

**ESTES VALLEY FIRE
PROTECTION DISTRICT
Financial Statements
December 31, 2021**

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Estes Valley Fire Protection District
Larimer County, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV–IX and the pension schedules on pages 62–76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Daggio & Associates, P.C.

June 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

As management of Estes Valley Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021.

Based on the November 3, 2009, election results, the District was established by and in accordance with the Larimer County Court "Declaration of Organization" and "Decree of Formation" dated November 17, 2009. Effective January 1, 2010, the District assumed all responsibility for providing fire protection services, fire suppression and rescue services to the Town of Estes Park and the surrounding area of unincorporated Larimer County in accordance with the "Intergovernmental Agreement for Continuing Operations Between the Town of Estes Park and the Estes Valley Fire Protection District" dated December 8, 2009.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,490,757 at the close of the fiscal year. Of this amount, \$847,631 is unrestricted and available to meet ongoing and future obligations of the District. Additionally, a 3.0% reserve, \$64,800 for emergencies required by Colorado Statute, is restricted in the general fund.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,180,273 which decreased \$178,114 from the prior year.
- Total net position increased by \$243,880 over the prior year.
- Total governmental fund type cash and investments decreased by \$147,422 as compared to the prior year.
- Property tax revenue increased by \$5,345 as compared to the prior year.
- Sales tax revenue increased by \$324,894 as compared to the prior year.
- General fund expenditures increased by \$709,467 as compared to the prior year.
- At the end of the current fiscal year, assigned and unassigned fund balances for the general fund totaled \$1,180,273, or 50% of total general fund expenditures and transfers out.

Overview of the Financial Statements

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

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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

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

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

Both of the government-wide financial statements identify functions of the District that are principally to be supported by ad valorem taxes and shared sales taxes (governmental activities). The governmental activities of the District include providing fire protection services.

The government-wide financial statements can be found on pages 1 – 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for each of the funds – the general fund and the capital reserve fund – both of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund and capital reserve fund. Budgetary comparison statements have been provided for these funds in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 3 – 8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds provide the same type of information as the government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 9-10 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 11 – 61 of this report.

Required supplementary information. The required supplementary information to address pension data and statistics required by GASB 68 can be found on pages 62 – 76.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This supplementary information is located after the basic financial statements on pages 77 of this report.

Other Information. Other information includes the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected. The other information is located after the supplementary information on page 78.

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$4,490,757 at the close of the most recent fiscal year.

Summary of Net Position

	<u>2021</u>	<u>2020</u>
Assets		
Current and Other Assets	\$ 2,020,953	\$ 2,133,270
Capital Assets, Net	3,578,326	2,975,313
Net Pension Assets	84,659	19,300
Total Assets	<u>5,683,938</u>	<u>5,127,883</u>
Deferred Outflows of Resources		
Deferred Outflows of Resources Related to Pensions/OPEB	<u>436,258</u>	<u>285,871</u>
Liabilities		
Current Liabilities	60,530	47,781
Noncurrent Liabilities	22,541	24,465
Net Pension Liability	562,105	213,022
Net OPEB Liability	6,588	7,586
Total Liabilities	<u>651,764</u>	<u>292,854</u>
Deferred Inflows of Resources		
Property Tax Revenues and Other Inflows	780,150	727,102
Deferred Inflows of Resources Related to Pensions/OPEB	<u>197,525</u>	<u>146,921</u>
Total Deferred Inflows of Resources	<u>977,675</u>	<u>874,023</u>
Net Position		
Net Investment in Capital Assets	3,578,326	2,975,313
Restricted for Emergencies	64,800	56,200
Unrestricted	<u>847,631</u>	<u>1,215,364</u>
Total Net Position	<u>\$ 4,490,757</u>	<u>\$ 4,246,877</u>

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Summary of Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues		
Program Revenues		
Charges for Services	\$ 160,755	\$ 62,362
Operating Grants and Donations	1,248,245	1,029,603
General Revenues		
Property Taxes	724,129	718,784
Specific Ownership Tax	55,280	51,855
Gain on Disposition of Assets	-	18,603
Net Investment Income	1,996	5,073
Other	730	5,289
Total Revenues	<u>2,191,135</u>	<u>1,891,569</u>
Expenses		
Fire Protection and Emergency Services	<u>1,947,255</u>	<u>1,564,264</u>
Total Expenses	<u>1,947,255</u>	<u>1,564,264</u>
Change in Net Position	243,880	327,305
Net Position - Beginning of Year	<u>4,246,877</u>	<u>3,919,572</u>
Net Position - End of Year	<u><u>4,490,757</u></u>	<u><u>4,246,877</u></u>

The District's revenue in 2021 increased by \$299,566 over the previous year, an increase of roughly 16%.

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental fund reported ending fund balance of \$1,180,273. Of this amount, \$64,800 is restricted for TABOR Emergencies, \$65,050 is committed to the LOSAP Program and contractual requirements and \$103,070 is assigned for use

**ESTES VALLEY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

in 2022. The remaining \$890,759 constitutes unassigned fund balance, which is available for spending at the government's discretion.

Budgetary Highlights

The District's total expenditures and other financing uses for 2021 in the general fund exceeded appropriations, requiring a 2021 budget amendment. Actual expenditures were \$16,015 greater than the originally adopted budget. This is primarily attributable to additional costs recognized in district overhead expenditures.

Capital Assets

The District had \$3,578,326 in capital assets (net of accumulated depreciation) as of December 31, 2021. These capital assets include vehicles, furniture, educational statues and sculptures and equipment. During the year, the District invested \$913,526 in capital asset additions and disposed of no capital assets.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of Estes Valley Fire Protection District, 550 W. Eisenhower, Loveland, CO 80537.

