

Mountain View Fire Protection District
Boulder & Weld Counties, Colorado

**Annual Financial Report and
Independent Auditor's Report**


December 31, 2020


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Independent Auditor's Report

To the Board of Directors
Mountain View Fire Protection District

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds, of Mountain View Fire Protection District, as of December 31, 2020, 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 Mountain View Fire Protection District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Mountain View Fire Protection District’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, including omissions, 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 Mountain View Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mountain View Fire Protection District's ability to continue as a going concern for a reasonable period of time.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, and pension related schedules, 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 Mountain View Fire Protection 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.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Haynie & Company

Littleton, Colorado
May 17, 2021

Mountain View Fire Protection District Management's Discussion and Analysis December 31, 2020

This report is for the Mountain View Fire Protection District for the year ending December 31, 2020. The Management Discussion and Analysis (MD&A) is designed to provide an overview of the financial activities of the District during 2020 and the integration of those activities within the long-term financial programs and planning of the District. The MD&A should be read in conjunction with the District's financial statements.

Background Information

The Fire District was established in 1961. The District's service area is an agricultural and suburban area located in Weld and Boulder counties, consisting of 184 square miles, with a population of approximately 60,000 people. Services are provided from 10 locations located throughout the District including 8 stations, a maintenance facility, and an administration office. The predominate fund approach for the District is comprised of three basic funds, the General Fund, the Debt Service Fund which is used to account for expenditures funded by general obligation bonds for the District, the Capital Reserve Fund which is reserved for the capital improvement plan that may be funded over several years.

In 1991 the citizens of the District approved a \$2.8 million-dollar bond issue to replace or add emergency equipment and build or remodel existing fire stations. In November 1993, the District completed a bond refunding. The District's bonded indebtedness was fully retired in December 2008.

A ballot issue was passed on November 6, 2018, allowing the District to increase the mill levy from 11.747 to 16.247 mills beginning on January 1, 2019. This was the first increase in the District's mill levy since 2009.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: 1) government-wide financial statements and fund financial statements, and 2) notes to the financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The fund financial statements present the District's financial position and results of operations using the traditional government modified accrual method of accounting, which accounts for the District's current financial resources. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as the balances of spendable resources available at the end of the fiscal year.

**Mountain View Fire Protection District
Management's Discussion and Analysis
December 31, 2020**

The statement of net position, using the full accrual basis of accounting, presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, the comparison of changes in net position may serve as a useful indicator on whether the financial position of the District is improving, deteriorating, or maintaining status quo. In the case of the District, assets exceeded liabilities by \$43,899,127 at the close of the year. The largest portion of the District's net position reflects its investment in capital assets.

The statement of activities provides information about the District's annual operating activities and how those activities affect net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Therefore, the revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The reconciliations of the District's financial statements reflect explanations of the specific differences between the government-wide and fund financial statements.

The budgetary comparison schedules include a comparison of actual revenues and expenditures with the final budget.

Notes to the Financial Statements

The notes to the financial statements provide additional required disclosures about the District, its accounting policies and practices, its financial position, operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

Financial Efforts of 2020

This section contains a condensed comparison of revenues and expenses, changes in net position and explanations for significant differences.

**Mountain View Fire Protection District
Management's Discussion and Analysis
December 31, 2020**

The following is a summary of the District's statements of net position as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 22,744,511	\$ 13,843,779
Property Tax receivable	27,846,413	29,090,215
Accounts receivable	1,418,734	394,796
Prepaid expenses	<u>325,955</u>	<u>418,821</u>
Total current assets	<u>52,335,613</u>	<u>43,747,611</u>
Non-current assets		
Capital assets — net	23,518,825	21,055,090
Pension asset—District's proportionate share of Defined Benefit Plan	<u>668,445</u>	
Total non-current assets	<u>24,187,270</u>	<u>21,055,090</u>
Deferred outflows of resources		
Volunteer Firefighters plan	139,283	209,521
Old Hire plan	26,808	33,586
Defined Benefit Plans	4,649,947	5,903,746
Deferred outflows related to OPEB	<u>12,298</u>	<u>14,185</u>
Total deferred outflows of resources	<u>4,828,336</u>	<u>6,161,038</u>
Liabilities		
Current liabilities	586,055	442,192
Noncurrent liabilities	5,728,386	423,475
Pension and OPEB liabilities	<u>1,548,866</u>	<u>3,920,178</u>
Total liabilities	<u>7,863,307</u>	<u>4,785,845</u>
Deferred inflows of resources		
Deferred revenue—property taxes	27,846,413	29,090,215
Deferred inflows related to pension plans	1,707,219	289,391
Deferred inflows related to OPEB	<u>35,153</u>	<u>20,715</u>
Total deferred inflows of resources	<u>29,588,785</u>	<u>29,400,321</u>
Net Position		
Net investment in capital assets	23,518,825	21,055,090
Restricted for emergencies	975,928	620,865
Unrestricted	<u>19,404,374</u>	<u>15,101,618</u>
Total net position	<u>\$ 43,899,127</u>	<u>\$ 36,777,573</u>

**Mountain View Fire Protection District
Management's Discussion and Analysis
December 31, 2020**

The following is a summary of the District's statements of activities for the years ended December 31, 2020 and 2019:

	Statement of Activities		
	December 31,		
	2020	2019	Dollar Change
	<u> </u>	<u> </u>	<u> </u>
General Revenue:			
Property Taxes	\$29,019,560	\$22,436,627	\$6,582,933
Specific Ownership Taxes	1,428,946	1,513,586	(84,640)
TIF revenues	248,307	211,632	36,675
Investment Earnings	59,781	318,128	(258,347)
Charges for Services	2,022,692	1,702,488	320,204
Grant Revenue	24,555	780,053	(755,498)
Miscellaneous	279,351	538,085	(258,734)
Total Revenue	<u>\$33,083,192</u>	<u>\$27,500,599</u>	<u>\$5,582,593</u>
Expenses:			
Fire-Protection-Operations	19,314,887	16,739,575	2,575,312
Interest and related costs on long-term debt	5,207,396	-	5,207,396
Depreciation	1,439,355	1,180,631	258,724
Total Expenditures	<u>25,961,638</u>	<u>17,920,206</u>	<u>8,041,432</u>
Changes in Net Position	\$7,121,554	\$9,580,393	(\$2,458,839)
Net Position - Beginning of Year	<u>36,777,573</u>	<u>27,197,180</u>	<u>9,580,393</u>
Net Position - End of Year	<u><u>43,899,127</u></u>	<u><u>36,777,573</u></u>	<u><u>7,121,554</u></u>

Mountain View Fire Protection District Management's Discussion and Analysis December 31, 2020

Material Changes:

The District realized an increase in revenue in 2020 from 2019. Most of the increased revenue, approximately \$6.5 million, was from property taxes. The increase in assessed valuation of existing properties and new construction in the District increased property tax revenue, but 38% of the property tax is from oil and gas operations. Salaries, wages, and benefits increased by \$1.07 million from 2019 to 2020. The District hired two additional employees during the year to fully staff the new fleet maintenance shop that was completed in May of 2020. The district invested \$1.7 million less in capital projects in 2020 than in 2019 due to the majority of the maintenance facility construction being completed in 2019. The amount of non-current liabilities changed by \$5.3 million during 2020. This significant change over prior years is related to the assumption of the bond obligation of Rocky Mountain Fire Protection District in anticipation of a merger on January 1, 2021. For more information, refer to Note 5 - Long-term liabilities, in the notes to the financial statements.

