

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**Financial Statements
with
Independent Auditors' Report**

**For the Year Ended
December 31, 2021**

Chaffee County Fire Protection District

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FINANCIAL SECTION

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2021

This management's discussion and analysis of the Chaffee County Fire Protection District financial performance provides an overall review of the District's financial activities for the year ended December 31, 2021. The intent of this management's discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the District's financial performance.

Financial Highlights

The District offers fire protection services to over 1,000 square miles of Chaffee County, excluding the town of Salida, and the boundaries of the South Arkansas Fire Protection District. The District's assets exceeded its liabilities at the close of 2021 by \$3,733,875 (*net position*), which is an increase of \$421,567 from the prior year. Of this amount, \$3,608,875 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.

May 11, 2021 the District entered into an Intergovernmental Agreement with the Town of Buena Vista for Emergency Services. The annual compensation to the District from the Town of Buena Vista is the equivalent of the tax revenue that would be collected if all Town taxable properties were in the District. The prorated annual compensation for 2021 was \$180,570

The District imposes a mill levy of 3.955 mills upon each dollar of the total valuation for assessment of all taxable property within the District. The property taxes received from this mill levy for the 2021 year was \$1,019,516. The District's net position is used for on-going operations and upcoming capital projects, repairs, maintenance and replacement of existing equipment.

The District had total revenues of \$1,741,152 in 2021 versus \$1,678,417 in 2020, an increase of \$62,735. The major difference was in part due to the execution of the Emergency Services IGA with the Town of Buena Vista.

Using the Basic Financial Statements

The Basic Financial Statements consists of management's discussion and analysis (this section) and a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first statement, the Statement of Net Position, provides long and short-term information about the District's overall financial status.

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

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information (RSI)

December 31, 2021

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-Wide Financial Statements

Governmental Type Activities:

The District's governmental-type activity consists of the fire protection district operations. The District's fire protection district operations are supported primarily by property taxes received and charges for services.

Financial Analysis of the District as a Whole

Net position increased in 2021 by \$421,567 to \$3,733,875, compared to the increase in 2020 of \$272,651 to \$3,312,308.

Cash and investments of the District on December 31, 2021, totaled \$1,491,727 and at December 31, 2020 totaled \$1,340,104, not including amounts held for pension benefits, which were \$2,753,732 in 2021 and \$2,588,812 for 2020.

Capital assets, net of accumulated depreciation, of the District on December 31, 2021 totaled \$2,081,945, a net change of \$423,771.

Net position

A summary of the District's net position at December 31, 2021 and 2020 is as follows:

	Condensed Statement of Net Position	
	2021	2020
Current Assets	\$ 2,738,360	\$ 2,725,854
Non Current Assets		
Capital Assets - Net	2,335,119	1,732,558
Total Assets	5,073,479	4,458,412
Deferred Outflows of Financial Resources	238,038	298,094
Current Liabilities	139,513	122,798
Non Current Liabilities	11,029	18,243
Total Liabilities	150,542	141,041
Deferred Inflows of Financial Resources	1,427,100	1,303,157
Net Position		
Restricted Net Position	53,000	51,000
Unrestricted Net Position	3,680,875	3,261,308
Total Net Position	\$ 3,733,875	\$ 3,312,308

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2021**

Condensed Statement of Activities

	Condensed Statement of Activities	
	<u>2021</u>	<u>2020</u>
PROGRAM REVENUES		
Charges for Services	\$ 368,421	\$ 473,983
Operating Grants & Contributions	189,917	75,497
Total Program Revenues	<u>558,338</u>	<u>549,480</u>
GENERAL REVENUES		
Property Taxes	1,019,516	976,019
Other Taxes	130,218	120,331
Investment Earnings	1,274	11,323
Other Revenues	31,806	21,264
Total General Revenues	<u>1,182,814</u>	<u>1,128,937</u>
Total Revenues	<u>1,741,152</u>	<u>1,678,417</u>
PROGRAM EXPENSES		
Public Safety	<u>1,319,585</u>	<u>1,405,766</u>
Change in Net Position	421,567	272,651
Net Position, Beginning	<u>3,312,308</u>	<u>3,039,657</u>
Net Position, Ending	<u>\$ 3,733,875</u>	<u>\$ 3,312,308</u>

Budget and Actual Comparisons

Actual revenues were less than expenditures by \$203,497 in 2021. Total General Fund budget revenues were more than actual by \$18,107 while the actual expenditures were \$6,229 less than budgeted for 2021. The most significant difference between budget and actual expenses was related to personnel costs and adjustments for Emergency Services IGA.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2021**

Capital Assets

The total accumulated depreciation for 2021 was \$181,301, with the total net increase of \$544,585, leaving a balance of \$2,081,945 in net capital assets.

The following is a summary of capital asset activity:

	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/21</u>
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	116,905	459,067	120,814	455,158
Total capital assets not being depreciated	<u>299,921</u>	<u>459,067</u>	<u>120,814</u>	<u>638,174</u>
Capital assets being depreciated				
Buildings and improvements	917,127	-	-	917,127
Equipment	670,421	81,185	-	751,606
Vehicles and accessories	2,932,268	185,634	-	3,117,902
Total capital assets being depreciated	<u>4,519,816</u>	<u>266,819</u>	<u>-</u>	<u>4,786,635</u>
Total capital assets	<u>4,819,737</u>	<u>725,886</u>	<u>120,814</u>	<u>5,424,809</u>
Accumulated depreciation				
Buildings and improvements	(329,024)	(26,039)	-	(355,063)
Equipment	(526,806)	(31,327)	-	(558,133)
Vehicles and accessories	(2,305,733)	(123,935)	-	(2,429,668)
Total accumulated depreciation	<u>(3,161,563)</u>	<u>(181,301)</u>	<u>-</u>	<u>(3,342,864)</u>
Net capital assets being depreciated	<u>1,358,253</u>	<u>85,518</u>	<u>-</u>	<u>1,443,771</u>
Net capital assets	<u>\$ 1,658,174</u>	<u>\$ 544,585</u>	<u>\$ 120,814</u>	<u>\$ 2,081,945</u>

Long Term Obligations

The District also posted a total of \$9,125 in accrued compensated absences.

