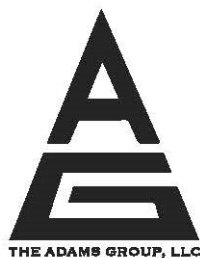


ELK CREEK FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Elk Creek Fire Protection District
Conifer, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Elk Creek 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 and the major fund of the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Auditors' 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.

Auditors' 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 auditors' 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, budgetary comparison schedule, and GASB required pension schedules 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.

The Adams Group, LLC

Denver, Colorado
July 27, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS

ELK CREEK FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report offers readers of the Elk Creek Fire Protection District (the "District") financial statements the District's discussion and analysis of its financial performance during the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Background Information

The District encompasses 90 square miles and is located primarily in the Conifer area of Jefferson County, Colorado, with a small section in Park County, Colorado. The District was organized in 1948. In 1981, the Department was reorganized as a special district under the provisions of the Colorado Special District Act.

Governed by a five-member elected board, the mission of the District is to provide fire suppression, emergency medical services, technical rescue, hazardous materials, and fire prevention education to the community. District career and volunteer personnel respond to an average of 1,200 calls per year, about 60% of which deal with medical emergencies, including those arising out of motor vehicle accidents. The District provides these services through a combination department under the direction of a full-time Fire Chief with over fifty volunteer firefighter/medics and six career firefighters/medics, supported by a small career technical and administrative staff.

The District charges fees for emergency medical services, ambulance transport, fire prevention permit and inspection fees to offset costs incurred by these services. The District's fire suppression and other emergency response services are funded primarily through real property taxes collected in Jefferson and Park Counties, supplemented by acquired grant funding and service charges to other entities.

In addition to property tax and service fee revenues, the District continues to participate in the CRRF Agreement administered by the Colorado State Forest Service. Under this State – Federal Interagency Agreement, the District will be reimbursed for the use of personnel and equipment provided for firefighting services beyond the District's geographical boundaries.

2021 Financial Highlights

- The District's financial status reflected an increase in net position during the 2021 fiscal year. The increase was \$1,182,671, a 16.6% increase when compared to beginning net position. Ending net position as of December 31, 2021 was \$8,302,981.
- Property and specific ownership tax revenues accounted for \$3,504,116 or 63.2% of all revenues. The District had revenue of \$500,549 from charges for services, and \$1,538,194 from intergovernmental, interest earnings and other revenues.
- During the year ended December 31, 2021, total governmental activities expenditures were \$4,360,188, of which, \$2,082,436 is related to fire protection and emergency services. The largest component is salaries and benefits which represents approximately 58% of total expenditures in 2021.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

- At December 31, 2021, the District's general fund balance sheet reported an ending fund balance of \$4,038,925 , an increase of \$1,359,832 from the prior year. The increase was driven by an increase in property tax revenues and specific ownership taxes received during fiscal year 2021.
- During the year ended December 31, 2021, the District made the last principal payment in the amount of \$75,752 related to the capital lease obligation. The outstanding balance at December 31, 2021 is \$0.

Overview of the Financial Statements

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

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 section business.

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

The 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 (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The District's main governmental activity is fire protection and emergency medical services. The basic 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 are used to maintain control over resources that have been segregated for specific activities or objectives.

ELK CREEK FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has one governmental fund, a general fund.

The District adopts an annual appropriated budget for the general fund, as required by State Statutes. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 3 - 6 of this report.

Notes to the 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 the financial statements can be found on pages 7-29 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,302,981 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$1,182,671.

Government-wide Financial Analysis

One of the largest portions of the District's net position (41.5%) reflects its net investment in capital assets (for example, land, construction in progress, buildings, machinery and equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Statement of Net Position

	Governmental Activities	
	2021	2020
Assets		
Current and other assets	\$ 8,016,406	\$ 6,060,873
Capital assets	3,449,152	3,615,156
Net pension asset	869,792	746,378
Total assets	<u>12,335,350</u>	<u>10,422,407</u>
Deferred outflows of resources	<u>436,535</u>	<u>435,599</u>
Liabilities		
Current liabilities	212,929	207,337
Long-term liabilities	64,795	75,337
Total liabilities	<u>277,724</u>	<u>282,674</u>
Deferred inflows of resources	<u>4,191,180</u>	<u>3,516,141</u>
Net position:		
Net investment in capital assets	3,449,152	3,539,404
Restricted	1,034,792	918,269
Unrestricted	3,819,037	2,662,637
Total net position	<u>\$ 8,302,981</u>	<u>\$ 7,120,310</u>

