



**Financial Statements
December 31, 2021**

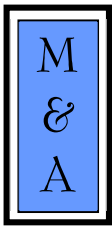
**Carbondale and Rural Fire Protection District
Carbondale, Colorado
Financial Report**

December 31, 2021

**Carbondale and Rural Fire Protection District
Financial Report
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Carbondale and Rural Fire Protection District
Carbondale, Colorado**

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Carbondale and Rural Fire Protection District (the "District"), as of and for the year ended December 31, 2021, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carbondale and Rural Fire Protection District, as of December 31, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Carbondale and Rural Fire Protection District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITORS REPORT
To the Board of Directors
Carbondale and Rural Fire Protection District
Carbondale, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

The District has not presented Management's Discussion and Analysis that U.S. GAAP has determined is necessary to supplement, although not required to be a part of, the basic financial statement. Our opinions on the basic financial statements are not affected by the missing information.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison 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 U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITORS REPORT
To the Board of Directors
Carbondale and Rural Fire Protection District
Carbondale, Colorado

Required Supplementary Information (continued)

U.S. GAAP requires that the Schedule of Changes in Net Pension Asset / Liability, Schedule of District's Proportionate Share of the Net Pension Asset / Liability and the Schedules of District Contributions in section D, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 U.S. GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbondale and Rural Fire Protection District's basic financial statements. The individual fund budgetary comparisons in Section E are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information in Section E is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 13, 2022

FINANCIAL STATEMENTS

Carbondale and Rural Fire Protection District
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2021

Governmental Funds Balance Sheet

	General Fund	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
Assets:						
Cash and cash equivalents - Unrestricted	2,505,554	-	485,504	2,991,058	-	2,991,058
Cash and cash equivalents - Restricted	-	-	51,651	51,651	-	51,651
Investments - Unrestricted	-	510,227	603,635	1,113,862	-	1,113,862
Due from County Treasurer	26,228	-	-	26,228	-	26,228
Assessed taxes receivable	4,621,414	934,728	-	5,556,142	-	5,556,142
Accounts receivable, net of allowance of \$76,188	46,558	-	-	46,558	-	46,558
Prepaid expenses	20,709	-	11,597	32,306	-	32,306
Due to/from other fund	83,607	(83,607)	-	-	-	-
Net pension asset - defined benefit plan	-	-	-	-	576,963	576,963
Net pension asset - hybrid plan	-	-	-	-	160,969	160,969
Capital assets, net of accumulated depreciation	-	-	-	-	13,148,333	13,148,333
Total Assets	<u>7,304,070</u>	<u>1,361,348</u>	<u>1,152,387</u>	<u>9,817,805</u>	<u>13,886,265</u>	<u>23,704,070</u>
Deferred Outflows of Resources:						
Pension related deferred outflows	-	-	-	-	1,202,460	1,202,460
Bond related deferred outflows	-	-	-	-	21,822	21,822
Total Deferred Outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,224,282</u>	<u>1,224,282</u>
Total Assets and Deferred Outflows	<u>7,304,070</u>	<u>1,361,348</u>	<u>1,152,387</u>	<u>9,817,805</u>	<u>15,110,547</u>	<u>24,928,352</u>
Liabilities:						
Accounts payable and accrued liabilities	151,732	-	290,987	442,719	-	442,719
Accrued interest payable	-	-	-	-	28,860	28,860
Compensated absences	-	-	-	-	255,687	255,687
Loan payable:						
Due within one year	-	-	-	-	41,723	41,723
Bonds payable:						
Due within one year	-	-	-	-	550,000	550,000
Due in more than one year	-	-	-	-	9,252,520	9,252,520
Net pension liability - volunteer plan	-	-	-	-	488,261	488,261
Total Liabilities	<u>151,732</u>	<u>-</u>	<u>290,987</u>	<u>442,719</u>	<u>10,617,051</u>	<u>11,059,770</u>
Deferred Inflows of Resources:						
Unavailable property tax revenues	4,621,414	934,728	-	5,556,142	-	5,556,142
Pension related deferred inflows	-	-	-	-	964,014	964,014
Total Deferred Inflows of Resources	<u>4,621,414</u>	<u>934,728</u>	<u>-</u>	<u>5,556,142</u>	<u>964,014</u>	<u>6,520,156</u>
Fund Balances / Net Position:						
Fund Balances:						
Non-spendable	20,709	-	11,597	32,306	(32,306)	-
Restricted for emergencies	133,332	-	-	133,332	(133,332)	-
Assigned for debt service	-	426,620	-	426,620	(426,620)	-
Assigned for capital projects	-	-	849,803	849,803	(849,803)	-
Unassigned	2,376,883	-	-	2,376,883	(2,376,883)	-
Total Fund Balances	<u>2,530,924</u>	<u>426,620</u>	<u>861,400</u>	<u>3,818,944</u>	<u>(3,818,944)</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>7,304,070</u>	<u>1,361,348</u>	<u>1,152,387</u>	<u>9,817,805</u>		
Net Position:						
Investment in capital assets, net of related debt					3,345,813	3,345,813
Restricted for emergencies					133,332	133,332
Unrestricted					3,869,281	3,869,281
Total Net Position					<u>7,348,426</u>	<u>7,348,426</u>

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

Carbondale and Rural Fire Protection District
Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances/Statement of Activities
For the Year Ended December 31, 2021

Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances

	General Fund	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
Revenues:						
Property taxes	4,110,922	913,469	-	5,024,391	-	5,024,391
Abated taxes	8,830	1,173	-	10,003	-	10,003
Specific ownership taxes	361,689	-	-	361,689	-	361,689
Interest on delinquent taxes	8,837	-	-	8,837	-	8,837
Charges for services:						
Emergency medical services	265,534	-	-	265,534	261,842	527,376
Investment income	173	469	85,000	85,642	-	85,642
Grants and contributions	54,988	-	1,830	56,818	-	56,818
Wildfire contracts	746,529	-	-	746,529	-	746,529
Impact fees	-	-	146,730	146,730	-	146,730
Miscellaneous:						
Building rentals	6,000	-	-	6,000	-	6,000
Special event contracts	9,820	-	-	9,820	-	9,820
Other	86,673	-	-	86,673	-	86,673
Total Revenues	5,659,995	915,111	233,560	6,808,666	261,842	7,070,508
Expenditures/Expenses:						
Personnel services	3,917,730	-	-	3,917,730	160,664	4,078,394
General and administrative	314,804	22,300	-	337,104	31,146	368,250
Provisions for uncollectible EMS charges	-	-	-	-	261,842	261,842
Firefighting	132,398	-	-	132,398	326,789	459,187
Emergency medical services	67,408	-	-	67,408	65,105	132,513
Communications	51,328	-	-	51,328	30,433	81,761
Training	51,959	-	-	51,959	-	51,959
Equipment	99,948	-	-	99,948	-	99,948
Other	22,351	-	-	22,351	-	22,351
Station	136,416	-	-	136,416	247,473	383,889
Capital outlay	-	-	3,599,075	3,599,075	(3,413,760)	185,315
Debt service:						
Principal	-	535,000	99,596	634,596	(634,596)	-
Interest	-	357,025	2,442	359,467	(22,446)	337,021
Total Expenditures/Expenses	4,794,342	914,325	3,701,113	9,409,780	(2,947,350)	6,462,430
Excess (Deficiency) of Revenues Over Expenditures / Change in Net Position	865,653	786	(3,467,553)	(2,601,114)	3,209,192	608,078
Other Financing Sources (Uses):						
Transfers in (out)	(350,000)	-	350,000	-	-	-
Total Other Financing Sources (Uses)	(350,000)	-	350,000	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	515,653	786	(3,117,553)	(2,601,114)	2,601,114	
Changes in Net Position					608,078	608,078
Fund Balances/Net Position:						
Beginning of Year	2,015,271	425,834	3,978,953	6,420,058		6,740,348
End of Year	2,530,924	426,620	861,400	3,818,944		7,348,426

