

**LEFTHAND FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2021**

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	7
Statement of Activities	8
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	9
Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds	10
Notes to Financial Statements	11
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	26
Schedule of Contributions – Multiyear	27
Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear	28
Schedule of the District’s Proportionate Share of the Net Pension Liability FPPA – SWDB	29
Schedule of Contributions Multiyear – FPPA SWDB	30

Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lefthand Fire Protection District

Opinions

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

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

Basis for 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 Lefthand Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

PO Box 865
Longmont, CO 80502

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Revenues, Expenditures and Changes in Fund balances – Budget and Actual, Schedule of Contributions – Multiyear, Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear, Schedule of the District's Proportionate Share of the Net Pension Liability – FPPA SWDB, Schedule of Pension Contributions – FPPA SWDB, as listed in the table of contents, 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.



June 2, 2022
Longmont, Colorado

Management's Discussion and Analysis

Lefthand Fire Protection District

Management's Discussion and Analysis

Introduction:

Management's Discussion and Analysis is intended to provide the reader and user of our financial statements with a narrative overview of the District's financial activities. Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements and notes to the financial statements, beginning on page 7.

Overview of the Financial Statements of the District:

The audited financial statements of the District are:

- Statement of Net Position
- Statement of Activities
- Balance Sheet – Governmental Fund
- Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund
- Notes to the Financial Statements

The financial statements of the District are presented as a special purpose government engaged in government type activities. These financial statements distinguish between the functions of the District that will be principally supported by taxes. The functions of the District include the provision of fire protection services and the preventive mitigation of fire dangers.

The **Statement of Net Position** is prepared using the full accrual basis of accounting, provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what is the District's equity in its assets (Net Position). Over time, the comparison of changes in Net Position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The **Statement of Activities** provides information about the components – Program Expenses, Program Revenue, General Revenue – of the District's annual operating activities and how those activities affected Net Position.

The **Balance Sheet – Governmental Funds** presents the financial position of the District's funds using the traditional government modified accrual method of accounting, which does not reflect capital assets and debt obligations.

The **Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds** presents the activities of the District's funds using the modified accrual method of accounting which includes expenditures for capital assets and debt service obligations. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The two reconciliations, which accompany these governmental funds statements, provide explanations of the specific differences in these statements as compared to the Statement of Net Position and the Statement of Activities.

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

Condensed Comparative Financial Information:
Statement of Net Position

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 2,021,211	\$ 2,641,657
Other current assets	1,006,090	1,067,646
	<u>3,027,301</u>	<u>3,709,303</u>
Non Current Assets		
Capital assets – net	4,080,173	1,731,404
Other	654,444	419,226
Total Assets	<u>7,761,918</u>	<u>5,859,933</u>
Deferred Outflows of Resources	155,027	194,418
Current Liabilities	395,435	117,263
Long Term Liabilities	1,064,500	1,141,400
Total Liabilities	<u>1,459,935</u>	<u>1,258,663</u>
Deferred Inflows of Resources	<u>1,120,290</u>	<u>866,766</u>
Net Position		
Net investment in capital assets	2,938,773	514,804
Restricted	22,792	23,027
Unrestricted	2,375,155	3,391,091
Total Net Position	<u>\$ 5,336,720</u>	<u>\$ 3,928,922</u>

Statement of Activities

	<u>2021</u>	<u>2020</u>
Program Expenses		
Firefighting and rescue	\$ 636,829	\$ 1,238,384
Mitigation	151,356	6,987
Wildfire dispatch services	286,366	21,770
Total Program Expenses	<u>1,074,551</u>	<u>1,267,141</u>
Program Revenues		
Charges for services	656,200	581,127
Grants & contributions	1,063,965	312,207
Total Program Revenue	<u>1,720,165</u>	<u>893,334</u>
Net Program Expense	<u>(645,614)</u>	<u>373,807</u>
General Revenues	<u>762,184</u>	<u>775,065</u>
Change in Net Position	1,407,798	401,258
Net Position, Beginning of Year	3,928,922	3,527,664
Net Position, End of Year	<u>\$ 5,336,720</u>	<u>\$ 3,928,922</u>

This foregoing information is a summary of the financial information contained in the District's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 7.

