

**TELLURIDE FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2020



DALBY, WENDLAND & CO., P.C.  
*CPAs and Business Advisors*

# TELLURIDE FIRE PROTECTION DISTRICT

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**Independent Auditor's Report**

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Grand Junction

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Board of Directors  
Telluride Fire Protection District  
Telluride, Colorado

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Telluride Fire Protection District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the budgetary comparison information on page 33 be presented to supplement the basic financial statements. Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB No. 27, requires that the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) of the FPPA Statewide Defined Benefit Pension Plan, the Schedule of District Contributions to the FPPA Statewide Defined Benefit Pension Plan, the Volunteer Plan Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Last 10 Years (to be built prospectively), and the Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively) on pages 34 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental budgetary comparison information, supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund and supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund on pages 38 through 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DWC

DALBY, WENDLAND & CO., P.C.  
Grand Junction, Colorado

June 30, 2021

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## **Management's Discussion and Analysis**

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**TELLURIDE FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the year ended December 31, 2020

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As management of the Telluride Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2020 with comparative information presented for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

**Financial Highlights**

- In the government-wide financial statements, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$9,871,820 at December 31, 2020. In addition, the District's revenues were \$1,482,901 greater than expenses for the year ended December 31, 2020. This is discussed on page 5.
- The General Fund reported an ending fund balance of \$6,058,343 at December 31, 2020, an increase of \$1,635,669 from the prior year. This is discussed on page 6.
- The Debt Service Fund reported an ending fund balance of \$218,767 at December 31, 2020, an increase of \$10,397 from the prior year. This is discussed on page 6.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplemental information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; *governmental activities*. The District's activities are principally supported by property taxes and charges for services. The government-wide financial statements can be found on pages 8 through 10.

### **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all considered governmental funds.

### **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents two governmental funds; the General Fund and the Debt Service Fund. The District's governmental funds financial statements can be found on pages 11 and 13.

An annual appropriated budget was adopted for the funds. Budgetary comparison schedules have been provided on pages 33 and 38 to demonstrate compliance with the adopted budget.

### **Notes to Basic Financial Statements**

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 32.

### **Required Supplementary Information (RSI)**

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and General Fund budgetary comparison schedule, as well as certain RSI required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) including the:

- Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) of the Statewide Defined Benefit Pension Plan
- Schedule of District Contributions to the FPPA Statewide Defined Benefit Pension Plan
- Volunteer Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively)
- Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively)

## Other Supplemental Information

The Debt Service Fund budgetary comparison schedule and comparison schedules of fund revenues, expenditures, and changes in fund balance for the current year and two prior years have been presented on pages 38 through 40.

## Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current and other assets	\$ 10,547,753	\$ 8,920,915
Capital assets, net	5,576,250	5,946,965
Net pension asset	<u>51,775</u>	<u>-</u>
<i>Total Assets</i>	<u>16,175,778</u>	<u>14,867,880</u>
<b>Deferred Outflows of Resources</b>		
Pension plans	<u>726,360</u>	<u>961,794</u>
<i>Total Deferred Outflows of Resources</i>	<u>726,360</u>	<u>961,794</u>
<b>Liabilities</b>		
Current liabilities	462,528	513,104
Noncurrent liabilities	1,126,159	1,441,067
Net pension liability	<u>1,038,695</u>	<u>1,248,382</u>
<i>Total Liabilities</i>	<u>2,627,382</u>	<u>3,202,553</u>
<b>Deferred Inflows of Resources</b>		
Unearned property tax revenue	4,083,099	4,094,971
Pension plans	<u>262,448</u>	<u>85,842</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,345,547</u>	<u>4,180,813</u>
<b>Net Position</b>		
Net investment in capital assets	4,236,145	4,234,706
Restricted	321,346	352,469
Unrestricted	<u>5,371,718</u>	<u>3,859,133</u>
<i>Total Net Position</i>	<u>\$ 9,929,209</u>	<u>\$ 8,446,308</u>

Total assets of the District increased from the prior year primarily due to the increase in current and other assets, which is a result of increases in property tax receivables due to an increased mill levy. The changes in actuarial estimates related to the pension plans resulted in a decrease in deferred outflows of resources. Total liabilities decreased from the prior year due to principal payments on long-term liabilities and a decrease in the net pension liability due to changes in actuarial estimates. Deferred inflows of resources increased from the prior year due to an increased mill levy and changes in pension plan actuarial estimates.

The following summarizes the change in the District's governmental net position for the years ended December 31:

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 461,527	\$ 541,406
Permits and fees	338,288	236,534
Operating grants	118,424	43,722
General revenues:		
Taxes		
Property taxes	4,038,519	2,252,784
Specific ownership taxes	184,155	113,926
Earnings on deposits and investments	27,995	78,605
Miscellaneous	82,609	115,315
<i>Total Revenues</i>	<u>5,251,517</u>	<u>3,382,292</u>
<b>Expenses</b>		
Personnel	1,840,880	1,599,525
Fire prevention	448,600	458,520
General operating	484,943	380,755
General and administrative	446,606	344,746
Ambulance	388,962	326,045
Pension expense	139,701	123,000
Interest	29,268	35,431
Other	10,156	27,829
<i>Total Expenses</i>	<u>3,789,116</u>	<u>3,295,851</u>
<b>Other Financing Sources</b>		
Gain on sale of capital asset	20,500	8,474
<i>Changes in Net Position</i>	<u>1,482,901</u>	<u>94,915</u>
<b>Net Position</b> – January 1	<u>8,446,308</u>	<u>8,351,393</u>
<b>Net Position</b> – December 31	<u>\$ 9,929,209</u>	<u>\$8,446,308</u>

Total revenues of the District increased from the prior year, driven primarily by increases in property and specific ownership tax revenue of \$1,847,751 or 78%. Total expenses increased 17% from the prior year. Significant activity was driven by increases in salaries and wages. The larger increase in revenue versus expenses resulted in an overall increase in net position.

### Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District has two major governmental funds, the General Fund and the Debt Service Fund. The General Fund had a fund balance of \$6,058,343 as of December 31, 2020, of which \$24,579 is nonspendable for prepaid maintenance contracts and insurance, \$78,000 is restricted for emergencies, and \$860,000 is assigned for capital outlay. The unassigned portion of the fund balance in the amount of \$5,095,764 is available for general spending. The Debt Service Fund had a fund balance restricted for debt service of \$218,767 as of December 31, 2020, and paid \$354,236 in principal and interest.

### **General Fund Budgetary Highlights**

The District did not amend its originally adopted budget for the General Fund. Total revenues were in excess of expenditures by \$1,635,669 primarily due to the increase in property and specific ownership tax revenue discussed on the previous page. Total expenditures were \$971,551 below budget, mainly due to capital outlay being less than anticipated. The budget amounts as shown on pages 33 and 38 of the financial statements include the adopted budget for the General Fund and Debt Service Fund.

### **Capital Assets**

Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Significant additions to capital assets during the year include acquisitions of equipment and vehicles. These additions were offset by depreciation expense. The District also has assigned resources at December 31, 2020 for capital expenditures to occur in future years. See Note 1 – Fund Balance Classification. Additional information on the District’s capital assets can be found in Note 6.

### **Long-Term Debt**

In January of 2013, the District advance refunded the existing 2004 general obligation bonds. The 2004 bonds were completely paid off in 2014, leaving only the 2013 General Obligation Refunding Bonds. Significant long-term debt activity during the year included scheduled principal payments on the bonds payable. This is discussed further in Note 7.

### **Economic Factors and Next Year’s Budget**

The 2021 approved budget reflects a predicted increase in tax revenue from the prior year. In November 2018 taxpayers voted and approved a freeze of the Real Estate Assessment Rate (RAR) to 7.2 and a 2 mill increase in the tax levy effective in budget year 2020. Budgeting remains conservative for the purposes of the general fund, day to day operations and long-term Master Plan projects; however, the District Board of Directors (the Board) accepted management’s recommendation to utilize funds from the General Operating Reserve (GOR) to address a significant facility purchase designed by agreements with the Town of Mountain Village (third floor station 2), and equipment and apparatus replacement directed by the Replacement Schedule and the Reserve Fund Philosophy. We continue to utilize our Master Plan to forecast our long-term apparatus and facility needs with the continued intent of maintaining a healthy reserve fund for unanticipated needs.

### **Request for Information**

This financial 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 financial information should be addressed to the District Chief, P.O. Box 1645, Telluride, CO 81435.

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## **Basic Financial Statements**

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**Government-wide Financial Statements**

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**TELLURIDE FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION**

December 31, 2020

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**ASSETS**

Cash	\$	1,372,948
Investments		4,909,756
Receivables:		
Taxes		4,083,099
Emergency medical services (EMS) accounts, net of allowance of \$14,000		106,728
Other		2,940
Prepaid expenses		24,579
Other asset		47,703
Capital assets, net of accumulated depreciation, where applicable:		
Land and land improvements		594,122
Buildings and improvements		1,770,681
Fire apparatus, ambulances and other vehicles		2,811,199
Other fire support equipment		400,248
	<i>Capital Assets, net</i>	<u>5,576,250</u>
Net pension asset		51,775
	<i>Total Assets</i>	<u>16,175,778</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related (see Note 8)		<u>726,360</u>
	<i>Total Deferred Outflows of Resources</i>	<u>726,360</u>

(continued)

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION**

December 31, 2020

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**LIABILITIES**

Accounts payable	103,886
Accrued payroll liabilities	35,955
Accrued interest payable	2,687
Bonds payable:	
Due within one year	320,000
Due after one year	1,067,808
Compensated absences	58,351
Net pension liability	1,038,695
	<u>1,038,695</u>
<i>Total Liabilities</i>	<u>2,627,382</u>

**DEFERRED INFLOWS OF RESOURCES**

Unearned revenue - property taxes	4,083,099
Pension related (see Note 8)	262,448
	<u>262,448</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,345,547</u>

**NET POSITION**

Net investment in capital assets	4,236,145
Restricted for:	
Debt service	218,767
Emergencies	78,000
Nonspendable purposes	24,579
Unrestricted	5,371,718
	<u>5,371,718</u>
<i>Total Net Position</i>	<u>\$ 9,929,209</u>

(concluded)

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 2020

**PROGRAM EXPENSES**

Personnel	\$ 1,690,302
General operating	484,943
Fire prevention	448,600
General and administrative	446,606
Ambulance	388,962
Pension expense	290,279
Interest	29,268
Other	10,156
	<u>3,789,116</u>
<i>Total Program Expenses</i>	<u>3,789,116</u>

**PROGRAM REVENUES**

Charges for services	461,527
Wildland fire fees	303,282
Operating grants	118,424
Permits and fees	35,006
	<u>35,006</u>
<i>Net Program Expenses</i>	<u>2,870,877</u>

**GENERAL REVENUES**

Taxes:	
Property taxes	4,025,130
Specific ownership taxes	184,155
Interest on delinquent taxes	13,389
Earnings on deposits and investments	27,995
Miscellaneous	82,609
	<u>82,609</u>
<i>Total General Revenues</i>	<u>4,333,278</u>

**OTHER FINANCING SOURCES**

Gain on sale of capital asset	20,500
	<u>20,500</u>
<i>Change in Net Position</i>	1,482,901

<b>Net Position</b> - January 1, 2020	<u>8,446,308</u>
<b>Net Position</b> - December 31, 2020	<u>\$ 9,929,209</u>

See accompanying notes.

