

NORTH ROUTT FIRE PROTECTION DISTRICT

Financial Statements

December 31, 2021

NORTH ROUTH FIRE PROTECTION DISTRICT

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Independent Auditor's Report

The Board of Directors
North Routt Fire Protection District
Routt County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Routt 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each 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 U.S. generally accepted accounting principles (GAAP).

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Financial Information

We have previously audited the District's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2021. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

GAAP requires that the Management's General Discussion and Analysis on pages 4-7, the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 31, and the defined benefit pension plans' schedules on pages 32-36 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 37 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Steamboat Springs, Colorado
July 13, 2022

**North Routt Fire Protection District
Management Discussion and Analysis
For the Audited Financial Statements
December 31, 2021**

Overview of the District

The North Routt Fire Protection District was established to provide quality fire response, rescue, and emergency medical services to residents and visitors within the District's area. Its services include but are not limited to:

- Providing trained firefighters to preserve and protect life, personal property, and wildland areas when presented with fires caused by nature or human.
- 1) Responding to mutual aid requests by other governmental agencies and special districts, including but not limited to local State Parks, Routt County Search and Rescue, and other fire departments within the county and state.
- 2) Advising residents and visitors on the safe and proper methods of managing campfires/bonfires, slash pile burns, and agricultural burns.
- 3) Providing trained rescuers and emergency medical technicians (EMTs) to aid, treat, and provide hospital transport for all people harmed as the result of accidents or medical conditions.
- 4) Completing commercial building inspections for county food and liquor licensing.
- 5) Promoting safety within the District through in-school programs and public classes and seminars.
- 6) Overseeing the Community Wildfire Protection Plan for the District through coordination with State Parks, National Forest Service, and Routt County Emergency Management.

The District is governed under Colorado statute by an independently elected Board of Directors. The Fire Department is managed by a Fire Chief hired by the District Board who is responsible for the administration of all fire, rescue, medical services, and ancillary programs. The Fire Chief, in concert with the Board Treasurer, prepares and administers the budget that is adopted by the Board annually in accordance with Colorado statutory budget requirements.

Overview of Financial Statements

The North Routt Fire Protection District is in good financial condition as evidenced by the accompanying audited financial statements. Current debt can be met by current assets.

**North Rount Fire Protection District
Management's Discussion and Analysis (cont.)
Condensed Key Financial Information**

	<u>2021</u>	<u>2020</u>
Current Assets	\$ 1,148,591	\$ 1,029,817
Capital Assets	\$ 1,038,880	\$ 1,080,788
Net Pension Assets	\$ 36,913	\$ 6,946
Total Assets	<u>\$ 2,224,384</u>	<u>\$ 2,117,551</u>
Deferred Inflows of Resources	<u>\$ 84,555</u>	<u>\$ 83,623</u>
Current Liabilities	\$ 16,080	\$ 39,515
Noncurrent Liabilities	\$ 443,769	\$ 548,785
Total Liabilities	<u>\$ 459,849</u>	<u>\$ 588,300</u>
Deferred Inflows of Resources	<u>\$ 636,966</u>	<u>\$ 509,134</u>
Net Position:		
Net Investment in Capital Assets	\$ 668,370	\$ 637,123
Restricted	\$ 114,978	\$ 60,327
Unrestricted	<u>\$ 428,776</u>	<u>\$ 406,290</u>
Total Net Position	<u><u>\$ 1,212,124</u></u>	<u><u>\$ 1,103,740</u></u>
Program Revenue:		
Charges for Services	\$ 55,796	\$ 25,891
Operating Grants and Contributions	<u>\$ 67,680</u>	<u>\$ 43,077</u>
Total Program Revenue	<u>\$ 123,476</u>	<u>\$ 68,968</u>
General Revenue:		
Taxes	\$ 472,458	\$ 481,153
Other	<u>\$ 5,342</u>	<u>\$ 15,666</u>
Total General Revenue	<u>\$ 477,800</u>	<u>\$ 496,819</u>
Expenses:		
Public Safety	\$ 374,952	\$ 337,916
Interest	\$ 3,664	\$ 14,990
Depreciation	\$ 93,121	\$ 109,547
Pension	\$ 21,155	\$ 40,540
Bond issue costs	<u>\$ -</u>	<u>\$ 7,500</u>
Total Expenses	<u>\$ 492,892</u>	<u>\$ 510,493</u>
Change in Net Position	\$ 108,384	\$ 55,294
Beginning Net Position	<u>\$ 1,103,740</u>	<u>\$ 1,048,446</u>
Ending Net Position	<u><u>\$ 1,212,124</u></u>	<u><u>\$ 1,103,740</u></u>

2021 Budgetary Highlights

The District's primary revenue source is from taxes levied against property included within the North Routt Fire Protection boundaries. Property and specific ownership taxes received in 2021, net of tax collection fees totaled \$387,734 for general operating purposes and \$84,724 for Debt Service/repayment of General Obligation bonds for capital construction.

