

COLORADO RIVER FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2022




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


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

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

Board of Directors and Management
Colorado River Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River Fire Protection District (the “District”) as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,

Haynie & Company

Littleton, Colorado

July 11, 2023

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2022

The discussion and analysis of the Colorado River Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$25,327,714 at December 31, 2022.
- Total District's cash and investments decreased by \$230,923 or 2.63% from 2021.
- The December 31, 2022 General Fund balance is \$683,816 more than the previous year fund balance. The total fund balance is 69% of 2022 General Fund operating expenditures.

USING THIS ANNUAL REPORT

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

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

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

A. Government-wide Financial Statements

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

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

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2022**

capital assets will also need to be evaluated.

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

B. Fund Financial Statements

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

The District's Fund statements include:

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

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

C. Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6-45 of this report.

D. Required Supplementary Information and Supplementary Information

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

REPORTING THE DISTRICT AS A WHOLE

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

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2022**

The following table provides a summary of the District's net position for 2021 and 2022:

**Statement of Net Position
December 31**

	2021	2022
Assets		
Current and other assets	\$ 14,799,478	\$ 17,109,242
Net pension assets	3,463,077	5,547,621
Capital assets	12,691,095	12,682,182
Total assets	30,953,650	35,339,045
Deferred Outflows of Resources	1,974,434	1,652,020
Liabilities		
Current and other liabilities	600,024	700,991
Long-term liabilities	752,318	231,240
Total liabilities	1,352,342	932,231
Deferred Inflows of Resources	7,580,489	10,731,120
Net Position		
Net investment in capital assets	12,691,095	12,682,182
Restricted	2,544,504	5,076,728
Unrestricted	8,759,654	7,568,804
Total net position	23,995,253	25,327,714

A significant portion of the District's position represents unrestricted net position of \$7,568,804 which may be used to meet the ongoing obligations to patrons and creditors.

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

An additional \$5,076,728 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is for the TABOR emergency reserve and pension benefits.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2022**

The following table indicates the changes in net position for 2021 and 2022:

**Statement of Activities
December 31**

Revenue	<u>2021</u>	<u>2022</u>
Program revenues		
Charges for services	\$ 1,921,749	\$ 2,501,925
Capital grants and contributions	165,999	180,626
General revenues		
General property taxes	4,161,900	5,665,178
Specific ownership tax	311,145	395,486
Investment earnings	54,653	249,641
Other taxes	245,659	63,547
Other income	687,477	107,389
Total revenue	<u>7,548,582</u>	<u>9,163,792</u>
Expenses		
Administration	101,923	139,379
Fire protection/EMS services	8,217,253	7,691,952
Total expenses	<u>8,319,176</u>	<u>7,831,331</u>
Change in Net Position	<u>\$ (770,594)</u>	<u>\$ 1,332,461</u>

District Revenue and Expense Analysis:

Revenues

District revenues as of December 31, 2022 increased by \$1,615,210, over the year ended December 31, 2021. This change in revenue is mostly due to both an increase in Wildland revenues as the District experienced more deployments in the CY and in increase in property tax revenues.

Expenditures/Expenses

District expenditures/expenses as of December 31, 2022 decreased slightly compared to the year ended December 31, 2021.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2022**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Additional information on the District's detailed budget can be found in page 46 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets at December 31, 2022 amounts to \$12,682,182 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

Additional information on the District's capital assets can be found in Note 6 of this report.

During the year ended December 31, 2022, the District had personal time off payable of \$466,107.

Additional information on the District's debt can be found in Note 7.

ECONOMIC FACTORS AND OTHER MATTERS

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2023 budget:

- An increase in anticipated general property tax collection for 2023 due to an increase in the net assessed valuation for the District.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

Colorado River Fire Protection District
Statement of Net Position
December 31, 2022

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 828,771
Investments	8,181,308
Property taxes receivable	7,771,733
Accounts receivable (net of allowance for uncollectibles)	252,740
Lease receivable	74,690
Noncurrent assets	
Capital assets, nondepreciable	2,194,034
Capital assets, depreciable, net	10,488,148
Net pension assets	
Rifle Fire Protection District 7306-5 Volunteer Plan	3,312,113
PERA	24,963
FPPA	2,210,545
Total assets	<u>35,339,045</u>
Deferred Outflows of Resources	
Pensions - FPPA	1,417,966
Pensions - PERA	38,446
Pensions - Rifle 7306-5 volunteer plan	75,180
Pensions - Burning Mountains 7247-5 volunteer plan	117,817
OPEB	2,611
Total deferred outflows of resources	<u>1,652,020</u>
Total assets and deferred outflows of resources	<u>\$ 36,991,065</u>
Liabilities	
Accounts payable	\$ 95,237
Accrued payroll	119,664
Compensated absences	466,107
Advance deposits - Training consortium	19,983
Noncurrent liabilities	
Net OPEB liability	19,517
Net pension liability -	
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	211,723
Total liabilities	<u>932,231</u>
Deferred Inflows of Resources	
Property taxes	7,771,733
Other taxes	43,174
Leases	72,482
Pensions - FPPA	1,530,978
Pensions - PERA	310,012
Pensions - Rifle 7306-5 volunteer plan	677,593
Pensions - Burning Mountains 7247-5 volunteer plan	303,398
OPEB	21,750
Total deferred inflows of resources	<u>10,731,120</u>
Net Position	
Net investment in capital assets	12,682,182
Restricted for TABOR emergencies	269,495
Restricted for Pension benefits	4,807,233
Unrestricted	7,568,804
Total net position	<u>25,327,714</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 36,991,065</u>