General Fund:

The general fund's purpose is to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, emergency services, recruitment & retention, fire prevention, communications, training, fleet maintenance, wildland/rescue, stations & grounds, and firefighter health & safety. The general fund also provides for such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include interest income on reserved funds, fees for plan reviews, fees for ambulance transports, specific ownership taxes and reimbursements for wildland deployments that cover some overhead costs.

The primary projects or program efforts for establishing funding during 2020 were:

1. Maintaining the current service level of the District.
2. Competitive salary and benefits packages to attract and retain skilled employees.
3. Construction of new maintenance facility to accommodate growth.
4. Replacement of outdated apparatus and equipment

Capital Assets and Debt Administration

The Capital Reserve Fund was established to designate funds for purchasing large ticket items that may take several years to save for. The primary funding areas include apparatus purchases, station and facility development or construction and other large capital purchases such as firefighting and communication equipment. The primary funding source for the Capital Reserve Fund is the transfer of funds from the General Fund as designated by the Board of Directors of the Fire District. Investment in capital assets includes land, buildings, improvements, equipment,

**Mountain View Fire Protection District
Management's Discussion and Analysis
December 31, 2020**

vehicles and firefighting and technology equipment. Payments for the purchase of firefighting and EMS equipment, tech rescue and hazmat equipment; payments for construction, major repairs and maintenance of facilities and the payment for the Communications Tower in Niwot are included in this fund.

The following is a summary of the District's investment in Capital Assets for the years ended December 31, 2020 and 2019:

**Capital Assets
December 31, 2020 and 2019**

	2020	2019	Variance	Percentage Change
Land - all stations	\$ 519,316	\$ 519,316	\$ -	0%
Buildings/Improvements - all stations	20,658,867	18,182,583	2,476,284	14%
Medical Equipment	755,926	680,018	75,908	11%
Furniture and Equipment	1,518,303	1,440,420	77,883	5%
Machinery and Equipment	2,056,720	2,030,144	26,576	1%
Firefighting vehicles	8,754,997	7,704,434	1,050,563	14%
Vehicles - other	982,772	963,211	19,561	2%
Total Capital Assets	35,246,901	31,520,126	3,726,776	
Less: accumulated depreciation	(11,728,076)	(10,465,036)	(1,263,040)	
Capital Assets, net of accumulated depreciation	\$23,518,825	\$21,055,090	\$2,463,736	12%

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-term Debt

The Fire District General Obligation Bond which was approved by the taxpayers of the District in 1991, was refunded in 2003 by a new General Obligation Bond and was fully retired in 2016. At the end of 2020, Mountain View Fire entered into an agreement with Rocky Mountain Fire Protection District to assume all their debt and assets as part of a merger effective January 1, 2021. The debt was assumed in November 2020. Rocky Mountain Fire voters passed a general obligation bond in 2009. As of December 31, 2020, there is a balance of \$5,170,000 remaining on the bond, set to be fully retired in 2029. Additional information can be found in Note 5 of this report.

Pension Activities

The District offers four pension benefits; the pension funds managed by the Fire and Police Pension Association (FPPA) that provides a defined benefit pension for volunteer, old hire and

Mountain View Fire Protection District Management's Discussion and Analysis December 31, 2020

current firefighters of the District and the pension fund managed by the Public Employer's Retirement Association (PERA) for administrative personnel. These pension funds administer the disbursement of benefits to retirees and the expenses of providing those benefits. Funding is provided by pension contributions from the District and employees. Additional funding is derived the State Pension Grant for volunteer firefighters and from invested assets of the fund.

Economic Factors and Next Year's Budget

Changes from the 2020 assessment of property values resulted in lowering revenue in some areas. The residential assessment rate for property did not drop as much as predicted but was still lowered from 7.2% to 7.15%. In May of 2020, the District voters approved a measure to essentially cap the amount the rate can be lowered to 7.15%. In the same election, the state passed a repeal of the Gallagher Amendment that sets the formula for assessment rates, it has yet to be seen how this new legislation will change the formula, but it also ensures that the rate for residential property will not go lower than the current rate of 7.15%.

The future revenue of Mountain View Fire is especially uncertain with the development of the COVID-19 crisis and its effect on Weld County's energy sector. The full effect on property taxes, including oil and gas, won't be known until 2021. The full economic impact to investment in businesses, unemployment, and the increased need for emergency services in Colorado isn't known. The vulnerability of Mountain View Fire to fluctuations of oil and gas revenue has been lessened due to careful planning of the funds received from oil and gas in good years. The district's strategy to deal with a loss of revenue is to keep cash in reserves through 2021 and 2022. Contingency reserves will be monitored in future years to see when they may be needed. If projections lead management to believe that expenditures will outpace revenues in a future year, then capital reserve projects will be postponed, apparatus replacement will be deferred, and the operating budget will be adjusted accordingly. The District is very stable going into 2021 and does not believe there will be a need to use contingency funds to meet operations.

The outlook is positive in residential housing growth. Low inventory combined with all-time low mortgage rates have led to a surge in new housing permits. This means a greater tax base in the future and oil and gas making up less of the total revenue. It remains to be seen if this growth will be sustained in the future as the fallout from the energy sector has caused Weld County unemployment rates to reach 6.5% compared to 2.8% across Colorado. At the same time, non-residential construction has slowed due to the COVID-19 crisis.

The District's budget for 2020's anticipated general property tax revenue was \$29,090,215, net of tax increment financing (based on an assessed valuation for the District, as certified by the Assessors of Boulder County and Weld County, of \$1,842,802,978 and a mill levy rate of 16.247).

The District's budget for 2021 anticipates general property tax revenue of \$27,846,413 net of tax increment financing (based on an assessed valuation for the District, as certified by the Assessors of Boulder County and Weld County, of \$1,763,943,527 and a mill levy rate of 16.247).

**Mountain View Fire Protection District
Management's Discussion and Analysis
December 31, 2020**

Summary

The Mountain View Fire Protection District successfully placed into operation or completed all project or program efforts funded with the 2020 annual budget without going into a deficit.