Additional information on the long term obligations can be found in Note 5 of the financial statements.

The following is a summary of long term obligations:

	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Repayments</u>	<u>Net Change</u>	<u>Balance 12/31/21</u>	<u>Due within One Year</u>
2017 Copier Lease	\$ 3,883	\$ -	\$ 1,979	\$ -	\$ 1,904	\$ 1,904
Accrued Compensated Absences	14,360	-	-	(5,235)	9,125	-
Total Long-Term Liabilities	<u>\$ 18,243</u>	<u>\$ -</u>	<u>\$ 1,979</u>	<u>\$ (5,235)</u>	<u>\$ 11,029</u>	<u>\$ 1,904</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2021

The Future of the District

The District is in the process of developing a strategic plan to outline the future of any possible capital projects, apparatus replacement, or staffing. With the execution of the Emergency Services IGA with the town of Buena Vista staffing demands has increased. The District will add two staff positions in 2022. The positions will be a Wildland Mitigation Coordinator/Firefighter and a Facilities and Equipment Maintenance / Firefighter. The District will continue to maintain current equipment and apparatus while planning for replacement of critical equipment that has become obsolete or fails service tests. The District will maintain the resident firefighter program based out of Nathrop, which is currently filled with 5 residents. The resident program will expand with the remodel of Station 4 in Poncha Springs to add living quarters for 6. Construction began February 2021 and will continue through late June 2022. The District has entered into a contract for construction in the amount of \$658,000 with grant funding of \$200,000 through Department of Local Affairs (DOLA). Seeking additional grants will continue to be a major focus to assist in replacement of equipment now and into the future. The District will maintain its wildland program, including 10 positions in the wildland reserve program, which hosts qualified individuals to increase the available pool of personnel. The District will purchase a new Type 6 engine in 2022. The wildland program deploys resources on major fires and provides supplemental income to the District.

Request for Information

The financial report is designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the District's finances. Questions concerning this or any additional information should be addressed to Chaffee County Fire Protection District, 499 Antero Cir, Buena Vista CO 81211.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Chaffee County Fire Protection District
Buena Vista, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, major fund and aggregate remaining fund information of Chaffee County Fire Protection District, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise Chaffee County Fire Protection District's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Chaffee County Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Chaffee County Fire Protection District 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 Chaffee County Fire Protection 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.

Report on Summarized Comparative Information

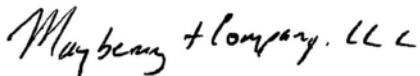
We have previously audited the Chaffee County Fire Protection District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chaffee County Fire Protection District's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statement fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Englewood, Colorado
February 17, 2022

Basic Financial Statements

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2021

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Equivalents	\$ 1,450,126
Investments	41,601
Cash with Fiscal Agent	11,866
Property Tax Receivable	1,220,342
Accounts Receivable	5,187
Prepaid Expenses	7,449
Internal Balances	1,789
Total Current Assets	<u>2,738,360</u>
Noncurrent Assets	
Capital Assets Not Being Depreciated	638,174
Capital Assets Being Depreciated, net	1,443,770
Net Pension Asset	253,175
Total Noncurrent Assets	<u>2,335,119</u>
Total Assets	5,073,479
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Deferred Outflows - Pensions (net)	<u>238,038</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,311,517</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 126,720
Accrued Payroll	12,793
Total Current Liabilities	<u>139,513</u>
Noncurrent Liabilities	
Due Within One Year	1,904
Due in Excess of One Year	9,125
Total Noncurrent Liabilities	<u>11,029</u>
Total Liabilities	<u>150,542</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Property Taxes	1,220,342
Deferred Inflows - Pensions (net)	<u>206,758</u>
Total Deferred Inflows	<u>1,427,100</u>
NET POSITION	
Restricted Net Position	53,000
Unrestricted Net Position	<u>3,680,875</u>
Total Net Position	<u>3,733,875</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 5,311,517</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
Year Ended December 31, 2021

<u>Function/Program</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and Change</u> <u>in Net</u> <u>Position</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Public Safety	<u>\$ 1,319,585</u>	<u>\$ 368,421</u>	<u>\$ 189,917</u>	<u>\$ (761,247)</u>
General Revenues:				
Property Taxes, levied for general purposes				1,019,516
Specific Ownership Taxes				130,218
Investment Earnings				1,274
Other Revenues				<u>31,806</u>
Total General Revenues				<u>1,182,814</u>
Change in Net Position				421,567
Net Position, Beginning				<u>3,312,308</u>
Net Position, Ending				<u>\$ 3,733,875</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2021
(With Comparative Totals for December 31, 2020)

	General Fund	
	2021	2020
ASSETS		
Cash and Equivalents	\$ 1,450,126	\$ 1,299,018
Investments	41,601	41,086
Cash with Fiscal Agent	11,866	10,742
Property Tax Receivable	1,220,342	1,021,054
Accounts Receivable	5,187	348,288
Prepaid Expenses	7,449	5,666
Internal Balances	1,789	-
Total Assets	<u>\$ 2,738,360</u>	<u>\$ 2,725,854</u>
LIABILITIES DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 126,720	\$ 111,950
Accrued Payroll	12,793	10,848
Total Liabilities	<u>139,513</u>	<u>122,798</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Property Taxes	<u>1,220,342</u>	<u>1,021,054</u>
FUND BALANCE		
Nonspendable	7,449	5,666
Restricted for Emergencies	53,000	51,000
Unassigned	<u>1,318,056</u>	<u>1,525,336</u>
Total Fund Balance	<u>1,378,505</u>	<u>1,582,002</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 2,738,360</u>	<u>\$ 2,725,854</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2021