BASIC FINANCIAL STATEMENTS

ESTES VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities
Assets	
Cash and Investments	\$ 842,506
Cash and Investments - Restricted	129,850
Receivable from County Treasurer	6,190
Intergovernmental Receivable	144,305
Wildland Receivable	13,837
Other Receivables	47,521
Prepaid Expense	56,594
Property Taxes Receivable	780,150
Capital Assets, Net	3,578,326
Net Pension Asset - FPPA Pension Plan	84,659
Total Assets	5,683,938
Deferred Outflows of Resources	
Pension Contributions Subsequent to Measurement Date	118,699
OPEB Contributions Subsequent to Measurement Date	663
Pension Related Deferrals	315,919
OPEB Related Deferrals	977
	436,258
Liabilities	
Accounts Payable	35,511
Accrued Payroll Liabilities	25,019
Noncurrent Liabilities:	
Due Within One Year	5,600
Due In More Than One Year	16,941
Net Pension Liability - Volunteer Pension Fund	514,765
Net Pension Liability - PERA Pension Plan	47,340
Net OPEB Liability	6,588
Total Liabilities	651,764
Deferred Inflows of Resources	
Property Taxes	780,150
Pension Related Deferrals	195,404
OPEB Related Deferrals	2,121
Total Deferred Inflows of Resources	977,675
Net Position	
Investment In Capital Assets	3,578,326
Restricted for Emergencies (TABOR)	64,800
Unrestricted	847,631
Total Net Position	\$ 4,490,757

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Permits, Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
Governmental Activities					Governmental Activities
Fire Protection and Emergency Services	\$ 1,947,255	\$ 160,755	\$ 1,248,245	\$ -	\$ (538,255)
Total Governmental Activities	<u>\$ 1,947,255</u>	<u>\$ 160,755</u>	<u>\$ 1,248,245</u>	<u>\$ -</u>	<u>(538,255)</u>
General Revenues:					
					724,129
					55,280
					1,996
					730
					<u>782,135</u>
					243,880
					4,246,877
					<u>\$ 4,490,757</u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUND**

December 31, 2021

	General Fund
Assets	
Cash and Investments	\$ 842,506
Cash and Investments - Restricted	129,850
Receivable from County Treasurer	6,190
Intergovernmental Receivable	144,305
Accounts Receivable - Other	1,123
Wildland Receivable	13,837
Prepaid Expenditures	56,594
Due from the Fiduciary Fund	46,398
Property Taxes Receivable	780,150
Total Assets	\$ 2,020,953
Liabilities	
Accounts Payable	\$ 35,511
Accrued Payroll Liabilities	25,019
Total Liabilities	60,530
Deferred Inflows of Resources	
Property Taxes	780,150
Fund Balances	
Nonspendable	
Prepaid Expenditures	56,594
Restricted	
Emergencies (TABOR)	64,800
Committed	
LOSAP	2,050
Contractual	63,000
Assigned	
Subsequent Year's Expenditures	103,070
Unassigned	890,759
Total Fund Balances	1,180,273
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,020,953

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

December 31, 2021

Total Fund Balances - Governmental Fund \$ 1,180,273

Total net position reported for governmental activities in the statement of
of net position is different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. Those
assets consist of:

Capital Assets	\$ 5,265,131	
Accumulated Depreciation	<u>(1,686,805)</u>	3,578,326

Pension assets and liabilities and related deferred inflows and
outflows of resources are not current financial resources and,
therefore, are not reported in the fund financial statements.

Balances at year-end are:

Net Pension Asset	84,659	
Net Pension Liability	(562,105)	
Net OPEB Liability	(6,588)	
Deferred outflows of resources related to pensions	315,919	
Deferred inflows of resources related to pensions	(195,404)	
Deferred outflows of resources related to OPEB	977	
Deferred inflows of resources related to OPEB	(2,121)	
Pension Contributions Subsequent to the Measurement Date	118,699	
OPEB Contributions Subsequent to the Measurement Date	<u>663</u>	(245,301)

Long-term liabilities applicable to the District's governmental
activities are not due and payable in the current period and
accordingly are not reported as fund liabilities. All liabilities,
both current and long-term, are reported in the statement of
net position.

Balances at year-end are:

Compensated Absences		<u>(22,541)</u>
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Net Position - Governmental Activities \$ 4,490,757

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND**

For the Year Ended December 31, 2021

	General Fund
Revenues	
Sales Tax - Town Of Estes Park	\$ 1,172,125
Property Taxes	724,129
Specific Ownership Tax	55,280
Grants	61,783
Wildland Fire Reimbursements	13,837
Contributions and Donations	500
Plan Reviews and Inspection Income	104,246
Impact Fees	56,509
Net Investment Income	1,996
Miscellaneous Income	730
Total Revenues	<u>2,191,135</u>
Expenditures	
District Overhead	668,740
Operations Division	456,241
Training Division	113,710
Prevention Division	226,888
Capital Outlay	903,670
Total Expenditures	<u>2,369,249</u>
Net Change in Fund Balances	(178,114)
Fund Balances - Beginning	<u>1,358,387</u>
Fund Balances - Ending	<u><u>\$ 1,180,273</u></u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Fund	\$ (178,114)	
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.</p>		
Capital outlay	913,526	
Depreciation expense	(310,513)	
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p> <p>Pension expense - Change in:</p>		
Net Pension Asset	65,359	
Deferred Outflows Related to Pensions	150,484	
Deferred Outflows Related to OPEB	(97)	
Net pension liability	(349,083)	
Net OPEB Liability	998	
Deferred Inflows Related to Pensions	(49,885)	
Deferred Inflows Related to OPEB	(719)	
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	1,924	
Change in Net Position - Governmental Activities	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 243,880</td> </tr> </table>	\$ 243,880
\$ 243,880		

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Sales Tax - Town of Estes Park	\$ 846,378	\$ 846,378	\$ 1,172,125	\$ 325,747
Property Taxes	727,102	727,102	724,129	(2,973)
Specific Ownership Tax	54,533	54,533	55,280	747
Grants	19,404	19,404	61,783	42,379
Wildland Fire Reimbursements	3,000	3,000	13,837	10,837
Contributions and Donations	1,000	1,000	500	(500)
Plan Reviews and Inspection Income	120,000	120,000	104,246	(15,754)
Impact Fees	58,000	58,000	56,509	(1,491)
Net Investment Income	15,000	15,000	1,996	(13,004)
Miscellaneous Income	15,000	15,000	730	(14,270)
Total Revenues	<u>1,859,417</u>	<u>1,859,417</u>	<u>2,191,135</u>	<u>331,718</u>
Expenditures				
District Overhead				
Professional Services and Fees	118,275	118,275	126,612	(8,337)
Salaries and Benefits	279,933	279,933	289,688	(9,755)
Insurance	52,632	52,632	53,056	(424)
Membership Dues and Subscriptions	6,266	6,266	9,678	(3,412)
Catering and Special Circumstances	14,250	14,250	9,328	4,922
Stations Maintenance	62,968	62,968	60,371	2,597
Data Processing Equipment	6,000	6,000	8,768	(2,768)
Miscellaneous Equipment	3,000	3,000	10,869	(7,869)
Member Recognition	21,650	21,650	14,020	7,630
Pension Expense	40,000	40,000	40,000	-
LOSAP	46,350	46,350	46,350	-
Contingencies	8,000	8,000	-	8,000
Subtotal District Overhead	<u>659,324</u>	<u>659,324</u>	<u>668,740</u>	<u>(9,416)</u>
Operations Division				
Salaries and Benefits	200,324	200,324	184,445	15,879
Maintenance Contracts	137,389	137,389	120,727	16,662
Equipment Acquisition	121,000	121,000	144,744	(23,744)
Supplies - Consumables	3,600	3,600	473	3,127
Catering and Special Circumstances	6,800	6,800	5,747	1,053
Firefighter Recruitment	3,450	3,450	105	3,345
Contingencies	5,000	5,000	-	5,000
Subtotal Operations Division	<u>477,563</u>	<u>477,563</u>	<u>456,241</u>	<u>21,322</u>