Discussion of Financial Position and Operating Activities

The District's Net Position as of December 31, 2021 was \$5,336,720. This is an increase of \$1,407,798 from 2020. Capital expenditures are not expensed in this statement.

Unrestricted cash and cash equivalents of the District at December 31, 2021, totaled \$2,021,211. This is a decrease in cash and equivalents of \$536,621 from the prior year.

Capital Assets, net of accumulated depreciation, of the District at December 31, 2021, totaled \$4,080,173, which represents an increase of \$2,348,769 from the prior year.

General revenues decreased in 2021 to \$762,184 from \$762,184 due to the increase in taxes and dispatch revenues. See page 8 of the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

The Governmental Fund – General Fund balance decreased from by \$1,057,700 in 2021. The fund balance includes \$22,792 for emergencies in accordance with TABOR requirements. The assets and liabilities are comprised primarily of cash, investments and property tax revenues to be realized in 2021.

General Fund Budgetary Discussion

Actual revenues for 2021 were \$1,684,463 more than the final budget. Actual expenditures for 2021 were \$2,742,599 more than the final budgeted expenditures primarily because of higher than expected capital outlay. See page 25 of the accompanying financial statements for more detail. The budget was not amended for the year, as such all numbers are compared to the final budgeted amounts.

Capital Assets and Long-term Obligations

Capital Assets. The District's primary capital assets are buildings and fire suppression equipment. Capital asset additions in 2021 consisted primarily of the construction of a new fire station. There were no disposals during the year. See Note 3 of the Notes to the Financial Statements on page 17.

Long-term Debt. The only activity in long-term debt was the scheduled repayment of debt.

Economic Factors and Next Year's Budget. Tax revenue for 2022 should be similar to 2021. The District is completing necessary space expansion to Station Two for housing firefighting equipment and a new cistern, carried over from 2021. A significant construction project for a new Station One is nearing completion to meet new firefighting apparatus and training configurations.

Requests for Information. This financial report is designed to provide a general overview of Lefthand Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District at 900 Lefthand Canyon Dr., Boulder, CO 80302.

Basic Financial Statements

Lefthand Fire Protection District
Statement of Net Position
December 31, 2021

Assets

Current Assets

Cash and cash equivalents - unrestricted	\$	2,021,211
Accounts receivable		181,300
Property taxes receivable		819,917
Prepaid expenses		4,873
Total Current Assets		3,027,301

Noncurrent Assets

Net pension asset - Volunteer		587,435
Net pension asset - SWDB		67,009
Capital assets		
Nondepreciable		3,220,591
Depreciable		4,375,595
Less: Accumulated depreciation		(3,516,013)
Net Capital Assets		4,080,173
Total Noncurrent Assets		4,734,617
Total Assets		7,761,918

Deferred Outflows of Resources

FPPA Volunteer Pension		47,144
FPPA SWDB Pension		107,883
Total Deferred Outflows of Resources		155,027

Liabilities

Current Liabilities

Accounts payable		267,160
Accrued wages		9,900
Deferred revenue		20,306
Compensated absences		4,037
Other accrued liabilities		15,077
Accrued interest on lease purchase agreement		2,055
Lease purchase agreement - current portion		76,900
Total Liabilities		395,435

Long Term Liabilities

Lease purchase agreement -long term portion		1,064,500
Total Long Term Liabilities		1,064,500
Total Liabilities		1,459,935

Deferred Inflows of Resources

Deferred property taxes		819,917
FPPA Volunteer Pension		220,952
FPPA SWDB Pension		79,421
Total Deferred Inflows of Resources		1,120,290

Net Position

Net investments in capital assets		2,938,773
Restricted		22,792
Unrestricted		2,375,155
Total Net Position		\$ 5,336,720