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:

Mountain View Fire Protection District
Attn: Tonya Olson, Finance Director
3561 N. Stagecoach Road
Longmont, CO 80504

Basic Financial Statements

Mountain View Fire Protection District
Statement of Net Position
December 31, 2020

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 22,744,511
Accounts receivable	1,418,734
Property taxes receivable	27,846,413
Prepaid expenses	325,955
Total current assets	52,335,613
Long-Term assets:	
Net pension asset	668,445
Capital assets, net (Note 5)	23,518,825
Total long-term assets	24,187,270
Deferred Outflows of Resources	
Deferred outflows related to pension	4,816,038
Deferred outflows related to OPEB	12,298
Total deferred outflows of resources	4,828,336
Total assets and deferred outflows of resources	\$ 81,351,219
Liabilities	
Current liabilities:	
Accounts payable	\$ 369,372
Accrued liabilities	179,287
Accrued interest payable	37,396
Total current liabilities	586,055
Noncurrent liabilities:	
Net pension liability	1,424,781
Net OPEB liability	124,085
Accrued compensated absences	558,386
Due within one year	525,000
Due in more than one year	4,645,000
Total noncurrent liabilities	7,277,252
Deferred Inflows of Resources	
Deferred property tax revenue	27,846,413
Deferred inflows related to pension	1,707,219
Deferred inflows related to OPEB	35,153
Total deferred inflows of resources	29,588,785
Net Position	
Net investment in capital assets	23,518,825
Restricted for emergencies	975,928
Unrestricted	19,404,374
Total net position	43,899,127
Total liabilities, deferred inflows of resources, and net position	\$ 81,351,219

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

Mountain View Fire Protection District
Statement of Activities
For the Year Ended December 31, 2020

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contribution</u>	
Governmental activities					
Public safety	\$20,754,242	\$ 2,022,692	\$ -	\$ 24,555	\$ (18,706,995)
Interest and related cost on long-term debt	<u>\$ 5,207,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,207,396)</u>
Total governmental activities / Primary	<u>\$25,961,638</u>	<u>\$ 2,022,692</u>	<u>\$ -</u>	<u>\$ 24,555</u>	<u>\$ (23,914,391)</u>
General revenues:					
					29,019,560
					1,428,946
					248,307
					59,781
					<u>279,351</u>
					<u>31,035,945</u>
					7,121,554
					<u>36,777,573</u>
					<u>\$ 43,899,127</u>

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

Mountain View Fire Protection District
Governmental Funds Balance Sheet
December 31, 2020

	General Fund	Capital Reserve Fund	Debt Service Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$21,112,873	\$ 1,631,638	\$ -	\$ 22,744,511
Accounts receivable	1,418,734	-	-	1,418,734
Property taxes receivable	27,846,413	-	-	27,846,413
Prepaid expenses	325,955	-	-	325,955
Due from other funds	-	579,437	-	579,437
Total assets	\$50,703,975	\$ 2,211,075	\$ -	\$ 52,915,050
Liabilities				
Accounts payable	100,723	268,649	-	369,372
Accrued liabilities	179,287	-	-	179,287
Due to other funds	578,254	-	1,183	579,437
Total liabilities	858,264	268,649	1,183	1,128,096
Deferred Inflows of Resources				
Deferred property tax revenue	27,846,413	-	-	27,846,413
Total deferred inflows of resources	27,846,413	-	-	27,846,413
Fund Balances				
Nonspendable - prepaid items	325,955	-	-	325,955
Restricted for emergencies	975,928	-	-	975,928
Assigned	-	1,942,426	-	1,942,426
Unassigned	20,697,415	-	(1,183)	20,696,232
Total fund balance	21,999,298	1,942,426	(1,183)	23,940,541
Total liabilities, deferred inflows of resources and fund balances	\$50,703,975	\$ 2,211,075	\$ -	\$ 52,915,050

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

Mountain View Fire Protection District
Reconciliation of the Governmental Fund Balance Sheet
With the Government-Wide Statement of Net Position
December 31, 2020

Fund Balances - Total Governmental Funds \$ 23,940,541

Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements. In the statement of net position, the cost of these assets are capitalized and expensed over their useful lives through annual depreciation.

Governmental capital assets	35,246,901	
Less accumulated depreciation	<u>(11,728,076)</u>	23,518,825

Long-term liabilities such as bonds payable, accrued interest payable, and accrued compensated absences are not due and payable in the current period and are not reported as liabilities in the governmental fund financial statements.

Bonds payable		(5,170,000)
Accrued interest payable		(37,396)
Accrued compensated absences		(558,386)

Deferred outflows are not current financial resources, and deferred inflows are not due and payable in the current period and therefore are not reported in the fund financial statements.

Deferred outflows related to pension		4,816,038
Deferred inflows related to pension		(1,707,219)
Deferred outflows related to OPEB		12,298
Deferred inflows related to OPEB		(35,153)

Net pension asset and liability and net OPEB liability, are not current financial resources or due and payable in the current period and therefore are not reported in the fund financial statements.

Net pension asset		668,445
Net pension liability		(1,424,781)
Net OPEB liability		<u>(124,085)</u>

Net position of governmental activities \$ 43,899,127

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

Mountain View Fire Protection District
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2020

Revenues	General Fund	Capital Reserve Fund	Debt Service Fund	Total
Property tax	\$ 29,019,560	\$ -	\$ -	\$ 29,019,560
Specific ownership tax	1,428,946	-	-	1,428,946
TIF revenues	248,307	-	-	248,307
Fees for services	1,187,365	-	-	1,187,365
Investment earnings	54,922	4,841	18	59,781
Wildland revenue	835,327	-	-	835,327
Grant revenues	24,555	-	-	24,555
Other income	166,320	113,031	-	279,351
Total Revenues	32,965,302	117,872	18	33,083,192
Expenditures				
Salaries and wages	10,938,458	-	-	10,938,458
Overtime wages	953,392	-	-	953,392
Benefits	3,707,812	-	-	3,707,812
General operating supplies	780,200	-	-	780,200
Small equipment/tools	145,671	-	-	145,671
Non-capital tech expenditures	88,991	-	-	88,991
Non-capital fleet expenditures	136,653	-	-	136,653
General purchased services	864,866	-	-	864,866
Contract services	435,187	-	-	435,187
Training	102,545	-	-	102,545
Repairs/maintenance equipment	105,479	-	-	105,479
Repairs/maintenance buildings	107,979	-	-	107,979
Utilities	319,600	-	-	319,600
Other	-	88,439	-	88,439
Capital outlay	33,146	4,549,437	-	4,582,583
Total Expenditures	18,719,979	4,637,876	-	23,357,855
Excess of Revenues over Expenditures	14,245,323	(4,520,004)	18	9,725,337
Other financing sources and (uses)				
Transfers in (out)	(6,100,000)	6,100,000	-	-
Total other financing sources and (uses)	(6,100,000)	6,100,000	-	-
Net Change in fund balance	8,145,323	1,579,996	18	9,725,337
Fund balances:				
Beginning of the year	13,853,975	362,430	(1,201)	14,215,204
End of the year	\$ 21,999,298	\$ 1,942,426	\$ (1,183)	\$ 23,940,541

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

Mountain View Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
And Changes In Fund Balances of Governmental Activities
To The Statement of Activities
December 31, 2020

Net change in fund balances - total Governmental Funds \$ 9,725,337

Governmental funds report capital outlays as expenditures and cash received from the sale of assets as revenue. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and gain or loss of the disposal on those assets is reported.

Capital outlays	3,907,634
Depreciation expense	(1,439,355)
Adjustment to disposal of capital assets	(4,546)

Increase in accrued interest payable and bonds payable are reflected in expense on the statement of activities and not reflected as an expense on the statement of revenues, expenditures, and changes in fund balance.

Bonds payable	(5,170,000)
Accrued interest payable	(37,396)

Governmental funds report amounts paid into pension and OPEB plans as expenditures. In the statement of activities, the cost of contributions are reclassified to deferred outflows of resources and pension expense is reported.