The district's asset values increased by \$106,833 from December 31, 2020. This increase was primarily due to an increase in property tax revenue, and an increase in asset values resulting from the Station 2 Upstairs finish of sleeping quarters during 2020/2021.

The district's net position increased \$108,384 from the 2020 figures because of the newer equipment/retirement of outdated apparatus and the GASB reporting requiring inclusion of projected figures of the state-wide plans administered by FPPA, as well as interest increase on savings accounts and the upstairs finish of Station 2. Overall, the district improved its financial position as evidenced by the increase in the net position. The district has \$69,026 of its funds restricted for emergencies and debt service.

General Operating Fund

The primary categories of expenditures in the General Fund include personnel wages and benefits, fire suppression and medical supplies, training and wellness benefits aimed toward the volunteers, general operating or administrative expenses.

Overall, expenditures in the General Fund were on track with what was budgeted and varied very little. The 2021 budget allowed for 2 paid part time staff but we were only able to fill one position for the second half of 2021.

Donations increased \$47,900 over the budgeted amount (\$15,000) for 2021 due to several large unallocated donations to the departments general fund.

Property tax values were projected to increase for 2021 vs 2020; the district's revenue collection experienced a very slight decrease in 2021 due to a decrease in property assessed values. New construction and interest on unpaid taxes from past years experienced a slight increase along with an increase in collections for services provided and unrestricted large donations.

The District is in a good position to absorb a possible slight decline or flat recovery in revenues as evidenced by its strong current asset position.

Capital Assets Activity

In 2020 the Board approved funding for making improvements to the upstairs area of Station 2 to accommodate up to 6 personnel to stay overnight as call volume dictates. The Board approved transferring \$95,000 from savings towards this project. The project was completed in the spring of 2021 which increased the building asset value offsetting its depreciation.

Debt Service

A Debt Service Fund was created for the purpose of recording of principal and interest payment on General Obligation Bonds issued in January 2002. A separate tax levy is certified annually for this long-term debt. In 2011, the G.O. Bond was refinanced, resulting in a future savings to taxpayers of \$89,923. On November 30, 2020, the District issued \$425,000 of General Obligation Refunding Bonds Series 2020 to refund \$480,000 of the General Obligation Bonds Series 2011. Through the refunding, the District reduced its debt service and had an economic gain of \$104,174 (the difference between the present value of the debt service payments on the refunded debt and the refunding debt). Conditions for defeasance have been met and assets were placed in escrow and the liability has been removed from the financial statements. The refunded bonds were paid from escrow on December 1, 2020.

Contact Information

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NORTH ROUTH FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2021
(with summarized financial information as of December 31, 2020)

	2021 Governmental Activities	2020 Governmental Activities
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 604,387	\$ 563,206
Due from other governments	2,159	2,447
Accounts receivable, net	14,934	9,686
Property taxes receivable	527,111	454,478
Capital assets, net	1,038,880	1,080,788
Net pension asset:		
Cost-sharing defined benefit plan	36,913	6,946
	<u> </u>	<u> </u>
Total Assets	<u>2,224,384</u>	<u>2,117,551</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	84,555	83,623
	<u> </u>	<u> </u>
Total Deferred Outflows of Resources	<u>84,555</u>	<u>83,623</u>
Liabilities:		
Accounts payable and accrued expenses	16,080	39,515
Noncurrent liabilities:		
General obligation refunding bonds:		
Due within one year	70,000	70,000
Due in more than one year	285,000	355,000
Net pension liability:		
Volunteer firefighters defined benefit plan	88,769	123,785
	<u> </u>	<u> </u>
Total Liabilities	<u>459,849</u>	<u>588,300</u>
Deferred Inflows of Resources:		
Deferred property tax revenues	527,111	454,478
Deferred bond refunding premium	15,510	18,665
Deferred inflows related to pensions	94,345	35,991
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>636,966</u>	<u>509,134</u>
Net Position:		
Net investment in capital assets	668,370	637,123
Restricted for:		
Cost-sharing defined benefit plan	45,952	6,116
Emergencies	13,466	12,672
Debt service	55,560	47,655
Unrestricted	428,776	400,174
	<u> </u>	<u> </u>
Total Net Position	<u>\$ 1,212,124</u>	<u>\$ 1,103,740</u>

See accompanying notes to the financial statements.