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

**Carbondale and Rural Fire Protection District
Statement of Fiduciary Net Position
Volunteer Firefighters Pension Fund
December 31, 2021**

Assets:	
Investments - Restricted	2,662,733
Property taxes receivable	<u>62,894</u>
Total Assets	<u><u>2,725,627</u></u>
Liabilities:	
Accounts payable and accrued liabilities	<u>9,006</u>
Total Liabilities	<u><u>9,006</u></u>
Deferred Inflows of Resources:	
Unavailable property tax revenues	<u>62,894</u>
Total Deferred Inflows of Resources	<u><u>62,894</u></u>
Net Position:	
Held in trust for pension benefits	<u><u>2,653,727</u></u>

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

**Carbondale and Rural Fire Protection District
Statement of Changes in Fiduciary Net Position
Volunteer Firefighters Pension Fund
For the Year Ended December 31, 2021**

Additions:	
State matching contribution	50,733
Property taxes	45,469
Net investment gain	371,247
Total Additions	<u>467,449</u>
Deductions:	
Administration	34,486
Treasurer's fees	2,000
Disability insurance	5,491
Pension payments	236,750
Total Deductions	<u>278,727</u>
Change in Net Position	188,722
Net Position - Beginning	<u>2,465,005</u>
Net Position - Ending	<u><u>2,653,727</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021

I. Summary of Significant Accounting Policies

The Carbondale and Rural Fire Protection District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within Carbondale and the surrounding area.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

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

The District has no component units, and it is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. However, the District does not have any business-type activities, only governmental activities.

1. Government-wide Financial Statements

In the Governmental Funds Balance Sheet/Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets; restricted net position; and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The effect of interfund activity has been eliminated from the government-wide financial statements.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The *Debt Service Fund* accounts for property taxes levied for debt payment on general obligation bonds.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District reports the following agency fund which is not included in the government-wide statements since the resources of the fund are not available to the District:

The *Pension Fund* accounts for the volunteer pension investments.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental funds financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to accrued compensated absences are recognized when due.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

Certain deposits held by the District are classified as restricted assets on the balance sheet because their use is limited to the District's debt requirements.

2. Investments

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease in investment assets and investment income.

The District follows state statute, which permits investments in the following types of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements and are eliminated in the government-wide financial statements.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Capital Assets

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

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

Assets	Years
Buildings	15 - 40
Equipment	5 - 20

7. Pensions

The District participates in the Statewide Defined Benefit Plan and the Statewide Hybrid Plan, both administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The Statewide Hybrid Plan is comprised of two components: Defined Benefit and Money Purchase. The District also sponsors an agent multiple employer defined benefit plan for its volunteer firefighters. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. Compensated Absences

The District permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the government-wide financial statements.

9. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position column.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, which are the pension-related deferred outflows and deferred charges on refunding reported in the government-wide statement of net position.

Deferred charges on refunding is the difference between the reacquisition price and the net carrying amount of the defeased debt. The deferred charge is amortized over the life of the refunding bonds, and the amortization is included in interest expense.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for this type of reporting in this category, which are the unavailable revenues from property taxes and pension-related deferred inflows reported in the government-wide statement of net position.

Deferred items related to the District's pension plans, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan, are amortized over the average remaining service life of active and inactive plan participants.

11. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The General Fund has \$133,332 restricted by law for emergencies. The General Fund also has \$0 restricted for debt covenants.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee. The Capital Project Fund's entire balance is restricted for future capital project and equipment acquisition. The Debt Service Fund's entire balance is restricted for future debt covenants.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve position and management calculates targets and reports them annually to the Board of Directors.

12. Use of Estimates

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the Governmental Funds Balance Sheet and the government-wide Statement of Net Position

The Governmental Funds Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds.

Capital assets	\$ 19,553,991	
Accumulated depreciation	(6,405,658)	
	\$ 13,148,333	\$ 13,148,333

Deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds.

Deferred charges on bond refunding		\$ 21,822
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Long-term liabilities, including bonds payables, are not due and payable in the current period and, therefore are not reported in the funds.

Loans payable	\$ (41,723)	
Bonds payable	(9,175,000)	
Unamortized bond issuance premium	(627,520)	
Accrued interest payable	(28,860)	
Compensated absences	(255,687)	
	\$ (10,128,790)	\$ (10,128,790)

Net pension assets/(liabilities) and related deferrals are not available for resources/(expenditures) and, therefore, are not reported in the funds.

Net pension asset/(liability) - volunteer fund	\$ (488,261)	
Net pension asset/(liability) - defined benefit plan	576,963	
Net pension asset/(liability) - hybrid plan	160,969	
Pension related deferred outflows	1,202,460	
Pension related deferred inflows	(964,014)	
	\$ (488,261)	

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital additions	\$ 3,413,760	
Depreciation expense	(700,946)	
		\$ 2,712,814

Some expenses reported in the Statement of Activities, including the change in accrued compensated absences, do not require the use of current financial resources and therefore are not recorded as expenditures in governmental funds.

Volunteer pension contributions	\$ 45,469	
Pension expense/(income)	(184,179)	
Net change in compensated absences	(21,954)	
		\$ (160,664)

The issuance of long-term debt (e.g., leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal repayments - Loans payable	\$ 99,596	
Principal repayments - Bonds payable	535,000	
Amortization of premium on bonds payable	28,524	
Amortization of bond refunding charges	(6,970)	
		\$ 656,150

Governmental funds report bond interest when paid; while the Statement of Activities accrues interest expense as incurred.

Change to accrued interest		\$ 892
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Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. GAAP.

- (1) For the 2021 budget, prior to August 25, 2020, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2020, only once by a single notification to the District.
- (2) On or before October 15, 2020, the District's budget officer submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2021 budget, prior to December 15, 2020, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's voters approved the following ballot question on May 7, 1996:

Shall Carbondale and Rural Fire Protection District's taxes be increased \$169,782 annually (maximum first full fiscal year dollar increase) beginning January 1, 1997, and by whatever additional amounts are raised annually thereafter by an ad valorem property tax levy of one and sixty-nine hundredths (1.69) mill, to be in excess of property tax revenues that would be provided by the District's operating mill levy otherwise permitted under state law without such increase (making the District's total maximum operating mill levy six and two hundred fifty-nine thousandths (6.259) mills, to constitute a voter-approved revenue and spending change?

The District's voters approved the following ballot question on November 5, 2002:

Shall the Carbondale and Rural Fire Protection District be authorized to collect, retain and expend the full revenues generated each year subsequent to 2002, to receive and expend state grants, and to receive and expend all property tax revenues for capital projects and general obligations without limiting in any year the amount of other revenue that may be collected and spent by the Carbondale and Rural Fire Protection District?