Current year pension contributions	943,957
Pension income, net	(675,568)
Current year OPEB contributions	10,857
OPEB expense	(4,455)

Compensated absences in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Liability at December 31, 2020	(558,386)
Liability at December 31, 2019	<u>423,475</u>

Change in net position of governmental activities **\$ 7,121,554**

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

Mountain View Fire Protection District

Notes to Financial Statements

December 31, 2020

1. Definition of Reporting Entity

The Mountain View Fire Protection District was originally established as a special district to provide fire suppression, education and basic life medical support services to certain property owners within an area of Boulder and Weld Counties that covers approximately 240 square miles and includes portions of rural Longmont, Mead, Del Camino, Dacono, Erie, Brownsville and Niwot. On May 1, 1990, the District formally approved and adopted the name change to "Mountain View Fire Protection District" subsequent to the consolidation of the Longmont, Dacono and Erie volunteer fire departments.

The District operates under a governing Board of Directors and is considered a separate political subdivision of the State of Colorado providing fire protection services in portions of Boulder and Weld Counties.

2. Summary of Significant Accounting Policies

The financial statements of the Mountain View 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 District's basic financial statements include the accounts and funds of all District operations. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

Principles Determining Scope of Reporting Entity

The financial statements of the District consist only of the funds and account groups of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and election of the respective governing board.

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. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues. There are no business-type activities in the District for the year ended December 31, 2020.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

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 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.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary.

The following funds were used by the District during 2020:

GOVERNMENTAL FUNDS

General Fund - To account for all financial resources except those required to be accounted for in another fund.

Capital Reserve Fund - To account for resources used for the acquisition and/or construction of capital facilities.

Debt Service Fund - To account for the proceeds from the issuance of general obligation bonds and the servicing of the related general long-term debt.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

Measurement Focus

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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 are recorded only when the payment is due. The major source of revenue susceptible to accrual is property tax. All revenue items are considered to be measurable and available only when cash is received by the District.

Basis of Accounting

The modified accrual basis of accounting is used for all governmental fund types. The following are modifications of the accrual basis method:

1. Expenditures other than accrued interest on general long-term debt are recognized at the same time the liabilities are incurred. Interest on long-term debt is recorded only when due.
2. Revenue is recorded when received in cash except for revenue that is not received but is measurable and available and therefore susceptible to accrual.

The accrual basis of accounting is used for reporting purposes of the Pension Trust Fund. Revenues are taken into account when they are earned, regardless of when they are collected; expenditures are reflected as soon as the liabilities are incurred, regardless of when they are paid.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgeting data reflected in the financial statements:

1. Prior to October 31, the fire chief submits to the Board of Directors a proposed operating budget for each fund for the fiscal year commencing the following January 1. The operating budget for each fund includes proposed expenditures and the means of financing them.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

2. Summary of Significant Accounting Policies (continued)

2. Public hearings are conducted by the District Board of Directors to obtain taxpayer comments.
3. Prior to December 1, the budget is legally enacted through passage of a resolution for each fund. The resolutions can be adjusted by the Board for unforeseen circumstances. Equal line item adjustments must be approved by the Board. The appropriation resolutions are reflected in each fund.
4. The Fire Chief is authorized to transfer amounts from contingency accounts, if any, to other accounts within the same fund.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The District Board of Directors approves all expenditures, including any revisions that alter the total expenditures of any fund.
8. All appropriations for all funds lapse at year-end.
9. Budgeted line items for the different expenditures are for management use only

Accrued Absences

Accrued absences include unused vacation earned by employees as of December 31, 2020. Full time employees earn vacation at varying rates based on years of employment, up to a maximum annual benefit of 240 hours for administrative personnel with 21 or more years of active service. Line employees are allowed a maximum annual benefit of 360 hours with 21 or more years of active service.

Sick leave is earned and accumulated at the rate of 96 hours per year by full time employees and is not paid upon termination or retirement, with the exception of the Fire Chief.

Interfund Transfers

Transactions between funds that would be treated as revenues, expenditures or expenses if they involved external organizations are accounted for as revenues, expenditures or expenses in the funds involved. All other legally authorized fund transfers are treated as operating transfers and are included in the results of operations of governmental and trust type funds.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which are as follows:

Building/Improvements	10-25
Firefighting Equipment	7
Furniture and Equipment	5-10
Firefighting vehicles	25
Vehicles – Other	7

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.

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.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

2. Summary of Significant Accounting Policies (continued)

- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* - amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. As of December 31, 2020, the fund balance in the Debt Service Fund was in a deficit position. It is anticipated that this will be corrected through future revenues or interfund transfers.

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.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. The District is permitted to levy taxes for general governmental services, bond retirement and pension payments for volunteer firefighters. The combined tax rate to finance these services for the year ended December 31, 2020 was \$16.247 per \$1,000 of assessed valuation for both Weld and Boulder counties. This produced anticipated property tax revenues of \$21,601,995 on an assessed valuation of \$1,329,599,000 in Weld County and anticipated property tax revenues of \$8,338,025 on an assessed valuation of \$513,203,978 in Boulder County. Tax revenues for the District are recognized as they become available and are collected the following month.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

2. Summary of Significant Accounting Policies (continued)

Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month.

Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

3. Deposits 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, 2020, the District had cash deposits with a bank balance of \$22,889,607 and a carrying balance of \$22,744,511.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

3. Deposits and Investments (continued)

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.

As of December 31, 2020, the District had the following investments:

Investments	Maturity Year	Fair Value
COLOTRUST	Weighted average under 60 days	<u>\$ 21,929,046</u>

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. The District does not have a specific policy for custodial credit risk.

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.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

3. Deposits and Investments (continued)

COLOTRUST – During 2020, the District had invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST records its investments at fair value, and the District records its investments in COLOTRUST using the net asset value method. The Trust offers shares in two portfolios, COLOTRUST Prime and COLOTRUST Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. The custodian’s internal records segregate investments owned by the Trust. The COLOTRUST investment pool is rated AAAM by Standard & Poors. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method.

The following is a reconciliation between the cash and investments recorded in the financial statements and the amounts reported in this footnote:

Statement of net position:

Total cash and cash equivalents—Governmental Funds	<u>\$22,744,511</u>
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Cash and cash equivalents as of December 31, 2020, consist of the following:

Deposits with financial institutions	\$ 815,465
Investments	<u>21,929,046</u>
Total cash and cash equivalents	<u>\$ 22,744,511</u>

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

4. Capital Assets

The following table presents capital assets activity of the District for the year ended December 31, 2020:

	Balance December 31, 2019	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2020
Capital assets, not being depreciated:				
Land- all stations	\$ 519,316	\$ -	\$ -	\$ 519,316
Firefighting vehicles - downpayments	548,879	-	(548,879)	-
Construction in progress	<u>3,810,027</u>	<u>-</u>	<u>(3,810,027)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>4,878,222</u>	<u>-</u>	<u>(4,358,906)</u>	<u>519,316</u>
Capital assets, being depreciated:				
Buildings/improvements				
- all stations	14,372,556	6,326,268	(39,957)	20,658,866
Medical equipment	680,018	79,800	(3,892)	755,926
Furniture & equipment	1,440,420	124,487	(46,605)	1,518,303
Machinery & equipment	2,030,144	40,919	(14,342)	2,056,720
Firefighting vehicles	7,155,556	1,628,442	(29,000)	8,754,998
Vehicles - other	<u>963,211</u>	<u>66,625</u>	<u>(47,063)</u>	<u>982,772</u>
Total capital assets, being depreciated	<u>26,641,904</u>	<u>8,266,541</u>	<u>(180,859)</u>	<u>34,727,586</u>
Less accumulated depreciation for:				
Buildings/improvements	(4,845,676)	(705,747)	35,413	(5,516,010)
Medical equipment	(334,039)	(69,938)	3,892	(400,085)
Furniture & equipment	(1,049,584)	(73,557)	46,605	(1,076,536)
Machinery & equipment	(519,593)	(125,245)	14,342	(630,496)
Firefighting vehicles	(3,083,918)	(340,780)	29,000	(3,395,698)
Vehicles - other	<u>(632,226)</u>	<u>(124,088)</u>	<u>47,063</u>	<u>(709,251)</u>
Total accumulated depreciation	<u>(10,465,036)</u>	<u>(1,439,355)</u>	<u>176,315</u>	<u>(11,728,076)</u>
Total capital assets, being depreciated, net	<u>16,176,868</u>	<u>6,827,186</u>	<u>(4,544)</u>	<u>22,999,510</u>
Capital assets, net	<u>\$21,055,090</u>	<u>\$ 6,827,186</u>	<u>\$(4,363,450)</u>	<u>\$23,518,825</u>

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

5. Long-Term Liabilities

On November 9, 2020, the District entered into an assignment and assumption of bond contracts between the District and Rocky Mountain Fire Protection District. The District assumed the debt as part of the merger agreement which states Mountain View Fire will own all of Rocky Mountain Fire's assets and assume all of their liabilities, including the bonds. The assets become district property on January 1, 2021.

The general obligation bonds were issued September 17, 2019 for an original principal balance of \$5,690,000, and the current outstanding principal balance of the bonds is \$5,170,000 at December 31, 2020. The bonds are due serially on September 1, with interest of 2.170% payable semiannually on March 1 and September 1; these bonds mature on September 1, 2029.

The following is a summary of changes in long-term debt of the District for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Payments	Balance at December 31, 2020	Due Within One Year
2019 General Obligation Bond	\$ -	\$ 5,170,000	\$ -	\$5,170,000	\$ 525,000
Total	\$ -	\$ 5,170,000	\$ -	\$5,170,000	\$ 525,000

The annual requirements to amortize all debt outstanding as of December 31, 2020 are as follows:

Year ending December 31,	Principal	Interest	Total
2021	\$ 525,000	\$ 112,189	\$ 637,189
2022	540,000	100,797	640,797
2023	550,000	89,079	639,079
2024	560,000	77,144	637,144
2025	575,000	64,992	639,992
2025-2029	2,420,000	132,696	2,552,696
Total	\$ 5,170,000	\$ 576,895	\$ 5,746,895

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

5. Long-Term Liabilities (continued)

Long-term liability activity for compensated absences the year ended December 31, 2020, was as follows:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
<u>Governmental activities:</u>					
Compensated Absences	\$ 423,475	\$ 813,960	\$ (679,049)	\$ 558,386	\$ 679,049

6. Due To/From Other Funds

As of December 31, 2020, the General Fund owes the Capital Reserve Fund \$578,254 for funding capital purchases. In addition, the Debt Service Fund owes the Capital Reserve Fund \$1,183 for funds advanced for debt service obligations.

7. Risk Management

The District is exposed to various risks of loss related to various torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

8. Pensions

The District currently maintains four (4) separate pension and retirement plans. The plans cover paid participating firefighters hired prior to associating with FPPA ("Old Hires" prior to January 1, 1993), new hires, paid administrative personnel and all volunteer firefighters. On January 1, 1993, the District's local volunteer and "old hire" Pension Fund affiliated with the Fire and Police Pension Associations' (FPPA) Fire and Police Members' Benefit Fund under the Colorado Revised Statutes, 31-30-005(l)(k), as amended, at which time all plan assets were transferred to FPPA for administrative purposes. Under the FPPA affiliation agreement, the District is responsible for the collection and transmission of all contributions to the local Pension Fund. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer Plan	\$ 245,183	\$ 139,283	\$ 185,400
Old Hire Plan	125,348	26,808	15,078
FPPA Plan	(668,445)	4,443,276	1,063,897
PERA Plan	1,054,250	206,671	442,844

In the Statement of Net Position, all net pension liabilities have been aggregated and separately reported from the net pension asset.

As of December 31, 2020, the deferred inflows and outflows of resources resulting from all pension plans are comprised as follows:

Deferred outflows of resources:

Difference between actual and projected investment earnings	\$ 123,374
Difference between actual and expected experience	2,331,129
Changes in assumptions	1,269,235
Changes in proportionate share	148,344
Contributions received after measurement date	<u>943,957</u>
Total deferred outflows of resources	<u>\$ 4,816,039</u>

Deferred inflows of resources:

Difference between actual and expected experience	\$ 1,063,896
Difference between actual and expected earnings	200,478
Changes in proportionate share	<u>442,844</u>
Total deferred inflows of resources	<u>\$ 1,707,218</u>

Deferred outflows of resources of \$943,957, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

2021	\$ 146,797
2022	16,100
2023	492,280
2024	(117,254)
2025	511,232
Thereafter	<u>1,115,709</u>
Total	<u>\$ 2,164,864</u>

Volunteer Plan

The District's active volunteer firefighters participate in a non-contributing pension plan administered by a Board of Trustees, which includes District Board members and volunteer firefighters.

The benefit provisions and plan requirements were established by Colorado Revised Statutes and the Board of Trustees has adopted the following schedule of monthly benefits which was in effect at December 31, 2020:

Age and service retirement after age 50 with 20 years of credit service (Effective January 1, 2002).	\$300-\$500
Surviving spouse death benefit:	
After age and service retirement (maximum)	\$150-\$250
Lump-sum death benefit	\$100

Total covered payroll for this plan for 2020 was \$-0-. In 2020, the District contributions were \$28,076 towards meeting the unfunded liability. In addition, the State contribution was \$-0-.