NORTH ROUTH FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended December 31, 2021
(with summarized financial information for the year ended December 31, 2020)

Functions/Programs	2021				Net (Expense)	2020
	Expenses	Program Revenues			Revenue	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	and Change in Net Position	and Change in Net Position
Governmental Activities:						
Public safety:						
Personnel and volunteers	\$ 233,745	\$ -	\$ -	\$ -	\$ (233,745)	\$ (215,671)
Operations	92,757	55,796	67,680	-	30,719	(9,795)
Administration and general	48,450	-	-	-	(48,450)	(43,482)
Interest	3,664	-	-	-	(3,664)	(14,990)
Unallocated depreciation	93,121	-	-	-	(93,121)	(109,547)
Pension expense	21,155	-	-	-	(21,155)	(40,540)
Bond issue costs	-				-	(7,500)
Total Governmental Activities	\$ 492,892	\$ 55,796	\$ 67,680	\$ -	(369,416)	(441,525)
General Revenues:						
Taxes:						
Property					439,803	451,192
Specific ownership					32,655	29,961
Other					5,342	15,666
Total General Revenues					477,800	496,819
Change in Net Position					108,384	55,294
Net Position, Beginning of Year					1,103,740	1,048,446
Net Position, End of Year					\$ 1,212,124	\$ 1,103,740

See accompanying notes to the financial statements.

NORTH ROUNT FIRE PROTECTION DISTRICT
Governmental Funds
Balance Sheet
December 31, 2021
(with summarized financial information as of December 31, 2020)

	2021			2020
	General Fund	Debt Service Fund	Total Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 574,664	\$ 29,723	\$ 604,387	\$ 563,206
Due from other governments	1,772	387	2,159	2,447
Accounts receivable:				
Ambulance services, net	14,934	-	14,934	9,686
Fire protection services	-	-	-	-
Property taxes receivable	446,745	80,366	527,111	454,478
Due from other fund	-	25,450	25,450	20,329
Total Assets	\$ 1,038,115	\$ 135,926	\$ 1,174,041	\$ 1,050,146
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 16,080	\$ -	\$ 16,080	\$ 39,515
Due to other fund	25,450	-	25,450	20,329
Total Liabilities	41,530	-	41,530	59,844
Deferred Inflows of Resources:				
Deferred property tax revenue	446,745	80,366	527,111	454,478
Total Deferred Inflows of Resources	446,745	80,366	527,111	454,478
Fund Balances:				
Restricted for:				
Emergencies	13,466	-	13,466	12,672
Debt service	-	55,560	55,560	47,655
Assigned	8,783	-	8,783	59,996
Unassigned	527,591	-	527,591	415,501
Total Fund Balances	549,840	55,560	605,400	535,824
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,038,115	\$ 135,926	\$ 1,174,041	\$ 1,050,146

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

Governmental funds total fund balance	\$	605,400
<p style="margin-left: 40px;">Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in governmental funds.		1,038,880
Long-term liabilities within governmental activities are not due and payable in the current period and therefore, are not reported in governmental funds:		
Bonds payable		(355,000)
Unamortized deferred bond refunding premium		(15,510)
Net pension asset and net pension liability are not financial resources and, therefore are not reported as assets and liabilities in the governmental funds:		
Net pension asset		36,913
Net pension liability		(88,769)
Deferred outflows related to pensions		84,555
Deferred inflows related to pensions		(94,345)
		(94,345)
Governmental activities net position	\$	1,212,124

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2021
(with summarized financial information for the year ended December 31, 2020)

	2021			2020
	General Fund	Debt Service Fund	Total Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ 360,936	\$ 78,867	\$ 439,803	\$ 451,192
Specific ownership	26,798	5,857	32,655	29,961
Charges for services:				
Ambulance services, net	32,461	-	32,461	24,691
Fire protection services	23,335	-	23,335	1,200
Grants	4,780	-	4,780	377
Donations	62,900	-	62,900	42,700
Other	5,342	-	5,342	15,666
Total Revenues	516,552	84,724	601,276	565,787
Expenditures:				
Public safety:				
Personnel and volunteers	262,461	-	262,461	243,624
Operations	92,757	-	92,757	78,763
Administration and general	48,450	-	48,450	43,482
Capital outlay	51,213	-	51,213	61,684
Debt service:				
Principal	-	70,000	70,000	70,000
Interest	-	6,819	6,819	21,966
Bond issue costs	-	-	-	7,500
Total Expenditures	454,881	76,819	531,700	527,019
Excess of Revenues Over Expenditures	61,671	7,905	69,576	38,768
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	425,000
Payment to refunded bond escrow agent	-	-	-	(480,000)
Total Other Financing Sources (Uses)	-	-	-	(55,000)
Change in Fund Balance	61,671	7,905	69,576	(16,232)
Fund Balance, Beginning of Year	488,169	47,655	535,824	552,056
Fund Balance, End of Year	\$ 549,840	\$ 55,560	\$ 605,400	\$ 535,824