Nothing herein shall permit any increase in the property tax mill levy imposed by the Carbondale and Rural Fire Protection District without the express approval of the voters within the District's boundaries.

The District's voters approved the following ballot questions on May 4, 2004:

Shall Carbondale and Rural Fire Protection District taxes be increased up to \$415,000 annually (for collection in calendar year 2005) and by such additional amounts raised annually, thereafter by an ad valorem property tax mill levy imposed for District operations, training, and maintenance at a rate of 1.5 mills, which increase shall be in addition to the mill levy currently imposed by the District; and shall the revenue from such taxes constitute permanent voter-approved revenue changes within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes?

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

The District's voters approved the following ballot questions on May 4, 2004 (continued):

Shall Carbondale and Rural Fire Protection District Debt be increased up to \$6,750,000, with a maximum repayment cost of up to \$11,500,000, and shall District taxes be increased up to \$625,000 annually for the purpose of financing the costs of providing fire protection and services, such debt to consist of the issuance and payment of general obligation bonds, which bonds shall bear interest at a maximum net effective interest rate not to exceed 5.5% per annum and be issued, dated and sold at such time or times, at such prices and in such manner and containing such terms, not inconsistent herewith, as the Board of Directors may determine; shall ad valorem property taxes be levied in any year, without limitation as to rate or amount, to pay the principal of, premium if any, and interest on such bonds as the same become due; and shall any earnings on the investment of the revenues from such taxes and on the proceeds of such bonds (regardless of amount) constitute a voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution?

The District's voters approved the following ballot question on November 1, 2011:

Shall Carbondale and Rural Fire Protection District taxes be increased by \$775,236 annually for a limited two-year period, beginning in tax collection year 2012, continuing each year through tax collection year 2013 and terminating thereafter, with such increase to be deposited in the General Fund for the purpose of funding the costs of, among other things: maintaining current levels of essential firefighting and paramedic services by an additional property tax to be levied at a rate sufficient to produce \$775,236 (such mill levy to be in addition to the mill levy currently imposed by the District) as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution and authorization to exceed the limitation contained in Section 29-1-301 of the Colorado Revised Statutes?

The District's voters approved the following ballot question on November 3, 2015:

Shall Carbondale and Rural Fire Protection District taxes be increased by \$595,204 annually for a limited two-year period (for tax collection years 2016 and 2017) only with such increase to be deposited in the General Fund for the purpose of funding the costs of, among other things, maintaining current levels of essential firefighting and paramedic services, by a property tax to be levied at a rate of 1.75 mills (such mill levy to be in addition to the mill levy currently imposed by the district) as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution and authorization to exceed the limitation contained in section 29-1-301 of the Colorado Revised Statutes?

The District's voters approved the following ballot question on November 7, 2017:

Shall Carbondale and Rural Fire Protection District taxes be increased by \$630,456 annually for a limited three-year period (for tax collection years 2018, 2019, and 2020 only) with such increase to be deposited in the General Fund for the purpose of funding the costs of, among other things, maintaining current levels of essential firefighting and paramedic services, by a property tax to be levied at a rate of 1.75 mills (such mill levy to be in addition to the mill levy currently imposed by the District) as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution and authorization to exceed the limitation contained in section 29-1-301 of the Colorado Revised Statutes?

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

The District's voters approved the following ballot questions on November 6, 2018:

Shall the Carbondale and Rural Fire Protection District taxes be increased up to \$1.7 million annually (for collection in calendar year 2019) and by such additional amounts raised annually thereafter by an ad valorem property tax imposed at a rate of 4.569 mills (which rate includes the extended mill levy approved by the electors in 2017) in order to meet the operational costs of providing fire protection, medical, rescue and other emergency services; and shall the revenue from the operating mill levy constitute a voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes?

Shall the Carbondale and Rural Fire Protection District debt be increased up to \$7.5 million, with a maximum repayment cost of up to \$15.1 million, and shall district taxes be increased up to \$720,000 annually for the purpose of financing the costs of,

- purchasing and upgrading ten firefighting apparatus and three ambulances to replace an aging fleet,*
- constructing a multifunction training facility to improve response capability and enhance responder safety,*
- expanding two fire stations by the addition of apparatus bays to properly house and position apparatus, and*
- constructing a maintenance facility to enable the district to perform comprehensive maintenance and repair of apparatus and equipment,*

and to the extent funds are available, equipping, improving and acquiring fire protection apparatus and facilities, such debt to consist of the issuance and payment of general obligation bonds, which bonds shall bear interest at a maximum net effective interest rate not to exceed 5.5% per annum and be issued at such times and prices (at, above or below par) and in such manner and containing such terms, not inconsistent herewith, as the Board of Directors may determine; shall ad valorem property taxes be levied without limit as to the mill rate to generate an amount sufficient in each year to pay the principal of, premium if any, and interest on such debt and to fund any reserves for the payment thereof; and shall any earnings from the investment of the proceeds of such taxes and bonds constitute a voter-approved revenue change?

The District's voters approved the following ballot question on November 3, 2020:

Shall Carbondale and Rural Fire Protection District be authorized to increase or decrease its current and all future mill levies if, on or after November 3, 2020, there are changes in the method of calculating assessed valuation of one or more property class, including but not limited to a change in the percentage of actual valuation used to determine residential assessed valuation due to Article X Section 3 of the Colorado Constitution (commonly known as the Gallagher Amendment) or for any other reason such as action by the Legislature, so that, to the extent possible, the actual tax revenues generated by such voter-approved mill levies are the same as the actual tax revenues that would have been generated had such changes not occurred?

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. Gallagher Amendment

In November 1982, Colorado voters approved an amendment (the “Gallagher Amendment”) to Article X of the Colorado Constitution. The Gallagher Amendment sets guidelines to establish the proportionate total statewide assessed valuations for residential and non-residential property, with required adjustments to assessment rates to maintain the respective valuations for assessment such that approximately 45% of property tax collections would come from residential property and 55% to come from non-residential property. Further, the Gallagher Amendment requires that the non-residential assessment rate applied to actual values be fixed at 29% with the residential assessment rate (“RAR”) to be adjusted to hold the 45% / 55% split constant. Because of the increase in residential property values in Colorado, the RAR has historically trended downward, which, in combination with TABOR’s set mill levy rate, may limit the amount of property taxes the District can generate annually.

In November 2020, Colorado voters repealed the Gallagher Amendment.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the District’s deposits at each separately chartered FDIC-member financial institution, without regard to the nature of the accounts. Any remaining deposit are collateralized as required by PDPA. The carrying amount of the District’s demand deposits was \$3,042,385.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk

Credit Risk. The District’s investment policy limits investments to those authorized by State statutes. The District’s general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a statement of collateral in a form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2021, the District had the following deposits and investments with the following maturities:

<u>Type</u>	<u>Standard & Poors Rating</u>	<u>Carrying Amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
<i>Deposits:</i>				
Petty cash	Not rated	\$ 324	\$ 324	\$ -
Checking and savings	Not rated	2,990,734	2,990,734	-
Restricted deposits	Not rated	51,651	51,651	-
<i>Investments:</i>				
Investment pools	AAAm	1,113,862	1,113,862	-
		<u>\$ 4,156,571</u>	<u>\$ 4,156,571</u>	<u>\$ -</u>

Fair Value of Investments. The District measures and records its investments using fair value guidelines established by generally accepted accounting principles. There were no investments requiring disclosure in the fair value hierarchy.