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

Colorado River Fire Protection District
Statement of Activities
For the Year Ended December 31, 2022

Functions/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net
		Charges for Services	Capital Grants and Contribution	Governmental Activities
Governmental activities				
Administration	\$ 139,379	\$ -	\$ -	\$ (139,379)
Fire protection/EMS services	<u>7,601,010</u>	<u>2,501,925</u>	<u>180,626</u>	<u>(4,918,459)</u>
Total governmental activities	<u>\$ 7,740,389</u>	<u>\$ 2,501,925</u>	<u>\$ 180,626</u>	<u>\$ (5,057,838)</u>
General revenues:				
Property taxes				5,665,178
Specific ownership taxes				395,486
Other taxes				63,547
Investment earnings				252,002
Loss on disposal of asset				(90,942)
Other income				<u>105,028</u>
Total General revenues				<u>6,390,299</u>
Change in net position				1,332,461
Net position - beginning of year				<u>23,995,253</u>
Net position - end of year				<u>\$ 25,327,714</u>

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

Colorado River Fire Protection District
Governmental Funds Balance Sheet and
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2022

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 785,597	\$ -	\$ 785,597
Investments	4,581,285	3,600,023	\$ 8,181,308
Cash with County	43,174	-	43,174
Receivables			
Accounts receivable (net of allowance for uncollectible)	154,490	98,250	252,740
Property taxes receivable	7,771,733	-	7,771,733
Leases	74,310	-	74,310
Accrued lease interest	380	-	380
Due (to) from funds	<u>(297,706)</u>	<u>297,706</u>	<u>-</u>
Total assets	<u>\$ 13,113,263</u>	<u>\$ 3,995,979</u>	<u>\$ 17,109,242</u>
Liabilities			
Accounts payable and accrued liabilities	95,237	-	95,237
Advance deposits - Training consortium	19,983	-	19,983
Accrued payroll	<u>119,664</u>	<u>-</u>	<u>119,664</u>
Total liabilities	<u>234,884</u>	<u>-</u>	<u>234,884</u>
Deferred Inflows of Resources			
Leases	72,482	-	72,482
Deferred revenue- Other taxes	43,174	-	43,174
Deferred revenue—property taxes	<u>7,771,733</u>	<u>-</u>	<u>7,771,733</u>
Total deferred inflows of resources	<u>7,887,389</u>	<u>-</u>	<u>7,887,389</u>
Fund Balances			
Restricted for:			
TABOR emergencies	269,495	-	269,495
Assigned for:			
Capital reserve	-	3,995,979	3,995,979
Unassigned	<u>4,721,495</u>	<u>-</u>	<u>4,721,495</u>
Total fund equity	<u>4,990,990</u>	<u>3,995,979</u>	<u>8,986,969</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$ 13,113,263</u>	<u>\$ 3,995,979</u>	<u>\$ 17,109,242</u>
Fund Balances - Total Governmental Funds	<u>\$ 4,990,990</u>	<u>\$ 3,995,979</u>	<u>\$ 8,986,969</u>
Amounts reported for governmental activities in the statement of net position are excluded from the governmental fund balance because:			
Capital assets used in governmental activities are not current financial resources and are excluded from the funds.			
Governmental capital assets			
Less accumulated depreciation			12,682,182
Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and therefore are not reported in the fund balance sheet.			
Deferred outflows related to pension			1,649,409
Deferred outflows related to OPEB			2,611
Deferred inflows related to pension			(2,821,981)
Deferred inflows related to OPEB			(21,750)
Some liabilities, including net pension liability, net pension asset, and compensated absences are not due and payable in the current period and therefore are not reported in the fund balance sheet.			
Net pension asset			5,547,621
Net pension liability			(211,723)
Net OPEB liability			(19,517)
Compensated absences			(466,107)
Net position of governmental activities			<u>\$ 25,327,714</u>

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

Colorado River Fire Protection District
Statement of Revenues, Expenditures,
and Changes in Fund Balances- Governmental Funds
December 31, 2022

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 6,124,211	\$ -	\$ 6,124,211
EMS charges for services, net	794,555	-	794,555
Wildland and hazard	1,697,162	-	1,697,162
Service income	10,208	-	10,208
Interest	186,690	65,312	252,002
Grant	82,376	98,250	180,626
Other income	105,028	-	105,028
	<u>9,000,230</u>	<u>163,562</u>	<u>9,163,792</u>
Expenditures			
Treasurer and tax fees	139,379	-	139,379
Insurance	315,585	-	315,585
Election expense	26	-	26
Banking and merchant fees	2,513	-	2,513
Board of Directors stipend	5,434	-	5,434
Payroll and benefits expense	6,554,167	-	6,554,167
Station overhead	235,851	-	235,851
Travel expenses	18,956	-	18,956
Staff development and recruitment expense	29,210	-	29,210
Professional service fees	94,171	-	94,171
Information technology	113,888	-	113,888
EMS expenditures	61,950	-	61,950
Reimbursable incident expenses	302,883	-	302,883
Communication expenses	8,781	-	8,781
Community and recognition expense	6,722	-	6,722
Operations expense	143,952	-	143,952
Fire prevention activities	5,947	-	5,947
Program training expense	71,283	-	71,283
Vehicle and apparatus	205,716	-	205,716
Capital Outlay	-	709,001	709,001
	<u>8,316,414</u>	<u>709,001</u>	<u>9,025,415</u>
Excess of Revenues and Other Financing Sources			
Over (Under) Expenditures and Other uses	<u>683,816</u>	<u>(545,439)</u>	<u>138,377</u>
Other Financing Sources			
Transfer from (to) other funds	<u>(709,001)</u>	<u>709,001</u>	<u>-</u>
Total other financing sources (uses)	<u>(709,001)</u>	<u>709,001</u>	<u>-</u>
Net change in fund balances	(25,185)	163,562	138,377
Fund balances:			
Beginning of the year	<u>5,016,175</u>	<u>3,832,417</u>	<u>8,848,592</u>
End of the year	<u>\$ 4,990,990</u>	<u>\$ 3,995,979</u>	<u>\$ 8,986,969</u>