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Changes in fund balances - governmental funds	\$	69,576
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities.		(41,908)
Repayment of principal on noncurrent liabilities is reported as an expenditure in the governmental funds but reduces noncurrent liabilities in the statement of net position.		70,000
The deferred bond refunding premium is not reported in the governmental funds but is amortized as a component of interest expense in the statement of activities.		3,155
In the governmental funds, expenditures for the defined benefit pension plans are measured by the amount of the financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension asset and liability and the related deferred inflows and outflows changed in the current year.		<u>7,561</u>
Change in net position of governmental activities	\$	<u><u>108,384</u></u>

See accompanying notes to the financial statements.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 1: Summary of Significant Accounting Policies

The North Routt Fire Protection District (the District) was organized in Routt County, Colorado as a local government entity under Colorado Revised Statutes (CRS) to provide fire protection and ambulance services to northern Routt County, Colorado.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for the establishment of GAAP in governmental entities. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District has one component unit for which it is financially accountable. The North Routt Fire Station Building Condominiums Owners Association (the Association) is a Colorado not-for-profit common interest realty association established in June 2003 under the Colorado Common Interest Ownership Act. The District owns 83.21% of the allocated interest percentage of the Association. However, the Association has no material net assets as of December 31, 2021 or material revenues and expenses for the year then ended. Therefore, the Association has been excluded from the District's financial statements.

The District has included its share of the fire station building as a capital asset in the statement of net position.

Measurement Focus and Basis of Accounting

The government-wide financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues collected within 60 days after year end to be available and thus recognizes them as revenues in the current year.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial Statement Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information about the nonfiduciary activities of the District. The District's primary activities are categorized as governmental activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are clearly identified with a specific program. Program revenues include (a) charges for services, and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Fund Financial Statements

The fund financial statements report information about the District's funds.

The District reports the following major governmental funds:

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

The *Debt Service Fund* is used to account for a mill levy restricted to making principal and interest payments on the District's general obligation refunding bonds.

Fund Balance Presentation

Fund balances of the governmental fund are classified as follows:

- Non-spendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed – includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the District. Such formal action may be in form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Assigned – includes amounts that are intended by the District to be used for specific purposes, but are neither restricted nor committed. Assignments may be made only by the Board of Directors.
- Unassigned – represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash

The District's cash balances consist of cash on hand and demand deposits.

Accounts Receivable

The District's accounts receivable consists of charges for fire protection services and ambulance services. The District estimates an allowance for uncollectible accounts for ambulance services based on review of collection percentage trends and insurance coverage of the transported persons.

The District's net accounts receivable from ambulance services as of December 31, 2021 and 2020 was as follows:

	2021	2020
Accounts receivable from ambulance services	\$ 29,934	\$ 21,586
Allowance for uncollectible accounts	(15,000)	(11,900)
	\$ 14,934	\$ 9,686

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

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

Capital Assets

Capital assets include land, buildings, vehicles and equipment. Capital assets are defined by the District as assets with an initial individual cost of \$3,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value. 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 are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	20-40
Equipment	10
Vehicles	5-10

Deferred Gain on Refunding of Debt

The District's deferred gain on refunding of debt is the difference between the reacquisition price and the net carrying amount of the defeased debt and is reported as a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the new debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The District's deferred outflows of resources relate to the recording of the net pension liabilities.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources consist of unavailable revenues from property taxes and the recording of the net pension liabilities.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The Routt County Treasurer's office collects property taxes and remits collections to the District on a monthly basis. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as receivable and as deferred inflow of resources as property taxes are assessed in one year as a lien on the property but not collected by the District until the subsequent year.

Pension Plans

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan (SWDB) and Volunteer Firefighters Defined Benefit Plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NORTH ROUTH FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

The District conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the Treasurer submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Board of Directors.
- All appropriations lapse at the end of each fiscal year.

The District did not adopt any supplemental appropriations for the year ended December 31, 2021.

Compliance

The District did not have expenditures in excess of appropriations for any fund during the year ended December 31, 2021.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 2: Stewardship, Compliance and Accountability (continued)

TABOR Amendment

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

Future 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 revenue increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

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

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has reserved \$13,466 of the December 31, 2022 fund balance in the General Fund for this purpose.