An additional portion of the District's net position (12.5%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 47% of total net position (\$3,819,037), represents unrestricted net position that may be used to meet the District's ongoing obligations.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management. The changes in net position displayed subsequently shows the governmental activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 500,549	\$ 435,954
Operating grants and contributions	1,241,926	1,164,044
General revenues:		
Property taxes and specific ownership taxes	3,504,116	3,048,791
Investment earnings	5,363	8,270
Other revenue	290,905	568,437
Total revenues	<u>5,542,859</u>	<u>5,225,496</u>
Expenses:		
Administration	1,370,012	831,114
Fire operations	1,193,337	1,183,361
Emergency medical services	889,099	734,320
Grant expenditures	506,910	432,457
Depreciation	400,830	345,347
Interest on long-term debt	-	1,674
Total expenses	<u>4,360,188</u>	<u>3,528,273</u>
Changes in net position	1,182,671	1,697,223
Net position - beginning	<u>7,120,310</u>	<u>5,423,087</u>
Net position - ending	<u>\$ 8,302,981</u>	<u>\$ 7,120,310</u>

Property and specific ownership taxes account for a large portion of the District's revenue, contributing about 63.2% of total revenues as compared to 58.3% of revenues in 2020. During 2021 the District received approximately 40.5% from program revenues; in comparison to approximately 30.6% in 2020. During 2021, investment earnings constituted approximately 0.1% which was a decrease of 0.1% from 2020. Intergovernmental revenues in 2021 were 31.4% of total revenues in 2021 as compared to 22.3% in the prior year. The District expenses predominantly related to all-hazard emergency services, which includes administration, fire protection, emergency medical transport, community risk reduction, communications and vehicle and facility maintenance. Given the District is a public service organization providing full-time emergency services, the majority of the expenses are for salaries and benefits, insurance, building utilities and repairs, vehicle and equipment maintenance, training, and supplies.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Total expenses for governmental activities was \$4,360,188 in 2021 when compared to the 2020 balance of \$3,528,273. The largest increase was related to the administration function which had an increase of \$538,898 from 2020 to 2021. The emergency medical services function also had a significant increase from 2020 to 2021 with increase of \$154,779.

Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, wildland fire suppression, emergency medical services, fire prevention, training, vehicle maintenance, and facility maintenance. The general fund also provides for such other items as insurance, utilities, fees, and other operating costs the District incurs. The primary funding source for the general fund is taxation of real property and intergovernmental revenues. Other sources of income for the general fund include emergency medical transport services, interest income, and other income.

As of December 31, 2021, the District's general fund reported an ending fund balance of \$4,038,925, an increase of \$1,359,832 from the prior year. There is \$2,969,893 of unassigned fund balance, which is available for spending at the District's discretion. In addition, the District has \$165,000 restricted as of December 31, 2021 under the TABOR amendment and has assigned \$850,000 for specific purposes as of December 31, 2021.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$1,416,225. Expenditures for the District were over budget by a total of \$65,804 which may be a violation of Colorado State Budget Law.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2021, the District's TABOR reserve amounted to \$165,000.

Capital Assets and Debt Administration

Capital Assets

At the end of 2021, the District had capital assets of \$3,449,152 (net of accumulated depreciation) in a broad range of capital assets, including land, fire stations and equipment, and vehicles. As outlined below, capital assets decreased \$166,004 in 2021 as a result of current year depreciation and capital asset disposals exceeding capital asset additions. Additional information on the District's capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was \$400,830.

ELK CREEK FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities	
	2021	2020
Land	\$ 48,031	\$ 48,031
Construction in progress	-	224,720
Fire stations and equipment	1,502,067	1,592,615
Vehicles	1,899,054	1,749,790
	<u>\$ 3,449,152</u>	<u>\$ 3,615,156</u>

Long-Term Debt

During the year ended December 31, 2021, the District's outstanding balance related to capital lease obligations is \$0 as the District paid the obligation in full during 2021. More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements. The District's outstanding debt is below this limit.

Outstanding Long-Term Debt

	Governmental Activities	
	2021	2020
Capital lease obligation	<u>\$ -</u>	<u>\$ 75,752</u>

Factors Bearing on the District's Future

The District showed significant recovery during the year in the economy and expects a brighter outlook in the upcoming years. Tax revenues showed continuous improvement and the District continues to participate in several CRRF events annually.