(Continued)

ESTES VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2021
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Training Division				
Salaries and Benefits	\$ 102,790	\$ 102,790	\$ 82,792	\$ 19,998
Membership Dues and Subscriptions	4,964	4,964	3,079	1,885
Conferences	22,500	22,500	9,793	12,707
Internal Training	17,000	17,000	2,048	14,952
External Training	18,500	18,500	13,416	5,084
Supplies	1,500	1,500	2,582	(1,082)
Contingencies	5,000	5,000	-	5,000
Subtotal Training Division	<u>172,254</u>	<u>172,254</u>	<u>113,710</u>	<u>58,544</u>
Prevention Division				
Salaries and Benefits	231,979	231,979	209,056	22,923
Membership Dues and Subscriptions	2,662	2,662	2,110	552
Public Education	4,775	4,775	14,380	(9,605)
Fuels Mitigation Crew	1,700	1,700	1,342	358
Contingencies	4,000	4,000	-	4,000
Subtotal Prevention Division	<u>245,116</u>	<u>245,116</u>	<u>226,888</u>	<u>18,228</u>
Capital Outlay				
Fleet	713,977	775,000	840,805	(65,805)
Buildings and Grounds	85,000	48,068	62,865	(14,797)
Subtotal Capital Outlay	<u>798,977</u>	<u>823,068</u>	<u>903,670</u>	<u>(80,602)</u>
Total Expenditures	<u>2,353,234</u>	<u>2,377,325</u>	<u>2,369,249</u>	<u>8,076</u>
Net Change in Fund Balance	(493,817)	(517,908)	(178,114)	339,794
Fund Balance - Beginning	<u>1,159,354</u>	<u>1,159,354</u>	<u>1,358,387</u>	<u>199,033</u>
Fund Balance - Ending	<u>\$ 665,537</u>	<u>\$ 641,446</u>	<u>\$ 1,180,273</u>	<u>\$ 538,827</u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
VOLUNTEER PENSION FUND**

December 31, 2021

Assets	
Cash and Investments	\$ 1,851,585
Total Assets	<u>1,851,585</u>
Liabilities	
Due to the General Fund	<u>46,398</u>
Net Position	
Held in Trust for Pension Benefits	<u>1,805,187</u>
Total Net Position	<u><u>\$ 1,805,187</u></u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
VOLUNTEER PENSION FUND**

For the Year Ended December 31, 2021

Additions

Contributions:

Estes Valley FPD Contribution	\$ 40,000
State Participation Contribution	36,000
Total Contributions	<u>76,000</u>

Investment Income:

Interest and Dividends	86,156
Net Appreciation in Fair Value of Investments	80,726
Less Investment Expense	(13,235)
Total Net Investment Income	<u>153,647</u>
Total Additions	<u>229,647</u>

Deductions

Retiree Benefit Payments	148,963
Miscellaneous	11,153
Total Deductions	<u>160,116</u>

Change in Plan Net Position	69,531
Plan Net Position - Beginning	<u>1,735,656</u>
Plan Net Position - Ending	<u>\$ 1,805,187</u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Estes Valley Fire Protection District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Larimer County on November 17, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection services, fire suppression, and rescue services in the Town of Estes Park (Town) and surrounding areas of unincorporated Larimer County.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, including a volunteer organization, Estes Park Volunteer Fire Department, which provides services for the District, but is not under the control of the District's Board of Directors. The District is not a component unit of any other primary governmental entity, including the Town of Estes Park.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue and fees and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and shown as an operating expense. Expenditures for capital assets are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and payment for fire services. All other revenue items are measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the District reports the following fiduciary fund type using the accrual basis of accounting:

The *Volunteer Pension Fund* is a pension trust fund and is used to account for transactions relating to assets held by the District in the capacity of trustee for its volunteer firefighters' pension plan.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors may modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments. Investments are carried at fair value.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	15 years
Vehicles	5-20 years
Educational statues and sculptures	7 years
Furniture and fixtures	7 -20 years
General and office equipment	20 years

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. Property taxes are recorded as revenue in the year it is available or collected (the year it is levied for).

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Compensated Absences

The District has a policy that allows employees to accumulate paid time off and sick pay up to certain maximum hours as stated in the District's Personnel Policy Manual. Vacation above the maximum allowable carry over is forfeited. Sick leave above the maximum allowable carryover is converted to vacation on a 2-for-1 basis. Conversion of any excess sick time to vacation is done prior to the calculation of compensated absences. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

Long Term Obligations

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs, except any portion related to prepaid insurance costs, are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualifies for reporting in this category. Accordingly, the items *pension and OPEB contributions subsequent to measurement date*, and *pension and OPEB related deferrals* are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and the fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue* and *pension and OPEB related deferrals*, are deferred and recognized as an inflow of resources in the period that the amounts become available.

Pensions

FPPA. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

PERA. The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of December 31, 2021.

Other Postemployment Benefits (OPEB).

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

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 842,506
Cash and Investments - Restricted - Held for Emergency Reserves, LOSAP and contractual commitments	<u>129,850</u>
Total Cash and Investments	<u>\$ 972,356</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 409,823
Investments	<u>562,533</u>
Total Cash and Investments	<u>\$ 972,356</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are uninsured but collateralized. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's deposits had a bank balance of \$409,863 and a carrying balance of \$409,823.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	<u>\$ 562,533</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unrefunded commitments, the redemption frequency is daily and there is no redemption notice period.