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**Fund Financial Statements**

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**TELLURIDE FIRE PROTECTION DISTRICT**

BALANCE SHEET –  
GOVERNMENTAL FUNDS

December 31, 2020

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 1,151,962	\$ 220,986	\$ 1,372,948
Investments	4,909,756	-	4,909,756
Receivables:			
Taxes	3,719,027	364,072	4,083,099
EMS accounts, net of allowance of \$14,000	106,728	-	106,728
Other	2,940	-	2,940
Prepaid expenses	24,579	-	24,579
Due (to)/from other funds	2,219	(2,219)	-
<i>Total Assets</i>	<b>\$ 9,917,211</b>	<b>\$ 582,839</b>	<b>\$ 10,500,050</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 103,886	\$ -	\$ 103,886
Accrued payroll liabilities	35,955	-	35,955
<i>Total Liabilities</i>	139,841	-	139,841
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue - property taxes	3,719,027	364,072	4,083,099
<i>Total Deferred Inflows of Resources</i>	3,719,027	364,072	4,083,099
<b>FUND BALANCE</b>			
Nonspendable	24,579	-	24,579
Restricted for:			
Debt service	-	218,767	218,767
Emergencies	78,000	-	78,000
Assigned for capital outlay	860,000	-	860,000
Unassigned	5,095,764	-	5,095,764
<i>Total Fund Balance</i>	6,058,343	218,767	6,277,110
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<b>\$ 9,917,211</b>	<b>\$ 582,839</b>	<b>\$ 10,500,050</b>

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

December 31, 2020

<b>Total Fund Balance - Governmental Funds</b>		\$ 6,277,110
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Accrued compensated absences payable are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(58,351)
Long-term debt obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(1,350,000)
Original issue net premium is reported as financing sources in the governmental funds when first issued, but deferred and amortized over the life of the debt in the Statement of Net Position.		(37,808)
Accrued interest on debt obligations is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(2,687)
Net pension liability, deferred outflows, and deferred inflows related to pensions are not current financial resources and therefore are not reported as assets or liabilities in the governmental funds.		(523,008)
Deposit for capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		47,703
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets	\$ 11,302,483	
Less accumulated depreciation	(5,726,233)	<u>5,576,250</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 9,929,209</u></b>

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

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

For the year ended December 31, 2020

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 3,668,051	\$ 357,079	\$ 4,025,130
Specific ownership taxes	167,692	16,463	184,155
Interest on delinquent taxes	11,525	1,864	13,389
Charges for services	461,527	-	461,527
Permits and fees	35,006	-	35,006
Wildland fire fees	303,282	-	303,282
Operating grants	118,424	-	118,424
Earnings on deposits and investments	27,995	-	27,995
Miscellaneous	82,609	-	82,609
<i>Total Revenues</i>	4,876,111	375,406	5,251,517
<b>EXPENDITURES</b>			
Personnel	1,675,758	-	1,675,758
General and administrative	446,606	-	446,606
General operating	418,359	10,773	429,132
Ambulance	303,175	-	303,175
Fire prevention	166,618	-	166,618
Pension expense	139,701	-	139,701
Other	10,157	-	10,157
Capital outlay	100,568	-	100,568
Debt service			
Principal	-	315,000	315,000
Interest	-	39,236	39,236
<i>Total Expenditures</i>	3,260,942	365,009	3,625,951
<i>Excess of Revenues Over Expenditures</i>	1,615,169	10,397	1,625,566
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	20,500	-	20,500
<i>Total Other Financing Sources</i>	20,500	-	20,500
<i>Net Change in Fund Balance</i>	1,635,669	10,397	1,646,066
<b>Fund Balance - January 1</b>	4,422,674	208,370	4,631,044
<b>Fund Balance - December 31</b>	<b>\$ 6,058,343</b>	<b>\$ 218,767</b>	<b>\$ 6,277,110</b>

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2020

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<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ 1,646,066</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in the governmental funds; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense:

Capital outlay	\$ 100,568	
Depreciation expense	<u>(423,580)</u>	(323,012)

Principal payment on long-term debt is an expense in the governmental funds and a reduction to a liability in the Statement of Net Position.	315,000
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Accrued interest on debt obligations is not reported in the governmental funds but reported as an expenditure when due in the Statement of Net Position.

December 31, 2019	3,204	
December 31, 2020	<u>(2,687)</u>	517

Amortization of premium on long-term debt is recorded in the Statement of Activities, but not on the Fund.	9,451
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GASB 68 Pension expense is not reported in the governmental funds but are reported in the Statement of Activities.	(150,577)
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Compensated absences are recognized as an expenditure in the governmental funds when they are determined to be payable from current financial resources. In the Statement of Activities, compensated absences are recognized as an expenditure

December 31, 2019	43,807	
December 31, 2020	<u>(58,351)</u>	<u>(14,544)</u>

<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 1,482,901</u></u></b>
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See accompanying notes.