Fund Balance - Governmental Funds \$ 1,378,505

Amounts reported for governmental activities in the statement of net position because:

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

Capital Assets	\$ 5,424,809	
Accumulated Depreciation	<u>(3,342,865)</u>	2,081,944

Long-term liabilities, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds:

Capital Leases Payable	(1,904)	
Accrued Compensated Absences	<u>(9,125)</u>	(11,029)

Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds

FPPA Statewide Defined Benefit Plan

Net pension asset	84,490	
Deferred outflows - pensions (net)	165,392	
Deferred inflows - pensions (net)	<u>(129,145)</u>	120,737

Chaffee County Fire Protection District Pension Fund

Net pension asset	168,685	
Deferred outflows - pensions (net)	72,646	
Deferred inflows - pensions (net)	<u>(77,613)</u>	<u>163,718</u>

Net Position - Governmental Activities \$ 3,733,875

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	General Fund	
	2021	2020
REVENUES		
Taxes	\$ 1,149,734	\$ 1,096,350
Intergovernmental	189,917	75,497
Charges for Services	368,421	473,983
Investment Earnings	1,274	11,323
Other Revenues	31,806	21,264
Total Revenues	<u>1,741,152</u>	<u>1,678,417</u>
EXPENDITURES		
Current		
Public Safety (Operations)	1,049,552	1,065,177
Pension Expenses	172,374	165,843
Capital Outlay	720,595	298,730
Debt Service	2,128	-
Total Expenditures	<u>1,944,649</u>	<u>1,529,750</u>
Change in Fund Balance	(203,497)	148,667
Fund Balance, Beginning	<u>1,582,002</u>	<u>1,433,335</u>
Fund Balance, Ending	<u>\$ 1,378,505</u>	<u>\$ 1,582,002</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Change in Fund Balance to
Governmental Activities Change in Net Position
Year Ended December 31, 2021

Change in Fund Balance - Governmental Funds \$ (203,497)

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

Purchases of capital assets are expensed in the funds and depreciated for the statement of activities while capital asset deletions are not reported in the funds:

Capital Outlay	\$ 605,072	
Depreciation Expense	<u>(181,302)</u>	423,770

Principal payments are reported as expenses in the funds and reductions of liabilities on the statement of net position, while new capital leases are reported as revenues in the funds:

Capital Lease Principal	1,979
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Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Change in deferred outflows - pensions (net)	(60,056)	
Change in net pension asset/liability	178,791	
Change in deferred inflows - pensions (net)	<u>75,345</u>	194,080

Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position

Change in Accrued Compensated Absences	<u>5,235</u>
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Change in Net Position - Governmental Activities	<u>\$ 421,567</u>
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The accompanying notes are an integral part of the financial statements.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Fiduciary Net Position -
Pension Trust Fund
December 31, 2021
(With Comparative Totals for December 31, 2020)

	<u>Total</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Restricted Cash and Investments	\$ 2,753,732	\$ 2,588,812
Accounts Receivable	-	41,357
Internal Balances	(1,789)	-
Total Assets	<u>2,751,943</u>	<u>2,630,169</u>
LIABILITIES		
Accounts Payable	<u>1,869</u>	<u>1,834</u>
NET POSITION		
Restricted for Retirement Benefits	<u>\$ 2,750,074</u>	<u>\$ 2,628,335</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Total	
	2021	2020
ADDITIONS:		
Contributions		
State Matching Contribution	\$ 41,357	\$ 41,357
District Contributions	129,183	123,272
Investment Earnings	157,274	135,764
Total Additions	<u>327,814</u>	<u>300,393</u>
DEDUCTIONS:		
Pension Benefit Payments	174,335	170,171
Accounting	1,080	1,775
Actuarial Fees	10,500	4,500
Investment Fees	20,160	18,480
Total Deductions	<u>206,075</u>	<u>194,926</u>
Change in Fiduciary Net Position	121,739	105,467
Net Position, Beginning	<u>2,628,335</u>	<u>2,522,868</u>
Net Position, Ending	<u>\$ 2,750,074</u>	<u>\$ 2,628,335</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chaffee County Fire Protection District have been prepared in conformity with 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 following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

REPORTING ENTITY

Chaffee County Fire Protection District is a quasi-municipal corporation governed by an elected five-member board of directors. The District is governed pursuant to provisions of the Colorado Special District Act. The District was established in 1975 to provide fire protection services to Chaffee County, excluding the Towns of Buena Vista and Salida, and a portion of Chaffee County served by another district. As required by generally accepted accounting principles, these financial statements present the Chaffee County Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements, nor is the District a component unit of another entity.

BASIC FINANCIAL STATEMENTS

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIC FINANCIAL STATEMENTS (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements. The District's operations consist of a General Fund (governmental) and a Pension Trust Fund.

The District's fiduciary fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION
(Continued)

The District reports the following major governmental fund:

General Fund

This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration.

The District also reports the following fiduciary fund:

Pension Trust Fund

The District has established the Chaffee County Fire Protection District Pension Fund (Volunteer Firefighters) to provide pension and other benefits to the volunteer firefighters and their dependents (Note 4).

Budgets

The District adopts an annual budget for all funds which are all prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

- (1) Submission of the proposed budget to the local governing body by October 15 of each year.
- (2) Certification of mill levies to the Board of County Commissioners by December 15.
- (3) Final adoption of budget and appropriations by December 15 and filing with DOLA by January 31st of each year.
- (4) Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
- (5) Liens are placed on property for which taxes are delinquent in November of each year.