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2019. The measurement date was December 31, 2019. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 7.00%
- Actuarial Method: Entry Age Normal
- Amortization Method: Level Dollar, Open
- Remaining amortization period: 20 years
- Mortality: RP-2014 Mortality Tables for Blue Collar Employees.
- Projected earnings increases for all ages due to inflation: 2.50%

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

Plan membership as of January 1, 2018 was as follows:

Active members	1
Retirees and beneficiaries	67
Inactive, non-retired members	<u>10</u>
Total	78

The pension plan expense for 2020 was \$53,868. The net pension liability is impacted by a change in the discount rate as follows:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 480,241	\$245,183	\$ 45,037

Changes in Net Pension Liability for the measurement period ended December 31, 2019:

Total Pension Liability:

Service cost	\$ 1,087
Interest	173,035
Difference between actual and expected experience	-
Change of assumptions	-
Benefit payments	<u>(220,039)</u>
Net change in total pension liability	(45,917)
Total pension liability -beginning	<u>2,579,557</u>
Total pension liability - ending (a)	<u>\$ 2,533,640</u>

Total Fiduciary Net Pension:

Contributions-employer	\$ 28,076
Net investment income	301,606
Benefit payments	(220,039)
Administrative expense	(17,740)
State of Colorado supplemental discretionary payment	-
Net change in plan fiduciary net position	91,903
Plan fiduciary net position – beginning	<u>2,196,554</u>
Plan fiduciary net position – ending (b)	<u>2,288,457</u>
Net pension liability – ending (a)-(b)	<u>\$ 245,183</u>
Plan fiduciary net position as a percentage of total pension liability	90.32%

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Global Public Equity	38%	7.00%
Long Short	8%	6.00%
Private Capital	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	100%	

"Old Hire" Employee Plan

The District's paid employees, hired prior to associating with FPPA, participate in a contributing pension plan administered by the Board of Trustees. At December 31, 2020 there were no active paid firefighters, and one retired paid firefighter receiving monthly pension benefits from the plan.

Participants are eligible for retirement benefits upon reaching age 50 with 20 or more years of credit service, including partial credit for volunteer service. Retirement benefits are equal to 50% of the amount of the retiree's monthly regular salary as of the date of retirement plus, if the Board of Trustees authorizes such additional benefits, 50% of any increase in salary and longevity or additional pay based on length of service granted during the period of retirement to the rank occupied by the retiree. These benefits are established by State statute.

Total covered payroll for this plan for 2020 was \$0. In 2020, the District contribution was \$12,629 towards meeting the unfunded liability.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2019. The measurement date was December 31, 2019. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 4.50%
- Actuarial Method: Entry Age Normal
- Amortization Method: Level Dollar, Open
- Remaining amortization period: 4 years
- Mortality: RP-2014 Mortality Tables for Blue Collar Employees
- Projected earnings increases for all ages due to inflation: 2.50%

Plan membership as of January 1, 2020 was as follows:

Active Members	-
Retirees and beneficiaries	1
Inactive, non-retired members	<u>-</u>
Total	1

The pension plan expense for 2020 was \$72,931. The net pension liability is impacted by a change in the discount rate as follows:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$140,656	\$ 125,348	\$111,269

Changes in Net Pension Liability for the measurement period ended December 31, 2019:

Total Pension Liability:

Interest	\$ 20,717
Difference between actual and expected experience	37,888
Change in assumptions	25,290
Benefit payments	<u>(53,112)</u>
Net change in total pension liability	30,783
Total pension liability -beginning	<u>302,309</u>
Total pension liability - ending (a)	<u><u>\$ 333,092</u></u>

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

Plan Fiduciary Net Pension:

Contributions-employer	\$	12,629
Net investment income		24,904
Benefit payments		(53,112)
Administrative expense		<u>(1,168)</u>
Net change in plan fiduciary net position		(16,747)
Plan fiduciary net position – beginning		<u>224,491</u>
Plan fiduciary net position – ending (b)		<u>207,744</u>
Net pension liability – ending (a)-(b)	\$	<u><u>125,348</u></u>
Plan fiduciary net position as a percentage of total pension liability		62.37%

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan’s target asset allocation as of the valuation date are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Global Public Equity	10%	7.70%
Long Short	0%	6.50%
Private Capital	0%	9.50%
Fixed Income	80%	5.00%
Absolute Return	0%	5.00%
Managed Futures	0%	4.70%
Cash	10%	3.20%
Total	<u>100%</u>	

Paid Fire Personnel Plan

The District contributes to the Statewide Defined Benefit Plan, cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

8. Pensions (continued)

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan, which is available, by directly contacting the FPPA.

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Disability and survivor benefits with respect to death and disability are funded by the State and are disbursed by FPPA according to State statute. Participants' contributions are fully refundable with simple interest of 5% upon request or termination of employment. Employer contributions remain with the plan to help provide benefits to remaining participants.

Covered employees are required by State statute to contribute 10.5% of their salary (excluding paid overtime and comp time) to the plan. The District is required to contribute an additional or matching 8% of covered salary. For the year ended December 31, 2020, covered employees contributed \$1,010,900 on a base salary of \$9,271,596. The District contributed an additional \$735,198 to the plan on covered employees' behalf.

The following is based on an actuarial study completed as of January 1, 2019. The measurement date is December 31, 2019. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 7.0%
- Actuarial Method: Entry Age Normal
- Amortization Method: Level % of payroll, open
- Amortization period: 30 years
- Mortality: RP-2014 Mortality Tables for Blue Collar Employees
- Projected salary increases: 4.25%-11.25%
- Inflation: 2.5%

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

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.

The employer share of net pension asset as of the measurement period ended December 31, 2019 was \$668,445. The employer proportion was 1.18% based on Employer Contributions, an decrease from the prior year, when the proportion was 1.23%. The pension expense for the period was \$614,079.

The net pension liability (asset) is impacted by a change in the discount rate as follows:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 4,052,926	\$ (668,445)	\$ (4,584,197)

The long-term expected rate of return on pension plan investments was determined using a building-block method, 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	38%	7.00%
Long Short	8%	6.00%
Private Capital	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	100%	

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

8. Pensions (continued)

Administrative Personnel Plan

The District provides and contributes to the Local Government Division Trust Fund (LGDTF), cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement Association (PERA) for administrative and non-firefighting personnel. The LGDTF provides retirement benefits for members and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan, which is available by directly contacting PERA.

The financial statements of the LGDTF are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost and approximate fair value.

Covered employees are required by State statute to contribute 8% of their salary (excluding paid overtime and comp time) through July 1, 2020 to the plan. Effective July 1, 2020 and through December 31, 2020, covered employees contribute 8.5% of their salary. The District contributes an additional or matching 10% of covered salary. For the year ended December 31, 2020, covered employees contributed \$87,869 on a base salary of \$1,604,374. The District contributed an additional \$137,682 to the plan on covered employee's behalf.

The following is based on an actuarial study completed as of December 31, 2018. The measurement date is December 31, 2019. The following assumptions were used in computing the pension benefit obligation for this plan:

- Rate of return on investments and discount rate: 7.25%
- Actuarial Method: Entry Age
- Price inflation: 2.4%
- Real wage growth: 1.1%
- Wage inflation: 3.5%
- Salary increases: 3.5%-10.45%

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the LGDTF plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

8. Pensions (continued)

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.

The employer share of net pension liability as of the measurement period ended December 31, 2020 was \$1,054,250. The employer proportion was 0.14% based on Employer Contributions, an increase from the prior year, when the proportion was 0.13%. The pension expense for the period ended December 31, 2020 was \$65,310.

The net pension liability for the plan is impacted by a change in the discount rate as follows:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 1,936,580	\$ 1,054,250	\$ 312,220

The long-term expected rate of return on pension plan investments was determined using a building-block method, 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return
US Equity – Large Cap	21.20%	4.30%
US Equity – Small Cap	7.42%	4.80%
Non-US Equity – Developed	18.55%	5.20%
Non-US Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non-US Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

9. Other Post-Employment Benefits

Summary of Significant Accounting Policies OPEB

Mountain View Fire Protection District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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

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

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 premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

9. Other Post-Employment Benefits (continued)

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.