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**Notes to Basic Financial Statements**

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**TELLURIDE FIRE PROTECTION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

December 31, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The District's more significant accounting policies are described below:

**Financial Reporting Entity**

The District is a political subdivision of the State of Colorado, formed in 1966 for the purpose of providing fire protection and emergency medical services to the Telluride, Colorado area. The District is governed by an elected five-member board of directors (the Board).

**Government-wide 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 nonfiduciary activities of the District. *Governmental activities* are supported by taxes and charges for services. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *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 included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements**

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources, and expenditures for the period.

For the year ended December 31, 2020, the District has two funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund; and the Debt Service Fund, which is the fund that accounts for principal and interest payments on outstanding bonds of the District. Both funds are considered major funds. Separate financial statements are provided for governmental funds.

### **Measurement Focus and Basis of Accounting**

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 expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days after year end. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. Grant revenues are recognized as they are earned. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with available financial resources.

### **Pensions**

The District participates in two defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

### **Use of Estimates**

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

### **Investments**

Money market funds and external investment pools are stated at cost, which is equal to fair value.

The District invests in certificates of deposit (CDs) with varying lengths of maturity. CDs of the District have original maturities of greater than 90 days and are presented as investments on the statements. CDs are reported at cost, which approximates fair value.

## Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28, and June 15. Property taxes for 2020 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year in which the lien attaches and they are available and collected.

## Capital Assets

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of more than \$10,000. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	25 - 50 years
Fire apparatus	20 years
Other equipment	3 - 10 years
Ambulances	10 years
Other vehicles	6 years

## Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond issuance premiums and discounts, as well as losses on refinancing, are deferred and amortized over the life of the related debt using the straight-line method. Bond obligations payable are reported net of the applicable bond premium or discount and refinancing losses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as program expenses.

In the fund financial statements, issuance costs are recognized when incurred. The face amount of the debt issued, premiums, and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## Compensated Absences

### Vacation

Full-time employees accumulate vacation time after the first full year of employment. Eligible personnel accumulate two weeks of vacation after the first full year of employment up to a maximum of eight weeks (320 hours) after ten years of service. Upon separation, employees receive pay for unused vacation. This liability is recorded in the government-wide financial statements.

### Sick Leave

The District provides for the accumulation of paid sick leave benefits for personnel at the rate of four hours for each full month worked. Sick leave is accumulated from year to year up to a maximum of ten days (80 hours). Upon separation, employees do not receive pay for unused sick leave.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period
- Liabilities – present obligations to sacrifice resources
- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period
- Net Position – residual of all other elements presented in a statement of financial position

See Note 8 for detail of the composition of the District’s deferred outflows of resources and deferred inflows of resources related to pensions.

### **Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments.

### **Due to and Due from Other Funds**

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

### **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District had nonspendable resources for prepaid maintenance contracts and insurance as of December 31, 2020 in the amount of \$24,579.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified the Taxpayer’s Bill of Rights (TABOR) emergency reserves as being restricted because their use is restricted by State Statute. The District has classified the amount restricted for payment of debt service as being restricted because their use is restricted by the financial institution with which the District has a revenue bond.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2020.
- Assigned: This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Chief through the budgetary process. The District had assigned resources for future capital outlay as of December 31, 2020 in the amount of \$860,000. Through the budgetary process, this amount has been assigned for various capital outlay projects.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS**

The governmental fund balance sheet includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

**NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. TABOR requires a reserve of 3% of the District’s fiscal year spending, excluding bonded debt service. A portion of the District’s General Fund balance is classified as restricted for emergencies required by TABOR (see Note 1).

In 1996, the voters authorized the District to increase the mill levy from 1.416 mills to 2.465 mills for taxes collected in 1997 and subsequent years.

**NOTE 4 - BUDGETS**

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District did not amend its originally adopted 2020 budget. The District expended less than was appropriated during 2020 in the General Fund and Debt Service Fund.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

The Colorado Public Deposit Protection Act (PDPA) governs the District’s deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to 102% of the uninsured deposits. The Colorado Division of Banking for banks, savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the carrying amount of the District’s deposits with maturities less than one year consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash in checking accounts	\$ 1,364,403	\$ 1,372,948

At December 31, 2020, the carrying amount of the District’s deposits with maturities over one year consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Certificates of deposit	\$ 454,220	\$ 454,220

At December 31, 2020, \$500,000 was covered by depositor’s insurance and \$1,327,168 was collateralized under PDPA requirements.

### Custodial Credit Risk – Deposits and Investments

Custodial credit risk is the risk that in the event of a bank or investment pool failure, the District would not be able to recover its deposits or the value of its investments. The District’s deposits and investments are not deemed to be subject to custodial credit risk as they are covered by the FDIC or are collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: 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; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District has no investment policy that would further limit its investment choices.

At December 31, 2020 the District had funds in a local government investment pool called COLOTRUST. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares.

COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments include U.S. Treasury and Agency securities, the highest rated commercial paper and repurchase agreements collateralized by U.S. Treasury and Agency securities. COLOTRUST is rated AAAm by Standard and Poor’s. Financial statements for COLOTRUST may be obtained on their website at [www.colotrust.com](http://www.colotrust.com). COLOTRUST is not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

Description	Credit Quality Rating	Maturity	Fair Value
COLOTRUST Plus+	AAAm	N/A	\$ 4,455,536

### Interest Rate Risk – Investments

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board. The Board has not adopted an investment policy that allows investment maturities greater than five years.

### Concentrations of Credit Risk – Deposits and Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer or institution. The District holds 100% of its cash deposits in one financial institution. The District holds 91% of its investments in one financial institution, 5% in a second financial institution, and 4% in a third financial institution.

**NOTE 6 - CAPITAL ASSETS**

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

	Balance December 31, 2019	Increases	Decreases	Balance December 31, 2020
Non-depreciable capital assets				
Land and land improvements	\$ 594,122	\$ -	\$ -	\$ 594,122
<i>Total non-depreciable capital assets</i>	<u>594,122</u>	<u>-</u>	<u>-</u>	<u>594,122</u>
Depreciable capital assets				
Buildings and improvements	4,105,180	-	-	4,105,180
Fire apparatus, ambulances and other vehicles	5,743,751	31,000	(160,474)	5,614,277
Other fire support equipment	989,989	21,865	(26,000)	985,854
<i>Total depreciable capital assets</i>	<u>10,838,920</u>	<u>52,865</u>	<u>(186,474)</u>	<u>10,705,311</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,248,712)	(85,787)	-	(2,334,499)
Fire apparatus, ambulances and other vehicles	(2,684,620)	(281,982)	160,474	(2,803,078)
Other fire support equipment	(555,795)	(55,811)	26,000	(585,606)
<i>Total accumulated depreciation</i>	<u>(5,486,077)</u>	<u>(423,580)</u>	<u>186,474</u>	<u>5,723,183</u>
<i>Total capital assets being depreciated, net</i>	<u>5,352,843</u>	<u>(370,715)</u>	<u>-</u>	<u>4,982,128</u>
<i>Total capital assets, net</i>	<u>\$ 5,949,965</u>	<u>\$ (370,715)</u>	<u>\$ -</u>	<u>\$ 5,576,250</u>

Depreciation expense was charged to functions/programs of the District as follows: ambulance \$55,811; fire prevention \$281,982; and general operating \$85,787.

**NOTE 7 - LONG-TERM LIABILITIES**

**Land Leases**

The District leases land from the Town of Telluride (the Town) on which the District's main facility resides, under an agreement dated June 17, 1997. The lease expires June 30, 2085 and requires an annual rental of \$10. The building and improvements, excluding equipment, are part of the leased premises. The District has the first right of refusal to purchase the leased premises should the Town desire to sell the leased premises.

The District has an intergovernmental agreement with the Mountain Village Metropolitan District and the Town of Mountain Village, dated August 8, 2010, relating to ownership of a joint service facility on land owned by the District located in Mountain Village, Colorado. The agreement continues indefinitely, subject to annual appropriation by the entities. Each entity has an undivided ownership interest in the joint facility in accordance with the following percentages:

Telluride Fire Protection District 54%

Town of Mountain Village 46%

The District leases land from San Miguel County, Colorado for a facility in Placerville, Colorado. The lease, dated December 18, 1984, is for a period of 99 years and requires no rental payments.

## General Obligation Bonds

In February 2013, the District issued General Obligation Refunding Bonds, Series 2013 (GO Refunding Bonds 2013) of \$3,080,000. Principal is payable annually on December 1 beginning on December 1, 2015, with interest (rates from 2.0% to 2.5%) payable semiannually beginning June 1, 2013 and semiannually thereafter maturing on December 1, 2024. The net proceeds were used to advance refund the GO Bonds 2004 maturing on and after December 1, 2015. Additionally, the total proceeds received by the District included a net reoffering premium of \$113,416 and proceeds from the sale of registered B coupons amounting to \$210,022. The premium is amortized over the life of the GO Refunding Bonds 2013. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of, interest on, and premium, if any, on the GO Refunding Bonds 2013 without limitation as to rate and in an amount sufficient to pay the Bonds when due.

The minimum future obligations on the GO Refunding Bonds 2013, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 320,000	\$ 32,150	\$ 352,150
2022	335,000	25,750	360,750
2023	340,000	17,375	357,375
2024	355,000	8,875	363,875
<i>Total minimum future obligations payments</i>	<u>\$ 1,350,000</u>	<u>\$ 84,150</u>	<u>\$ 1,434,150</u>

Changes in long-term liabilities:

	<u>Balance December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2020</u>	<u>Due Within One Year</u>
GO refunding bonds 2013	\$ 1,665,000	\$ -	\$ (315,000)	\$1,350,000	\$ 320,000
Original issue premium, net	47,259	-	(9,451)	37,808	-
<i>Long-term debt</i>	1,712,259	-	(324,451)	1,387,808	320,000
Accrued compensated absences	43,807	43,337	(28,793)	58,351	-
<i>Total long-term liabilities</i>	<u>\$ 1,756,066</u>	<u>\$ 43,337</u>	<u>\$ (353,244)</u>	<u>\$1,446,159</u>	<u>\$ 320,000</u>

Interest expense of \$29,268 on long-term debt has been included in the direct expenses of individual functions on the government-wide statement of activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the program for which borrowing is related.