Pension Plan cash and investments are discussed separately under Note 7.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated				
Buildings	\$ 710,832	\$ 32,411	\$ -	\$ 743,243
Vehicles	2,850,574	840,805	-	3,691,379
General Equipment	736,723	40,310	-	777,033
Educational Statues and Sculptures	29,204	-	-	29,204
Office Equipment	24,272	-	-	24,272
Total Capital Assets Being Depreciated	<u>4,351,605</u>	<u>913,526</u>	<u>-</u>	<u>5,265,131</u>
Less Accumulated Depreciation for				
Buildings	142,751	49,011	-	191,762
Vehicles	919,455	197,065	-	1,116,520
General Equipment	268,322	60,285	-	328,607
Educational Statues and Sculptures	29,204	-	-	29,204
Office Equipment	16,560	4,152	-	20,712
Total Accumulated Depreciation	<u>1,376,292</u>	<u>310,513</u>	<u>-</u>	<u>1,686,805</u>
Total Capital Assets Being Depreciated, Net	<u>2,975,313</u>	<u>603,013</u>	<u>-</u>	<u>3,578,326</u>
Total Capital Assets, Net	<u>\$ 2,975,313</u>	<u>\$ 603,013</u>	<u>\$ -</u>	<u>\$ 3,578,326</u>

All assets previously held by the Town were transferred to the District at net book value.

Depreciation expense is charged to the fire protection and emergency services program.

On April 7, 2020, the Town’s electors voted to sell the Dannels Fire Station to the District for \$1. Upon the transfer of the Dannels Fire Station building, parking lot, landscaping and all related appurtenances from the Town to the District, the Special Use Permit between the Town and the United States Department of the Interior was transferred to the District, causing the District to have sole responsibility the property and adherence to the General and Special Conditions under the License.

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 24,465	\$ 28,739	\$ 30,663	\$ 22,541	\$ 5,600
Total Governmental Activities	\$ 24,465	\$ 28,739	\$ 30,663	\$ 22,541	\$ 5,600

NOTE 6 – NET POSITION

The District has net position consisting of three components – invested in capital assets, restricted, and unrestricted.

Net investment in capital assets amounting to \$3,577,847 consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of obligations that are attributable to the acquisition, construction, or improvement of those assets, if any.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:

TABOR Emergencies (see Note 13) \$ 64,800

The unrestricted component of net position as of December 31, 2021 totaled \$847,631.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 7 – VOLUNTEERS’ FIRE PENSION FUND

Plan Descriptions and Provisions

The District administers a single employer pension plan (the Plan) for the benefit of its volunteers as authorized by State statute. The Plan is defined as a defined benefit, single-employer, noncontributory plan and provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and governed by the Pension Fund Board of Trustees. The Plan’s assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan.

The Plan is governed by a Board of Directors which consists of the five District Board members and two individuals from the volunteer organization who are voted on by the volunteer organization members. The provisions of the Plan give the Board the right and authority to establish and amend the benefit provisions of the Plan.

Volunteer firefighters who attain both the age of fifty and complete twenty years of active service shall be eligible for a monthly pension, currently \$450. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Based on the Board’s discretion, surviving spouses may be eligible for benefits up to an amount of 100%. The Plan does not publish a separate stand-alone report but is included in these financial statements as a Pension Trust Fund.

The Plan’s Board of Directors may levy a tax of not more than one-half mill on the taxable property in the District. The State of Colorado makes contributions as established by the legislature and based on the District contributions. Currently, the State matches 90% of District contributions.

Employees Covered by Benefit Terms

As of January 1, 2021 (the latest actuarial valuation performed), the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	32
Inactive Participants, Entitled to but not yet Receiving Benefits	6
Active Participants	31

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the following:

	Valuation Date	
	January 1, 2021	January 1, 2019
Measurement date	December 31, 2020	December 31, 2019
Inflation	2.25%	2.50%
Salary increases including inflation	2.25%	2.50%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2020	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2018
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in Actuarial Assumptions Adopted January 1, 2021

The annual investment earnings assumption was reduced from 5.50% to 5.00% to better reflect future anticipated plan experience.

The inflation assumption was reduced from 2.50% to 2.25% per annum to better reflect future anticipated plan experience.

The projection table for assumed future mortality improvements was updated from projection scale MP-2018 to projection scale MP-2020.

There have been no significant changes between the valuation date and the fiscal year end.

Discount Rate

Measurement date	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	5.00%	5.50%
Long-term-expected rate of return, net of investment expense	5.00%	5.50%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	2.12%	2.74%

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The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments in that the District has entered into a Trust Agreement with the WIN Advisor Group, Inc. to oversee the pension fund investments. Therefore, the pension investments are not limited to those described in Note 3 applicable to local governments. A majority of the Plan's investments are invested in mutual funds, commercial paper, and exchange trade funds. The investment funds and exchange trade funds are unrated as each fund is comprised of many different types of investments.

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 56,963
Investments	<u>1,794,622</u>
Total Cash and Investments	<u>\$ 1,851,585</u>

Investments consist of the following:

	<u>Maturity</u>	<u>Fair Value</u>
Mutual funds	No stated maturity	\$ 915,974
Municipal Bonds	2024-2025	238,016
Certificates of deposit	2022-2026	<u>640,632</u>
		<u>\$ 1,794,622</u>

The calculation of realized gains (losses) is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

ESTES VALLEY FIRE PROTECTION DISTRICT

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Rate of Return

For the plan year ended December 31, 2020, the Plan's annual money-weighted rate of return on plan investments, net of investment expense, was 4.47%. The money-weight rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment risk factors

There are many factors that can affect the value of investments. Some, such as custodial risk, concentration risk, and foreign currency risk, may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings, performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates. The Plan has established investment policies to provide the basis for the management of a prudent investment program appropriate to the particular needs of the Plan.

Credit risk

Credit risk is the risk that an issuer or other party to an investment will not fulfill its obligation to the Plan. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the Board. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan's purpose.

Custodial risk

The Plan has no custodial credit risk. All securities are registered in the name of the Pension Trust as the Trustee for the Plan and held by third-party safekeeping agents. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

Changes in the Net Pension Liability

At December 31, 2020, the fiduciary net position as a percentage of total pension liability was 77.13%.

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Sensitivity of the net pension liability to the changes in the discount rate.

The following table presents the net pension liability of the District, calculated using the discount rate of 5.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate.

