	<u>26,656</u>	<u>(53,575)</u>	<u>(56,661)</u>	<u>(40,849)</u>	<u>53,490</u>
<b>Total pension liability - Beginning</b>	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720	3,109,230
<b>Total pension liability - Ending (a)</b>	3,055,940	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720
<b>Plan fiduciary net position</b>							
Employer contributions	50,000	50,000	50,000	50,000	437,500	200,000	447,550
Net investment income	301,158	325,483	2,451	344,119	116,753	37,731	136,320
Benefit payments	(268,375)	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Administrative expense	(8,417)	(11,126)	(9,250)	(10,106)	(3,752)	(5,435)	(3,534)
State of Colorado supplemental discretionary payment	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>	<u>30,929</u>
<b>Net change in plan fiduciary net position</b>	<u>105,295</u>	<u>127,891</u>	<u>(199,269)</u>	<u>141,543</u>	<u>308,031</u>	<u>(12,546)</u>	<u>348,396</u>
<b>Plan fiduciary net position - beginning</b>	2,534,669	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019	1,820,623
<b>Plan fiduciary net position - end (b)</b>	2,639,964	2,534,669	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019
<b>District's net pension liability - ending (a)-(b)</b>	415,976	439,707	631,513	405,588	600,706	965,398	993,701
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.39%	85.22%	79.21%	86.53%	80.40%	69.08%	68.58%

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

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

**Colorado River Fire Protection District**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Capital Projects Fund (Budget and Actual)**  
**December 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Interest	\$ 7,500	\$ 1,924	\$ 1,924	\$ -
Grants	<u>73,020</u>	<u>48,296</u>	<u>48,296</u>	<u>-</u>
Total Revenues	<u>80,520</u>	<u>50,220</u>	<u>50,220</u>	<u>-</u>
<b>Expenditures:</b>				
Transfers to General Fund	-	23,461	23,461	-
Capital outlay	<u>145,000</u>	<u>9,447</u>	<u>9,447</u>	<u>-</u>
Total Expenditures	<u>145,000</u>	<u>32,908</u>	<u>32,908</u>	<u>-</u>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>(64,480)</u>	<u>17,312</u>	<u>17,312</u>	<u>-</u>
<b>Fund Balance—Beginning of year</b>	<u>3,874,115</u>	<u>3,815,105</u>	<u>3,815,105</u>	<u>-</u>
<b>Fund Balance—End of Year</b>	<u>\$ 3,809,635</u>	<u>\$ 3,832,417</u>	<u>\$ 3,832,417</u>	<u>\$ -</u>

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