Encumbrances

The District does not utilize encumbrance accounting.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The District's cash and cash equivalents include cash in bank, certificates of deposit with a maturity date of three months or less and liquid investments as part of its cash and cash equivalents.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The District has not recorded an allowance against outstanding receivables.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are not considered to be available to liquidate liabilities for the current period. At the end of the current year, these receivables primarily consisted of property taxes levied in 2021 and due in 2022.

Capital Assets

Capital assets, which include land, machinery and equipment (furniture, vehicles, computers, etc.), are reported in the Governmental Activities column of the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	10-40 years
Equipment	5-25 years
Vehicles and Accessories	10-30 years

Deferred Outflows and Inflows of Financial Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has pension related items, which arises only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, contributions subsequent to measurement date and the difference between projected and actual investment returns, the difference between projected and actual pension experience, changes in plan assumptions and changes in the District's proportionate share of the underlying pension asset or liability, are reported in the governmental activities statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Deferred Outflows and Inflows of Financial Resources (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, property taxes, which arises both under the full accrual and modified accrual basis of accounting, and pension related items that only are reported under full accrual, that qualify for reporting in this category. The property tax item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The pension items are the difference between projected and actual pension experience, pension earnings, changes in assumptions and changes in the District's proportionate share of the underlying pension asset or liability. The pension differences and changes are amortized based on the requirements of GASB Statement 68.

Accrued Leave

The District's policy is to pay out all accrued but unused vacation leave and compensatory time, and up to 80 hours of accrued but unused sick leave at the current rate of pay upon an employee's resignation; provided that an employee who resigns while a disciplinary action is pending shall not be paid for accrued but unused sick leave. An employee may carryover up to 80 hours of accrued vacation into the next fiscal year, however, sick leave is not carried over. Upon retirement from the District an employee is eligible for payment of all unused sick leave, vacation time, and compensatory time. Employees who are terminated for disciplinary reasons are paid for accrued but unused compensatory time and vacation time, but are not paid for accrued but unused sick leave.

Long-Term Obligation

Long-term debt is reported at face value, net of applicable discounts and deferred gains or charges on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)

Net Position/Fund Balance

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The District currently does not have this category of fund balance.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District’s restricted fund balance represents the funds set aside to satisfy the TABOR emergency reserve requirement discussed in Note 6.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The District currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The District currently has assigned fund balances for specific uses as well as through the adoption of the 2021 budget.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS

The District’s cash and investment balances are comprised of the following:

Cash and equivalents	\$ 16,656
Investment bank deposits	41,345
Restricted pension bank deposits	<u>159,475</u>
Total bank deposits	<u>217,476</u>
Investments (cash equivalent)	1,270,470
Restricted pension investments	<u>2,594,257</u>
Total investments	<u>3,864,727</u>
Total cash and investments	<u>\$ 4,082,203</u>

The cash and investments are presented in the financial statements as follows:

Cash and equivalents	\$ 1,287,126
Investments	41,345
Restricted pension cash and investments	<u>2,753,732</u>
Total cash and investments	<u>\$ 4,082,203</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2021, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

The District's deposits are categorized as follows:

	<u>Bank</u>	<u>Book</u>
	<u>Balance</u>	<u>Balance</u>
FDIC insured deposits - Not in District's name	\$ 227,930	\$ 197,501

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2021 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Uncategorized</u>	<u>Total</u>	<u>Weighted Avg Mat</u>
Investment Pools	\$ -	\$ -	\$ -	\$ 1,433,431	\$ 1,433,431	-
Pension Mutual Funds	-	2,303,737	-	-	2,303,737	-
Pension Treasury Investments	-	290,520	-	-	290,520	10.79
Total Investments	<u>\$ -</u>	<u>\$ 2,594,257</u>	<u>\$ -</u>	<u>\$ 1,433,431</u>	<u>\$ 4,027,688</u>	<u>0.78</u>

The District's local government pool investment, further described below, is not subject to categorization or the fair value disclosures.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Mutual Funds and Treasury Investments:** Valued at quoted market prices of similar assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2021, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Noninsured trust pension plans with a bank or trust company authorized to exercise trust powers in this state as a trustee.

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 31-30-1113 as described above, and as otherwise indicated in the statute.

The District has invested \$1,433,431 in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The investment is valued at net asset value. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk (Continued)

A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions of the Trusts. Substantially all securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. Colotrust is rated AAAM by Standard and Poor's.

Concentration of Credit Risk

As of December 31, 2021 the District had concentration of credit risk as shown in the pension table below.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2021, the District's pension investments were held by Comerica Bank and Trust, N.A.

PENSION INVESTMENTS

At December 31, 2021, the District's pension investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Wgt'd Avg Maturity</u>
Mutual Funds	\$ 2,303,737	-
Fixed Income Securities (Bank Deposits)	159,475	3.21
U.S. Treasuries	290,520	9.10
Total Pension Investments	<u>\$ 2,753,732</u>	<u>1.15</u>

The following is an allocation of the pension balances by individual investment:

<u>Allocation of Balances</u>	<u>Fair Value</u>	<u>% of Total</u>
<u>U. S. Treasury Bonds and Strips</u>	\$ 290,520	10.55%
<u>Mutual Funds</u>		
Invesco Premier U.S. Govt Money Portfolio	261,623	9.50%
Catalyst/Warrington Hedge Strategy	176,218	6.40%
UBS Tactical Allocation	164,813	5.99%
Prudential Total Return Bond	144,315	5.24%
Vanguard Total Stock Market Vipers	169,008	6.14%
All Other Mutual Funds	1,387,760	50.40%
<u>Cash Deposits</u>	<u>159,475</u>	<u>5.79%</u>
Total Pension Investments	<u>\$ 2,753,732</u>	<u>100.00%</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: CAPITAL ASSETS

Capital Asset Activity for the year ended December 31, 2021 was as follows:

	Balance			Balance
	12/31/20	Additions	Deletions	12/31/21
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	<u>116,905</u>	<u>459,067</u>	<u>120,814</u>	<u>455,158</u>
Total capital assets not being depreciated	<u>299,921</u>	<u>459,067</u>	<u>120,814</u>	<u>638,174</u>
Capital assets being depreciated				
Buildings and improvements	917,127	-	-	917,127
Equipment	670,421	81,185	-	751,606
Vehicles and accessories	<u>2,932,268</u>	<u>185,634</u>	<u>-</u>	<u>3,117,902</u>
Total capital assets being depreciated	<u>4,519,816</u>	<u>266,819</u>	<u>-</u>	<u>4,786,635</u>
Total capital assets	<u>4,819,737</u>	<u>725,886</u>	<u>120,814</u>	<u>5,424,809</u>
Accumulated depreciation				
Buildings and improvements	(329,024)	(26,039)	-	(355,063)
Equipment	(526,806)	(31,327)	-	(558,133)
Vehicles and accessories	<u>(2,305,733)</u>	<u>(123,935)</u>	<u>-</u>	<u>(2,429,668)</u>
Total accumulated depreciation	<u>(3,161,563)</u>	<u>(181,301)</u>	<u>-</u>	<u>(3,342,864)</u>
Net capital assets being depreciated	<u>1,358,253</u>	<u>85,518</u>	<u>-</u>	<u>1,443,771</u>
Net capital assets	<u>\$ 1,658,174</u>	<u>\$ 544,585</u>	<u>\$ 120,814</u>	<u>\$ 2,081,945</u>

NOTE 4: LONG-TERM OBLIGATIONS

Capital Lease Payable

In November 2017, the District entered into a lease agreement for the purchase of a copier. Assets acquired under this lease totaled \$9,400 and had a remaining basis of \$1,880. The lease requires 60 monthly lease payments of \$177 and bears interest at an imputed rate of 5% through November 2022. The lease is subject to annual appropriation.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

NOTE 4: LONG-TERM OBLIGATIONS (Continued)

Changes in Long-Term Obligations

The following is a summary of changes in long term obligations of the District for December 31, 2021:

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Repayments</u>	<u>Net Change</u>	<u>Balance</u> <u>12/31/21</u>	<u>Due within</u> <u>One Year</u>	<u>Interest</u> <u>Expense</u>
2017 Copier Lease	\$ 3,883	\$ -	\$ 1,979	\$ -	\$ 1,904	\$ 1,904	\$ 149
Accrued Compensated Absence	14,360	-	-	(5,235)	9,125	-	-
Total Long-Term Liabilities	<u>\$ 18,243</u>	<u>\$ -</u>	<u>\$ 1,979</u>	<u>\$ (5,235)</u>	<u>\$ 11,029</u>	<u>\$ 1,904</u>	<u>\$ 149</u>

Payments on the outstanding long-term obligations will be due as follows:

<u>Year</u>	<u>Payment</u>
2022	\$ 1,951
Less: Interest at 5% (estimated)	(47)
Net present value of future payments	<u>\$ 1,904</u>

NOTE 5: PENSION PLANS

VOLUNTEER FIREMEN'S PENSION FUND

Plan Description

The District is trustee for a single-employer defined benefit pension plan (“Chaffee County Fire Protection District”) for all volunteer firefighters. The plan is included as pension trust fund in the District’s financial statements. The plan is administered by a Board of Trustees composed of the five members of the District’s Board of Directors and two District volunteer, retired volunteer or active retiree firefighters selected in accordance with Colorado State Statutes. The plan provides normal retirement benefits as well disability and survivor benefits. In 2020, the regular benefit was \$440 per month or a prorated benefit after 10 year of qualified service, the greater of one half the benefits for normal retirement of \$220 per month for temporary disability, \$450 per month for full disability and a 50% death benefit. Any eligible firefighter may begin receiving a monthly pension upon attaining age 50. The plan does not issue stand-alone financial statements.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

Funding Policy

The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one mill of property tax revenue. The District is currently contributing on the basis of .5 mills on the assessed valuation. Because the District's monthly benefit exceeds \$300, the State of Colorado contributes the greater of (a) the contribution amount that would have been actuarially required if the monthly pension benefit was \$300 in the immediately preceding year, or (b) the highest State contribution the District received in 1998 through 2001. The State's contribution may not exceed the amount of revenue that would be generated from a .5 mill tax on the District's net assessed valuation in the immediately preceding year. The District received \$41,357 from the State for its contribution match of the District's \$129,183 contribution.

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

At December 31, 2021, the District reported net pension assets of \$2,750,074 and a total pension liability of \$2,581,389, for a net pension asset of \$168,685. The net pension liability was measured as December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2021, the District recognized pension income of \$66,062. 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	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (21,987)
Changes of assumptions or other inputs	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 72,646	\$ (55,626)
Total	\$ 72,646	\$ (77,613)

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

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

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

Year Ended December 31:	Amortization Amount
2022	\$ 3,720
2023	(19,608)
2024	8,206
2025	2,715
Total	\$ (4,967)

Actuarial assumptions. The actuarially determined contribution was determined as part of the January 1, 2021 actuarial valuation using the entry age actuarial cost method with a level amount open amortization period with 20-year remaining amortization. Actuarial assumptions included the following:

Actuarial method	Entry Age Normal Cost
Long-term investment rate of return, net of pension plan investment expenses, including inflation	5.75%
Amortization Method	Level Dollar, Open
Period	20 years
Asset Valuation Method	Market Value
Salary increase, including wage inflation	N/A
Inflation	Implicit
Retirement Age	Earlier of age 50 and 20 years of service. 50% probability for ages 50-64, 100% probability at age 65.
Mortality	For active members, RP-2014 Mortality Tables adjusted back to 2006 with Scale MP-2014 and projected forward to 2018 with Scale 2017, fully generational using the ultimate rate from Scale MP-2017, with 50% multiplier for males and females. For annuitants, RP-2014 Mortality Tables adjusted back to 2006 with Scale MP-2014 and projected forward to 2018 with Scale MP-2017, fully generational using the ultimate rates from Scale MP-2017.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