	1% Decrease 4.00%	Current Discount Rate 5.00%	1% Increase 6.00%
Total Pension Liability	\$ 2,519,438	\$ 2,250,421	\$ 2,027,614
Fiduciary Net Position	1,735,656	1,735,656	1,735,656
Net Pension Liability	\$ 783,782	\$ 514,765	\$ 291,958

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

For the year ended December 31, 2021, the District recognized pension expense of \$251,865. At December 31, 2021, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 56,807	\$ (40,246)
Changes of assumptions or other inputs	84,507	(16,668)
Net difference between projected and actual earnings on pension plan investments	41,377	-
Contributions subsequent to the measurement date	76,000	-
Total	\$ 258,691	\$ (56,914)

\$76,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

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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,	
2022	\$ 31,300
2023	34,084
2024	18,880
2025	38,067
2026	<u>3,446</u>
	<u>\$ 125,777</u>

NOTE 8 – EMPLOYEE RETIREMENT PLANS

Fire and Police Statewide Defined Benefit Plan (FPPA)

Defined Benefit Pension Plan

General Information about the Pension Plan

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. Amendments to the related contribution rates and benefits of this plan are described below. Additionally, the stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension liability/(asset) of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position

Description of Benefits

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

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

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2016, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0%. The reentry Separate Retirement Account contribution rate was set at 3.70%.

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A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% 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% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions are 8% in 2019 and 2020. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5% and 8%, respectively, of pensionable earnings for a total contribution rate of 18.5%. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11% and 8%, respectively, of pensionable earnings for a total contribution rate of 19%. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.50% and 8.50%, respectively, of pensionable earnings for a total contribution rate of 20.00%.

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% and 23.5% of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

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The contribution rate for members and employers of affiliated social security employers is 5.5% and 4%, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4% and 4.25% in 2020 and 2021, respectively. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings. Contributions to the Plan from the District were \$34,134 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a net pension asset of \$84,659 for its proportionate share of the SWDB collective net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating Districts, actuarially determined. At December 31, 2020, the District's proportion was 0.0389951523%, which was an increase of 0.0048701429% from its proportion measured as of December 31, 2019. For the year ended December 31, 2021, the District recognized pension expense of \$6,116.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 71,799	\$ (337)
Changes of assumptions or other inputs	36,007	-
Net difference between projected and actual earnings on pension plan investments	-	(86,957)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,919	-
Contributions subsequent to the measurement date	34,134	N/A
Total	<u>\$ 151,859</u>	<u>\$ (87,294)</u>

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\$34,134 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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,

2022	\$ (7,494)
2023	3,785
2024	(10,845)
2025	4,019
2026	16,808
Thereafter	<u>24,158</u>
	<u>\$ 30,431</u>

Actuarial assumptions

The total pension asset in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, 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,

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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:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income-Rates	10.0%	4.01%
Fixed Income-Rates	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

Discount Rate

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

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

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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).

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability (asset)	<u>\$ 85,196</u>	<u>\$ (84,659)</u>	<u>\$ (225,319)</u>

The expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.0% (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%.

Pension Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by the FPPA. Participation in the plan is optional for all District employees. The plan allows the employees to defer a portion of their salary until future years. The District's contributions to the FPPA administered 457 plan for the years ended December 31, 2021, 2020, and 2019 were \$-0-, \$-0-, and \$-0- respectively.

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Public Employees' Retirement Association of Colorado (PERA)

Defined Benefit Pension Plan

General Information about the Pension Plan

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

Benefits Provided as of December 31, 2020

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

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions Provisions as of December 31, 2021

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq* and § 24-51-413.

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Employee contribution rates for the period of January 1, 2020 through December 31, 2021 are summarized in the table below:

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employee contribution rate: (all employees other than State Troopers)	8.00%	8.50%	8.50%	8.50%
State Troopers	10.75%	12.00%	12.00%	12.50%

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

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

	January 1, 2020 Through June 30, 2020	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021	July 1, 2021 Through December 31, 2021
Employer contribution rate	10.00%	10.50%	10.50%	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	8.98%	9.48%	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	N/A	0.02%	0.02%
Total employer contribution rate to the LGDTF	12.68%	13.18%	13.20%	13.20%

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

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Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$8,565 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$47,340 for its proportionate share of the net pension liability. The net pension liability for the LGDTF 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 December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2020, the District proportion was 0.0090841921%, which was an increase of 0.0002723923% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of \$7,843. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,289	\$ -
Changes of assumptions or other inputs	11,440	-
Net difference between projected and actual earnings on pension plan investments	-	(51,196)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,774	-
Contributions subsequent to the measurement date	8,565	N/A
Total	<u>\$ 24,068</u>	<u>\$ (51,196)</u>

\$8,565 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the

ESTES VALLEY FIRE PROTECTION DISTRICT

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net pension liability 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,

2022	\$ (4,393)
2023	(5,865)
2024	(17,354)
2025	<u>(8,081)</u>
	<u>\$ (35,693)</u>

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real wage growth	1.10%
Wage Inflation	3.50%
Salary increases, including wage inflations	3.50% - 10.45%
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually) ¹	1.25%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a

ESTES VALLEY FIRE PROTECTION DISTRICT

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73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage Inflation	3.00%
Salary increases, including wage inflations	
Members other than State Troopers	3.20% - 11.30%
State Troopers ¹	3.20% - 12.40%
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Post-retirement benefit increases:	1.25%
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually) ¹	
PERA benefit structure hired after 12/31/06 ²	Financed by the AIR

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the LGDTF, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

² Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

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

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Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated

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employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
	7.25%	7.25%	8.25%
Proportionate share of the net pension liability	<u>\$ 109,053</u>	<u>\$ 47,340</u>	<u>\$ (4,182)</u>

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Pension plan fiduciary net position

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

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

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

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

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

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subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$663 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$6,588 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.00069327990%, which was an increase of 0.0000184003% from its proportion measured as of December 31, 2019.

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For the year ended December 31, 2021, the District recognized OPEB expense of \$481. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17	\$ (1,448)
Changes of assumptions or other inputs	49	(404)
Net difference between projected and actual earnings on pension plan investments	-	(269)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	911	-
Contributions subsequent to the measurement date	663	N/A
Total	\$ 1,640	\$ (2,121)

\$663 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022.