Contacting the District's Financial Management Team

This Financial Report is designed to provide District citizens, our customers and creditors, and the State of Colorado with a general overview of the District's finances and to demonstrate the District's accountability for the revenues it receives. If you have questions regarding this report or need additional publicly available financial information, please contact the District's Administrative Office at (303) 816-9385, or mail your requests to:

Elk Creek Fire Protection District
P.O. Box 607
Conifer, Colorado 80433

BASIC FINANCIAL STATEMENTS

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments	\$ 3,400,688
Property tax receivable	3,702,153
Prepaid items	54,032
Intergovernmental receivable	687,826
EMS accounts receivable, net of allowance for uncollectible of \$54,180	154,207
Other accounts receivables	17,500
Capital assets, not being depreciated	48,031
Capital assets, being depreciated (net of accumulated depreciation)	3,401,121
Net pension asset	869,792
Total Assets	<u>12,335,350</u>
<u>Deferred Outflows of Resources</u>	
Related to pension	436,535
Total Deferred Outflows of Resources	<u>436,535</u>
<u>Liabilities</u>	
Accounts payable	115,787
Accrued wages and benefits	47,689
Unearned revenue	49,333
Other liabilities	120
Noncurrent liabilities:	
Due within one year	64,795
Total Liabilities	<u>277,724</u>
<u>Deferred Inflows of Resources</u>	
Related to pension	489,027
Unavailable property taxes	3,702,153
Total Deferred Outflows of Resources	<u>4,191,180</u>
<u>Net Position</u>	
Net investment in capital assets	3,449,152
Restricted	
Emergencies	165,000
Net pension asset	869,792
Unrestricted	3,819,037
Total Net Position	<u>\$ 8,302,981</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:					Governmental Activities
Fire protection and emergency services	\$ 4,360,188	\$ 500,549	\$ 1,241,926	\$ -	\$ (2,617,713)
Total Governmental Activities	<u>\$ 4,360,188</u>	<u>\$ 500,549</u>	<u>\$ 1,241,926</u>	<u>\$ -</u>	<u>(2,617,713)</u>
GENERAL REVENUES:					
Property taxes					3,234,079
Specific ownership taxes					270,037
Investment earnings					5,363
Other revenue					<u>290,905</u>
Total General revenues					<u>3,800,384</u>
Changes in net position					1,182,671
Net Position, Beginning					<u>7,120,310</u>
Net Position, Ending					<u>\$ 8,302,981</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND – BALANCE SHEET
DECEMBER 31, 2021

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 3,400,688
Property tax receivable	3,702,153
Prepaid items	54,032
Intergovernmental receivables	687,826
EMS accounts receivable, net of allowance for uncollectible of \$54,180	154,207
Other accounts receivables	17,500
Total Assets	<u>\$ 8,016,406</u>
<u>Liabilities, deferred inflows of resources and fund balance</u>	
Liabilities:	
Accounts payable	\$ 115,787
Accrued wages and benefits	47,689
Unearned revenue	49,333
Other liabilities	120
Total Liabilities	<u>212,929</u>
<u>Deferred inflows of resources</u>	
Unavailable property taxes	3,702,153
Unavailable EMS revenue	62,399
Total Deferred Inflows of Resources	<u>3,764,552</u>
Fund balance:	
Nonspendable	
Prepaid items	54,032
Restricted	
Emergencies	165,000
Assigned	
Capital reserve	850,000
Unassigned	2,969,893
Total Fund Balances	<u>4,038,925</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 8,016,406</u>

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

ELK CREEK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balance - governmental fund \$ 4,038,925

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. 3,449,152

Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.
Emergency medical service fees 62,399

Certain assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:
Net pension asset 869,792

Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.
Compensated absences (64,795)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.
Related to pension 436,535

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.
Related to pension (489,027)

Total net position of governmental activities \$ 8,302,981

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

ELK CREEK FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 3,234,079
Specific ownership taxes	270,037
Intergovernmental revenues	1,241,926
Charges for services	456,418
Investment earnings	5,363
Other revenue	271,405
Total revenues	<u>5,479,228</u>
<u>Expenditures</u>	
Current:	
Administration	1,237,299
Emergency medical supplies	889,099
Wildland fire suppression	759,010
Fire prevention	111,357
Training	120,359
Maintenance	90,027
Facilities	64,910
Grant expenditures	506,910
Capital outlay	300,000
Debt service:	
Principal	75,752
Interest and fiscal charges	1,673
Total expenditures	<u>4,156,396</u>
Excess revenues over expenditures	1,322,832
<u>Other Financing Sources</u>	
Sale of capital assets	<u>37,000</u>
Total other financing sources	<u>37,000</u>
Net changes in fund balance	1,359,832
Fund balance - beginning	<u>2,679,093</u>
Fund balance - ending	<u><u>\$ 4,038,925</u></u>