The District's voters passed a ballot question in 1998 that permanently lifted TABOR restrictions on the amount of revenue that the District can collect and retain. In 2018, the District's voters passed a ballot question that allows the District to adjust the mill levy annually by an amount sufficient to offset changes in revenue due to the Gallagher Amendment without holding a special election.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

Note 3: Detailed Notes on the Funds

Deposits

The carrying amount of the District's deposits as of December 31, 2021 and 2020 was \$604,386 and \$563,207, respectively, and bank balances were \$604,854 and \$575,640, respectively. All of the bank balances as of December 31, 2021 and 2020 were covered by federal deposit insurance.

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral 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 equal or exceed 102% of the aggregate uninsured deposits.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 3: Detailed Notes on the Funds (continued)

Capital Assets

Capital asset activity for the year ended December 31, 2021 is summarized below:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	\$ 9,490	\$ -	\$ -	\$ 9,490
Other capital assets:				
Buildings	1,145,707	51,213	-	1,196,920
Vehicles	1,241,230	-	-	1,241,230
Equipment	307,288	-	-	307,288
Total other capital assets at cost	2,694,225	51,213	-	2,745,438
Less accumulated depreciation for:				
Buildings	(488,981)	(32,453)	-	(521,434)
Vehicles	(886,780)	(49,562)	-	(936,342)
Equipment	(247,166)	(11,106)	-	(258,272)
Total accumulated depreciation	(1,622,927)	(93,121)	-	(1,716,048)
Other capital assets, net	1,071,298	(41,908)	-	1,029,390
Governmental activities capital assets, net	<u>\$ 1,080,788</u>	<u>\$ (41,908)</u>	<u>\$ -</u>	<u>\$ 1,038,880</u>

Long-Term Liabilities

The District has the following long-term debt outstanding as of December 31, 2021:

General Obligation Refunding Bonds Series 2020

On November 30, 2020, the District issued \$425,000 of General Obligation Refunding Bonds Series 2020 to refund \$480,000 of the General Obligation Bonds Series 2011. Through the refunding, the District reduced its debt service and had an economic gain of \$104,174 (the difference between the present value of the debt service payments on the refunded debt and the refunding debt). Conditions for defeasance have been met and assets were placed in escrow and the liability has been removed from the financial statements. The refunded bonds were paid from escrow on December 1, 2020.

Principal and interest on the General Obligation Refunding Bonds Series 2020 are payable in varying amounts, semi-annually at June 1 and December 1, at a net effective interest rate of 1.60% through maturity on December 1, 2026.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 3: Detailed Notes on the Funds (continued)

Long-Term Liabilities (continued)

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation refunding bonds, series 2020	\$ 425,000	\$ -	\$ (70,000)	\$ 355,000	\$ 70,000
	<u>\$ 425,000</u>	<u>\$ -</u>	<u>\$ (70,000)</u>	<u>\$ 355,000</u>	<u>\$ 70,000</u>

Debt service requirements as of December 31, 2021 were as follows:

	Principal	Interest	Total
2022	\$ 70,000	\$ 5,680	\$ 75,680
2023	70,000	4,560	74,560
2024	70,000	3,440	73,440
2025	70,000	2,320	72,320
2026	75,000	1,200	76,200
Total	<u>\$ 355,000</u>	<u>\$ 17,200</u>	<u>\$ 372,200</u>

Governmental Fund Balances

The District has restricted fund balance as of December 31, 2021 for the following:

- Emergency reserve required by TABOR
- Debt service funds for repayment of its General Obligation Refunding Bonds

The District's board of directors has assigned \$8,783 of its general fund balance as of December 31, 2021 to maintain a capital reserve.

When expenditures are incurred and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans

Fire and Police Statewide Defined Benefit Plan

Plan Description

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

Employers once had the option to elect to withdraw from the SWDB, but a change in state statutes permitted no further withdrawals after January 1, 1988.

CRS Title 31, Article 31 grants the authority to establish and amend the benefit terms to the FPPA Board of Directors. The FPPA issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits Provided

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the SWDB. 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% 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% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions

Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2022, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions are 8.0% and 8.5% in 2020 and 2021, respectively. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11% and 8%, respectively, of pensionable earnings for a total contribution rate of 19%.

NORTH ROUNT FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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

The contribution rate for members and employers of affiliated social security employers is 5.5% and 4.0%, respectively, of pensionable earnings for a total contribution rate of 9.50% in 2020 and 9.75% in 2021. Per the 2014 member election, members of the affiliated social security group had their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Contributions to the Plan from the District were \$11,986 and \$11,223, respectively, for the years ended December 31, 2021 and 2020.