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

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

Asset Class	Long-Term Expected Rate of Return	Percentage of Portfolio
Domestic Equity	6.69%	34.06%
International Equity	7.92%	5.80%
Fixed Income	6.85%	43.72%
Cash	0.25%	16.21%
Other	0.00%	0.21%
Total	5.75%	100.00%

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 (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.75%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 5.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Proportionate share of the net pension asset (liability)	\$ (111,284)	\$ 168,685	\$ 402,790

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREMEN'S PENSION FUND (Continued)

Plan Membership

As of the January 1, 2021 actuarial study, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving	45
Inactive plan members entitled to but not yet receiving	3
Active plan members	<u>28</u>
Total	<u>76</u>

Schedule of Changes in the Volunteer Net Pension Liability

The following is a schedule of the changes in both the total pension liability and the net pension liability for the year ended December 31, 2021:

Schedule of Changes in District's Net Pension Liability and Related Ratios	
<u>Total Pension Liability</u>	<u>2021</u>
Service cost	\$ 38,376
Interest	144,107
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	<u>(174,335)</u>
Net changes in total pension liability	8,148
Total Pension Liability - beginning	<u>2,573,241</u>
Total Pension Liability - ending (a)	<u>\$ 2,581,389</u>
 <u>Plan Fiduciary Net Position</u>	
Contributions - employer	\$ 129,183
Contributions - state	41,357
Net investment Income	137,114
Benefit payments, including refunds of employee contributions	(174,335)
Administrative expense	(11,580)
Other	<u>-</u>
Net change in plan fiduciary net position	121,739
Plan fiduciary net position - beginning	<u>2,628,335</u>
Plan fiduciary net position - ending(b)	<u>\$ 2,750,074</u>
 District's net pension liability (asset) - ending (a)-(b)	 <u>\$ (168,685)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 106.53%

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

NOTE 5: PENSION PLANS (Continued)

Schedule of Changes in the Volunteer Net Pension Liability (Continued)

Changes in Actuarial Assumptions - Mortality tables, withdrawal rates, and disability rates have all been updated since the prior valuation. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with Fire and Police Pension Association of Colorado. Additionally, administrative expenses are now assumed to be equal to an average of the actual expenses for the two prior years. There were no benefit changes during the fiscal year, and no changes to actuarial assumptions from the January 1, 2021 valuation.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at <http://www.FPPAco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for 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 normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

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 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.0 percent and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by 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 resolutions.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$18,074 for the plan year ended December 31, 2020 and \$14,936 for the fiscal year ended December 31, 2021. The current year contributions will be expensed in 2022 for FPPA purposes, December 31, 2021 employer contributions for reporting as of December 31, 2022, and are a timing difference at year end.

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

At December 31, 2021, the District reported an asset of \$17,336 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension liability was based on District's contributions to the SWDB for the calendar year 2020 relative to the total contributions of participating employers to the SWDB.

At December 31, 2021, the District's proportion was 0.03065%, which was an increase of 0.01923% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$46,045. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 66,582	\$ (375)
Changes of assumptions or other inputs	\$ 33,551	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 26,963	\$ (109,802)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 8,346	\$ (18,968)
Contributions subsequent to the measurement date	\$ 29,950	\$ -
Total	\$ 165,392	\$ (129,145)

\$14,936 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment 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 Ended December 31:	Fiscal year Total
2022	\$ (11,288)
2023	(756)
2024	(14,238)
2025	(312)
2026	13,985
2027-2030	18,906
Total	\$ 6,297

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board 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 (assumed at 2.5 percent). 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:

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (85,026)	\$ 84,490	\$ 224,870

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 6: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2021 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2021, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

In November 1994, the District's electorate approved a ballot issue to permit the District to retain and spend all non-tax revenues in each fiscal year beginning 1995 without regards to the limitations of TABOR.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The District has made the following fund balance reservation as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

Emergency Reserve

The Article requires an emergency reserve be set aside for 2021 in the amount of 3% or more of its fiscal year spending. At December 31, 2021, the District has reserved \$53,000 in the General Fund for emergencies.

The District believes it is in compliance with the provisions of the TABOR Amendment.

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to firemen; and natural disasters. The District purchases commercial insurance and for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

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**Required Supplementary Information
(Pension Schedules – Unaudited)**

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

FPPA Pension Plan

Last 10 Fiscal Years⁽¹⁾

Fiscal Year	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll	District's	Plan fiduciary net position as a percentage of the total pension liability
				proportionate share of the net pension asset (liability) as a proportion of covered payroll	
12/31/2021	0.0389173%	\$ 84,490	\$ 312,588	27.03%	101.90%
12/31/2020	0.0341080%	\$ 19,290	\$ 251,388	7.67%	101.90%
12/31/2019	0.0359349%	\$ (45,432)	\$ 240,713	-18.87%	95.23%
12/31/2018	0.0364125%	\$ 52,385	\$ 212,988	24.60%	106.34%
12/31/2017	0.0380093%	\$ (13,734)	\$ 194,525	-7.06%	98.21%
12/31/2016	0.0388636%	\$ 685	\$ 188,400	0.36%	100.10%
12/31/2015	0.0435038%	\$ 49,097	\$ 195,638	25.10%	106.83%
12/31/2014	0.0182317%	\$ 16,303	\$ 79,188	20.59%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