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

Colorado River Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2022

Net change in fund balance—total governmental funds \$ 138,377

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

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

Current year depreciation	(686,390)
Capital outlay- capitalized portion	709,001
Net loss on disposal of capital assets	(31,524)

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

Current year increase in accrued compensated absences	(90,942)
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Pension and OPEB expenses and income do not use current financial resources and are excluded from the funds.

FPPA Pension	552,960
PERA Pension	182,541
Burning Mountain Volunteer Pension	167,237
Rifle Volunteer Pension	386,673
OPEB	<u>4,528</u>

Change in net position of governmental activities	<u>\$ 1,332,461</u>
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The accompanying notes are an integral part of these financial statements.

Colorado River Fire Protection District

Notes to Financial Statements

December 31, 2022

1. Definition of Reporting Entity

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

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

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

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

2. Summary of Significant Accounting Policies

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

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

Government-wide and Fund Financial Statements

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The District reports the following major governmental funds:

General Fund

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Capital Projects Fund

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

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

Budgets and Budgetary Accounting

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

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

Public hearings are conducted to obtain the taxpayers' comments.

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

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

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

The District may authorize supplemental appropriations during the year.

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

Property Taxes

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Capital Assets

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

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

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

Equipment	5 - 15 years
Infrastructure	7 - 50 years

Long-Term Obligations

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

Leases

The District is a lessor for noncancellable leases of property and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements related to these leases.

At the commencement of a lease the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the of the lease term.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance

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

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position*– This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

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

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

2. Summary of Significant Accounting Policies (continued)

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

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

Compensated Absences

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods, and a deferred inflow of resources represents an acquisition of net assets that applies to future periods. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period to which they relate.

Estimates

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

New Accounting Pronouncements

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases on January 1, 2022. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's 2022 financial statements.

The implementation of GASB Statement No. 87 had no effect on net position reported as of December 31, 2021.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity’s deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2022, the District had cash deposits with a bank balance of \$870,134 and a carrying balance of \$785,597. The District’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the District’s custodial banks under provisions of the Colorado Public Depository Act.

Summary of Cash

Cash and Cash equivalents	
Cash deposits in bank - General Fund	\$ 785,597
Cash with County	43,174
Total cash	\$ 828,771

Investments

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

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

Custodial Credit Risk - Investments

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

3. Cash and Investments (continued)

Custodial Credit Risk - Investments

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

Interest Rate Risk

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

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

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Net Asset Value</u>
COLOTRUST	Weighted average under 60 days	\$ 8,181,308

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The three portfolios differ in the types of the investments held, but all invest in investments allowed by Colorado statutes for local governments. COLOTRUST PRIME AND COLOTRUST PLUS+ invest in securities with a weighted average maturity of 60 days or less, while COLOTRUST EDGE invests in securities with a weighted average maturity of less than five years. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be, and are not, registered with the SEC.

COLOTRUST's PRIME and PLUS+ funds are rated AAAM by Standard & Poor's rating service. The COLOTRUST EDGE fund is rated AA Af/S1 by FitchRatings rating service. As of December 31, 2022, all COLOTRUST balances held by the District were invested in COLOTRUST PLUS+. COLOTRUST records its investments at net asset value and the District records its investment in COLOTRUST at fair value. There are no unfunded commitments, the redemption frequency is daily for COLOTRUST PRIME and COLOTRUST PLUS+, and weekly for COLOTRUST EDGE. There is no redemption notice period.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

4. Property Taxes

Revenue Recognized in 2022

Local property taxes levied in 2021 and collected in 2022 were recognized as revenue in these financial statements as shown below:

	Assessed Valuation	Amount of Taxes		Collected	Percent Collected
		Mill Levy	Levied		
General Fund	\$ 626,663,760	9.102	\$ 5,703,894	\$ 6,124,211	107.4%

Property Taxes Receivable and Unearned Revenue

Local property taxes levied in 2022 but not collectible until 2023 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Deferred Revenue
General Fund	\$ 853,848,970	9.102	100%	\$ 7,771,733	\$ 7,771,733

5. Lease Receivable

The District entered into an agreement to lease space at their Interagency Fire Station to another organization, on October 1, 2006 for a 20-year term ending on October 30, 2026. The District receives annual payments at an interest rate determined using the risk-free rate (20-year treasury rate) of 2.05%, since the incremental borrowing rate could not be determined. For the year ended December 31, 2022, the District recorded \$24,161 in lease revenue, included in Other Income and \$2,361 in lease interest, included in Interest Revenues. The lease receivable and related deferred inflow of resources as of December 31, 2022 was \$74,690 and \$72,482, respectively.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

6. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2022:

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Total capital assets, not being depreciated	<u>2,194,034</u>	<u>-</u>	<u>-</u>	<u>2,194,034</u>
Capital assets, being depreciated:				
Buildings	11,934,321	135,438	-	12,069,759
Equipment	4,932,656	573,563	(3,047,889)	2,458,330
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>16,907,748</u>	<u>709,001</u>	<u>(3,047,889)</u>	<u>14,568,860</u>
Less accumulated depreciation for:				
Buildings	(3,302,792)	(299,445)	-	(3,602,237)
Equipment	(3,067,124)	(386,945)	3,016,365	(437,704)
Land improvements	<u>(40,771)</u>	<u>-</u>	<u>-</u>	<u>(40,771)</u>
Total accumulated depreciation	<u>(6,410,687)</u>	<u>(686,390)</u>	<u>3,016,365</u>	<u>(4,080,712)</u>
Total capital assets, being depreciated, net	<u>10,497,061</u>	<u>22,611</u>	<u>(31,524)</u>	<u>10,488,148</u>
Capital assets, net	<u>\$ 12,691,095</u>	<u>\$ 22,611</u>	<u>\$ (31,524)</u>	<u>\$ 12,682,182</u>

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

Governmental activities:

Fire protection/EMS services	\$ 683,390
Total depreciation expense—governmental activities	<u>\$ 683,390</u>

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

7. Compensated Absences Payable

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance December 31, 2021	Additions	Retirements	Balance December 31, 2022	Due Within One Year
Governmental activities:					
Compensated absences	\$ 375,165	\$ 512,630	\$ (421,688)	\$ 466,107	\$ 466,107
Total long-term liabilities	<u>\$ 375,165</u>	<u>\$ 512,630</u>	<u>\$ (421,688)</u>	<u>\$ 466,107</u>	<u>\$ 466,107</u>

8. Defined Benefit Plan—FPPA

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description. The SWDB Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (new Hires), provided 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 Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Member's Benefit Investment Fund and the Fire & Police Member's Self Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at www.fppaco.org.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Plan—FPPA (continued)

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

Effective January 1, 2007, members currently covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and ranges from 0% to the higher of 3% of 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% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both employers and members.

In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates increased 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5% and 8.5%, respectively, of pensionable earnings for a total contribution rate of 20%.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Plan—FPPA (continued)

Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. 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 5.75% and 4.25%, respectively, of pensionable earnings for a total contribution rate of 10.0% in 2021. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are at 4% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

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

At December 31, 2022, the District reported an asset of \$2,210,545 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2021 relative to the total contributions of participating employers to the SWBD Plan.

At December 31, 2021, the District's proportion was 0.407899 percent, which was an increase of 0.055954 percent from its proportion measurement as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of \$227,067. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Plan—FPPA (continued)

	Deferred Outflows of resources	Deferred Inflows of resources
Difference between expected and actual experience	632,996	51,556
Changes of assumptions or other inputs	315,240	-
Net difference between projected and actual earnings on pension plan investments	-	1,479,421
Net change in proportionate share	143,837	-
Contributions subsequent to the measurement date	325,894	-
Total	1,417,967	1,530,977

\$325,894 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year December 31, 2023. Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:

2023	\$ (178,075)
2024	(331,103)
2025	(176,355)
2026	(32,151)
2027	159,975
Thereafter	<u>118,805</u>
	<u>\$ (438,904)</u>

Actuarial Assumptions. The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

Actuarial Valuation Date:	January 1, 2021
Actuarial Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Open
Amortization Period:	30 Years
Long-term Investment Rate of Return, net*:	7.00%
Projected Salary Increases*:	4.25%- 11.25%
Cost of Living Adjustment (COLA):	0.0%
*Includes Inflation at:	2.50%

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Plan—FPPA (continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income- Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Plan—FPPA (continued)

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the District's net pension liability/(asset) to changes in the single discount rate. The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.00%, as well as what the plan's net position liability (asset) would be if it were calculated using a single discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	(304,848)	(2,210,545)	(3,789,309)

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

9. Defined Contribution Plan

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

9. Defined Contribution Plan (continued)

Employees covered by the plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8.00 percent each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute.

The employer contributions to the plan for the year ended December 31, 2022 was \$8,940.

10. Deferred Compensation Plan—FPPA

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

The 457 Plan is a multi-employer plan administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2022, participating employees contributed \$37,317.

11. Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2022, the District contributed \$122,823.

12. Defined Benefit Pension Plan—PERA

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA).

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position (FNP) of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provision as of December 31, 2022: Eligible employees and the District and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LTDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution requirements for the period January 1, 2021 through December 2022 are summarized in the table below:

	January 1, 2021 through December 31, 2021	January 1, 2022 through June 30, 2022	July 1, 2022 through December 31, 2022
Employer contribution ¹ (all employees other than State Troopers)	8.50%	8.50%	9.00%

¹ Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101 (42).