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

Year ended December 31,

2022	(179)
2023	(141)
2024	(293)
2025	(387)
2026	(133)
2027	(11)
	\$ (1,144)

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Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real wage growth	1.10%
Wage Inflation	3.50%
Salary increases, including wage inflations	3.50% in aggregate
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount Rate	7.25%
Health care cost trend rates PERA benefit structure: Service-based premium subsidy PERACare Medicare plans Medicare Part A premiums	0.00% 8.10% in 2020, gradually decreasing to 4.50% in 2029 3.50% in 2020, gradually increasing to 4.50% in 2029
DPS cost trend rates DPS benefit structure: Service-based premium subsidy PERACare Medicare plans Medicare Part A premiums	0.00% N/A N/A

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In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA’s Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA’s Board on November 20, 2020, and were effective as of December 31, 2020.

The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of “State Troopers” to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA’s 2020 Annual Report for more information.

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The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

Sensitivity of the District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$144,946	\$148,792	\$153,269

Discount rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	<u>\$ 7,546</u>	<u>\$ 6,588</u>	<u>\$ 5,769</u>

OPEB plan fiduciary net position

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

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 - LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

On January 1, 2018, the District created the Hero Plus Program (HPP) in accordance with Internal Revenue Code Section 457(e)(11). The program is administered by Lincoln Financial Group Trust Company, Inc. (LFG). The District funds the HPP annually based upon the individual amounts earned each year.

During the year ended December 31, 2021, the District transferred \$46,350 to the HPP.

NOTE 11 – INTERGOVERNMENTAL AGREEMENTS

The District has entered into intergovernmental agreements with the Town as a result of the District's organization and the continuation of fire protection services for the Town. Specifically, the Town has agreed to remit to the District 7% of sales tax revenue it receives. These taxes are remitted to the District monthly. During 2021, 2020, and 2019, the District received \$1,172,125, \$847,231, and \$915,003, respectively, in sales taxes from the Town.

The Town provides dispatching and communication services to the District for an appropriate annual amount to be agreed upon by the parties during September of each calendar year for the subsequent year. During 2021, the District paid the Town \$18,417 for dispatching services.

During 2021, the Town continued to provide essential support services such as information technology support and fleet maintenance at an agreed upon amount which is set annually. The total amount paid to the Town for these services in 2021 was \$31,100.

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide public officials' liability and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The District continues to carry commercial insurance for all other risks of loss. The District did not have any claim settlements in excess of coverage in any of the past three fiscal years.

NOTE 13 – TAX, SPENDING AND DEBT LIMITATIONS

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

On November 3, 2009, a majority of the District's electors authorized the District to collect, retain and spend all revenues and other funds from any revenue source, provided that the District's 1.95 mill levy tax rate shall not be increased without further voter approval and the revenues from all such sources be spent as voter approved revenue changes and as an exception to the limits which would otherwise apply, including without limitation to TABOR.

On November 6, 2018, a majority of the District's electors approved the following ballot question: Shall Estes Valley Fire Protection District be authorized to offset revenue losses from refunds, abatements and changes to the percentage of actual valuation used to determine assessed valuation (in particular to offset revenues that would otherwise be lost due to the "Gallagher Amendment" to the Colorado constitution) by increasing its operating mill levy beginning in collection year 2020 and annually thereafter, so that to the extent possible the actual tax revenue collected is the same as if such changes had not occurred?

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not

ESTES VALLEY FIRE PROTECTION DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

REQUIRED SUPPLEMENTARY INFORMATION

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER PENSION FUND
LAST 10 YEARS ***

Measurement period ending December 31,	2020	2019	2018
Total Pension Liability			
Service Cost	\$ 13,760	\$ 13,760	\$ 30,655
Interest on Total Pension Liability	99,592	100,865	108,785
Effect of Plan Changes	238,367	-	-
Effect of economic/demographic gains or losses	70,662	-	(97,738)
Effect of assumptions changes or inputs	105,119	-	(40,482)
Benefit payments	(146,205)	(129,573)	(127,097)
Net Change in Total Pension Liability	381,295	(14,948)	(125,877)
Total Pension Liability - Beginning	1,869,126	1,884,074	2,009,951
Total Pension Liability - Ending (a)	<u>\$ 2,250,421</u>	<u>\$ 1,869,126</u>	<u>\$ 1,884,074</u>
Plan Fiduciary Net Position			
Employer Contributions	\$ 88,605	\$ 128,605	\$ 128,605
Net investment income	75,013	168,084	(106,028)
Benefit payments	(146,205)	(129,573)	(127,097)
Administrative expense	(2,310)	(10,902)	(3,947)
Net Change in Plan Fiduciary Net Position	15,103	156,214	(108,467)
Plan Fiduciary Net Position - Beginning	1,720,553	1,564,339	1,672,806
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,735,656</u>	<u>\$ 1,720,553</u>	<u>\$ 1,564,339</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 514,765</u>	<u>\$ 148,573</u>	<u>\$ 319,735</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.13%	92.05%	83.03%
Covered Payroll	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A

Information above is presented as of the measurement date.

* Information is not currently available for prior years; additional years will be displayed as they become available.

2017	2016	2015	2014
\$ 30,655	\$ 40,090	\$ 40,090	\$ 39,112
108,395	109,590	109,045	108,438
-	-	-	-
-	(39,766)	-	-
-	13,724	-	-
(136,697)	(135,192)	(143,152)	(131,939)
2,353	(11,554)	5,983	15,611
2,007,598	2,019,152	2,013,169	1,997,558
<u>\$ 2,009,951</u>	<u>\$ 2,007,598</u>	<u>\$ 2,019,152</u>	<u>\$ 2,013,169</u>

\$ 128,605	\$ 118,605	\$ 128,605	\$ 102,705
100,852	90,802	(32,207)	8,168
(136,697)	(135,192)	(143,152)	(131,939)
(9,246)	(3,606)	(7,914)	(3,051)
83,514	70,609	(54,668)	(24,117)
1,589,292	1,518,683	1,573,351	1,597,468
<u>\$ 1,672,806</u>	<u>\$ 1,589,292</u>	<u>\$ 1,518,683</u>	<u>\$ 1,573,351</u>

<u>\$ 337,145</u>	<u>\$ 418,306</u>	<u>\$ 500,469</u>	<u>\$ 439,818</u>
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83.23%	79.16%	75.21%	78.15%
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N/A	N/A	N/A	N/A
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N/A	N/A	N/A	N/A
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ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF NET PENSION LIABILITY
VOLUNTEER PENSION FUND
LAST 10 YEARS ***

	2020	2019	2018
Net Pension Liability			
Total Pension Liability	\$ 2,250,421	\$ 1,869,126	\$ 1,884,074
Fiduciary Net Position	1,735,656	1,720,553	1,564,339
Net Pension Liability	<u>\$ 514,765</u>	<u>\$ 148,573</u>	<u>\$ 319,735</u>
Fiduciary Net Position as a % of Total Pension Liability	77.13%	92.05%	83.03%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A
The total pension liability was determined by an actuarial valuation as of the valuation date using the following actuarial assumptions:			
Investment Rate of Return	5.00%	5.50%	5.50%
Cost of Living Adjustments	None	None	None
Other Key Actuarial Assumptions:			
Actuarial valuation date	January 1, 2021	January 1, 2019	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	
Amortization Method	Level Dollar - Closed	Level Dollar - Closed	
Remaining Amortization Period	16 years	18 years	
Asset Valuation Method	Market Value of Assets	Market Value of Assets	
Inflation	2.25%	2.50%	
Salary Increases	N/A	N/A	
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2020	Pub-2010 Public Retirement Plans Mortality Tables, with generational projections using Table MP-2018	

* Information is not currently available for prior years; additional years will be displayed as they become available.