FPPA Pension Plan
 Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2021	\$ 25,007	\$ 25,007	\$ -	\$ 312,588	8.00%
12/31/2020	\$ 20,111	\$ 20,111	\$ -	\$ 251,388	8.00%
12/31/2019	\$ 19,257	\$ 19,257	\$ -	\$ 240,713	8.00%
12/31/2018	\$ 17,039	\$ 17,039	\$ -	\$ 212,988	8.00%
12/31/2017	\$ 15,562	\$ 15,562	\$ -	\$ 194,525	8.00%
12/31/2016	\$ 15,072	\$ 15,072	\$ -	\$ 188,400	8.00%
12/31/2015	\$ 15,651	\$ 15,651	\$ -	\$ 195,638	8.00%
12/31/2014	\$ 6,335	\$ 6,335	\$ -	\$ 79,188	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

Volunteer Pension Plan

Last 10 Fiscal Years⁽¹⁾

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
<u>Total Pension Liability</u>					
Service cost	\$ 38,376	\$ 45,868	\$ 45,868	\$ 45,868	\$ 91,139
Interest	144,107	150,405	149,046	163,853	28,167
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(129,875)	-	(147,401)	48,345
Changes of assumptions	-	-	-	(149,531)	-
Benefit payments	<u>(174,335)</u>	<u>(170,171)</u>	<u>(172,356)</u>	<u>(168,330)</u>	<u>(166,348)</u>
Net changes in total pension liability	8,148	(103,773)	22,558	(255,541)	1,303
Total Pension Liability - beginning	<u>2,573,241</u>	<u>2,677,014</u>	<u>2,654,456</u>	<u>2,909,997</u>	<u>2,908,694</u>
Total Pension Liability - ending (a)	<u>\$ 2,581,389</u>	<u>\$ 2,573,241</u>	<u>\$ 2,677,014</u>	<u>\$ 2,654,456</u>	<u>\$ 2,909,997</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$ 129,183	\$ 123,272	\$ 108,897	\$ 108,040	\$ 103,250
Contributions - state (discretionary)	41,357	41,357	41,357	41,357	41,357
Net investment Income	137,114	117,284	269,578	(89,405)	149,415
Benefit payments	(174,335)	(170,171)	(172,356)	(168,330)	(166,348)
Administrative expense	(11,580)	(6,275)	(10,900)	(1,083)	(1,304)
Other	-	-	-	-	-
Net change in plan fiduciary net position	121,739	105,467	236,576	(109,421)	126,370
Plan fiduciary net position - beginning	<u>2,628,335</u>	<u>2,522,868</u>	<u>2,286,292</u>	<u>2,395,713</u>	<u>2,269,343</u>
Plan fiduciary net position - ending(b)	<u>\$ 2,750,074</u>	<u>\$ 2,628,335</u>	<u>\$ 2,522,868</u>	<u>\$ 2,286,292</u>	<u>\$ 2,395,713</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ (168,685)</u>	<u>\$ (55,094)</u>	<u>\$ 154,146</u>	<u>\$ 368,164</u>	<u>\$ 514,284</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.53%	102.14%	94.24%	86.13%	82.33%

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

<u>12/31/2016</u>	<u>12/31/2015</u>
\$ 91,139	\$ 91,139
119,115	167,225
-	-
(33,526)	(102,394)
-	-
<u>(164,282)</u>	<u>(153,692)</u>
12,446	2,278
<u>2,896,248</u>	<u>2,893,970</u>
<u>\$ 2,908,694</u>	<u>\$ 2,896,248</u>

\$ 101,341	\$ 93,799
41,357	41,357
58,466	(10,356)
(164,282)	(153,692)
(12,446)	(2,385)
-	-
<u>24,436</u>	<u>(31,277)</u>
<u>2,244,907</u>	<u>-</u>
<u>\$ 2,269,343</u>	<u>\$ 2,244,907</u>

<u>\$ 639,351</u>	<u>\$ 651,341</u>
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78.02%	77.51%
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CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS

Volunteer Pension Plan

Last 10 Fiscal Years (1)

Fiscal Year Ended	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability	Plan's Fiduciary Net Position as Percent of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percent of Covered Payroll
12/31/14	\$ 2,893,970	\$ 2,276,184	\$ 617,786	78.65%	\$ -	N/A
12/31/15	\$ 2,896,248	\$ 2,244,907	\$ 651,341	77.51%	\$ -	N/A
12/31/16	\$ 2,908,694	\$ 2,269,343	\$ 639,351	78.02%	\$ -	N/A
12/31/17	\$ 2,909,997	\$ 2,395,713	\$ 514,284	82.33%	\$ -	N/A
12/31/18	\$ 2,654,456	\$ 2,286,292	\$ 368,164	86.13%	\$ -	N/A
12/31/19	\$ 2,677,014	\$ 2,522,868	\$ 154,146	94.24%	\$ -	N/A
12/31/20	\$ 2,573,241	\$ 2,628,335	\$ (55,094)	102.14%	\$ -	N/A
12/31/21	\$ 2,581,389	\$ 2,750,074	\$ (168,685)	106.53%	\$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS

Volunteer Pension Plan

Last 10 Fiscal Years(1)

<u>Fiscal Year Ended</u>	<u>Actuarially determined contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2015	\$ 141,242	\$ 135,156	\$ 6,086	N/A	N/A
12/31/2016	\$ 149,569	\$ 142,698	\$ 6,871	N/A	N/A
12/31/2017	\$ 149,569	\$ 144,607	\$ 4,962	N/A	N/A
12/31/2018	\$ 149,569	\$ 149,397	\$ 172	N/A	N/A
12/31/2019	\$ 81,395	\$ 150,254	\$ (68,859)	N/A	N/A
12/31/2020	\$ 81,395	\$ 164,629	\$ (83,234)	N/A	N/A
12/31/2021	\$ 42,387	\$ 170,540	\$ (128,153)	N/A	N/A