## NOTE 8 - PENSION PLANS

### Paid Full-Time Personnel

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

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

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

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

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

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

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent

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

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

At December 31, 2019, the total pension liability for the SWDB Plan was \$2,919,378,738, the plan fiduciary net position was \$2,975,935,079, the net pension asset was \$56,556,341, and the plan fiduciary net position as a percentage of the total pension liability was 101.9 percent.

At December 31, 2019, the District’s proportion of the net pension asset of the SWDB Plan was 0.0915 percent, which was a decrease of 0.0062 percent from its proportion measured as of December 31, 2018.

At December 31, 2020, the District reported a net pension asset of \$51,775 for its proportionate share of the SWDB Plan net pension asset. The net pension asset was measured as of December 31, 2019. The collective total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The actuarially determined contributions as of December 31, 2019 are based on the January 1, 2019 actuarial valuation. For the year ended December 31, 2020, the District recognized pension income of \$122,605 related to the SWDB Plan.

Employer contributions recognized by the SWDB Plan from the District were \$53,978 for the year ended December 31, 2020.

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the SWDB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 81,449
Changes in assumptions	98,310	-
Difference between actual and expected experience	175,217	1,013
Changes in the employer’s proportion and differences between the employer’s contributions (other than those to separately finance specific liabilities of the individual employer to the plan) and the employer’s proportionate share of contributions	48,995	10,033
Total	\$ 322,522	\$ 92,495

The deferred outflows of resources and deferred inflows of resources related to pensions are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position. Deferred outflows of resources of \$55,858 related to FPPA pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the FPPA net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>For the years ending December 31,</b>	<b>Amounts Recognized in Pension Expense</b>
2021	\$ 18,176
2022	\$ 11,127
2023	\$ 37,606
2024	\$ 3,261
2025	\$ 37,992
Thereafter	\$ 82,961
Total	\$ 191,123

The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2019. The valuation used the following actuarial assumption and other inputs:

	<b>Total Pension Liability</b>	<b>Actuarial Determined Contributions</b>
Actuarial Valuation Date	January 1, 2020	January 1, 2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.5%
Projected Salary Increases*	4.25% - 11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

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 0.00015.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019, are summarized in the following table.

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

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

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

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

*Sensitivity of the District's proportionate share of the net pension asset to changes in the discount rate.* Regarding the sensitivity of the District's net pension asset to changes in the Single Discount Rate, the following presents the net pension asset, calculated using a Single Discount Rate of 7.00 percent, as well as what the District's net pension asset would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension (asset) liability	\$ 313,924	\$ (51,775)	\$ (355,074)

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

### **Volunteer Firefighters**

The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

The District is trustee of a single-employer defined benefit pension plan for all volunteer firefighters (Volunteer Plan). The Volunteer Plan is administered by the FPPA. The Volunteer Plan's Board of Trustees is comprised of the District's Board and firefighters in accordance with Colorado statutes.

The Volunteer Plan provides normal retirement benefits, disability retirement, and survivor benefits. Fully vested firefighters receive the maximum benefit in an amount reviewed every other year during the actuarial review process. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are fully vested and are eligible for a normal retirement benefit. Firefighters with 10 to 20 years of service are also eligible for a reduced monthly benefit based off an amount per year of service that is also reviewed every other year during the actuarial review process. Upon death, the surviving spouse receives a monthly pension equal to 50 percent of the benefit previously received, payable until death or remarriage. The District has forty-eight retirees, including beneficiaries, one inactive member, and fifty-nine active members in the Volunteer Plan as of January 1, 2019, the actuarial valuation date.

At December 31, 2020, the District reported a net pension liability of \$1,038,695 related to the Volunteer Plan. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019.

At December 31, 2020 the total pension liability was \$3,271,482, the plan fiduciary net position was \$2,232,787, and the plan fiduciary net position as a percentage of the total pension liability was 68.25 percent. For the year ended December 31, 2020, the District recognized pension expense of \$83,694 related to the Volunteer Plan.

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,286	\$ -
Changes in assumptions	59,538	-
Net difference between expected and actual earnings on pension plan investments	104,445	169,953
Total	\$ 208,279	\$ 169,953

The deferred outflows of resources and deferred inflows or resources related to the Volunteer Plan are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position.

Deferred outflows of resources of \$139,701 related to the Volunteer Plan, resulting from contributions subsequent to the measurement date of December 31, 2019 will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>For the years ending December 31,</b>	
2021	\$ 49,937
2022	\$ 15,705
2023	\$ 2,292
2024	\$ (29,608)
2025	\$ -
Thereafter	\$ -
Total	\$ 38,326

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. No employer contributions were recognized by the FPPA from the District for the year ended December 31, 2019.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019. Methods and assumptions used to determine contribution rates for the year ended December 31, 2018 were as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	<b>Pre-retirement:</b> RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. <b>Post-retirement:</b> For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 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.

The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations. This new assumption set is used in determining the Net Pension Liability as of December 31, 2018 and as of December 31, 2019. The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

- Investment rate of return – 7.00 percent
- Mortality:
  - Pre-retirement – 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 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 the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 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 projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

*Long-term expected return on plan assets.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Public Equity	38.00%	7.00%
Equity Long/Short	8.00%	6.00%
Private Markets	25.00%	9.20%
Fixed Income	15.00%	5.20%
Absolute Return	8.00%	5.50%
Managed Futures	4.00%	5.00%
Cash	2.00%	2.52%
Total	100.00%	

*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 7.00 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 Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 1,380,826	\$ 1,038,695	\$ 750,042

### **Deferred Compensation Retirement Plan**

Plan Description: The District offers its employees a deferred compensation plan (the Compensation Plan), created in accordance with Internal Revenue Code Section 457, administered by the FPPA. The Compensation Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

All property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Compensation Plan trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The District has no ownership interest in the Compensation Plan nor is the District liable for losses under the Compensation Plan.