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

As of December 31, 2021 and 2020, the District reported a liability (asset) of (\$36,913) and (\$6,946), respectively, for its proportionate share of the collective net pension liability (asset) of the Plan. The net pension liability (asset) was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability (asset) was based on the District's contributions to the Plan for the years ended December 31, 2020 and 2019 relative to the total contributions of participating employers to the Plan. At December 31, 2020 and 2019, the District's proportion was 0.017002% and 0.012279%, respectively.

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$8,838 and \$6,106, respectively. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 31,305	\$ 147
Changes of assumptions or other inputs	15,699	-
Net difference between projected and actual investment earnings	-	37,914
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	11,890
Contributions subsequent to the measurement date	<u>11,986</u>	<u>-</u>
Total	<u>\$ 58,990</u>	<u>\$ 49,951</u>

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

\$11,986 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		
2021	\$	(4,147)
2022		(576)
2023		(6,954)
2024		(504)
2025		5,423
Thereafter		3,811
	<u>\$</u>	<u>(2,947)</u>

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	7.0%, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.0%
Inflation	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 then 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 reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the FPPA's 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.

NORTH ROUTT FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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

<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 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the 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.

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

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

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the collective net pension liability/(asset) calculated using the discount rate of 7.0%, 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 (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Discount Rate:	Sensitivity of the NPL/(NPA)		
	6.00%	7.00%	8.00%
Proportionate share of the NPL/(NPA)	\$ 37,146	\$ (36,913)	\$ (98,240)

Plan Fiduciary Net Position

Detailed information about the SWDB's fiduciary net position is available in the separately issued FPPA financial report.

Volunteer Firefighters Pension Fund

Plan Description

FPPA administers an agent multiple-employer Public 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 www.fppaco.org.

The District contributes, on behalf of its volunteers, to an agent multiple-employer defined benefit pension plan included in the PERS. Title 31, Article 30 of CRS, as amended, establishes basic benefit provisions under the plan. The Plan covers 24 members at the measurement date of December 31, 2020.

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Benefits Provided

The following were the benefit provisions used to determine the total pension liability as of December 31, 2020 (measurement date of the plan):

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$300.00
b. Extended Service Amount Per Year of Service	\$10.00
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$15.00
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$150.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$150.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; Due to death in line of duty as volunteer firefighter	\$0.00
b. Following Death after Normal Retirement	\$0.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$0.00
e. Following Death after Disability Retirement	\$0.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$300.00

Contributions

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.

The contribution to the Plan from the District was \$16,730 each year for the years ended December 31, 2021 and 2020. Plan members do not make contributions.

NORTH ROUTT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the District reported a net pension liability of \$88,769 and \$123,785, respectively. The net pension liability was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the years ended December 31, 2021 and 2020, the District recognized pension expense of \$12,317 and \$34,434, respectively. 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	\$ -	\$ 13,936
Changes of assumptions or other inputs	-	-
Net difference between projected and actual investment earnings	8,835	30,458
Contribution subsequent to the measurement date	16,730	-
Total	\$ 25,565	\$ 44,394

\$16,730 reported as deferred outflows of resources related to pensions resulting from the District's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2022	\$ (14,515)
2023	(9,715)
2024	(7,746)
2025	(3,583)
	\$ (35,559)

NORTH ROUNT FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Actuarial Assumptions

The following methods and assumptions were used to determine contribution rates to the Plan as of December 31, 2020:

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 Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and the 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 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.

Long-Term Expected Return on Plan Assets

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 Plan's target asset allocation as of December 31, 2020, are summarized as follows:

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

NORTH ROUNT FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021
(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Single Discount Rate

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

For the purpose of this valuation, the 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 and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%. December 31, 2120 is the end of the projection period for which projected benefit payments are fully funded.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension asset of the Plan calculated using the discount rate of 7.0%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	Sensitivity of the NPL/(NPA)		
Discount Rate:	6.00%	7.00%	8.00%
Proportionate share of the NPL	\$ 135,387	\$ 88,769	\$ 49,403

Note 5: Other Information

Agreement for Participation in Development of the North Rountt Fire Station

In December 2002, the District entered into an agreement with Rountt County, Colorado (the County) whereby the County purchased one bay of the new fire station to store road maintenance vehicles.