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

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

	2022
Employer Contribution Rate	10.50%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the Trust Fund	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C. R. S. § 24-51-51-411	1.50%
Defined Contribution Supplement as Specified in C.R.S § 24-51-415	0.02%
Total Employer Contribution Rate to the Trust Fund	13.20%

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Colorado River Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$28,597 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported an asset of \$24,764 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The proportion of the net pension asset was based on the District’s contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

At December 31, 2021, the Colorado River Fire Protection District proportion was 0.029115, which was a decrease of 0.01711 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of 153,777. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

	Outflows of resources	Inflows of resources
Difference between expected and actual experience	1,220	417
Changes of assumptions or other inputs	8,462	
Net difference between projected and actual earnings on pension plan investments	-	215,932
Net change in proportionate share	-	93,663
Contributions subsequent to the measurement date	28,764	-
Total	38,446	310,012

\$28,764 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension asset in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:

2023	\$ (123,001)
2024	(99,026)
2025	(52,100)
2026	(26,203)
	<u>\$ (300,330)</u>

Actuarial assumptions. The total pension liability (asset) in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20-11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA Benefit structure hired after 12/31/06 ¹	Financed by the AIR

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

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

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projections using scale MP-2019.
- **Females:** 87% of the rates prior to 80 and 107% of the rates for ages 80 and older, with generational projections using scale MP-2019.

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

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

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

The actuarial assumptions used in the December 31, 2020, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

12. Defined Benefit Pension Plan—PERA (continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employee contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

8. Defined Benefit Pension Plan—PERA (continued)

Sensitivity of the District's proportionate share of the net Pension liability (asset) to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (measured in thousands):

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	171,159	(24,963)	(189,009)

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

13. Other Post-Employment Healthcare Benefits—PERA

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB Fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense (income), information about the fiduciary net positions (FNP) and additions to/deductions form the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C. R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools ("DPS") Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund ("DPS HCTF"). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending on which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$2,612 for the year ended December 31, 2022.

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

At December 31, 2022, Colorado River Fire Protection District reported a liability of \$19,517 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL liability to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.002263%, which was a decrease of .001268% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, Colorado River Fire Protection District recognized OPEB income of \$2,350. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of resources	Inflows of resources
Difference between expected and actual experience	30	4,628
Changes of assumptions or other inputs	404	1,059
Net difference between projected and actual earnings on pension plan investments	-	1,208
Net change in proportionate share	-	14,855
Contributions subsequent to the measurement date	2,178	-
Total	2,612	21,750

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

\$2,178 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended December 31:	
2023	\$ (4,055)
2024	(4,153)
2025	(5,731)
2026	(4,110)
2027	(2,732)
Thereafter	<u>(535)</u>
	<u>\$ (21,316)</u>

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00 %
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 %
Discount rate	7.25 %
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 % 4.50% in 2021, 6.00% in 2022 gradually decreasing
PERACare Medicare plans	to 4.50% in 2029 3.75% in 2021, gradually increasing
Medicare Part A premiums	to 4.50 % in 2029,

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured RX	\$ 633	\$ 230	\$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471(actual dollars) per month.

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

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for each of the Division Trust funds as shown below, reflect generational mortality and were applied, as applicable, in the determination for the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employees of these Division Trust Funds participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

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

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

1. Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
2. The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

3.

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

The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis for the period January 1, 2016 through December 31, 201, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption as been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District 's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare PART A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare PART A trend rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$18,956	\$19,517	\$20,166

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District 's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate (measured in thousands).

	1% Decrease (6.25%)	Current Decrease (7.25%)	1% Decrease (8.25%)
Proportionate share of the net pension liability (asset)	22,667	19,517	16,826

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

14. Volunteer Firefighters' Pension Plans

Summary of Significant Accounting Policies

Pensions. The District has established two Volunteer Firefighters' Pension Plans (the "Volunteer Plans"), agent multiple-employer defined benefit pension funds administered by the Colorado Fire & Police Pension Association ("FPPA").

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

14. Volunteer Firefighters' Pension Plans (continued)

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

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

General Information about the Pension Plan

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

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

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

The actuarial study as of January 1, 2022, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Volunteer Plans.

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

At December 31, 2022 the District reported a net pension asset of \$3,312,113 for the Rifle Fire Protection District 7306-5 plan. The net pension asset was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

14. Volunteer Firefighters' Pension Plans (continued)

For the year ended December 31, 2022, the District recognized pension income related to this plan of \$386,673. At December 31, 2022, the District reported deferred outflow of resources related to pension from the following sources:

	Outflows of resources	Inflows of resources
Net difference between projected and actual earnings on pension plan investments	75,180	677,593
Total	75,180	677,593

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

Year ended December 31:

2023	\$ (145,112)
2024	(220,292)
2025	(149,281)
2026	(87,728)
	<u>\$ (602,413)</u>

At December 31, 2022 the District reported a net pension liability of \$211,723 for the Burning Mountains Fire Protection District 7247-5 plan. The net pension liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2022, the District recognized pension income related to this plan of \$117,237. At December 31, 2022, the District reported deferred outflow of resources related to pension from the following sources:

	Outflows of resources	Inflows of resources
Net difference between projected and actual earnings on pension plan investments	36,888	303,398
Contributions subsequent to the measurement date	80,929	-
Total	117,817	303,398

\$80,929 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

14. Volunteer Firefighters' Pension Plans (continued)

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

Year ended December 31:

2023	\$ (62,404)
2024	(99,294)
2025	(65,885)
2026	(38,927)
	<u>\$ (266,510)</u>

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

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years
Asset Valuation Method:	5-Year smoothed market
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65

Mortality:

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

14. Volunteer Firefighters' Pension Plans (continued)

Plan memberships as of January 1, 2022 was as follows:

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	39.0%	8.23%
Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income - Rates	10.0%	4.00%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

14. Volunteer Firefighters' Pension Plans (continued)

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

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

Rifle Fire Protection District 7306-5 Volunteer Plan	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	(3,038,336)	(3,312,113)	(3,544,946)

Burning Mountain Protection District 7247-5 Volunteer Plan	1% Decrease (6.00%)	Current Decrease (7.00%)	1% Decrease (8.00%)
Proportionate share of the net pension liability (asset)	498,425	211,723	(31,413)

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

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

15. Contingencies

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

15. Contingencies (continued)

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

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2022, \$269,495 of the year-end fund balance in the General Fund will be reserved for emergencies.

