

ADAMS COUNTY FIRE PROTECTION DISTRICT

***FINANCIAL STATEMENTS and
INDEPENDENT AUDITORS' REPORT***

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Adams County Fire Protection District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the fiduciary 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules, 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.

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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Haynie & Company

Littleton, CO

October 19, 2022

ADAMS COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) of the Adams County Fire Protection District (“District”) introduces readers to the financial statements that follow and provides an overview of the District’s financial activities for the year ended December 31, 2021. Readers should review this MD&A in conjunction with the financial statements and the notes to the financial statements to broaden their understanding of the District’s financial performance.

Overview of Financial Statements: The District’s basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and, 3) Notes to the financial statements. This report contains other supplemental information in addition to the basic financial statements.

Using the Basic Financial Statements: These financial statements consist of this MD&A (this section) and a series of financial statements including notes to those statements. The statements are organized to enable the reader to understand the District as an entire operating entity. The financial statements then proceed to provide an increasingly detailed look at specific financial activities.

Governmental-wide Financial Statements: The government-wide financial statements detail District operations principally supported by property tax revenues, and charges for services. The governmental activity of the District is public safety, consisting of all hazards, fire, and EMS services. The District’s government-wide financial statements can be found on pages 4 and 5 of this report.

The Statement of Net Position is the delta between both the short-term and the long-term position of the District’s assets, deferred inflows/outflows and liabilities. Increases or decreases in the net position may be useful as an indicator if the District is improving or deteriorating in its financial position.

Statement of Activities shows how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements: Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances on current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balance. Fund financial statements are presented on pages 6 through 9.

Notes to Financial Statements: The notes to the financial statements provide additional information to the reader to fully understand the data provided in the aforementioned statements and funds. The notes are found on pages 12 – 51 of this report.

Financial Analysis for the District as a Whole: The District saw an overall increase of revenues in 2021 of about \$400k, mostly due to new construction within the District, while General Fund budgeted expenses increased from 2020 to 2021 by \$1.4 million, due mostly to

increased health care, maintenance and supply costs.

Condensed statement of net position and statement of activities comparisons for 2020 and 2021 are as follows:

NONSPENDABLE FUND BALANCE:

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The District does not have any non-spendable funds.

RESTRICTED FUND BALANCE:

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation. The District's restricted funds include the emergency reserve funds required by Article X, Section 20 of the Colorado Constitution, commonly referred to as the Taxpayer's Bill of Rights ("TABOR") and the Bond Debt Service Fund. TABOR requires that the District establish an emergency reserve of 3% of the District's fiscal year spending, excluding bonded debt service. At the end of year 2021, the District's TABOR reserve balance was \$718,618. The Bond Debt Service Fund had a balance of \$5,682, which will be utilized towards paying off the Series 2011 General Obligation Bonds in 2022.

COMMITTED FUND BALANCE:

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

As of December 31, 2021, there are no committed fund balances.

ASSIGNED FUND BALANCE:

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The District assigns funds for specific uses, either as contingencies or for capital projects. The District has assigned \$38,263 to the District's Special Event Fund. Within the General Fund, \$2,492,763 is assigned for various uses, including Health Benefits (\$288,112), Sick Leave (\$1,140,371) and Stabilization Reserve (\$1,100,000). Within the Capital Reserve Fund, \$3,795,973 is assigned for various uses, including SCBA Replacement (\$25,000) Impact Fees (\$1,303,699), Major Equipment Replacement (\$841,299), and Stations and Grounds (\$1,625,975). The District has a long-term apparatus replacement plan that it uses to guide the replacement of apparatus and saving funds for those purchases. These funds fluctuate depending on apparatus and equipment needs in a given year.

UNASSIGNED FUND BALANCE:

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

At the end of 2021, the District's General Fund unassigned balance was \$10,477,434, which was about \$1 million higher than anticipated. Among other uses, the unassigned funds ensure the District meet its business needs between beginning of a fiscal year and when the District begins receiving significant property tax revenues in that fiscal year, usually about mid-March. In general, the District strives to have 25% of its annual revenues in the unassigned fund balance at year-end to carry-over to the following year to meet its business needs.