The Investment Pool represents investments in CSAFE measured at net asset value. The District has no regulatory oversight for the pool. At December 31, 2021, the District's investments in CSAFE were 100% of the District's investment portfolio.

At December 31, 2021, the District had the following recurring measurements:

<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
CSafe	\$ 1,113,862

B. Interfund Balances and Transfers

There was the following interfund transfer during 2021:

<u>Transferred to:</u>	<u>Transferred from:</u>	<u>Amount</u>	<u>Purpose</u>
Capital Projects	General Fund	\$ 350,000	Annual transfer to CPF

Interfund balances at December 31, 2021 were as follows:

<u>Due to:</u>	<u>Due from:</u>	<u>Amount</u>	<u>Purpose</u>
General	Debt Service	83,607	Interfund transactions

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 3,081,774	\$ 3,083,391	\$ (4,402,791)	\$ 1,762,374
Land	934,887	-	-	934,887
Total capital assets, not being depreciated	<u>4,016,661</u>	<u>3,083,391</u>	<u>(4,402,791)</u>	<u>2,697,261</u>
Capital assets, being depreciated:				
Fire stations and improvements	7,439,387	2,294,770	-	9,734,157
Vehicles and equipment	5,183,125	2,438,390	(498,942)	7,122,573
Total capital assets being depreciated	<u>12,622,512</u>	<u>4,733,160</u>	<u>(498,942)</u>	<u>16,856,730</u>
Less accumulated depreciation:				
Fire stations and improvements	(2,607,948)	(272,394)	-	(2,880,342)
Vehicles and equipment	(3,595,706)	(428,552)	498,942	(3,525,316)
Total accumulated depreciation	<u>(6,203,654)</u>	<u>(700,946)</u>	<u>498,942</u>	<u>(6,405,658)</u>
Total capital assets, being depreciated, net	<u>6,418,858</u>	<u>4,032,214</u>	<u>-</u>	<u>10,451,072</u>
Total Capital Assets, Net	<u>\$ 10,435,519</u>	<u>\$ 4,032,214</u>	<u>\$ -</u>	<u>\$ 13,148,333</u>

Depreciation expense was charged to functions of the District as follows:

General and administrative	\$ 31,146
Firefighting	326,789
Emergency medical services	65,105
Communications	30,433
Station	247,473
Total depreciation expense	<u>\$ 700,946</u>

D. Long-term Obligations

At December 31, 2021, the District had the following long-term obligations outstanding:

1. \$900,000 Loan Payable

On May 23, 2012, the District incurred a loan payable to Alpine Bank whereby the District received \$900,000 to purchase an aerial ladder truck and tender truck for \$701,877 and \$172,092, respectively. The District restricted \$451,200 cash held at Alpine Bank as collateral for the outstanding loan principal, which is payable in 120 monthly installments of \$8,503.18, including variable rate interest at 2.5% over the Alpine Bank Money Market Rate, with the final installment of all unpaid principal and interest due on May 23, 2022.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Long-term Obligations (continued)

1. \$900,000 Loan Payable (continued)

The portion of the 2012 loan payable remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 41,723	\$ 793	\$ 42,516
	<u>\$ 41,723</u>	<u>\$ 793</u>	<u>\$ 42,516</u>

2. Convertible General Obligation Refunding Bonds, Series 2017

On March 28, 2017, the District issued Convertible General Obligation Refunding Bonds (Taxable Note Convertible to a Tax-Exempt Bond on the Conversion Date), Series 2017 in the amount of \$3,820,000 to refund the General Obligation Refunding Bonds, Series 2007. Net proceeds after issuance costs were deposited with an escrow agent to pay the refunded 2007 bonds.

The difference in the cash flows between the old debt and the new debt resulted in a net present value savings to the District on the refunding of \$178,777.

On September 7, 2017 (the "Conversion Date"), the interest rate changed from the taxable rate of 2.5% to the tax-exempt rate of 2%.

The bonds are subject to redemption at the option of the District, in whole but not in part, on June 1, 2022, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The bonds have bi-annual payment dates of June 1 and December 1. The interest rates on the outstanding bond effective September 7, 2017 is 2% and the bonds mature on December 1, 2024. The bonds will be serviced by the Debt Service Fund.

Proceeds of the refunding bonds issuance were used to purchase U.S. government securities to retire outstanding issuances. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District's financial records. The amount of defeased bonds outstanding at year-end is \$3,170,000.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

2. Convertible General Obligation Refunding Bonds, Series 2017 (continued)

The portion of the 2017 bond issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 550,000	\$ 33,500	\$ 583,500
2023	560,000	22,500	582,500
2024	565,000	11,300	576,300
	<u>\$ 1,675,000</u>	<u>\$ 67,300</u>	<u>\$ 1,742,300</u>

3. General Obligation Bonds, Series 2019

On January 24, 2019 the District issued General Obligation Bonds, Series 2019 in the amount of \$7,500,000 to finance the costs of various capital projects set forth in the ballot question of November 6, 2018. The Bonds were issued at a premium of \$713,091 and bear interest at nominal rates ranging from 4% to 4.5%, with yields ranging from 2.26% to 3.36%.

The bonds maturing on or after December 1, 2029 are subject to redemption prior to maturity at the option of the District, in whole but not in part, on December 1, 2028, and on any date thereafter, at a redemption price of 100% of principal, plus accrued interest to the redemption date.

The bonds maturing on December 1, 2043 are subject to mandatory sinking fund redemption by on December 1, 2039 and December 1 of each year thereafter and in specified principal amounts, at a redemption price equal to the specified principal amount, with no redemption premium, plus accrued interest to the redemption date.

The bonds have bi-annual payment dates of June 1 and December 1. The bonds mature on December 1, 2043. The bonds will be serviced by the Debt Service Fund and Capital Projects Fund.

The portion of the 2019 bonds issue remaining is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 312,825	\$ 312,825
2023	-	312,825	312,825
2024	-	312,825	312,825
2025	270,000	312,825	582,825
2026	280,000	302,025	582,025
2027 - 2031	1,580,000	1,332,725	2,912,725
2032 - 2036	1,925,000	990,125	2,915,125
2037 - 2041	2,350,000	565,975	2,915,975
2042 - 2043	1,095,000	74,475	1,169,475
	<u>\$ 7,500,000</u>	<u>\$ 4,516,625</u>	<u>\$ 12,016,625</u>

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Long-Term Debt (continued)

The District's annual debt service requirements are as follows:

Fiscal Year Ending:	General Obligation Refunding 2017	General Obligation 2019	Loan Payable 2012	Total
2022	\$ 583,500	\$ 312,825	\$ 42,516	\$ 938,841
2023	582,500	312,825	-	895,325
2024	576,300	312,825	-	889,125
2025	-	582,825	-	582,825
2026	-	582,025	-	582,025
2027 - 2031	-	2,912,725	-	2,912,725
2032 - 2036	-	2,915,125	-	2,915,125
2037 - 2041	-	2,915,975	-	2,915,975
2042 - 2043	-	1,169,475	-	1,169,475
Total	<u>1,742,300</u>	<u>12,016,625</u>	<u>42,516</u>	<u>13,801,441</u>
Less: Interest				(4,584,718)
Debt Outstanding				<u><u>\$ 9,216,723</u></u>