2017	2016	2015	2014	2013
\$ 2,009,951	\$ 2,007,598	\$ 2,019,152	\$ 2,013,169	\$ 1,997,558
1,672,806	1,589,292	1,518,683	1,573,351	1,597,468
<u>\$ 337,145</u>	<u>\$ 418,306</u>	<u>\$ 500,469</u>	<u>\$ 439,818</u>	<u>\$ 400,090</u>
83.23%	79.16%	75.21%	78.15%	79.97%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

5.50%	5.50%	5.50%	5.50%	5.50%
None	None	None	None	None

January 1, 2017
 Level Dollar - Closed
 20 years
 Market Value of Assets
 2.50%
 N/A
 RP-2014 Healthy
 Annuitant and
 Employee Mortality
 Tables

January 1, 2015
 Entry Age Normal
 Level Dollar - Closed
 22 years
 Market Value of Assets
 2.50%
 N/A
 RP-2014 Healthy Annuitant and Employee
 Mortality Tables

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER PENSION FUND
LAST 10 YEARS**

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2012	\$ 78,565	\$ 128,605	\$ (50,040)	N/A	N/A
2013	\$ 71,135	\$ 128,605	\$ (57,470)	N/A	N/A
2014	\$ 71,135	\$ 102,705	\$ (31,570)	N/A	N/A
2015	\$ 81,151	\$ 128,605	\$ (47,454)	N/A	N/A
2016	\$ 81,151	\$ 118,605	\$ (37,454)	N/A	N/A
2017	\$ 76,302	\$ 128,605	\$ (52,303)	N/A	N/A
2018	\$ 76,302	\$ 128,605	\$ (52,303)	N/A	N/A
2019	\$ 50,677	\$ 128,605	\$ (77,928)	N/A	N/A
2020	\$ 50,677	\$ 88,605	\$ (37,928)	N/A	N/A
2021	\$ 77,184	\$ 76,000	\$ 1,184	N/A	N/A

Note, full valuations are performed biannually on odd numbered years. The members of the plan are volunteers, so as such there is no covered payroll.

* Includes State Fire pension contribuion

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF INVESTMENT RETURNS
VOLUNTEER PENSION FUND
LAST 10 YEARS ***

Year Ending December 31,	Net Money- Weighted Rate of Return
2011	N/A
2012	N/A
2013	N/A
2014	0.53%
2015	-2.11%
2016	6.12%
2017	6.48%
2018	-6.38%
2019	10.74%
2020	4.47%

* Information is not currently available for prior years; additional years will be displayed as they become available.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND**

LAST 10 YEARS *

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net Pension Liability (Asset)	0.03899515%	0.03412501%	0.03754718%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (84,659)	\$ (19,300)	\$ 47,470
Covered Payroll	\$ 327,038	\$ 301,900	\$ 251,513
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	(25.887)%	(6.393)%	18.874%
Calculation of Collective Net Pension Liability:			
Total Pension Liability	\$ 3,230,485,701	\$ 2,919,378,738	\$ 2,653,120,261
Plan Fiduciary Net Position	3,447,586,098	2,975,935,079	2,526,692,808
Net Pension Liability (Asset)	<u>\$ (217,100,397)</u>	<u>\$ (56,556,341)</u>	<u>\$ 126,427,453</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	106.72%	101.94%	95.23%

Information above is presented as of the measurement date.

* Information is not currently available for prior years; additional years will be displayed as they become available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
0.04253503%	0.05309873%	0.04598291%	0.05391947%	0.05536940%
\$ (61,193)	\$ 19,187	\$ (811)	\$ (60,853)	\$ (49,511)
\$ 248,806	\$ 282,784	\$ 223,653	\$ 242,475	\$ 240,488
(24.595)%	6.785%	(0.363)%	(25.097)%	(20.588)%
\$ 2,269,410,684	\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630	1,623,049,809
<u>\$ (143,865,763)</u>	<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
106.34%	98.21%	(100.10)%	(106.83)%	(105.83)%

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND
LAST 10 YEARS ***

Year Ending December 31,	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	\$ 19,239	\$ 19,239	\$ -	\$ 240,488	8.00%
2014	\$ 19,398	\$ 19,398	\$ -	\$ 242,475	8.00%
2015	\$ 17,892	\$ 17,892	\$ -	\$ 223,653	8.00%
2016	\$ 22,623	\$ 22,623	\$ -	\$ 282,784	8.00%
2017	\$ 19,904	\$ 19,904	\$ -	\$ 248,806	8.00%
2018	\$ 20,121	\$ 20,121	\$ -	\$ 251,513	8.00%
2019	\$ 24,152	\$ 24,152	\$ -	\$ 301,900	8.00%
2020	\$ 26,163	\$ 26,163	\$ -	\$ 327,038	8.00%
2021	\$ 34,134	\$ 34,134	\$ -	\$ 401,576	8.50%

* Information is not currently available for prior years; additional years will be displayed as they become available.

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ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND**

LAST 10 YEARS *

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net Pension Liability (Asset)	0.0090842%	0.0088118%	0.0085772%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 47,340	\$ 64,449	\$ 107,833
Covered Payroll	\$ 66,485	\$ 60,680	\$ 55,974
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	71.204%	106.211%	192.648%
Calculation of Collective Net Pension Liability (\$ in thousands):			
Total Pension Liability	\$ 5,715,765	\$ 5,324,353	\$ 5,228,602
Plan Fiduciary Net Position	5,194,638	4,592,962	3,971,389
Net Pension Liability	<u>\$ 521,127</u>	<u>\$ 731,391</u>	<u>\$ 1,257,213</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.88%	86.26%	75.96%

Information above is presented as of the measurement date.