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

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

16. Tax Abatements

During 2018, Garfield County ("County") signed two property tax abatement agreements with oil and gas companies related to misreported production revenues. The County agreed to refund the companies for overpayment of taxes related to errors identified by the companies in the volumes and revenues of natural gas reported in prior years. The cost to the District in 2022 related to these refunds, including interest, was \$7,513.

17. Risk Management

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2022

18. Subsequent Events

The District has evaluated subsequent events through _____, 2023, the date which the financial statements were available to be issued. During this period, the District was not aware of any material recognizable subsequent events.

Colorado River Fire Protection District

Required Supplementary Information

Colorado River Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund (Budget and Actual)
December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 6,081,393	\$ 6,124,211	\$ 6,124,211	\$ -
EMS charges for services, net	441,696	794,555	794,555	-
Wildland and hazard	752,500	1,697,162	1,697,162	-
Service income	13,500	10,208	10,208	-
Interest	2,850	186,690	186,690	-
Grant	149,904	82,376	82,376	-
Other income	59,306	105,028	105,028	-
Total Revenues	<u>7,501,149</u>	<u>9,000,230</u>	<u>9,000,230</u>	<u>-</u>
Expenditures				
Treasurer and tax fees	130,218	139,379	139,379	-
Insurance	332,734	315,585	315,585	-
General tributes	250	-	-	-
Banking fees	150	2,513	2,513	-
Election expense	2,500	26	26	-
Board of Directors stipend	6,000	5,434	5,434	-
Payroll and benefits expense	6,446,583	6,554,167	6,554,167	-
Station overhead	209,865	235,851	235,851	-
Travel expenses	30,000	18,956	18,956	-
Staff development and recruitment expense	34,500	29,210	29,210	-
Professional service fees	83,600	94,171	94,171	-
Information technology	100,000	113,888	113,888	-
EMS expenditures	128,000	61,950	61,950	-
Reimbursable incident expenses	104,000	302,883	302,883	-
Communication expenses	42,500	8,781	8,781	-
Community and recognition expense	6,000	6,722	6,722	-
Operations expense	119,000	143,952	143,952	-
Fire prevention activities	6,000	5,947	5,947	-
Program training expense	110,950	71,283	71,283	-
Vehicle and apparatus	186,500	205,716	205,716	-
Academy/probationary expense	18,000	-	-	-
Total Expenditures	<u>8,097,350</u>	<u>8,316,414</u>	<u>8,316,414</u>	<u>-</u>
Excess Revenue Over (Under)				
Expenditures	<u>(596,201)</u>	<u>683,816</u>	<u>683,816</u>	<u>-</u>
Other Financing Sources				
Transfer from (to) other funds	<u>(1,075,222)</u>	<u>(709,001)</u>	<u>(709,001)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,075,222)</u>	<u>(709,001)</u>	<u>(709,001)</u>	<u>-</u>
Net change in fund balance	(1,671,423)	(25,185)	(25,185)	-
Fund Balance—Beginning of year	<u>4,374,150</u>	<u>5,016,175</u>	<u>5,016,175</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 2,702,727</u>	<u>\$ 4,990,990</u>	<u>\$ 4,990,990</u>	<u>\$ -</u>

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

Colorado River Fire Protection District

Other Supplementary Information

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

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2022	0.41%	\$ (2,210,545)	\$ 3,197,323	-69.1%	116.2%
12/31/2021	0.35%	\$ (764,073)	\$ 2,758,725	-27.7%	106.7%
12/31/2020	0.41%	\$ (229,205)	\$ 2,986,171	-7.7%	101.9%
12/31/2019	0.51%	\$ 644,932	\$ 3,409,510	18.9%	95.2%
12/31/2018	0.52%	\$ (749,440)	\$ 2,942,059	-25.5%	106.3%
12/31/2017	0.49%	\$ 177,757	\$ 2,614,397	6.8%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,581,439	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,792,346	-21.9%	106.8%
12/31/2014	0.55%	\$ (489,255)	\$ 2,975,839	-16.4%	105.8%

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

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

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

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2022	\$ 325,894	\$ 325,894	\$ -	\$ 3,569,687	9%
12/31/2021	\$ 279,113	\$ 279,113	\$ -	\$ 3,197,323	9%
12/31/2020	\$ 226,148	\$ 235,130	\$ 8,982	\$ 2,758,725	9%
12/31/2019	\$ 238,957	\$ 256,778	\$ 17,821	\$ 2,986,171	9%
12/31/2018	\$ 273,366	\$ 294,428	\$ 21,062	\$ 3,409,510	9%
12/31/2017	\$ 243,766	\$ 237,633	\$ (6,133)	\$ 2,942,059	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439	8%
12/31/2014	\$ 223,388	\$ 223,388	\$ -	\$ 2,792,346	8%
12/31/2013	\$ 238,067	\$ 238,067	\$ -	\$ 2,975,839	8%