In June 2003, the Association was established under the Colorado Common Interest Ownership Act. The County's allocated interest percentage for its portion of the building purchased is 16.79% and also represents the County's voting percentage in Association matters. In October 2003, the Association's Board of Directors approved the following common expenses to be shared proportionately by the District and the County: property insurance, trash and exterior building repairs and maintenance. Total Association common expenses during the year ended December 31, 2021 are not material to the District's financial statements.

Lease Agreement

The District leases the land under its new fire station from the State of Colorado, Department of Natural Resources, Division of Parks and Outdoor Recreation (DPOR). The lease is for an initial 25-year term expiring in May 2027 and shall automatically renew for an additional 25 years assuming the District's compliance with terms of the lease. The District's use of the land is limited to fire protection, emergency medical and rescue services and equipment storage and services for Rountt County Road Department (see Agreement for Participation in Development of North Rountt Fire Station). The District is required to pay a \$100 fee quarterly for water and sewer services provided by DPOR.

NORTH ROUTH FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

(with summarized financial information as of December 31, 2020 and for the year then ended)

Note 5: Other Information (continued)

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 commercial insurance for these risks of loss, including workers compensation. Settled claims have not exceeded coverage in the past three fiscal years.

Subsequent Events

The District has evaluated subsequent events through July 13, 2022, the date these financial statements were available to be issued.

NORTH ROUTT FIRE PROTECTION DISTRICT
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property, net of tax collection fees of \$11,166	\$ 372,959	\$ 360,936	\$ (12,023)
Specific ownership	-	26,798	26,798
Charges for services:			
Ambulance services, net of provision for uncollectible accounts of \$17,132	18,000	32,461	14,461
Fire protection services	2,500	23,335	20,835
Grants	2,500	4,780	2,280
Contributions	15,000	62,900	47,900
Other	2,912	5,342	2,430
Total Revenues	413,871	516,552	102,681
Expenditures:			
Personnel and volunteers:			
Wages and benefits	308,114	215,722	92,392
Contract labor	9,500	8,400	1,100
Volunteer benefits	25,000	21,609	3,391
Volunteer pension contribution	16,730	16,730	-
Operations:			
Equipment and supplies	16,000	33,561	(17,561)
Vehicles	28,500	17,882	10,618
Building maintenance and utilities	45,300	41,314	3,986
Administration and general:			
Insurance	36,031	20,788	15,243
Professional fees	9,250	13,983	(4,733)
Fundraising	1,500	-	1,500
Other	14,230	13,679	551
Capital outlay	-	51,213	(51,213)
Total Expenditures	510,155	454,881	55,274
Excess (Deficiency) of Revenues Over Expenditures	(96,284)	61,671	<u>\$ 157,955</u>
Fund Balance, Beginning of Year	488,169	488,169	
Fund Balance, End of Year	<u>\$ 391,885</u>	<u>\$ 549,840</u>	

NORTH ROUTT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share
of the Net Pension Liability (Asset)
FPPA Statewide Defined Benefit Pension Plan (SWDB)
Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0170%	0.0123%	0.0100%	0.0111%	0.0123%
District's proportionate share of the net pension liability (asset)	\$ (36,913)	\$ (6,946)	\$ 12,621	\$ (15,966)	\$ 4,443
District's covered payroll	\$ 141,013	\$ 140,284	\$ 98,384	\$ 66,951	\$ 65,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-26.18%	-4.95%	12.83%	-23.85%	6.84%
Plan fiduciary net position as a percentage of the total pension liability	106.7%	101.9%	95.2%	106.3%	98.2%
	<u>2016</u>	<u>2015</u>			
District's proportion of the net pension liability	0.0125%	0.0129%			
District's proportionate share of the net pension liability (asset)	\$ (221)	\$ (14,557)			
District's covered payroll	\$ 62,840	\$ 60,622			
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.35%	-24.01%			
Plan fiduciary net position as a percentage of the total pension liability	100.1%	106.8%			

NORTH ROUNTT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of the District Contributions
FPPA Statewide Defined Benefit Pension Plan (SWDB)
Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 11,986	\$ 11,223	\$ 7,871	\$ 5,356	\$ 5,200
Contributions in relation to the contractually required contribution	<u>\$ (11,986)</u>	<u>\$ (11,223)</u>	<u>\$ (7,871)</u>	<u>\$ (5,356)</u>	<u>\$ (5,200)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 141,013	\$ 140,284	\$ 98,384	\$ 66,951	\$ 65,000
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%	8.00%	8.00%
	<u>2016</u>	<u>2015</u>			
Contractually required contribution	\$ 5,027	\$ 4,850			
Contributions in relation to the contractually required contribution	<u>\$ (5,027)</u>	<u>\$ (4,850)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered payroll	\$ 62,840	\$ 60,622			
Contributions as a percentage of covered payroll	8.00%	8.00%			