**Lefthand Fire Protection District
Statement of Activities
For the Year Ended December 31, 2021**

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Firefighting and rescue operations	\$ 636,829	\$ -	\$ 219,243	\$ (417,586)
Mitigation services	151,356	161,279	844,722	854,645
Wildfire dispatch services	286,366	494,921	-	208,555
Total Governmental Activities	<u>\$ 1,074,551</u>	<u>\$ 656,200</u>	<u>\$ 1,063,965</u>	<u>645,614</u>
General Revenues				
				718,183
Property taxes				35,594
Specific ownership taxes				5,958
Payment in lieu of taxes				1,077
Earnings on investments				1,372
Other				<u>762,184</u>
Total Revenues				<u>1,407,798</u>
Change in Net Position				3,928,922
Net Position - Beginning of Year				<u>\$ 5,336,720</u>
Net Position - End of Year				<u> </u>

Fund Financial Statements

**Lefthand Fire Protection District
Balance Sheet
December 31, 2021**

Assets

Current Assets

Cash and cash equivalents - unrestricted	\$ 2,021,211
Accounts receivable	181,300
Property taxes receivable	819,917
Prepaid expenses	4,873

Total Assets	\$ 3,027,301
---------------------	---------------------

Liabilities

Current Liabilities

Accounts payable	\$ 267,160
Accrued wages	9,900
Deferred revenue	20,306
Compensated absences	4,037
Other accrued liabilities	15,077

Total Liabilities	316,480
--------------------------	----------------

Deferred Inflows of Resources

Deferred property tax revenue	819,917
-------------------------------	---------

Total Deferred Inflows of Resources	819,917
--	----------------

Equity

Fund Balance	
Restricted - TABOR	22,792
Nonspendable	4,873
Unassigned	1,863,239

Total Fund Balance	1,890,904
---------------------------	------------------

Total Liabilities, Fund Balance and Deferred Inflows	\$ 3,027,301
---	---------------------

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Amounts reported for governmental funds in the Statement of Net Position are different because:

Total fund balance	1,890,904
--------------------	-----------

Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	4,080,173
---	-----------

Long-term debt is not due and payable in the current period and therefore, is not reported in the funds.	(1,141,400)
--	-------------

Net pension liability, asset, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	509,098
---	---------

Total Net Position	\$ 5,338,775
---------------------------	---------------------

Lefthand Fire Protection District
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021

Revenues	
Property taxes	\$ 718,183
Specific ownership taxes	35,594
Payment in lieu of taxes	5,958
Earnings on investments	1,077
Dispatch revenue	494,921
Donations	219,243
Mitigation income	161,279
Grants	844,722
Other	1,372
Total Revenue	<u>2,482,349</u>
Expenditures	
Wages and benefits	560,742
Administration	82,324
Operations	132,383
Mitigation services	59,422
Dispatch expense	78,235
County treasurer fees	10,781
Debt service - principal	75,200
Debt service - interest	28,616
Capital outlay	2,512,346
Total Expenditures	<u>3,540,049</u>
Net Change in Fund Balance	(1,057,700)
Fund Balance, beginning of year	<u>2,948,604</u>
Fund Balance, end of year	<u>\$ 1,890,904</u>
Total Change in Fund Balance Governmental Fund	\$ (1,057,700)
Depreciation expense reported in the Statement of Activities does not require the use of current financial resources therefore is excluded from the fund statements.	(163,577)
Changes arising from the change in Net pension liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	43,584
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	75,200
Capital outlay to purchase or build capital assets is reported in governmental funds as an expenditure. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives.	2,512,346
Change in Net Position of Governmental Activities	<u>\$ 1,409,853</u>

Lefthand Fire Protection District
Notes to Financial Statements
December 31, 2021

Note 1 Summary of Significant Accounting Policies

Financial Reporting Entity

In conformance with Governmental Accounting and Financial Reporting Standards, Lefthand Fire Protection District, (the "District"), is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District within the geographical area organized as the Lefthand Fire Protection District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent.

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. No other entities have been included in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

Fund Financial Statements

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the District are organized on the basis of funds which are considered a separate accounting entity. Funds used by the District are described below.

General Fund –is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus and Basis of Accounting

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

Property Taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and cash equivalents- The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for doubtful accounts has been established since the District has the right to place a lien on the property to collect the balance due.