The District had the following changes in debt for the year ended December 31, 2021.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable					
G.O. Bonds, Series 2017	\$ 2,210,000	\$ -	\$ (535,000)	\$ 1,675,000	\$ 550,000
G.O. Bond, Series 2019	7,500,000	-	-	7,500,000	-
Premium on 2019 bonds	656,044	-	(28,524)	627,520	-
Loan Payable	141,319	-	(99,596)	41,723	41,723
Total Long Term Debt	<u>10,507,363</u>	<u>-</u>	<u>(663,120)</u>	<u>9,844,243</u>	<u>591,723</u>
Accrued interest payable	29,752	-	(892)	28,860	-
Compensated absences	233,733	21,954	-	255,687	-
Net pension liabilities/(assets):					
Volunteer plan	367,351	120,910	-	488,261	-
Defined benefit plan	(152,502)	-	(424,461)	(576,963)	-
Hybrid plan	(117,747)	-	(43,222)	(160,969)	-
Total Long Term Obligations	<u>\$ 10,867,950</u>	<u>\$ 142,864</u>	<u>\$ (1,131,695)</u>	<u>\$ 9,879,119</u>	<u>\$ 591,723</u>

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

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

The plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Director Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members).

The plan is administered by the Fire & Police Members' Benefit Investment Fund and the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://FPPAco.org>.

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12.0% of pensionable earnings. Employer contributions are 8.0% and 8.5% in 2020 and 2021, respectively. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13.0% of pensionable earnings. In 2020, members of SWDB plan and their employers are contributing at a rate of 11.0% and 8.0%, respectively, of pensionable earnings for a total contribution rate of 19.0%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0% and 23.5% of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4.0% contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4.0% contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors Approved Resolution.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

The contribution rate for members and employers of affiliated social security employers is 5.5% and 4.0%, respectively, of pensionable earnings for a total contribution rate of 9.5% in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliated social security group had their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6.0% of pensionable earnings. Employer contributions are 4.0% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

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

The annual retirement benefit is 2.0% of the average member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be redetermined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3.0% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A Member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5.0% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2.0% of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Net Pension Liability. At December 31, 2021, the District reported \$576,963 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportionate share of the net pension asset was based on the District's contributions to the Plan for the calendar year 2020 relative to the total contributions of participating employers to the Plan.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

At December 31, 2021, the District's proportionate share was 0.265759%, as compared to 0.269647% at December 31, 2020.

Net Pension Liability (continued). For the year ended December 31, 2021, the District recognized pension income of \$29,888. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 489,322	\$ 2,295
Changes of assumptions or other inputs	245,391	-
Net difference between projected and actual earnings on pension plan investments	-	592,625
Difference between actual and reported contributions recognized	-	3,553
Changes in proportionate share of contributions	65,984	91,588
Contributions subsequent to the measurement date	186,844	-
Total	\$ 987,541	\$ 690,061

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as an increase of the net pension asset in the year ended December 31, 2022.

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

Year ending December 31:	
2022	\$ (65,888)
2023	10,979
2024	(88,723)
2025	10,785
2026	100,857
Thereafter	142,626
	\$ 110,636

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate *	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0%	0%
* includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income	10%	4.01%
Absolute Return	5%	5.25%
Managed Futures	10%	5.60%
Cash	2%	2.32%
	100%	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.0%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.0%.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective net pension liability/(asset)	\$ 218,477,475	\$ (217,100,397)	\$ (577,813,278)
Proportionate share of net pension liability/(asset)	\$ 580,624	\$ (576,963)	\$ (1,535,591)

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

2. FPPA Statewide Hybrid Plan

Plan Description. The Plan was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan ("DROP") assets are included in the Fire & Police Members' Self-Directed Investment Fund.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8% of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.8%. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.8%.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after five years of service. Employer and member contributions are invested in funds at the discretion of members.

Benefits. The Plan states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55 if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0% to 3%.

Benefits (continued). A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or at age 50 with at least five years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5.0% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' base salary for each year of credited service.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability. At December 31, 2021, the District reported \$160,969 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportionate share of the net pension asset was based on the District's contributions to the Plan for the calendar year 2020 relative to the total contributions of participating employers to the Plan.

At December 31, 2021, the District's proportionate share was 0.585236%, as compared to 0.604639% at December 31, 2020.

For the year ended December 31, 2021, the District recognized pension income of \$22,634. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,776	\$ -
Changes of assumptions or other inputs	7,559	-
Net difference between projected and actual earnings on pension plan investments	-	37,276
Difference between actual and reported contributions recognized	10,073	-
Changes in proportionate share of contributions	14,964	6,748
Contributions subsequent to the measurement date	5,441	-
Total	<u>\$ 97,813</u>	<u>\$ 44,024</u>

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as an increase of the net pension asset in the year ended December 31, 2022.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability (continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2022	\$	13,218
2023		17,685
2024		8,663
2025		2,146
2026		4,555
Thereafter		2,081
		\$ 48,348

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate *	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0%	0%
* includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Actuarial Assumptions (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income	10%	4.01%
Absolute Return	5%	5.25%
Managed Futures	10%	5.60%
Cash	2%	2.32%
	<u>100%</u>	

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

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective net pension liability/(asset)	\$ (18,956,442)	(27,505,090)	(34,596,077)
Proportionate share of net pension liability/(asset)	\$ (110,940)	\$ (160,969)	\$ (202,469)

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at http://www.fppaco.org/annual_reports.htm.

3. Volunteer Pension Fund

Plan Description. The District is trustee of a single-employer defined benefit pension plan available to provide retirement income for volunteer fire fighters in recognition of their service to the District. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org/annual-reports.html>.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. Volunteer Pension Fund (continued)

The plan provides normal retirement benefits, disability retirement and survivor benefits. The following benefit provisions were used to determine the District's pension liability at the measurement date of December 31, 2020:

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$600.00
b. Extended Service Amount Per Year of Service	\$0.00
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$30.00
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury amount payable for not more than 1 year	\$300.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$600.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; due to death in line of duty as a volunteer firefighter	\$300.00
b. Following Death after Normal Retirement	\$300.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount per Year of Service per Minimum Vesting Years	\$15.00
e. Following Death after Disability Retirement	\$300.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$1,200.00

As of January 1, 2020, the latest actuarial valuation date, there were 6 active members, 48 service retirees and beneficiaries, and 4 inactive, nonretired members.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. Volunteer Pension Fund (continued)

Funding Policy. The funding of the plan by the District and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

Net Pension Liability. At December 31, 2021, the volunteer pension fund reported a net pension liability of \$488,261. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$236,701. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 8,684
Changes of assumptions or other inputs	5,265	-
Net difference between projected and actual earnings on pension plan investments	66,372	221,245
Contributions subsequent to the measurement date	45,469	-
Total	\$ 117,106	\$ 229,929

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. Volunteer Pension Fund (continued)

Net Pension Liability (continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2022	\$	(55,133)
2023		(22,601)
2024		(55,785)
2025		(24,773)
		<u>(158,292)</u>
	\$	<u>(158,292)</u>

Actuarial Assumptions: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019. The methods and assumptions used to determine contribution rates for the fiscal year ending December 31, 2021 were:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open *
Remaining Amortization Period	20 years *
Asset Valuation Method	5-smoothed fair value
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	<p>Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. RP-2014 Mortality Table for Blue Collar Employees, 55% multiplier for off-duty mortality.</p> <p>Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p>

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

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

3. Volunteer Pension Fund (continued)

Assumption Changes. The assumptions shown above pertain to the actuarial valuation as of January 1, 2020 and the associated Actuarially Determined Contribution for the year ending December 31, 2019.