General Fund Budget Highlights:

Total budgeted revenues were \$401,810 more than anticipated, due mostly to higher than expected specific ownership taxes and EMS revenues. Unfilled positions, canceled trainings and unspent contingency funds decreased expenses in 2021 by about \$460k. This provided a total favorable change to net position of \$861,471. The total General Fund balance at the end of 2021 was 10,477,434.

Capital Assets Highlights:

Impact Fees of \$196,346 were about \$100k less than budgeted. Grant revenues for SCBAs of \$346,818, and \$102,274 for an ambulance were received/spent in 2021. Expenditures were slightly lower than budgeted. \$103,599 from the sale of assets and a transfer of funds from the General Fund of \$2,433,293 were also added to the Capital Reserve Fund, which the District will use for future projects and purchases, including SCBAs, radios, apparatus, impact fees, station/grounds and PPE. The Capital Reserve Fund had a balance of \$3,795,973 at the end of 2021.

Long-Term Debt:

The General Obligation Bond principal debt, as of December 31, 2021, is \$485,000. The District also has the following outstanding balances on lease-purchase financing obligations: \$36,838 for a fire engine purchase; \$750,000 for administrative office remodel; and, \$7,790,000 for the Fire Station 11 construction. The District structured the foregoing financial obligations to be paid from the District's on-going annual revenue collections.

Economic Factors and Next Year's Budget and Rates:

In 1982, Colorado's voters passed an amendment to Article X, § 3(1)(b) of the Colorado Constitution, which is commonly referred to as the "Gallagher Amendment". The purpose of the Gallagher Amendment was to permanently establish a ratio between total statewide assessed values of residential property ("RAR") and all other types of property, which are collectively referred to as "non-residential". At the time, residential property's share of statewide revenue was 44.6%, as compared to 55.4% for nonresidential property ("Gallagher Split"), based on a RAR of 21% and 29% for nonresidential property. The Gallagher Amendment requires the Colorado General Assembly to adjust the RAR up or down, as necessary, in order to maintain the Gallagher split, while the nonresidential assessment rate remains fixed at 29%. Since the passage of the Gallagher Amendment, the growth in the aggregate statewide valuation of residential property has typically outpaced that of nonresidential property, which over time has resulted in a significant downward adjustment to the RAR. The on-going reduction in the RAR has been exacerbated by the fact that the Gallagher Amendment functions only as a downward ratchet on the RAR because the Colorado Legislature believes that TABOR requires a statewide election when the Gallagher Amendment would otherwise call for an increase to the RAR. In 2018, the Colorado

Legislature reduced the RAR from 7.2% to 7.15%.

The property tax the District certified in December of 2020 (for revenue collections in 2021) remained at 16.207 mills. The District plans to build the funds in assigned accounts for future needs, including a major remodel of Station 14 and relocation of Station 13.

In 2021, the District assessed an additional levy of 0.057 to recoup property tax and abatements of \$68,166.

The District submitted two ballot measures to its voters in May 2020, each of them passed by a wide margin and with a large voter participation. Ballot Issue 5A is a tax extension, which received voter authorization to convert 1 mill of debt service property tax to a general operations property tax in 2022 (2023 budget), when the District pays off the 2011 Series General Obligation Bonds. Ballot Issue 5B received voter authorization for the District to increase or decrease its property tax (mill levy) rate to adjust for any future increases or decreases in the RAR. The District will monitor ongoing efforts to alter tax assessment rates.

Management successfully implemented impact fees through Adams County for new developments in the District, which has helped with the loss of revenues due to the reduction in the RAR in recent years caused by the Gallagher Amendment.

Since 2018, the District has realized revenues of \$1,303,699 from these impact fees.

Requests for information:

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to:

Adams County Fire Protection District
8055 Washington Street
Denver, Colorado 80229.