Assets and Liabilities

Capital assets –Capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	50 years
Vehicles	8-25 years
Equipment	10-20 years
Mitigation equipment	5-10 years

These assets are reported in the government-wide Statement of Net Position but are not reported in the fund financial statements.

Accrued Liabilities and Long-Term Obligation

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

Compensated absences represent the accumulated unpaid vacation time accrued by the employees. Upon termination of employment each employee will be compensated for their unused vacation time at their current rate of pay. The District allows each employee to carry over up to 50 hours of vacation time each year.

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

Fund Balance

Nonspendable- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$4,873 as of December 31, 2021.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 5). A reservation of \$22,792 of the General Fund balance has been made in compliance with this requirement.

Committed- General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2021.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of December 31, 2021 the assigned fund balance was \$0.

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 1 Summary of Significant Accounting Policies (Continued)

Unassigned- consists of the residual classification for the General Fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or revised by the District Board.

Actual expenditures exceeded appropriations, which may be a violation of State budget law.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2021, the District's cash deposits had a carrying balance of \$719,175 with corresponding bank balance of \$734,124 of which \$250,000 is federally insured. The District had deposits in the amount of \$484,124 which are in excess of FDIC coverage. These deposits are collateralized under the Colorado Public Deposit Protection Act. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all 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 uninsured deposits.

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 2 Cash and Investments (Continued)

The Colorado Divisions of Banking 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.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy is in accordance with State statute. As of December 31, 2021, none of the District's bank deposits were exposed to custodial credit risk.

At December 31, 2021 District had \$1,302,036 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk

Colorado statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The District's investment portfolio does not contain investments that exceed that limitation of five years. The Board has not formally adopted an investment policy. A summary of cash and cash equivalents at December 31, 2021, is as follows:

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 2 Cash and Investments (Continued)

Cash deposits	\$ 719,175
Colotrust	1,302,036
Total cash and cash equivalents	<u>\$ 2,021,211</u>

The money market accounts were not rated as of December 31, 2021.

Note 3 Capital Assets

	Balance at 12/31/2020	Additions	Deletions	Balance at 12/31/2021
Nondepreciable				
Land	\$ 160,028	\$ -	\$ -	\$ 160,028
Construction in progress	548,217	2,512,346	-	3,060,563
Total Nondepreciable	<u>708,245</u>	<u>2,512,346</u>	<u>-</u>	<u>3,220,591</u>
Depreciable				
Buildings	295,751	-	-	295,751
Firetrucks and equipment	4,020,417	-	-	4,020,417
Improvements	59,427	-	-	59,427
Total Depreciable	<u>4,375,595</u>	<u>-</u>	<u>-</u>	<u>4,375,595</u>
TOTAL	<u>5,083,840</u>	<u>2,512,346</u>	<u>-</u>	<u>7,596,186</u>
Less Accumulated Depreciation				
Buildings	(259,295)	(9,858)	-	(269,153)
Firetrucks and equipment	(3,061,894)	(151,257)	-	(3,213,151)
Improvements	(31,247)	(2,462)	-	(33,709)
Total Accumulated Depreciation	<u>(3,352,436)</u>	<u>(163,577)</u>	<u>-</u>	<u>(3,516,013)</u>
Net Capital Assets	<u>\$ 1,731,404</u>	<u>\$ 2,348,769</u>	<u>\$ -</u>	<u>\$ 4,080,173</u>

Depreciation expense has been allocated to the various activities as follows:

Firefighting and rescue operations	163,577
Total depreciation charged to expense	<u>\$ 163,577</u>

Note 4 Long-Term Liabilities

Changes in Long-term Debt for the year ended December 31, 2021 were:

Governmental activities

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Lease purchase	1,216,600	-	(75,200)	1,141,400	76,900
Total Long-term Debt	<u>\$ 1,216,600</u>	<u>\$ -</u>	<u>\$ (75,200)</u>	<u>\$ 1,141,400</u>	<u>\$ 76,900</u>

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 4 Long-Term Liabilities (Continued)