NORTH ROUTH FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Changes in Net Pension Liability
and Related Ratios Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

Measurement period ending December 31,	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 8,405	\$ 8,405	\$ 5,272	\$ 5,272	\$ 7,493
Interest on the Total Pension Liability	31,701	31,134	29,213	28,863	26,466
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(21,484)	-	31,423	-	16,100
Assumption Changes	-	-	18,172	-	11,416
Benefit Payments	(31,620)	(31,260)	(29,460)	(29,460)	(27,435)
Net Change in Total Pension Liability	(12,998)	8,279	54,620	4,675	34,040
Total Pension Liability - Beginning	464,286	456,007	401,387	396,712	362,672
Total Pension Liability - Ending	\$ 451,288	\$ 464,286	\$ 456,007	\$ 401,387	\$ 396,712
Plan Fiduciary Net Position					
Employer Contributions	\$ 16,730	\$ 16,730	\$ 16,730	\$ 16,730	\$ 16,730
Net Investment Income	41,086	41,933	220	37,908	13,167
Benefit Payments	(31,620)	(31,260)	(29,460)	(29,460)	(27,435)
Pension Plan Administrative Expense	(4,178)	(6,599)	(5,378)	(4,773)	(672)
State of Colorado supplemental discretionary payment	-	15,057	15,057	15,057	15,300
Net Change in Plan Fiduciary Net Position	22,018	35,861	(2,831)	35,462	17,090
Plan Fiduciary Net Position - Beginning	340,501	304,640	307,471	272,009	254,919
Plan Fiduciary Net Position - Ending	\$ 362,519	\$ 340,501	\$ 304,640	\$ 307,471	\$ 272,009
Net Pension Liability	\$ 88,769	\$ 123,785	\$ 151,367	\$ 93,916	\$ 124,703
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.33%	73.34%	66.81%	76.60%	68.57%
Covered Payroll	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

NORTH ROUNT FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Changes in Net Pension Liability
and Related Ratios Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

Measurement period ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 7,493	\$ 9,585
Interest on the Total Pension Liability	25,867	27,410
Benefit Changes	-	-
Difference between Expected and Actual Experience	-	(33,619)
Assumption Changes	-	-
Benefit Payments	(23,389)	(22,465)
Net Change in Total Pension Liability	9,971	(19,089)
Total Pension Liability - Beginning	352,701	371,790
Total Pension Liability - Ending	\$ 362,672	\$ 352,701
Plan Fiduciary Net Position		
Employer Contributions	\$ 17,000	\$ 17,000
Net Investment Income	4,301	14,588
Benefit Payments	(23,389)	(22,465)
Pension Plan Administrative Expense	(1,489)	(724)
State of Colorado supplemental discretionary payment	15,300	15,300
Net Change in Plan Fiduciary Net Position	11,723	23,699
Plan Fiduciary Net Position - Beginning	243,196	219,497
Plan Fiduciary Net Position - Ending	\$ 254,919	\$ 243,196
Net Pension Liability	\$ 107,753	\$ 109,505
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.29%	68.95%
Covered Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A

NORTH ROUTH FIRE PROTECTION DISTRICT
Required Supplementary Information
Schedule of Contributions Multiyear
FPPA Volunteer Firefighter Defined Benefit Pension Plan
Last 10 Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 25,144	\$ 32,300	\$ (7,156)	N/A	N/A
2015	\$ 25,144	\$ 32,300	\$ (7,156)	N/A	N/A
2016	\$ 16,730	\$ 32,030	\$ (15,300)	N/A	N/A
2017	\$ 16,730	\$ 31,787	\$ (15,057)	N/A	N/A
2018	\$ 15,439	\$ 31,787	\$ (16,348)	N/A	N/A
2019	\$ 15,439	\$ 31,787	\$ (16,348)	N/A	N/A
2020	\$ 25,393	\$ 16,730	\$ 8,663	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

NORTH ROUNTT FIRE PROTECTION DISTRICT
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property, net of tax collection fees of \$2,440	\$ 81,519	\$ 78,867	\$ (2,652)
Specific ownership	-	5,857	5,857
Total Revenues	81,519	84,724	3,205
Expenditures:			
Debt service:			
Principal	70,000	70,000	-
Interest	6,819	6,819	-
Total Expenditures	76,819	76,819	-
Excess of Revenues Over Expenditures	4,700	7,905	<u>\$ 3,205</u>
Fund Balance, Beginning of Year	47,655	47,655	
Fund Balance, End of Year	<u>\$ 52,355</u>	<u>\$ 55,560</u>	