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

Colorado River Fire Protection District
Required Supplementary Information
Retirement Plan Supplementary Information
Schedules of Proportionate Share of the Net Pension and
OPEB Liability (Asset) and Related Ratios

Colorado PERA - Pension

<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2022	0.291%	\$ (24,963)	\$ 216,643	-11.5%	101.5%
12/31/2021	0.460%	\$ 240,922	\$ 326,618	73.8%	90.9%
12/31/2020	0.503%	\$ 367,855	\$ 373,789	98.4%	86.3%
12/31/2019	0.535%	\$ 672,533	\$ 376,947	178.4%	76.0%
12/31/2018	0.440%	\$ 490,003	\$ 277,621	176.5%	79.4%
12/31/2017	0.495%	\$ 668,498	\$ 288,729	231.5%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%
12/31/2014	0.046%	\$ 375,347	\$ 243,342	154.2%	81.8%

Colorado PERA - OPEB

<u>Measurement Period Ended*</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Actual Covered Payroll</u>	<u>OPEB Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total OPEB Liability</u>
12/31/2022	0.002%	\$ 19,517	\$ 216,643	9.0%	39.4%
12/31/2021	0.004%	\$ 33,562	\$ 326,618	10.3%	32.8%
12/31/2020	0.004%	\$ 43,297	\$ 373,789	11.6%	24.5%
12/31/2019	0.004%	\$ 56,443	\$ 376,947	15.0%	17.0%
12/31/2018	0.003%	\$ 44,442	\$ 277,621	16.0%	17.5%

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

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

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

Colorado PERA - Pension

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 28,764	\$ 28,764	\$ -	\$ 213,514	13.47%
12/31/2021	\$ 28,596	\$ 28,596	\$ -	\$ 216,643	13.20%
12/31/2020	\$ 41,687	\$ 41,687	\$ -	\$ 326,618	12.76%
12/31/2019	\$ 48,377	\$ 48,377	\$ -	\$ 373,789	12.94%
12/31/2018	\$ 47,797	\$ 47,797	\$ -	\$ 376,947	12.68%
12/31/2017	\$ 35,217	\$ 35,217	\$ -	\$ 277,621	12.69%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230	12.68%
12/31/2014	\$ 45,157	\$ 45,157	\$ -	\$ 356,125	12.68%
12/31/2013	\$ 30,856	\$ 30,856	\$ -	\$ 243,342	12.68%

Colorado PERA - OPEB

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 2,178	2,178	\$ -	\$ 213,514	1.02%
12/31/2021	\$ 2,210	2,210	\$ -	\$ 216,643	1.02%
12/31/2020	\$ 3,332	3,332	\$ -	\$ 326,618	1.02%
12/31/2019	\$ 3,813	3,813	\$ -	\$ 373,789	1.02%
12/31/2018	\$ 3,845	3,845	\$ -	\$ 376,947	1.02%
12/31/2017	\$ 2,832	2,832	\$ -	\$ 277,621	1.02%

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

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

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2022	\$ -	\$ -	\$ -	N/A	N/A
12/31/2021	\$ -	\$ -	\$ -	N/A	N/A
12/31/2020	\$ -	\$ -	\$ -	N/A	N/A
12/31/2019	\$ -	\$ -	\$ -	N/A	N/A
12/31/2018	\$ -	\$ -	\$ -	N/A	N/A
12/31/2017	\$ -	\$ -	\$ -	N/A	N/A
12/31/2016	\$ -	\$ 50,000	\$ (50,000)	N/A	N/A
12/31/2015	\$ -	\$ 236,751	\$ (236,751)	N/A	N/A
12/31/2014	\$ -	\$ 460,795	\$ (460,795)	N/A	N/A
12/31/2013	\$ -	\$ -	\$ -	N/A	N/A

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

* Includes both employer and State of Colorado Supplemental Discretionary Payment

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

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2022	\$ 58,639	\$ 111,858	\$ (53,219)	N/A	N/A
12/31/2021	\$ 58,639	\$ 80,929	\$ (22,290)	N/A	N/A
12/31/2020	\$ 58,639	\$ 80,929	\$ (22,290)	N/A	N/A
12/31/2019	\$ 49,359	\$ 80,929	\$ (31,570)	N/A	N/A
12/31/2018	\$ 49,359	\$ 50,000	\$ (641)	N/A	N/A
12/31/2017	\$ 92,694	\$ 80,929	\$ 11,765	N/A	N/A
12/31/2016	\$ 92,694	\$ 468,429	\$ (375,735)	N/A	N/A
12/31/2015	\$ 116,592	\$ 230,929	\$ (114,337)	N/A	N/A
12/31/2014	\$ 116,592	\$ 478,479	\$ (361,887)	N/A	N/A
12/31/2013	\$ 116,592	\$ 143,666	\$ (27,074)	N/A	N/A

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

* Includes both employer and State of Colorado Supplemental Discretionary Payment