Lease Purchase Agreement

On April 7, 2020 the District entered into a \$1,300,000 lease purchase agreement through Zions Bank, with an interest rate of 2.19% to fund the expansion of fire station number one. Payment amounts vary throughout the term of the lease. The lease purchase agreement is subject to annual renewals at the discretion of the District through 2034. Interest payments on the lease are due on June 1, and December 1 of each year commencing June 1, 2020. Principal is due annually on December 1 through 2034. Future maturities are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 76,900	\$ 24,997	\$ 101,897
2023	78,500	23,313	101,813
2024	80,300	21,593	101,893
2025	82,000	19,835	101,835
2026	83,800	18,039	101,835
2027-2031	447,300	61,854	509,140
2032-2034	292,600	12,910	407,363
Total	<u>\$ 1,141,400</u>	<u>\$ 182,541</u>	<u>\$ 1,425,776</u>

Note 5 Tax, Spending, and Debt Limitation

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. This District had an emergency reserve of \$22,792 as of December 31, 2021.

Note 6 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 disaster. The District maintains commercial insurance to mitigate their risks of loss. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans

Volunteer Fireman's Pension Plan

The District has established an agent multiple-employer defined benefit pension plan for volunteer firefighters (the "Plan") as authorized by the State of Colorado statute. The Plan is administered by the FPPA. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for monthly pension. A lesser pension is available after 10 years of active service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the pension Board of Directors. The annual financial report of FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111-2721. The plan consists of 20 retirees, 21 active members and 1 inactive non-retired members.

The Plan receives contributions from the District based on amounts determined by the pension board. As established by the legislature, the State of Colorado contributes 90% of the District's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. For the year ended December 31, 2021, the District contributed \$3,000. For the year ended December 31, 2020 the District contributed \$0 and the State contributed \$2,700 which was equal or greater than the required contributions to the Plan.

The plan provides retirement benefits as established by the pension fund's board of trustees which is comprised of the five directors of the district and two district volunteer firefighters. The pension board is responsible for establishing and amending benefit terms. Volunteers right to a benefit vests after 10 years and there are no forfeiture rules. Upon retirement, beneficiaries receive \$20 per month for every year of service. All contributions are made by the district.

At December 31, 2021, the Department reported an asset of \$587,435 for its net pension asset. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For the year ended December 31, 2021, the Department recognized pension income of \$106,615. At December 31, 2021, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Resources	of	Deferred Inflows of Resources
Differences between actual and expected experience	\$0		\$83,169
Changes in assumptions	4,585		0
Net difference between actual and projected earnings on pension plan investments	39,559		137,783
Department contributions subsequent to the measurement date	3,000		0
Total	\$47,144		\$220,952

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans (Continued)

\$3,000 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Deferred outflows / inflows of resources to be amortized are as follows:

Year Ending	Net Deferred Outflows / (Inflows) of Resources
2022	(61,985)
2023	(44,306)
2024	(54,450)
2025	(16,067)
2026	-
Thereafter	-
Total	(176,808)

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	N/A
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

On-duty related mortality is assumed to be 0.00020 per year for all members. The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period ending December 31, 2021. As a result of the 2021 actuarial experience study, the main actuarial factor changes were:

- Increased the withdrawal rates by 10%
- Reduced the normal investment return assumption from 7.5 percent to 7.0 percent.
- Removing the blue collar adjustment from the mortality tables being used and update the mortality projection scale from Scale BB to the ultimate rates of the MP-2018 projection scale.

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

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

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans (Continued)

return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2020, are summarized in the above table.

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 Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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.

Sensitivity of the Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Department's net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Department's net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's net pension liability/(asset)	\$(491,822)	\$(587,435)	\$(667,706)

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.71 percent. The single discount rate for the plans was 7.00 percent.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

State of Colorado Fire and Police Pension Association – Defined Contribution Plan

There were no contributions from plan members in any of the last three years.

Statewide Defined Benefit 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 police officers 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.

Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021

Note 7 Pension Plans (Continued)

Colorado statutes assign the District 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>.

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 percent 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 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 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 percent or the Consumer Price Index.