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit.

Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and Mountain View Fire Protection District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Mountain View Fire Protection District were \$10,857 for the year ended December 31, 2020.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

9. Other Post-Employment Benefits (continued)

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

At December 31, 2020, Mountain View Fire Protection District reported a liability of \$124,085 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018.

Mountain View Fire Protection District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. At December 31, 2019, the District's proportion was 0.011 percent.

For the year ended December 31, 2020, Mountain View Fire Protection District recognized OPEB expense of \$4,455. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of</u> <u>Resources</u>	<u>Deferred Inflows of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 412	\$ 20,851
Changes in assumptions or other inputs	1,029	-
Net difference between projected and actual earnings on plan investments	-	2,071
Change in proportionate share	-	12,231
Contributions after the measurement date	<u>10,857</u>	<u>-</u>
Total	<u>\$ 12,298</u>	<u>\$ 35,153</u>

\$10,857 reported as deferred outflows of resources related to OPEB, resulting from contributions after the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2021	\$ (7,569)
2022	(7,568)
2023	(6,969)
2024	(7,756)
2025	(3,638)
Thereafter	<u>(210)</u>
Total	\$(33,710)

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

9. Other Post-Employment Benefits (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent for 2019, gradually rising to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually rising to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, 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:

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

9. Other Post-Employment Benefits (continued)

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

9. Other Post-Employment Benefits (continued)

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

9. Other Post-Employment Benefits (continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	<u>1.00%</u>	0.20%
Total	100.00%	

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.60%	5.60%	6.60%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$121,137	\$124,085	\$127,491

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above.

Mountain View Fire Protection District
Notes to Financial Statements (continued)
December 31, 2020

9. Other Post-Employment Benefits (continued)

Sensitivity of the Mountain View Fire Protection District proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$140,303	\$124,085	\$110,215

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

10. TABOR Compliance

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenues.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The District considers \$975,928 as designated for the TABOR's three percent Reserved for Emergency for 2020.

Mountain View Fire Protection District

Notes to Financial Statements (continued)

December 31, 2020

10. TABOR Compliance (continued)

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District levied 7.817 mills for property taxes to be collected in 2008. On November 4, 2008, district voters approved an increase in the existing mill levy by 3.93 mills, resulting in an increase to the mill levy to 11.747 mills. In 2018, the district voters approved an increase in the existing mill levy by 4.50 mills, resulting in the present mill levy of 16.247. The revenue from the increase will be used to offset a planned decrease in oil and gas revenue, replace equipment, fund major facility repairs, as well as build reserves.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, the Amendment specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

On November 4, 1997, District voters approved a ballot issue removing the related revenue and spending limitations of the TABOR Amendment without raising the existing mill levy of the general fund commencing fiscal year 1996 and continuing thereafter, as may be provided by law, for the purposes of defraying the costs of providing fire protection, rescue and emergency medical services

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

11. Commitments

During 2020, the District entered into an intergovernmental agreement to accomplish a merger between Rocky Mountain Fire Protection District and Mountain View Fire Protection District was executed. Effective January 1, 2021, Rocky Mountain Fire Protection District's assigned personnel, assets, and property will all be reported under Mountain View Fire Protection District. The newly combined district will provide services to residents of both jurisdictions. During the year ended December 31, 2020, the general obligation Series 2019 bonds of Rocky Mountain Fire Protection District were assigned to Mountain View Fire Protection District.

Mountain View Fire Protection District

Required Supplementary Information

Mountain View Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property tax	\$ 28,513,415	\$ 29,019,560	\$ 506,145
Specific ownership tax	1,050,141	1,428,946	378,805
Charges for services	1,213,178	1,435,672	222,494
Grant revenue	-	24,555	24,555
Investment earnings	327,626	54,922	(272,704)
Wildland revenue	100,000	835,327	735,327
Other income	23,000	166,320	143,320
	<u>31,227,360</u>	<u>32,965,302</u>	<u>1,737,942</u>
Expenditures:			
Salaries and wages	11,156,723	10,938,458	218,265
Overtime wages	837,268	953,392	(116,124)
Benefits	4,127,952	3,707,812	420,140
General operating supplies	929,417	780,200	149,217
Small equipment/tools	250,137	145,671	104,466
Non-capital tech expenditures	128,926	88,991	39,935
Non-capital fleet expenditures	193,000	136,653	56,347
General purchased services	1,197,127	864,866	332,261
Contract services	655,875	435,187	220,688
Training	410,109	102,545	307,564
Repairs/maintenance equipment	211,000	105,479	105,521
Repairs/maintenance buildings	218,965	107,979	110,986
Utilities	379,000	319,600	59,400
Capital outlay	-	33,146	(33,146)
	<u>20,695,499</u>	<u>18,719,979</u>	<u>1,975,520</u>
Excess Revenue Over (Under)			
Expenditures	<u>10,531,861</u>	<u>14,245,323</u>	<u>3,713,462</u>
Other financing sources and (uses)			
Transfers in (out)	(6,100,000)	(6,100,000)	-
Reserved for TABOR	(620,865)	-	620,865
	<u>(6,720,865)</u>	<u>(6,100,000)</u>	<u>620,865</u>
Net Change in fund balance	3,810,996	8,145,323	4,334,327
Fund Balance—Beginning of year	<u>12,008,766</u>	<u>13,853,975</u>	<u>1,845,209</u>
Fund Balance—End of Year	<u>\$ 15,819,762</u>	<u>\$ 21,999,298</u>	<u>\$ 6,179,536</u>

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

Mountain View Fire Protection District
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended

Volunteer Plan

<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>
12/31/2019	\$ 28,076	\$ 28,076	\$ -	\$ -	N/A**
12/31/2018	28,076	28,076	-	-	N/A**
12/31/2017	24,081	24,081	-	-	N/A**
12/31/2016	24,081	24,081	-	-	N/A**
12/31/2015	24,081	24,081	-	-	N/A**
12/31/2014	37,367	37,367	-	-	N/A**
12/31/2013	37,367	37,367	-	-	N/A**

Old Hire Plan

<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>
12/31/2019	\$ 12,629	\$ 12,629	\$ -	\$ -	N/A**
12/31/2018	3,295	3,295	-	-	N/A**
12/31/2017	3,295	3,295	-	-	N/A**
12/31/2016	-	3,295	3,295	-	N/A**
12/31/2015	-	-	-	-	N/A**
12/31/2014	-	-	-	-	N/A**
12/31/2013	-	3,295	3,295	-	N/A**

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

** Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.

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

Mountain View Fire Protection District
Required Supplementary Information
Schedules of Proportionate Share of the Net Pension and OPEB Liabilities and Related Ratios