Discount Rate Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average AA credit rating as of the measurement date (to the extent the plan's fiduciary net position is projected to be sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Sensitivity of the net pension (asset)/liability to changes in the Single Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability/(asset)	\$ 766,716	\$ 488,261	\$ 251,141

4. Statewide Death and Disability Plan

Plan Description. Firefighters of the District contribute to the Statewide Death and Disability Plan ("SWDD"). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes.

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

Carbondale and Rural Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

4. Statewide Death and Disability Plan (continued)

Funding Policy. Prior to 1997, the SWDD was primarily funded by the State of Colorado (the "State"), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

The SWDD is funded by member or on-behalf of member contributions. Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD. Contributions may be increased 0.1% biennially by the FPPA Board. As of January 1, 2017, the contribution rate is 2.7% of base salary. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.7% contribution may be paid entirely by the District or member, or it may be split between the District and the member as determined at the local level. The District paid \$55,055 on-behalf of members to the SWDD at December 31, 2021.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

5. Section 457 Deferred Compensation Plan

On December 21, 2005, the District adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). Participants may defer up to the lesser of \$19,500 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute more than the \$19,500 limit due to a catch-up provision in the plan. The District is neither the trustee nor the administrator and has no liability under the plan.

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

Effective October 1, 2000, the District joined Western Slope Health Care Group, currently with 13 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

Effective January 1, 2021, the Western Slope Health Care Group dissolved and the District joined the Public Sector Health Care Group.

REQUIRED SUPPLEMENTARY INFORMATION

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for 2020

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Property taxes	4,116,405	4,116,405	4,110,922	(5,483)	4,066,237
Abated taxes	8,830	8,830	8,830	-	34,632
Specific ownership taxes	257,500	257,500	361,689	104,189	320,360
Interest on delinquent taxes	2,000	2,000	8,837	6,837	14,113
Charges for services:					
Emergency medical services	250,000	250,000	265,534	15,534	240,219
Investment income	100	100	173	73	122
Grants and contributions	1,000	1,000	54,988	53,988	125,103
Wildfire contracts	10,000	10,000	746,529	736,529	53,510
Miscellaneous:					
Building rentals	23,000	23,000	6,000	(17,000)	16,500
Special event contracts	5,000	5,000	9,820	4,820	11,120
Other	6,500	6,500	86,673	80,173	15,567
Total Revenues	<u>4,680,335</u>	<u>4,680,335</u>	<u>5,659,995</u>	<u>979,660</u>	<u>4,897,483</u>
Expenditures:					
Personnel Services:					
Salaries and wages	2,483,189	2,743,189	2,817,969	(74,780)	2,559,453
Health benefits	638,403	638,403	591,274	47,129	597,873
Pension benefits	201,897	201,897	197,081	4,816	173,322
Section 457 contributions	19,857	19,857	21,335	(1,478)	20,063
Workmen's compensation	69,940	69,940	51,059	18,881	61,679
Volunteer incentive	10,000	10,000	17,659	(7,659)	8,201
Volunteer dinner program	5,300	5,300	2,336	2,964	2,494
LOSAP program	12,000	12,000	6,000	6,000	-
Uniforms	15,000	15,000	83,043	(68,043)	21,700
Payroll taxes	40,656	40,656	46,809	(6,153)	39,292
Board members	12,000	12,000	7,500	4,500	12,000
Death and disability	69,294	69,294	68,856	438	65,938
Unemployment insurance	7,223	7,223	6,809	414	5,960
Total Personnel Services	<u>3,584,759</u>	<u>3,844,759</u>	<u>3,917,730</u>	<u>(72,971)</u>	<u>3,567,975</u>
General and Administrative:					
Insurance	79,500	79,500	68,899	10,601	71,985
Abated taxes	3,000	3,000	1,109	1,891	7,567
Treasurer's fees	95,400	95,400	91,634	3,766	93,607
Legal	30,000	30,000	16,538	13,462	20,726
Accounting	16,380	16,380	16,350	30	15,750
Ambulance billing services	18,265	18,265	17,520	745	17,790
Dues and subscriptions	9,105	9,105	22,948	(13,843)	9,762
Freight and postage	1,483	1,483	701	782	1,356
Computer supplies and expenses	1,311	1,311	2,763	(1,452)	1,050
Board meetings	4,160	4,160	4,674	(514)	3,346
Election	1,000	1,000	-	1,000	52,486
Supplies and expenses	14,013	14,013	16,892	(2,879)	13,925
Fuel	10,525	10,525	15,304	(4,779)	10,955
Fire prevention	5,000	5,000	-	5,000	1,413
Emergency management	1,000	1,000	-	1,000	-
Master plan	1,000	1,000	-	1,000	-
Public outreach	15,947	15,947	14,809	1,138	20,943
Website and marketing	14,560	14,560	12,675	1,885	10,980
COVID-19	20,000	20,000	11,988	8,012	50,202
Total General and Administrative	<u>341,649</u>	<u>341,649</u>	<u>314,804</u>	<u>26,845</u>	<u>403,843</u>
Firefighting:					
Supplies and expenses	50,000	50,000	53,710	(3,710)	48,606
Personal protective equipment	-	-	18,804	(18,804)	-
Fuel	6,600	6,600	8,820	(2,220)	6,361
Incident resources	2,242	2,242	2,950	(708)	1,573
Wildfire expenses	1,000	41,000	48,114	(7,114)	12,086
Total Firefighting	<u>59,842</u>	<u>99,842</u>	<u>132,398</u>	<u>(32,556)</u>	<u>68,626</u>