ADAMS COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2021

	General Fund	Capital Reserve	Bond Fund	Special Event	Total	Adjustments (Page 10)	Statement of Net Position
Assets and deferred outflows of resources							
Assets:							
Cash and investments (Note 2)	\$ 9,943,328	\$ 3,295,468	\$ 4,360	\$ 38,263	\$ 13,281,419	\$ -	\$ 13,281,419
Cash with county treasurer	258,433	-	-	-	258,433	-	258,433
Receivables							
Property taxes	22,774,650	-	502,198	-	23,276,848	-	23,276,848
Medical billing accounts (net)	1,062,802	-	-	-	1,062,802	-	1,062,802
Interfund	1,430	500,505	1,322	-	503,257	(501,827)	1,430
Other	45,592	-	-	-	45,592	-	45,592
Land	-	-	-	-	-	973,188	973,188
Other capital assets, net of accumulated depreciation	-	-	-	-	-	20,186,728	20,186,728
Net Pension Asset	-	-	-	-	-	2,465,361	2,465,361
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>34,086,235</u>	<u>3,795,973</u>	<u>507,880</u>	<u>38,263</u>	<u>38,428,351</u>	<u>23,123,450</u>	<u>61,551,801</u>
Deferred outflows of resources:							
Deferred outflow - pensions	-	-	-	-	-	4,132,657	4,132,657
Total deferred outflows of resources	-	-	-	-	-	4,132,657	4,132,657
Total assets and deferred outflows of resources	<u>\$ 34,086,235</u>	<u>\$ 3,795,973</u>	<u>\$ 507,880</u>	<u>\$ 38,263</u>	<u>\$ 38,428,351</u>	<u>\$ 27,256,107</u>	<u>\$ 65,684,458</u>
Liabilities and deferred inflows of resources							
Liabilities:							
Accounts payable	\$ 332,324	\$ -	\$ -	\$ -	\$ 332,324	\$ -	\$ 332,324
Accrued interest	-	-	-	-	-	46,454	46,454
Due to other funds	501,827	-	-	-	501,827	(501,827)	-
Accrued absences (Note 5)	-	-	-	-	-	3,737,778	3,737,778
Long-term liabilities:							
Due within one year	-	-	-	-	-	846,838	846,838
Due after one year	-	-	-	-	-	8,215,000	8,215,000
Debt issuance costs	-	-	-	-	-	471,073	471,073
Net pension liability	-	-	-	-	-	1,995,331	1,995,331
Total liabilities	<u>834,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,151</u>	<u>14,810,647</u>	<u>15,644,798</u>
Deferred inflows of resources:							
Deferred inflow - pensions	-	-	-	-	-	2,688,551	2,688,551
Deferred property taxes	22,774,650	-	502,198	-	23,276,848	-	23,276,848
Total deferred inflows of resources	<u>22,774,650</u>	<u>-</u>	<u>502,198</u>	<u>-</u>	<u>23,276,848</u>	<u>2,688,551</u>	<u>25,965,399</u>
Total liabilities and deferred inflows of resources	<u>23,608,801</u>	<u>-</u>	<u>502,198</u>	<u>-</u>	<u>24,110,999</u>	<u>17,499,198</u>	<u>41,610,197</u>
Fund Balances/Net Position							
Fund Balances:							
Restricted							
Debt service	-	-	5,682	-	5,682	(5,682)	-
Emergencies - TABOR reserve	718,618	-	-	-	718,618	(718,618)	-
Assigned							
SCBA equipment	-	25,000	-	-	25,000	(25,000)	-
Impact fees	-	1,303,699	-	-	1,303,699	(1,303,699)	-
Major equipment	-	841,299	-	-	841,299	(841,299)	-
Station and grounds	-	1,625,975	-	-	1,625,975	(1,625,975)	-
Health	288,112	-	-	-	288,112	(288,112)	-
Sick leave	1,104,651	-	-	-	1,104,651	(1,104,651)	-
Stabilization for future use	1,100,000	-	-	-	1,100,000	(1,100,000)	-
Special events	-	-	-	38,263	38,263	(38,263)	-
Unassigned	7,266,053	-	-	-	7,266,053	(7,266,053)	-
Total fund balance/net position	<u>10,477,434</u>	<u>3,795,973</u>	<u>5,682</u>	<u>38,263</u>	<u>14,317,352</u>	<u>(14,317,352)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 34,086,235</u>	<u>\$ 3,795,973</u>	<u>\$ 507,880</u>	<u>\$ 38,263</u>	<u>\$ 38,428,351</u>		
Net position:							
Net investment in capital assets						11,627,005	11,627,005
Restricted for debt service						5,682	5,682
Unrestricted						12,441,574	12,441,574
Total net position						<u>\$ 24,074,261</u>	<u>\$ 24,074,261</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Fund balance per Statement of Net Position	\$ 14,317,352
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet	21,159,916
Net pension asset or liability and related deferred inflows and outflows are not due and payable in the current period and therefore are not reported in the balance sheet	1,914,136
Some liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the balance sheet	<u>(13,317,143)</u>
Net position per Statement of Net Position	<u><u>\$ 24,074,261</u></u>