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

ELK CREEK FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net changes in fund balance - total governmental fund: \$ 1,359,832

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

Capital outlays to purchase or construct capital assets are reported in governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	252,326
Depreciation expense	(400,830)
Loss on disposal	(17,500)

The issuance of long-term debt provides current financial resources to fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position.

Principal payments	75,752
Change in accrued interest	1,673

Some expenses in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental fund.

Change in compensated absences	(37,176)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.

Emergency medical services	44,131
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Some items 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 fund. The (increases) decreases in these activities consist of:

Pension expense	(95,537)
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Changes in net position of governmental activities	\$ 1,182,671
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The accompanying notes are an integral part of the financial statements.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Elk Creek Fire Protection District (the District) was organized in 1981 as a special district under the provisions of the Colorado Special District Act. The function of the District is to provide fire protection and rescue services to residents in the area through its combination fire department located in Conifer, Colorado. In addition to the volunteer fire fighters, the District employs paid firefighters, included a Fire Chief and Fire Marshal. The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units. The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., 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 and emergency medical service revenue.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For purposes of Wildland grant reimbursements, the District considers revenue if they are collectible within 360 days. The major sources of revenue susceptible to accrual are property tax, CRRF and intergovernmental revenues, and emergency medical service fees. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligations is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

General Fund – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the District's policies.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Cash and Investments

Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at net asset value.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2021, management has recorded an allowance of \$54,180 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

Capital Assets

Capital assets, which include land, construction in progress, fire stations and equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets 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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Fire stations and equipment	5 - 40 years
Vehicles	5 - 20 years

Compensated Absences

Employees of the District are granted personal time off (PTO) in varying amounts. The District's policy is such that a maximum amount (generally 360 hours) of time accrued may be carried forward. In the event of termination, an employee is paid for the accumulated time off. Time is accrued in the government-wide statement of net position. A liability for these amounts is reported in the governmental fund only if they have matured as a result of employee terminations. The District's general fund is used to liquidate compensated absences of the governmental activities.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond 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 current expenditures.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are recorded for amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period and certain amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District reports fund balances in the governmental fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defined the different types of fund balances that a governmental entity must use for financial reporting. As of December 31, 2021, fund balance of the governmental fund is classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2021, the District had \$54,032 classified as nonspendable fund balance related to prepaid items.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2021, the District has \$165,000 restricted for emergencies.

Committed – Amounts that can be used only for specific purposes determined by a formal action of District’s Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2021, the District had no amounts classified as committed fund balance.

Assigned – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2021, the District has \$850,000 shown as assigned related to capital reserves.

Unassigned – Represents the residual classification for the District’s general fund and could report a surplus or deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

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

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (continued)

Net investment in capital assets – consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributed to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

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 by 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 generally, sales of the tax liens on delinquent properties are 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 a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Budgets

In accordance with the Colorado Budget Law, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The Board can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. A budget is legally adopted for the General Fund on a basis consistent with U.S. generally accepted accounting principles. Prior to December 15, the budget is legally enacted through passage of a resolution.

District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Board.

For the year ended December 31, 2021, the District's general fund actual expenditures exceeded budgeted expenditures by \$65,804. This may be a violation of Colorado State Budget Law.

Tax, spending, and debt limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (TABOR) which has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government.

In 1998, the District's voters exempted the District from the revenue and spending limits imposed by TABOR. As a result, the District is permitted to retain and expend all revenues from all sources and including ad valorem property taxes. The District's mill levy shall not be increased without voter approval. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). For the year ending December 31, 2021, the District has restricted \$165,000 for this purpose.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – CASH AND INVESTMENTS

A summary of deposits and investments at December 31, 2021, follows:

Cash Deposits	\$ 606,411
Cash with County Treasurer	20,649
Investments	<u>2,773,628</u>
Total cash and investments	<u>\$ 3,400,688</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2021, the bank balance and carrying amount of the District's deposits were \$663,635 and \$606,411, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The District's investment policy follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, where 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 risk for investments that are in the possession of another party.