* Information is not currently available for prior years; additional years will be displayed as they become available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
0.0077913%	0.0072101%	0.0074612%	0.0077169%	0.0082000%
\$ 86,751	\$ 97,361	\$ 82,191	\$ 69,167	\$ 67,479
\$ 48,795	\$ 43,798	\$ 42,439	\$ 42,285	\$ 43,748
177.787%	222.296%	193.669%	163.573%	154.245%
\$ 5,396,516	\$ 5,123,847	\$ 4,762,090	\$ 4,647,777	\$ 4,517,239
4,283,086	3,773,506	3,660,509	3,751,468	3,694,318
<u>\$ 1,113,430</u>	<u>\$ 1,350,341</u>	<u>\$ 1,101,581</u>	<u>\$ 896,309</u>	<u>\$ 822,921</u>
79.37%	73.65%	76.87%	80.72%	81.78%

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST 10 YEARS ***

Year Ending December 31,	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	\$ 5,547	\$ 5,547	\$ -	\$ 43,748	12.68%
2014	\$ 5,362	\$ 5,362	\$ -	\$ 42,285	12.68%
2015	\$ 5,381	\$ 5,381	\$ -	\$ 42,439	12.68%
2016	\$ 5,554	\$ 5,554	\$ -	\$ 43,798	12.68%
2017	\$ 6,187	\$ 6,187	\$ -	\$ 48,795	12.68%
2018	\$ 7,098	\$ 7,098	\$ -	\$ 55,974	12.68%
2019	\$ 7,694	\$ 7,694	\$ -	\$ 60,680	12.68%
2020	\$ 8,596	\$ 8,596	\$ -	\$ 66,485	12.93%
2021	\$ 8,565	\$ 8,565	\$ -	\$ 64,890	13.20%

* Information is not currently available for prior years; additional years will be displayed as they become available.

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ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA - HEALTH CARE TRUST FUND
LAST TEN YEARS ***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.0006932799%	0.0006748796%	0.0006651573%
District Proportionate Share of the Net OPEB Liability	\$ 6,588	\$ 7,586	\$ 9,050
Covered Payroll	\$ 66,485	\$ 60,680	\$ 55,974
Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	9.909%	12.502%	16.168%
Calculation of Collective Net Pension Liability (\$ in thousands):			
Total OPEB Liability	\$ 1,413,526	\$ 1,488,508	\$ 1,639,734
Plan Fiduciary Net Position	463,301	364,510	279,192
Net OPEB Liability	<u>\$ 950,225</u>	<u>\$ 1,123,998</u>	<u>\$ 1,360,542</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%

The amounts presented for each fiscal year were determined as of December 31st, the measurement date used by the District.

* Information is not currently available for prior years; additional years will be displayed as they become available.

<u>2017</u>	<u>2016</u>
0.0006054220%	0.0005534823%
\$ 7,868	\$ 7,176
\$ 48,795	\$ 43,798
16.125%	16.384%
\$ 1,575,822	\$ 1,556,762
276,222	260,228
<u>\$ 1,299,600</u>	<u>\$ 1,296,534</u>
17.53%	16.72%

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA - HEALTH CARE TRUST FUND
LAST TEN YEARS ***

Year Ending December 31,	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	\$ 447	\$ 447	\$ -	\$ 43,748	1.02%
2014	\$ 430	\$ 430	\$ -	\$ 42,285	1.02%
2015	\$ 432	\$ 432	\$ -	\$ 42,439	1.02%
2016	\$ 447	\$ 447	\$ -	\$ 43,798	1.02%
2017	\$ 498	\$ 498	\$ -	\$ 48,795	1.02%
2018	\$ 571	\$ 571	\$ -	\$ 55,974	1.02%
2019	\$ 619	\$ 619	\$ -	\$ 60,680	1.02%
2020	\$ 678	\$ 678	\$ -	\$ 66,485	1.02%
2021	\$ 663	\$ 663	\$ -	\$ 64,890	1.02%

* Information is not currently available for prior years; additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
VOLUNTEER PENSION FUND**

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Additions				
Interest and Dividends	\$ 90,000	\$ 90,000	\$ 86,156	\$ (3,844)
Net Appreciation (Depreciation) in Fair Value of Investments	-	80,000	80,726	726
Estes Valley FPD Contribution	80,000	40,000	40,000	-
State Participation Contribution	48,605	36,000	36,000	-
Total Additions	218,605	246,000	242,882	(3,118)
Deductions				
Retiree Benefit Payments	130,000	148,963	148,963	-
Audit Fees	2,500	-	-	-
Investment Fees	1,500	13,235	13,235	-
Miscellaneous	5,000	11,153	11,153	-
Retiree Death Benefit Payments	800	-	-	-
Contingency	2,700	-	-	-
Total Deductions	142,500	173,351	173,351	-
Change in Plan Net Position	76,105	72,649	69,531	(3,118)
Plan Net Position - Beginning	1,711,658	1,735,656	1,735,656	-
Plan Net Position - Ending	\$ 1,787,763	\$ 1,808,305	\$ 1,805,187	\$ (3,118)

See the Accompanying Independent Auditor's Report

OTHER INFORMATION

ESTES VALLEY FIRE PROTECTION DISTRICT

**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2011	2012	\$ 297,268,990	1.950	0.000	1.950	\$ 579,675	\$ 575,944	99.36%
2012	2013	296,738,190	1.950	0.000	1.950	578,639	577,955	99.88%
2013	2014	282,549,790	1.950	0.000	1.950	550,972	547,294	99.33%
2014	2015	274,499,120	1.950	0.000	1.950	535,273	531,439	99.28%
2015	2016	302,715,411	1.950	0.000	1.950	590,295	585,765	99.23%
2016	2017	304,403,755	1.950	0.000	1.950	593,587	590,780	99.53%
2017	2018	322,076,550	1.950	0.000	1.950	628,049	625,517	99.60%
2018	2019	322,813,933	1.950	0.000	1.950	629,487	629,104	99.94%
2019	2020	371,047,013	1.950	0.000	1.950	723,542	718,784	99.34%
2020	2021	371,349,506	1.958	0.000	1.958	727,102	724,129	99.59%

Estimated for
year ending
December 31,
2022

\$ 398,442,345 1.958 0.000 1.958 \$ 780,150

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

Source: Larimer County Assessor and Treasurer