Statewide Defined Benefit Plan

Measurement Period Ended*	Proportion of the Net Pension Liability/Asset	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability/Asset
12/31/2019	1.18%	\$ (668,445)	\$ 9,271,596	-7.2%	101.9%
12/31/2018	1.23%	\$ 1,563,196	\$ 8,820,382	17.7%	95.2%
12/31/2017	1.20%	\$ (1,728,386)	\$ 8,444,272	-20.5%	106.3%
12/31/2016	1.23%	\$ 442,771	\$ 7,349,516	6.0%	98.2%
12/31/2015	1.14%	\$ (20,132)	\$ 6,565,250	-0.3%	100.1%
12/31/2014	1.20%	\$ (1,358,189)	\$ 5,901,675	-23.0%	106.8%

Colorado PERA - Pension

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2019	0.14%	\$ 1,054,250	\$ 1,064,374	99.0%	86.3%
12/31/2018	0.13%	\$ 1,749,349	\$ 982,190	178.1%	76.0%
12/31/2017	0.16%	\$ 1,790,838	\$ 911,140	196.5%	79.4%
12/31/2016	0.18%	\$ 2,440,962	\$ 1,023,788	238.4%	73.6%
12/31/2015	0.21%	\$ 2,357,172	\$ 1,150,400	204.9%	76.9%
12/31/2014	0.23%	\$ 2,036,520	\$ 1,246,364	163.4%	80.7%

Colorado PERA - OPEB

Measurement Period Ended*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Actual Covered Payroll	Net OPEB Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2019	0.01%	\$ 124,085	\$ 1,064,374	11.7%	24.5%
12/31/2018	0.01%	\$ 146,812	\$ 982,190	14.9%	17.0%
12/31/2017	0.01%	\$ 162,418	\$ 911,140	17.8%	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.

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

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

Measurement period ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 1,087	\$ 1,223	\$ 1,223	\$ 4,783	\$ 4,783	\$ 6,642
Interest	173,035	187,557	190,362	183,755	186,343	189,244
Difference between expected and actual experience	-	(81,588)	-	41,849	-	(10,160)
Changes of assumptions	-	89,759	-	86,085	-	-
Benefit Payments	<u>(220,039)</u>	<u>(230,920)</u>	<u>(227,120)</u>	<u>(226,160)</u>	<u>(225,135)</u>	<u>(221,906)</u>
Net change in total pension liability	(45,917)	(33,969)	(35,535)	90,312	(34,009)	(36,180)
Total pension liability - Beginning	2,579,557	2,613,526	2,649,061	2,558,749	2,592,758	2,628,938
Total pension liability - Ending (a)	2,533,640	2,579,557	2,613,526	2,649,061	2,558,749	2,592,758
Plan fiduciary net position						
Employer contributions	28,076	28,076	24,081	37,367	37,367	37,367
Net investment income	301,606	2,326	315,112	116,767	43,542	158,185
Benefit payments	(220,039)	(230,920)	(227,120)	(226,160)	(225,135)	(221,906)
Administrative expense	(17,740)	(17,853)	(16,885)	(3,704)	(4,956)	(4,006)
State of Colorado supplemental discretionary payment	<u>-</u>	<u>55,303</u>	<u>-</u>	<u>33,630</u>	<u>33,630</u>	<u>27,109</u>
Net change in plan fiduciary net position	91,903	(163,068)	95,188	(42,100)	(115,552)	(3,251)
Plan fiduciary net position - beginning	2,196,554	2,359,622	2,264,434	2,306,534	2,422,086	2,425,337
Plan fiduciary net position - end (b)	2,288,457	2,196,554	2,359,622	2,264,434	2,306,534	2,422,086
District's net pension liability - ending (a)-(b)	245,183	383,003	253,904	384,627	252,215	170,672
Plan fiduciary net position as a percentage of the total pension liability	90.30%	85.15%	90.29%	85.48%	90.14%	93.42%

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.

Mountain View Fire Protection District
Required Supplementary Information
Old Hire Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	20,717	22,978	22,110	24,111	21,193	23,055
Difference between expected and actual experience	37,888	-	41,788	-	38,197	-
Changes of assumptions	25,290	-	-	-	28,839	-
Benefit Payments	<u>(53,112)</u>	<u>(53,112)</u>	<u>(51,565)</u>	<u>(50,063)</u>	<u>(48,605)</u>	<u>(47,189)</u>
Net change in total pension liability	30,783	(30,134)	12,333	(25,952)	39,624	(24,134)
Total pension liability - Beginning	302,309	332,443	320,110	346,062	306,438	330,572
Total pension liability - Ending (a)	333,092	302,309	332,443	320,110	346,062	306,438
Plan fiduciary net position						
Employer contributions	12,629	3,295	3,295	-	-	38,182
Net investment income	24,904	822	38,230	15,451	6,658	22,539
Benefit payments	(53,112)	(53,112)	(51,565)	(50,063)	(48,605)	(47,189)
Administrative expense	<u>(1,168)</u>	<u>(2,971)</u>	<u>(689)</u>	<u>(2,347)</u>	<u>(858)</u>	<u>(3,413)</u>
Net change in plan fiduciary net position	(16,747)	(51,966)	(10,729)	(36,959)	(42,805)	10,119
Plan fiduciary net position - beginning	224,491	276,457	287,186	324,145	366,950	356,831
Plan fiduciary net position - end (b)	207,744	224,491	276,457	287,186	324,145	366,950
District's net pension liability - ending (a)-(b)	125,348	77,818	55,986	32,924	21,917	(60,512)
Plan fiduciary net position as a percentage of the total pension liability	62.37%	74.26%	83.16%	89.71%	93.67%	119.75%

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.

Mountain View Fire Protection District

Other Supplementary Information

Mountain View Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Reserve Fund
December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Other income	\$ -	\$ 113,031	\$ 113,031
Investment earnings	<u>50,000</u>	<u>4,841</u>	<u>(45,159)</u>
Total Revenues	<u>50,000</u>	<u>117,872</u>	<u>67,872</u>
Expenditures:			
Other	-	88,439	(88,439)
Capital outlay	<u>7,196,863</u>	<u>4,549,437</u>	<u>2,647,426</u>
Total Expenditures	<u>7,196,863</u>	<u>4,637,876</u>	<u>2,558,987</u>
Excess Revenue Over (Under)			
Expenditures	<u>(7,146,863)</u>	<u>(4,520,004)</u>	<u>2,626,859</u>
Other financing sources and (uses)			
Transfers in (out)	<u>6,100,000</u>	<u>6,100,000</u>	<u>-</u>
Total other financing sources and (uses)	<u>6,100,000</u>	<u>6,100,000</u>	<u>-</u>
Net Change in fund balance	(1,046,863)	1,579,996	2,626,859
Fund Balance—Beginning of year	<u>1,116,455</u>	<u>362,430</u>	<u>(754,025)</u>
Fund Balance—End of Year	<u>\$ 69,592</u>	<u>\$ 1,942,426</u>	<u>\$ 1,872,834</u>

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

Mountain View Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Debt Service Fund
December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Investment earnings	\$ 19	\$ 18	\$ (1)
Total Revenues	19	18	(1)
Expenditures:			
Other	20	-	20
Total Expenditures	20	-	20
Net Change in fund balance	(1)	18	19
Fund Balance—Beginning of year	(1,229)	(1,201)	28
Fund Balance—End of Year	\$ (1,230)	\$ (1,183)	\$ 47

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