The District limits investment maturities to five years or less unless formally approved by the Board of Directors. Colorado statutes specify investment instruments meeting a 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 the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- * Local government investment pools

ColoTrust

The District invests funds in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

However, the District's investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-line external investment pools. The District is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investment Valuation (continued)

The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios.

Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with GASB guidance.

It is the goal of Colotrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period. As of December 31, 2021, the District had \$2,773,628 invested in Colotrust.

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2021:

	Balances December, 31 2020	Additions	Deletions	Balances December, 31 2021
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 48,031	\$ -	\$ -	\$ 48,031
Construction in progress	224,720	23,259	247,979	-
Total capital assets, not being depreciated	<u>272,751</u>	<u>23,259</u>	<u>247,979</u>	<u>48,031</u>
Capital Assets, being depreciated				
Fire stations and equipment	3,134,729	60,757	7,361	3,188,125
Vehicles	4,366,241	416,289	188,773	4,593,757
Total capital assets, being depreciated	<u>7,500,970</u>	<u>477,046</u>	<u>196,134</u>	<u>7,781,882</u>
Accumulated depreciation				
Fire stations and equipment	(1,542,114)	(151,305)	(7,361)	(1,686,058)
Vehicles	(2,616,451)	(249,525)	(171,273)	(2,694,703)
Total accumulated depreciation	<u>(4,158,565)</u>	<u>(400,830)</u>	<u>(178,634)</u>	<u>(4,380,761)</u>
Total capital assets being depreciated, net	<u>3,342,405</u>	<u>76,216</u>	<u>17,500</u>	<u>3,401,121</u>
Total capital assets, net	<u>\$ 3,615,156</u>	<u>\$ 99,475</u>	<u>\$ 265,479</u>	<u>\$ 3,449,152</u>

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$400,830 was charged to fire protection and emergency services for the year ended December 31, 2021.

NOTE 4 – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the governmental activities of the District for the year ended December 31, 2021:

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021	Due In One Year
Capital lease obligation	\$ 75,752	\$ -	\$ 75,752	\$ -	\$ -
Compensated absences	27,619	118,398	81,222	64,795	64,795
Total	<u>\$ 103,371</u>	<u>\$ 118,398</u>	<u>\$ 156,974</u>	<u>\$ 64,795</u>	<u>\$ 64,795</u>

Capital Lease

The District has entered into lease agreements for financing the acquisition of fire rescue equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The District entered into a capital lease agreement with Sun Trust Equipment Finance and Leasing Corporation in January 2014. The original amount of the lease was for \$487,076 over a period of 84 months, accruing interest at a rate of 2.2%. Annual payments of \$77,425 for principal and interest began in January 2015.

As of December 31, 2021, the capital lease has been paid in full and the balance of outstanding obligations is \$0.

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded insured amounts in the last three years.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

At December 31, 2021, the following members were covered by the benefit terms:

Retirees and Beneficiaries	60
Inactive, nonretired members	4
Active members	<u>16</u>
Total	<u><u>80</u></u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefits for a member is \$440 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$22 per month for every year of services.

Survivor's death benefits range from \$220 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$100.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2021.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – VOLUNTEERS' PENSION FUND (CONTINUED)

Contributions (continued)

Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2021, the District's contributions were \$12,489.

Pension Liability, 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 \$656,711. The net pension asset was measured at December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

For the year ended December 31, 2021, the District recognized pension expense of \$129,377. 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	\$ -	\$ 26,490
Change in assumptions	11,409	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	197,173
Contributions Subsequent to the Measurement Date	12,489	-
Total	<u>\$ 23,898</u>	<u>\$ 223,663</u>

\$12,489 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ (79,466)
2023	(30,517)
2024	(70,239)
2025	(32,032)
Total	<u>\$ (212,254)</u>

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – VOLUNTEERS' PENSION FUND (CONTINUED)

Actuarial Assumptions

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

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

Mortality rates were based on the following:

- **Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- **Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- **Disabled:** 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

For this purpose of the valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (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 discount rate is 7.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2020 are summarized in the following table:

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – VOLUNTEERS' PENSION FUND (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	[a]	[b]	[a] - [b]
Balance, December 31, 2020	\$ 2,195,868	\$ 2,892,049	\$ (696,181)
Changes for the year:			
Service cost	19,970	-	19,970
Interest	147,243	-	147,243
Benefit changes	220,402	-	220,402
Net investment income	-	354,918	(354,918)
Benefit payments including refunds of employee contributions	(207,935)	(207,935)	-
Difference between expected and actual experience of Total Pension Liability	(8,532)	-	(8,532)
Administrative expense	-	(15,305)	15,305
Net changes	171,148	131,678	39,470
Balance, December 31, 2021	<u>\$ 2,367,016</u>	<u>\$ 3,023,727</u>	<u>\$ (656,711)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) 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>\$ (412,456)</u>	<u>\$ (656,711)</u>	<u>\$ (860,983)</u>

The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN

Plan Description

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, firefighters of the District are members of the Statewide Defined Benefit Plan.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided

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

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

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Benefits Provided (continued)

Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The District and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. Members of the SWDB plan and their employers contributed at a rate of 11.5 percent and 8.5 percent, respectively, of base salary for a total contribution rate of 20 percent in 2021. The District's contributions to the plan of the year ended December 31, 2021, were \$91,833, equal to the required contributions.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2021, the District reported a net pension asset of \$213,081, representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2020, the District's proportion was 0.0981% which was an increase of 0.0094% from its proportion measured at December 31, 2019.

For the year ended December 31, 2021, the District recognized pension income of \$5,075. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 180,713	\$ 848
Changes of Assumptions or other Inputs	90,626	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	218,865
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	49,465	45,651
Contributions Subsequent to the Measurement Date	91,833	-
Total	<u>\$ 412,637</u>	<u>\$ 265,364</u>

\$91,833 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ (24,722)
2023	3,666
2024	(33,155)
2025	4,953
2026	39,721
Thereafter	64,977
Total	<u>\$ 55,440</u>

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The actuarial valuations as of January 1, 2021, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (continued)

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

Discount Rate

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

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

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

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as the District's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 214,432</u>	<u>\$ (213,081)</u>	<u>\$ (567,115)</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 8 – OTHER RETIREMENT PLANS

IRS Section 457 Plan

The District has adopted a deferred compensation plan (457 Plan) as defined under Internal Revenue Code Section 457. The 457 plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 plan. The District matches 50% of the employee contribution, up to a maximum of 2% of total wages as established by Colorado State Statute. The 457 plan is a multi-employer plan administered by FPPA. The 457 plan trustee may amend the 457 plan. For the year ended December 31, 2021, the District made contributions of \$21,488 to the 457 plan.

Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established by FPPA, and may be amended by Colorado State Statute. The plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. The percentage contribution amount varies depending on actuarial experience. The plan solely provides death and disability payments to eligible participants. In 2021, the District contributed \$32,392 to the plan.

ELK CREEK FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – TAXPAYER BILL OF RIGHTS (TABOR)

Article X, Section 20 of the Colorado Constitution, the Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements 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.

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District had an emergency reserve of \$165,000 as of December 31, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 3,247,000	\$ 3,234,079	\$ (12,921)
Specific ownership taxes	118,000	270,037	152,037
Intergovernmental revenues	125,001	1,241,926	1,116,925
Charges for services	468,000	456,418	(11,582)
Investment earnings	1	5,363	5,362
Other revenue	142,001	271,405	129,404
Total revenues	<u>4,100,003</u>	<u>5,479,228</u>	<u>1,379,225</u>
<u>Expenditures</u>			
Current:			
Wages and benefits	2,386,896	2,706,290	(319,394)
Administration	736,231	391,527	344,704
Operations	389,640	526,217	(136,577)
Maintenance	180,400	154,937	25,463
Capital outlay	320,000	300,000	20,000
Debt service:			
Principal	75,752	75,752	-
Interest and fiscal charges	1,673	1,673	-
Total expenditures	<u>4,090,592</u>	<u>4,156,396</u>	<u>(65,804)</u>
<u>Other Financing Sources</u>			
Sale of capital assets	<u>-</u>	<u>37,000</u>	<u>37,000</u>
Total other financing sources	<u>-</u>	<u>37,000</u>	<u>37,000</u>
Net changes in fund balance	<u>\$ 9,411</u>	1,359,832	<u>\$ 1,350,421</u>
Fund balance - beginning		<u>2,679,093</u>	
Fund balance - ending		<u>\$ 4,038,925</u>	

See accompanying Independent Auditor Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS – VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