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for 2020
(Continued)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Emergency Medical Services:					
Supplies and expenses	50,000	50,000	47,478	2,522	52,025
Equipment and PPE	-	-	998	(998)	-
Rescue equipment	1,000	1,000	-	1,000	2,430
Infection control	2,080	2,080	61	2,019	-
Physician advisor	12,000	12,000	12,000	-	12,000
Fuel	3,790	3,790	6,871	(3,081)	3,946
Total Emergency Medical Services	68,870	68,870	67,408	1,462	70,401
Communications:					
Telephone	16,761	16,761	18,142	(1,381)	17,285
Communications center	21,424	21,424	16,981	4,443	18,113
Supplies and expenses	17,953	17,953	6,491	11,462	18,049
Cell phones	14,246	14,246	9,714	4,532	11,027
Total Communications	70,384	70,384	51,328	19,056	64,474
Training:					
Medical	10,400	10,400	6,361	4,039	5,417
Firefighting	10,400	10,400	24,259	(13,859)	14,111
Paramedic program	2,080	2,080	2,686	(606)	1,096
EMT tuitions	1,560	1,560	2,431	(871)	1,046
Supplies and expenses	2,080	2,080	1,964	116	1,117
Administration	10,000	10,000	14,258	(4,258)	1,770
Total Training	36,520	36,520	51,959	(15,439)	24,557
Equipment:					
Vehicle repairs	14,521	14,521	14,307	214	12,270
Equipment testing	21,424	21,424	16,501	4,923	9,928
Vehicles supplies, parts, and tires	30,000	30,000	27,265	2,735	32,313
Maintenance contracts	17,139	17,139	5,047	12,092	5,523
Communications equipment	520	520	170	350	537
Computers	16,103	16,103	26,765	(10,662)	15,176
Office equipment	9,599	9,599	8,863	736	8,774
Portable equipment	208	208	1,030	(822)	1,055
Total Equipment	109,514	109,514	99,948	9,566	85,576
Other:					
Miscellaneous	131,695	131,695	22,351	109,344	828
Total Other	131,695	131,695	22,351	109,344	828
Station:					
Maintenance	35,000	35,000	43,822	(8,822)	44,637
Supplies	11,289	11,289	11,769	(480)	11,683
Utilities	72,000	72,000	80,825	(8,825)	69,713
Total Station	118,289	118,289	136,416	(18,127)	126,033
Total Expenditures	4,521,522	4,821,522	4,794,342	27,180	4,412,313
Excess (Deficiency) of Revenues Over Expenditures	158,813	(141,187)	865,653	1,006,840	485,170
Other Financing Sources (Uses):					
Transfer to Capital Projects Fund	(350,000)	(350,000)	(350,000)	-	(300,000)
Total Other Financing Sources (Uses)	(350,000)	(350,000)	(350,000)	-	(300,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(191,187)	(491,187)	515,653	1,006,840	185,170
Fund Balances - Beginning	2,132,169	2,132,169	2,015,271	(116,898)	1,830,101
Fund Balances - Ending	1,940,982	1,640,982	2,530,924	889,942	2,015,271

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

Carbondale and Rural Fire Protection District
Schedule of District's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Volunteer Plan:	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 9,981	\$ 9,981	\$ 45,336	\$ 45,336	\$ 64,271	\$ 64,271	\$ 60,555
Interest on the Total Pension Liability	181,845	184,551	188,280	186,462	190,290	185,598	192,506
Benefit Changes	247,037	-	207,678	-	-	-	-
Difference between Expected and Actual Experience	(4,351)	-	(179,842)	-	(175,552)	-	(162,480)
Assumption Changes	-	-	109,013	-	69,462	-	-
Benefit Payments	(238,188)	(228,359)	(225,552)	(190,200)	(190,225)	(184,500)	(184,525)
Net Change in Total Pension Liability	<u>196,324</u>	<u>(33,827)</u>	<u>144,913</u>	<u>41,598</u>	<u>(41,754)</u>	<u>65,369</u>	<u>(93,944)</u>
Total Pension Liability - Beginning	<u>2,709,963</u>	<u>2,743,790</u>	<u>2,598,877</u>	<u>2,557,279</u>	<u>2,599,033</u>	<u>2,533,664</u>	<u>2,627,608</u>
Total Pension Liability - Ending (a)	<u>\$ 2,906,287</u>	<u>\$ 2,709,963</u>	<u>\$ 2,743,790</u>	<u>\$ 2,598,877</u>	<u>\$ 2,557,279</u>	<u>\$ 2,599,033</u>	<u>\$ 2,533,664</u>
Plan Fiduciary Net Position							
Employer Contributions	\$ 56,370	\$ 59,983	\$ 33,780	\$ 63,229	\$ 55,031	\$ 64,140	\$ 71,818
Pension Plan Net Investment Income	280,782	301,518	3,460	305,131	110,503	39,150	139,016
Benefit Payments	(238,188)	(228,359)	(225,552)	(190,200)	(190,225)	(184,500)	(184,525)
Pension Plan Administrative Expense	(23,550)	(19,335)	(44,952)	(36,130)	(21,229)	(23,480)	(23,825)
State of Colorado supplemental discretionary payment	-	87,308	-	49,528	57,726	64,636	56,132
Net Change in Plan Fiduciary Net Position	<u>75,414</u>	<u>201,115</u>	<u>(233,264)</u>	<u>191,558</u>	<u>11,806</u>	<u>(40,054)</u>	<u>58,616</u>
Plan Fiduciary Net Position - Beginning	<u>2,342,612</u>	<u>2,141,497</u>	<u>2,374,761</u>	<u>2,183,203</u>	<u>2,171,397</u>	<u>2,211,451</u>	<u>2,152,835</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,418,026</u>	<u>\$ 2,342,612</u>	<u>\$ 2,141,497</u>	<u>\$ 2,374,761</u>	<u>\$ 2,183,203</u>	<u>\$ 2,171,397</u>	<u>\$ 2,211,451</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ 488,261</u>	<u>\$ 367,351</u>	<u>\$ 602,293</u>	<u>\$ 224,116</u>	<u>\$ 374,076</u>	<u>\$ 427,636</u>	<u>\$ 322,213</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.20%	86.44%	78.05%	91.38%	85.37%	83.55%	87.28%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

Carbondale and Rural Fire Protection District
Schedule of District's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Association of Colorado
Last 10 Fiscal Years *

Defined Benefit Plan:	2020	2019	2018	2017	2016	2015	2014	2013
District's portion of the net pension liability/(asset)	0.265759%	0.269647%	0.226796%	0.240240%	0.233713%	0.252046%	0.259341%	0.293450%
District's proportionate share of the net pension liability/(asset)	\$ (576,963)	\$ (152,503)	\$ 286,734	\$ (345,624)	\$ 84,449	\$ (4,443)	\$ 292,686	\$ 262,399
District's covered payroll	2,134,600	1,987,388	1,519,213	1,405,238	1,196,100	1,221,850	1,166,266	1,274,574
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-27.0%	-7.7%	18.9%	-24.6%	7%	0%	25%	21%
Plan fiduciary net position as a percentage of the total pension liability	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%
Hybrid Plan:	2020	2019	2018	2017	2016	2015	2014	2013
District's portion of the net pension liability/(asset)	0.585236%	0.604639%	0.577621%	0.584554%	0.672288%	0.690260%	0.655657%	0.651210%
District's proportionate share of the net pension liability/(asset)	\$ (160,969)	\$ (152,502)	\$ (79,731)	\$ (114,296)	\$ (73,180)	\$ (72,704)	\$ (77,758)	\$ (66,424)
District's covered payroll	124,250	120,613	115,075	111,725	108,675	113,625	101,450	105,308
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-130%	-126%	-69%	-102%	-67%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of the total pension liability	138.0%	130.1%	123.5%	138.9%	125.8%	129.4%	140.6%	139.0%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013.

Carbondale and Rural Fire Protection District
Schedule of District Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years *

Volunteer Plan:	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 96,202	\$ 95,355	\$ 147,291	\$ 90,385	\$ 112,757	\$ 112,757	\$ 128,363	\$ 128,363
Actual contribution, including State of Colorado discretionary payment	<u>(45,469)</u>	<u>(56,370)</u>	<u>(147,291)</u>	<u>(33,780)</u>	<u>(112,757)</u>	<u>(112,757)</u>	<u>(128,776)</u>	<u>(127,950)</u>
Contribution deficiency (excess)	<u>\$ 50,733</u>	<u>\$ 38,985</u>	<u>\$ -</u>	<u>\$ 56,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (413)</u>	<u>\$ 413</u>

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014.