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021			Variance w/ Final Budget	2020 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Property Taxes	\$ 1,144,830	\$ 1,146,829	\$ 1,017,775	\$ (129,054)	\$ 973,957
Specific Ownership Taxes	-	-	130,218	130,218	120,331
Delinquent Taxes, Penalties and Interest	-	-	<u>1,741</u>	<u>1,741</u>	<u>2,062</u>
Total Taxes	<u>1,144,830</u>	<u>1,146,829</u>	<u>1,149,734</u>	<u>2,905</u>	<u>1,096,350</u>
Intergovernmental					
Grants	216,000	133,920	134,919	999	34,000
State Matching Contribution	49,357	49,357	41,357	(8,000)	41,357
Impact Assistance	140	140	<u>13,641</u>	<u>13,501</u>	<u>140</u>
Total Intergovernmental	<u>265,497</u>	<u>183,417</u>	<u>189,917</u>	<u>6,500</u>	<u>75,497</u>
Charges for Services					
Rents	-	-	76,912	76,912	213,173
Special Services	-	-	<u>291,509</u>	<u>291,509</u>	<u>260,810</u>
Total Charges for Services	-	-	<u>368,421</u>	<u>368,421</u>	<u>473,983</u>
Investment Earnings	<u>8,000</u>	<u>700</u>	<u>1,274</u>	<u>574</u>	<u>11,323</u>
Other Revenues					
Donations	-	-	-	-	510
Insurance Claims	-	-	21,918	21,918	2,219
Sale of Capital Assets	-	-	-	-	11,000
Refunds and Reimbursements	-	-	5,031	5,031	6,176
Miscellaneous Income	<u>499,969</u>	<u>428,313</u>	<u>4,857</u>	<u>(423,456)</u>	<u>1,359</u>
Total Other Revenues	<u>499,969</u>	<u>428,313</u>	<u>31,806</u>	<u>(396,507)</u>	<u>21,264</u>
Total Revenues	<u>1,918,296</u>	<u>1,759,259</u>	<u>1,741,152</u>	<u>(18,107)</u>	<u>1,678,417</u>
EXPENDITURES					
Public Safety (Operations)					
Administration	89,211	88,683	139,083	(50,400)	132,803
Personnel Expenses	573,201	633,820	575,704	58,116	509,526
Professional Services	31,750	34,000	35,578	(1,578)	33,793
Utilities	49,810	50,090	51,206	(1,116)	39,922
Travel and Training	60,000	45,300	34,991	10,309	45,241
Maintenance and Repair	128,750	174,695	174,251	444	127,162
Firefighting and Equipment	-	48,850	1,190	47,660	987
Strike Team	<u>1,000</u>	<u>37,750</u>	<u>37,549</u>	<u>201</u>	<u>175,743</u>
Total Public Safety (Operations)	<u>933,722</u>	<u>1,113,188</u>	<u>1,049,552</u>	<u>63,636</u>	<u>1,065,177</u>
Pension Expenses	<u>178,540</u>	<u>178,540</u>	<u>172,374</u>	<u>6,166</u>	<u>165,843</u>
Capital Outlay	<u>966,013</u>	<u>659,220</u>	<u>720,595</u>	<u>(61,375)</u>	<u>298,730</u>
Debt Service					
Principal	-	-	1,979	(1,979)	-
Interest	-	-	<u>149</u>	<u>(149)</u>	-
Total Debt Service	-	-	<u>2,128</u>	<u>(2,128)</u>	-
Total Expenditures	<u>2,078,275</u>	<u>1,950,948</u>	<u>1,944,649</u>	<u>6,299</u>	<u>1,529,750</u>
Change in Fund Balance	(159,979)	(191,689)	(203,497)	(11,808)	148,667
Fund Balance, Beginning	<u>118,405</u>	<u>1,064,973</u>	<u>1,582,002</u>	<u>517,029</u>	<u>1,433,335</u>
Fund Balance, Ending	<u>\$ (41,574)</u>	<u>\$ 873,284</u>	<u>\$ 1,378,505</u>	<u>\$ 505,221</u>	<u>\$ 1,582,002</u>

See the accompanying Independent Auditor's Report.

Other Supplementary Information

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Budget and Actual - Pension Trust Fund
Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance w/ Final Budget	
ADDITIONS:					
Contributions					
State Matching Contribution	\$ -	\$ -	\$ 41,357	\$ 41,357	\$ 41,357
District Contributions	170,540	170,540	129,183	(41,357)	123,272
Investment Earnings	<u>85,000</u>	<u>85,000</u>	<u>157,274</u>	<u>72,274</u>	<u>135,764</u>
Total Additions	<u>255,540</u>	<u>255,540</u>	<u>327,814</u>	<u>72,274</u>	<u>300,393</u>
DEDUCTIONS:					
Pension Benefit Payments	181,000	181,000	174,335	6,665	170,171
Accounting	1,100	1,100	1,080	20	1,775
Actuarial Fees	-	10,500	10,500	-	4,500
Investment Fees	<u>23,000</u>	<u>23,000</u>	<u>20,160</u>	<u>2,840</u>	<u>18,480</u>
Total Deductions	<u>205,100</u>	<u>215,600</u>	<u>206,075</u>	<u>9,525</u>	<u>194,926</u>
Change in Fiduciary Net Position	50,440	39,940	121,739	81,799	105,467
Net Position, Beginning	<u>2,423,075</u>	<u>2,423,075</u>	<u>2,628,335</u>	<u>205,260</u>	<u>2,522,868</u>
Net Position, Ending	<u>\$ 2,473,515</u>	<u>\$ 2,463,015</u>	<u>\$ 2,750,074</u>	<u>\$ 287,059</u>	<u>\$ 2,628,335</u>

See the accompanying Independent Auditor's Report.