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

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. 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. Members of the SWDB plan and their employers contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2020. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2016. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will increase .5 percent beginning in 2021 through 2030 until it reaches 13 percent of pensionable earnings. Contributions to the SWDB plan from the District were \$16,034 for the year ended December 31, 2021.

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans (Continued)

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

At December 31, 2021, the District reported an asset of \$(67,009) for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension liability 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 .0308652615 percent, which was an increase of .0032969483 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of \$63,031. 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
Differences between actual and expected experience	\$56,830	\$267
Changes in assumptions	28,500	0
Net difference between actual and projected earnings on pension plan investments	0	68,827
Net impact in change in proportionate share	6,519	10,327
Contributions subsequent to the measurement date	16,034	0
Total	\$107,883	\$79,421

\$16,034 in total reported as deferred outflows of resources related to pension resulting from District's contributions subsequent to 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</u>	<u>Pension Expense</u>
2022	\$ (7,484)
2023	1,443
2024	(10,136)
2025	2,166
2026	13,121
Thereafter	13,318
Total	\$ 12,428

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans (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 measurement:

	Total Pension Liability	Actuarial Determined Contributions
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%	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 2019 using the MP-2018 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.

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

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

**Lefthand Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2021**

Note 7 Pension Plans (Continued)

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 FPPA 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.

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

<u>Discount Rate:</u>	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Proportionate share of the net pension liability (asset)	<u>\$ 67,434</u>	<u>\$(67,009)</u>	<u>\$(178,344)</u>

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>.

Required Supplementary Information

Lefthand Fire Protection District
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with final budget favorable (unfavorable)
Revenues			
Property taxes	\$ 718,636	\$ 718,183	\$ (453)
Specific ownership taxes	25,000	35,594	10,594
Payment in lieu of taxes	-	5,958	5,958
Earnings on investments	1,250	1,077	(173)
Dispatch revenue	-	494,921	494,921
Donations	-	219,243	219,243
Mitigation income	50,000	161,279	111,279
Grants	-	844,722	844,722
Other	3,000	1,372	(1,628)
Total Revenue	797,886	2,482,349	1,684,463
Expenditures			
Operations:			
Wages and benefits	343,000	560,742	(217,742)
Administration	132,250	82,324	49,926
Operations	119,700	132,383	(12,683)
Mitigation services	47,500	59,422	(11,922)
Dispatch expense	-	78,235	(78,235)
County treasurer fees	10,000	10,781	(781)
Debt service			
Principal	75,200	75,200	-
Interest	24,800	28,616	(3,816)
Capital outlay	45,000	2,512,346	(2,467,346)
Total Expenditures	797,450	3,540,049	(2,742,599)
Net Change in Fund Balance	\$ 436	(1,057,700)	\$ (1,058,136)
Fund Balance, beginning of year		2,948,604	
Fund Balance, end of year		\$ 1,890,904	

**Lefthand Fire Protection District
Schedule of Contributions Multiyear
Last 10 Fiscal Years**

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2012	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2013	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2014	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2015	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2016	\$ 46,974	\$ 46,974	\$ -	N/A	N/A
2017	-	\$ 14,474	\$ (14,474)	N/A	N/A
2018	-	\$ 5,700	\$ (5,700)	N/A	N/A
2019	-	\$ 3,000	\$ (3,000)	N/A	N/A
2020	-	\$ 2,700	\$ (2,700)	N/A	N/A
2021	-	\$ 3,000	\$ (3,000)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

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, 2017, determines the contribution amounts for 2018 and 2019.