**Carbondale and Rural Fire Protection District
Schedule of District Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Defined Benefit Plan:									
Statutorily required contribution	\$ 186,843	\$ 170,768	\$ 158,991	\$ 121,537	\$ 112,419	\$ 95,688	\$ 97,748	\$ 93,301	\$ 101,966
Contributions in relation to the statutorily required contribution	(186,843)	(170,768)	(158,991)	(121,537)	(112,419)	(95,688)	(97,748)	(93,301)	(101,966)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,198,153	\$ 2,134,600	\$ 1,987,388	\$ 1,519,213	\$ 1,405,238	\$ 1,196,100	\$ 1,221,850	\$ 1,166,266	\$ 1,274,574
Contributions as a percentage of covered payroll	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Hybrid Plan:									
Statutorily required contribution	\$ 10,238	\$ 9,940	\$ 9,649	\$ 9,206	\$ 8,938	\$ 8,694	\$ 9,090	\$ 8,116	\$ 8,425
Contributions in relation to the statutorily required contribution	(10,238)	(9,940)	(9,649)	(9,206)	(8,938)	(8,694)	(9,090)	(8,116)	(8,425)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 127,972	\$ 124,250	\$ 120,613	\$ 115,075	\$ 111,725	\$ 108,675	\$ 113,625	\$ 101,450	\$ 105,308
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013.

**Carbondale and Rural Fire Protection District
Notes to the Required Supplementary Information
December 31, 2021**

I. Schedule of District's Proportionate Share of the Net Pension Liability/(Asset) – Volunteer Pension Fund

A. Changes of assumptions or other inputs

1. Changes Since January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since January 1, 2017 Actuarial Valuation are as Follows:

- The global assumption set for plans administered by FPPA was changed in the 2018 Experience Study and effective as of January 1, 2019. Significant changes affecting this valuation include:
 - Reduce investment return from 7.5% to 7.0%.
 - Update base mortality tables and projection scales.
 - Increase withdrawal rates by 10%.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Schedule of District's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan, and Statewide Hybrid Plan

A. Changes of assumptions or other inputs

1. Changes Since January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since January 1, 2018 Actuarial Valuation are as Follows:

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Carbondale and Rural Fire Protection District
Notes to the Required Supplementary Information
December 31, 2021
(Continued)

II. Schedule of District's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan, and Statewide Hybrid Plan (continued)

A. Changes of assumptions or other inputs (continued)

2. Changes Since January 1, 2018 Actuarial Valuation are as Follows (continued):

- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since January 1, 2017 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

5. Changes Since January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

6. Changes Since January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

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

Carbondale and Rural Fire Protection District
Notes to the Required Supplementary Information
December 31, 2021
(Continued)

II. Schedule of District's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan, and Statewide Hybrid Plan (continued)

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

III. Notes to the Schedule of District Contributions – Volunteer Pension Fund

A. Changes of assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

IV. Notes to the Schedule of District Contributions – Statewide Defined Benefit Plan, and Statewide Hybrid Plan

A. Changes of assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

SUPPLEMENTARY INFORMATION

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for 2020

	<u>2021</u>			Variance Positive (Negative)	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Property tax	913,469	913,469	913,469	-	899,684
Abated property tax	1,173	1,173	1,173	-	6,955
Investment income	5,000	5,000	469	(4,531)	4,228
Total Revenues	<u>919,642</u>	<u>919,642</u>	<u>915,111</u>	<u>(4,531)</u>	<u>910,867</u>
Expenditures:					
Principal	535,000	535,000	535,000	-	520,000
Interest	357,025	357,025	357,025	-	367,425
Paying agent fees	1,000	1,000	800	200	800
County Treasurer's fees	21,500	21,500	21,500	-	19,133
Total Expenditures	<u>914,525</u>	<u>914,525</u>	<u>914,325</u>	<u>200</u>	<u>907,358</u>
Excess (Deficiency) of Revenues Over Expenditures	5,117	5,117	786	(4,331)	3,509
Excess of Revenues and Other Financing Sources Over Expenditures	5,117	5,117	786	(4,331)	3,509
Fund Balances - Beginning	<u>427,331</u>	<u>427,331</u>	<u>425,834</u>	<u>(1,497)</u>	<u>422,325</u>
Fund Balances - Ending	<u>432,448</u>	<u>432,448</u>	<u>426,620</u>	<u>(5,828)</u>	<u>425,834</u>

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for 2020

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Impact fees	10,000	10,000	146,730	136,730	49,640
Grants	102,000	102,000	85,000	(17,000)	52,670
Net investment income	27,600	27,600	1,830	(25,770)	47,980
Miscellaneous income	-	-	-	-	10,988
Total Revenues	<u>139,600</u>	<u>139,600</u>	<u>233,560</u>	<u>93,960</u>	<u>161,278</u>
Expenditures:					
Fire equipment	25,000	121,500	163,406	(41,906)	42,383
Station projects and improvements	1,600,000	1,757,532	1,538,650	218,882	2,323,510
Building Projects	-	-	291,039	(291,039)	-
Communication equipment	15,000	15,000	9,426	5,574	61,646
Training equipment	22,000	22,000	18,509	3,491	48,935
Medical equipment	17,000	35,500	37,725	(2,225)	-
Rescue equipment	-	-	2,790	(2,790)	26,696
Office equipment	12,500	37,500	32,345	5,155	21,444
Station equipment	-	-	1,314	(1,314)	4,385
Vehicles and apparatus	1,491,900	1,681,900	1,503,803	178,097	817,561
COVID-19	-	-	-	-	23,226
Loans and leases:					
Aerial and tender - principal	99,633	99,633	99,596	37	96,896
Aerial and tender - interest	2,405	2,405	2,442	(37)	5,142
Miscellaneous expense	10,000	-	68	(68)	-
Total Expenditures	<u>3,295,438</u>	<u>3,772,970</u>	<u>3,701,113</u>	<u>71,857</u>	<u>3,471,824</u>
(Deficiency) of Revenues Over Expenditures	(3,155,838)	(3,633,370)	(3,467,553)	165,817	(3,310,546)
Other Financing Sources:					
Operating transfers in	350,000	350,000	350,000	-	300,000
Total Other Financing Sources	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>300,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(2,805,838)	(3,283,370)	(3,117,553)	165,817	(3,010,546)
Fund Balances - Beginning	<u>3,810,880</u>	<u>3,810,880</u>	<u>3,978,953</u>	<u>168,073</u>	<u>6,989,499</u>
Fund Balances - Ending	<u>1,005,042</u>	<u>527,510</u>	<u>861,400</u>	<u>333,890</u>	<u>3,978,953</u>

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

Carbondale and Rural Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Net Position
Budget and Actual
Pension Fund
For the Year Ended December 31, 2021
With Comparative Actual Amounts for 2020

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Additions:				
Property taxes	45,469	45,469	-	56,370
State grant	50,733	50,733	-	53,985
Net investment income (loss)	50,000	371,247	321,247	298,366
Total Additions	146,202	467,449	321,247	408,721
Deductions:				
Benefits	275,000	236,750	38,250	238,188
Disability insurance	26,000	5,491	20,509	-
Treasurer's fees	2,000	2,000	-	2,000
Administration	40,000	34,486	5,514	41,134
Total Deductions	343,000	278,727	64,273	281,322
Change in Net Position	(196,798)	188,722	385,520	127,399
Net Position - Beginning	2,216,124	2,465,005	248,881	2,337,606
Net Position - Ending	2,019,326	2,653,727	634,401	2,465,005

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