Measurement period ending December 31,	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>							
Service cost	\$ 19,970	\$ 19,970	\$ 34,702	\$ 34,702	\$ 34,219	\$ 34,219	\$ 35,224
Interest	147,243	148,946	164,517	163,430	156,938	156,306	156,445
Benefit changes	220,402	-	-	-	-	-	-
Differences between actual and expected experience	(8,532)	-	(163,344)	-	659	-	(7,728)
Changes in assumptions	-	-	86,286	-	77,535	-	-
Benefit payments	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Net change in total pension liability	171,148	(10,124)	(59,939)	13,012	88,351	7,365	(3,419)
Total pension liability - beginning	2,195,868	2,205,992	2,265,931	2,252,919	2,164,568	2,157,203	2,160,622
Total pension liability - ending	<u>\$ 2,367,016</u>	<u>\$ 2,195,868</u>	<u>\$ 2,205,992</u>	<u>\$ 2,265,931</u>	<u>\$ 2,252,919</u>	<u>\$ 2,164,568</u>	<u>\$ 2,157,203</u>
<u>Plan Fiduciary Net Position</u>							
Net investment income	\$ 354,918	\$ 372,867	\$ 1,482	\$ 371,441	\$ 135,607	\$ 49,032	\$ 178,186
Employer contributions	-	26,670	26,670	53,340	-	26,670	26,670
Benefit payments including refunds of employee contributions	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Pension plan administrative expense	(15,305)	(25,616)	(25,574)	(30,059)	(12,727)	(11,791)	(27,623)
State of Colorado discretionary payment	-	24,000	24,000	24,000	24,000	24,000	24,000
Net change in plan fiduciary net position	131,678	218,881	(155,522)	233,602	(34,120)	(95,249)	13,873
Plan Fiduciary net position - beginning	2,892,049	2,673,168	2,828,690	2,595,088	2,629,208	2,724,457	2,710,584
Plan Fiduciary net position - ending	<u>\$ 3,023,727</u>	<u>\$ 2,892,049</u>	<u>\$ 2,673,168</u>	<u>\$ 2,828,690</u>	<u>\$ 2,595,088</u>	<u>\$ 2,629,208</u>	<u>\$ 2,724,457</u>
Net pension liability (asset) - ending	\$ (656,711)	\$ (696,181)	\$ (467,176)	\$ (562,759)	\$ (342,169)	\$ (464,640)	\$ (567,254)
Plan fiduciary net position as a percentage of total pension liability	127.74%	131.70%	121.18%	124.84%	115.19%	121.47%	126.30%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

See accompanying Independent Auditor Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS – VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 12,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual contribution	12,489	14,210	53,340	77,340	24,000	50,670	50,670
Contribution deficiency (excess)	\$ -	\$ (14,210)	\$ (53,340)	\$ (77,340)	\$ (24,000)	\$ (50,670)	\$ (50,670)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

Notes to Schedule:

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019 determines the contribution amounts for 2020 and 2021.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

See accompanying Independent Auditor Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

Fiscal year ending December 31,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date ending December 31,	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.0981%	0.0888%	0.1084%	0.1102%	0.1078%	0.0844%
District's proportionate share of the net pension liability (asset)	\$ (213,081)	\$ (50,197)	\$ 137,045	\$ (158,539)	\$ 38,970	\$ (1,487)
District's covered payroll	788,342	654,164	726,113	644,588	551,950	729,600
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(27.0%)	(7.7%)	18.9%	(24.6%)	7.1%	(0.2%)
Plan fiduciary net pension as a percentage of the total pension liability	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%

*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan. The District implemented GASB Statement No. 68 in 2015; therefore, 10 years of data is not available.

See accompanying Independent Auditor Report

ELK CREEK FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 91,833	\$ 63,067	\$ 52,333	\$ 58,089	\$ 51,566	\$ 44,156	\$ 58,369
Contributions in relation to the statutorily required contributions	<u>91,833</u>	<u>63,067</u>	<u>52,333</u>	<u>58,089</u>	<u>51,566</u>	<u>44,156</u>	<u>58,369</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,085,203	\$ 788,342	\$ 654,164	\$ 726,113	\$ 644,588	\$ 551,950	\$ 729,600
Contributions as a percentage of covered payroll	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

*The amounts presented for each fiscal year were determined as of December 31. The District implemented GASB Statement No. 68 in 2015, therefore, 10 years of data is not available.

See accompanying Independent Auditor Report