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 market
Inflation	2.50%
Salary Increases	N/A
Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP -2014 Combined Mortality Table with Blue Collar Adjustment, 55% multiplier for off-duty mortality Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality Table All tables projected with Scale BB

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

Lefthand Fire Protection District
Required Supplementary Information
Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear
Last 10 Fiscal Years

Measurement date December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 26,319	\$ 26,319	\$ 21,092	\$ 21,354	\$ 21,354	\$ 22,797
Interest	67,545	66,075	65,317	60,322	58,743	58,134
Changes of benefit terms	-	57,110	-	-	-	-
Differences between expected and actual experience	(108,029)	-	(31,331)	(3,080)	-	(11,920)
Changes of assumptions	-	-	31,516	26,640	-	-
Benefit payments, including refunds of employee contributions	(68,640)	(74,040)	(72,404)	(57,600)	(60,400)	(59,988)
Net Change in Total Pension Liability	(82,805)	75,464	14,190	47,636	19,697	9,023
Total Pension Liability -Beginning	985,735	910,271	896,081	869,740	802,406	793,383
Total Pension Liability - Ending	902,930	985,735	910,271	917,376	822,103	802,406
Plan Fiduciary Net Position						
Contributions - Employer	-	3,000	3,000	3,000	35,500	35,500
Net investment income	175,035	180,699	1,069	65,278	21,577	78,085
Benefit payments, including refunds of employee contributions	(68,640)	(74,040)	(72,404)	(57,600)	(60,400)	(59,988)
Administrative expense	(8,099)	(15,270)	(9,895)	(2,216)	(2,999)	(2,184)
State of Colorado supplemental discretionary payments	2,700	-	2,700	11,474	11,474	11,474
Net Change in Plan Fiduciary Net Positions	100,996	94,389	(75,530)	19,936	5,152	62,887
Plan Fiduciary Net Position - Beginning	1,389,369	1,294,980	1,370,510	1,239,946	1,234,794	1,171,907
Plan Fiduciary Net Position - Ending	1,490,365	1,389,369	1,294,980	1,259,882	1,239,946	1,234,794
Net Pension liability (asset) - Ending	(587,435)	(403,634)	(384,709)	(342,506)	(417,843)	(432,388)
Plan fiduciary net position as a percentage of the total pension liability	165.06%	142.26%	142.26%	144.86%	150.83%	153.89%
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employees payroll.	N/A	N/A	N/A	N/A	N/A	N/A

* This report is intended to show 10 years of data. Additional years will be shown as the information becomes available.

Lefthand Fire Protection District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability - FPPA SWDB
Last 10 Fiscal Years *

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability / asset	0.0308652615%	0.0275683132%	0.0301799365%	0.0368527263%	0.0380117512%	0.0327705289%	0.0264769071%
District's proportional share of the net pension liability (asset)	\$ (67,009)	\$ (15,592)	\$ 38,156	\$ (53,756)	\$ 13,735	\$ (578)	\$ (29,880)
District's percentage of net pension liability (asset) as a percent of covered payroll	-28.65%	-6.80%	19.08%	-24.69%	7.04%	-0.36%	-20.05%
District's covered payroll	233,913	229,263	200,000	217,733	195,150	159,200	149,042
Total pension liability	3,230,485,701	2,919,378,738	4,653,120,261	2,269,410,684	2,021,526,883	1,846,961,999	1,652,901,084
Plan fiduciary net position	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630
Net pension liability (asset)	<u>\$ (217,100,397)</u>	<u>\$ (56,556,341)</u>	<u>\$ 2,126,427,453</u>	<u>\$ (143,865,763)</u>	<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>
Plan fiduciary net position as a percentage of the total pension	107%	102%	54%	106%	98%	100%	107%

* This report is intended to show 10 years of data. Additional years will be shown as the information becomes available.

**Lefthand Fire Protection District
Schedule of Contributions Multiyear - FPPA SWDB
Last 10 Fiscal Years**

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2021	\$ 16,034	\$ 16,034	\$ -	\$ 200,425	8.00%
2020	18,713	18,713	-	233,913	8.00%
2019	18,341	18,341	-	229,263	8.00%
2018	16,000	16,000	-	200,000	8.00%
2017	17,419	17,419	-	217,733	8.00%
2016	15,612	15,612	-	195,150	8.00%
2015	12,736	12,736	-	159,200	8.00%
2014	11,923	11,923	-	149,042	8.00%

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

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, 2017, determines the contribution amounts for 2018 and 2019.

* This report is intended to show 10 years of data. Additional years will be shown as the information becomes available.