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

Measurement period ended December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability								
Service cost	\$ 3,791	\$ 1,957	\$ 1,957	\$ 7,082	\$ 7,082	\$ 7,687	\$ 7,687	\$ 7,453
Interest	202,261	201,403	205,951	219,189	222,007	228,124	232,163	230,538
Changes of benefit terms	-	-	-	-	-	-	-	98,350
Difference between expected and actual expenditures	-	77,487	-	(39,879)	-	(139,205)	-	(6,499)
Assumption changes	-	-	-	107,374	-	93,301	-	-
Benefit payments	(264,917)	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Net change in total pension liability	<u>(58,865)</u>	<u>6,919</u>	<u>(63,949)</u>	<u>22,697</u>	<u>(33,312)</u>	<u>(89,739)</u>	<u>(67,390)</u>	<u>20,527</u>
Total pension liability - Beginning	3,017,795	3,010,876	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569	3,222,042
Total pension liability - Ending (a)	2,958,930	3,017,795	3,010,876	3,074,825	3,052,128	3,085,440	3,175,179	3,242,569
Plan fiduciary net position								
Employer contributions	-	-	-	-	-	50,000	200,000	424,044
Employee contributions	-	-	-	-	-	-	-	-
Net investment income	829,342	671,032	689,822	3,655	684,417	249,309	84,449	304,757
Benefit payments	(264,917)	(273,928)	(271,857)	(271,069)	(262,401)	(279,646)	(307,240)	(309,315)
Administrative expense	(10,181)	(8,523)	(11,335)	(9,680)	(10,670)	(7,706)	(9,268)	(7,391)
State of Colorado supplemental discretionary payment	-	-	-	-	-	-	36,751	36,751
Net change in plan fiduciary net position	<u>554,244</u>	<u>388,581</u>	<u>406,630</u>	<u>(277,094)</u>	<u>411,346</u>	<u>11,957</u>	<u>4,692</u>	<u>448,846</u>
Plan fiduciary net position - beginning	5,716,799	5,328,218	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687	4,321,841
Plan fiduciary net position - end (b)	6,271,043	5,716,799	5,328,218	4,921,588	5,198,682	4,787,336	4,775,379	4,770,687
District's net pension asset - ending (a)-(b)	(3,312,113)	(2,699,004)	(2,317,342)	(1,846,763)	(2,146,554)	(1,701,896)	(1,600,200)	(1,528,118)
Plan fiduciary net position as a percentage of the total pension asset	211.94%	189.44%	176.97%	160.06%	170.33%	155.16%	150.40%	147.13%

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

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

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

Measurement period ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,593	\$ 7,593	\$ 14,738
Interest	204,545	198,972	203,480	215,806	219,824	224,353	227,329	224,056
Changes of benefit terms	-	-	-	-	-	-	-	93,077
Difference between expected and actual expenditures	-	150,967	-	(30,112)	-	(105,812)	-	(15,512)
Assumption changes	-	-	-	114,361	-	90,604	-	-
Benefit payments	(272,349)	(268,375)	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Net change in total pension liability	(67,804)	81,564	(63,915)	26,656	(53,575)	(56,661)	(40,849)	53,490
Total pension liability - Beginning	3,055,940	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720	3,109,230
Total pension liability - Ending (a)	2,988,136	3,055,940	2,974,376	3,038,291	3,011,635	3,065,210	3,121,871	3,162,720
Plan fiduciary net position								
Employer contributions	50,000	50,000	50,000	50,000	50,000	437,500	200,000	447,550
Net investment income	369,214	301,158	325,483	2,451	344,119	116,753	37,731	136,320
Benefit payments	(272,349)	(268,375)	(267,395)	(273,399)	(273,399)	(273,399)	(275,771)	(262,869)
Administrative expense	(10,416)	(8,417)	(11,126)	(9,250)	(10,106)	(3,752)	(5,435)	(3,534)
State of Colorado supplemental discretionary payment	61,858	30,929	30,929	30,929	30,929	30,929	30,929	30,929
Net change in plan fiduciary net position	198,307	105,295	127,891	(199,269)	141,543	308,031	(12,546)	348,396
Plan fiduciary net position - beginning	2,578,106	2,472,811	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019	1,820,623
Plan fiduciary net position - end (b)	2,776,413	2,578,106	2,534,669	2,406,778	2,606,047	2,464,504	2,156,473	2,169,019
District's net pension liability - ending (a)-(b)	211,723	477,834	439,707	631,513	405,588	600,706	965,398	993,701
Plan fiduciary net position as a percentage of the total pension liability	92.91%	84.36%	85.22%	79.21%	86.53%	80.40%	69.08%	68.58%

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

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

Colorado River Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund (Budget and Actual)
December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest	\$ 2,000	\$ 65,312	\$ 63,312
Grants	<u>25,000</u>	<u>98,250</u>	<u>73,250</u>
Total Revenues	<u>27,000</u>	<u>163,562</u>	<u>136,562</u>
Expenditures:			
Capital outlay	<u>1,075,222</u>	<u>709,001</u>	<u>366,221</u>
Total Expenditures	<u>1,075,222</u>	<u>709,001</u>	<u>366,221</u>
Excess Revenue Over (Under)			
Expenditures	<u>(1,048,222)</u>	<u>(545,439)</u>	<u>502,783</u>
Other Financing Sources			
Transfer from (to) other funds	<u>1,075,222</u>	<u>709,001</u>	<u>(366,221)</u>
Total other financing sources (uses)	<u>1,075,222</u>	<u>709,001</u>	<u>(366,221)</u>
Net change in fund balances	27,000	163,562	136,562
Fund Balance—Beginning of year	<u>3,815,105</u>	<u>3,832,417</u>	<u>17,312</u>
Fund Balance—End of Year	<u>\$ 3,842,105</u>	<u>\$ 3,995,979</u>	<u>\$ 153,874</u>

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