#### **NOTE 9 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the past three years.

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global, national, and local markets, supply chains, businesses, and communities. Specific to the District, COVID-19 may impact various parts of its operations and financial results if a COVID-19 outbreak were to occur. Management believes the District is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

#### **NOTE 10 - SUBSEQUENT EVENTS**

The District has evaluated subsequent events through June 30, 2021, the date which the financial statements were available to be issued.

Subsequent to year-end, the District incurred approximately \$651,000 in capital outlay expenditures for the purchase of new equipment.

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**Required Supplemental Information**

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**TELLURIDE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND**

For the year ended December 31, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 3,729,559	\$ 3,668,051	\$ (61,508)
Specific ownership taxes	70,000	167,692	97,692
Interest on delinquent taxes	-	11,525	11,525
Charges for services	500,000	461,527	(38,473)
Wildland cooperator reimbursement	200,000	303,282	103,282
Permits and fees	30,000	35,006	5,006
Capital grants	-	118,424	118,424
Earnings on deposits and investments	60,000	27,995	(32,005)
Miscellaneous	68,208	82,609	14,401
<i>Total Revenues</i>	4,657,767	4,876,111	218,344
<b>EXPENDITURES</b>			
Personnel	1,701,697	1,675,758	25,939
General and administrative	487,387	446,606	40,781
General operating	478,000	418,359	59,641
Ambulance	337,500	303,175	34,325
Fire prevention	233,000	166,618	66,382
Pension expense	139,701	139,701	-
Other	190,208	10,157	180,051
Capital outlay	665,000	100,568	564,432
<i>Total Expenditures</i>	4,232,493	3,260,942	971,551
<i>Excess of Revenues Over Expenditures</i>	425,274	1,615,169	1,189,895
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital asset	-	20,500	20,500
<i>Total Other Financing Sources</i>	-	20,500	20,500
<i>Net Change in Fund Balance</i>	\$ 425,274	1,635,669	\$ 1,210,395
<b>Fund Balance - January 1</b>		4,422,674	
<b>Fund Balance - December 31</b>		\$ 6,058,343	

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET OF THE FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

As of December 31, \*

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	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0915%	0.0978%	0.1071%	0.1192%	0.1151%	0.1190%
District's proportionate share of the net pension asset (liability)	\$ 51,775	\$ (126,614)	\$ 154,078	\$ (43,055)	\$ 2,029	\$ 134,314
District's covered payroll	\$ 749,144	\$ 654,945	\$ 634,144	\$ 610,168	\$ 557,941	\$ 535,199
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	6.91%	19.33%	24.30%	7.06%	0.36%	25.10%
Plan fiduciary net position as a percentage of the total pension asset (liability)	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%

\* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2019, 2018, 2017, 2016, 2015, and 2014 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2020, 2019, 2018, 2017, 2016, and 2015 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

For the Years Ended December 31,

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	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 59,931	\$ 53,978	\$ 50,116	\$ 48,785	\$ 48,785	\$ 44,635
Contributions in relation to the statutorily required contribution	(59,931)	(53,978)	(50,116)	(48,785)	(48,785)	(44,635)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 749,144	\$ 674,730	\$ 654,945	\$ 634,144	\$ 610,168	\$ 557,941
Contributions as a percentage of covered payroll	8%	8%	8%	8%	8%	8%

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
VOLUNTEER PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS  
LAST 10 YEARS (to be built prospectively)

As of December 31, \*

Measurement period ending December 31:	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 28,850	\$ 28,376	\$ 28,376	\$ 29,492	\$ 29,492	\$ 30,103
Interest on the total pension liability	220,530	216,737	214,109	196,579	194,198	184,998
Difference between expected and actual experience of the total pension liability	-	99,442	-	129,780	-	83,910
Changes of assumptions	-	133,690	-	80,440	-	-
Benefit payments	(224,502)	(211,258)	(203,760)	(200,317)	(183,887)	(168,477)
Net change in total pension liability	24,878	266,987	38,725	235,974	39,803	130,534
Total pension liability - beginning	3,246,604	2,979,617	2,940,892	2,704,918	2,665,115	2,534,581
Total pension liability - ending	<u>\$ 3,271,482</u>	<u>\$ 3,246,604</u>	<u>\$ 2,979,617</u>	<u>\$ 2,940,892</u>	<u>\$ 2,704,918</u>	<u>\$ 2,665,115</u>
<b>Plan Fiduciary Net Position</b>						
Employer contributions	\$ -	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000
Net investment income	290,402	1,115	271,830	93,928	31,605	105,141
Benefit payments	(224,502)	(211,258)	(203,760)	(200,317)	(183,887)	(168,477)
Pension plan administrative expense	(25,194)	(23,230)	(22,030)	(3,078)	(4,993)	(2,855)
State of Colorado supplemental discretionary payment	70,245	70,245	69,156	69,156	91,969	91,969
Net change in plan fiduciary net position	110,951	(40,128)	238,196	82,689	57,694	148,778
Plan fiduciary net position - beginning (market value of assets at beginning of year)	2,121,836	2,161,964	1,923,768	1,841,079	1,783,385	1,634,607
Plan fiduciary net position - ending (market value of assets at end of year)	<u>\$ 2,232,787</u>	<u>\$ 2,121,836</u>	<u>\$ 2,161,964</u>	<u>\$ 1,923,768</u>	<u>\$ 1,841,079</u>	<u>\$ 1,783,385</u>
Net Pension Liability	1,038,695	1,124,768	817,653	1,017,124	863,839	881,730
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.25%	65.36%	72.56%	65.41%	68.06%	66.92%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

\* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2019, 2018, 2017, 2016, 2015 and 2014 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2020, 2019, 2018, 2017, 2016 and 2015 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**VOLUNTEER PLAN SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 YEARS (to be built prospectively)**  
**For the Year Ended December 31, 2019**

FY Ended December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2019	\$ 112,777	\$ 70,245	\$ 42,532	N/A	N/A
2018	\$ 112,777	\$ 193,245	\$ (80,468)	N/A	N/A
2017	\$ 104,620	\$ 192,156	\$ (87,536)	N/A	N/A
2016	\$ 104,620	\$ 192,156	\$ (87,536)	N/A	N/A
2015	\$ 122,564	\$ 214,969	\$ (92,405)	N/A	N/A
2014	\$ 122,564	\$ 214,969	\$ (92,405)	N/A	N/A

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

See accompanying notes.

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**Other Supplemental Information**

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**TELLURIDE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**

For the year ended December 31, 2020

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Favorable (Unfavorable) Variance</b>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 365,412	\$ 357,079	\$ (8,333)
Specific ownership taxes	-	16,463	16,463
Interest on delinquent taxes	-	1,864	1,864
<i>Total Revenues</i>	<u>365,412</u>	<u>375,406</u>	<u>9,994</u>
<b>EXPENDITURES</b>			
General operating	10,962	10,773	189
Debt service			
Principal	315,000	315,000	-
Interest	39,450	39,236	214
<i>Total Expenditures</i>	<u>365,412</u>	<u>365,009</u>	<u>403</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>10,397</u>	<u>10,397</u>
<i>Net Change in Fund Balance</i>	<u>\$ -</u>	<u>10,397</u>	<u>\$ 10,397</u>
<b>Fund Balance - January 1</b>		<u>208,370</u>	
<b>Fund Balance - December 31</b>		<u>\$ 218,767</u>	

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE – GENERAL FUND**

For the years ended December 31, 2020, 2019, and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 3,668,051	\$ 1,885,024	\$ 1,865,346
Specific ownership taxes	167,692	92,959	93,690
Interest on delinquent taxes	11,525	4,337	1,085
Charges for services	461,527	541,406	417,383
Permits and fees	35,006	27,481	39,291
Wildland fire fees	303,282	209,053	345,604
Capital grants	118,424	43,722	42,150
Earnings on deposits and investments	27,995	78,605	75,135
Miscellaneous	82,609	115,315	92,339
<i>Total Revenues</i>	<u>4,876,111</u>	<u>2,997,902</u>	<u>2,972,023</u>
<b>EXPENDITURES</b>			
Personnel	1,675,758	1,559,403	1,487,894
General and administrative	446,606	326,045	308,603
General operating	418,359	316,769	270,095
Ambulance	303,175	258,959	215,213
Fire prevention	166,618	180,155	175,298
Pension expense	139,701	123,000	123,000
Other	10,157	27,829	13,035
Capital outlay	100,568	527,093	423,947
<i>Total Expenditures</i>	<u>3,260,942</u>	<u>3,319,253</u>	<u>3,017,085</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	<u>1,615,169</u>	<u>(321,351)</u>	<u>(45,062)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	20,500	8,474	-
<i>Total Other Financing Sources</i>	<u>20,500</u>	<u>8,474</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>1,635,669</u>	<u>(312,877)</u>	<u>(45,062)</u>
<b>Fund Balance - January 1</b>	<u>4,422,674</u>	<u>4,735,551</u>	<u>4,780,613</u>
<b>Fund Balance - December 31</b>	<u>\$ 6,058,343</u>	<u>\$ 4,422,674</u>	<u>\$ 4,735,551</u>

See accompanying notes.

**TELLURIDE FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE – DEBT SERVICE FUND**

For the years ended December 31, 2020, 2019, and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 357,079	\$ 365,525	\$ 359,336
Specific ownership taxes	16,463	18,026	18,068
Interest on delinquent taxes	1,864	839	202
<i>Total Revenues</i>	<u>375,406</u>	<u>384,390</u>	<u>377,606</u>
<b>EXPENDITURES</b>			
General operating	10,773	11,016	10,090
Debt service			
Principal	315,000	310,000	310,000
Interest	39,236	45,399	51,625
<i>Total Expenditures</i>	<u>365,009</u>	<u>366,415</u>	<u>371,715</u>
<i>Net Change in Fund Balance</i>	<u>10,397</u>	<u>17,975</u>	<u>5,891</u>
<b>Fund Balance - January 1</b>	<u>208,370</u>	<u>190,395</u>	<u>184,504</u>
<b>Fund Balance - December 31</b>	<u>\$ 218,767</u>	<u>\$ 208,370</u>	<u>\$ 190,395</u>

See accompanying notes.