**See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.**

ADAMS COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUE
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Capital Reserve	Bond Fund	Special Event	Total	Adjustments (Page 12)	Statement of Activities
Revenues:							
General property taxes	\$ 19,364,554	\$ -	\$ 503,425	\$ -	\$ 19,867,979	\$ -	\$ 19,867,979
Specific ownership taxes	1,640,335	-	-	-	1,640,335	-	1,640,335
Interest	42,217	852	93	-	43,162	-	43,162
Charges for services	1,465,343	-	-	-	1,465,343	-	1,465,343
Grant revenue	1,688,339	449,092	-	-	2,137,431	-	2,137,431
Permit fees	238,973	-	-	-	238,973	-	238,973
Impact fees	-	196,346	-	-	196,346	-	196,346
Fundraising and special events	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-
Insurance reimbursement	31,249	-	-	-	31,249	-	31,249
Other income	285,660	-	-	-	285,660	-	285,660
Total revenues	<u>24,756,670</u>	<u>646,290</u>	<u>503,518</u>	<u>-</u>	<u>25,906,478</u>	<u>-</u>	<u>25,906,478</u>
Expenditures/expenses:							
Fire protection:							
Current:							
Firefighting	14,201,132	-	-	-	14,201,132	629,277	14,830,409
Administration	983,281	1,682	25	-	984,988	-	984,988
Utilities	260,192	-	-	-	260,192	-	260,192
Communications	567,577	-	-	-	567,577	-	567,577
Medical	2,872,443	-	-	-	2,872,443	-	2,872,443
Station and grounds	183,370	-	-	-	183,370	-	183,370
Station supplies	27,964	-	-	-	27,964	-	27,964
Information technology	213,481	-	-	-	213,481	-	213,481
Ambulance	245,630	-	-	-	245,630	-	245,630
Training	154,175	-	-	-	154,175	-	154,175
Fire prevention	38,186	-	-	-	38,186	-	38,186
Trucks and equipment	747,496	-	-	-	747,496	-	747,496
Special operations	216,902	-	-	-	216,902	-	216,902
Special events	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	1,144,558	1,144,558
Capital outlay	293,990	1,342,242	-	-	1,636,232	(494,676)	1,141,556
Debt service:							
Principal	-	409,815	470,000	-	879,815	(879,815)	-
Interest	-	386,048	33,425	-	419,473	(7,841)	411,632
Amortization of debt issuance costs	-	-	-	-	-	(36,046)	(36,046)
Total expenditures/ expenses	<u>21,005,819</u>	<u>2,139,787</u>	<u>503,450</u>	<u>-</u>	<u>23,649,056</u>	<u>355,457</u>	<u>24,004,513</u>
Excess (deficiency) of revenues over expenditures	<u>3,750,851</u>	<u>(1,493,497)</u>	<u>68</u>	<u>-</u>	<u>2,257,422</u>	<u>(355,457)</u>	<u>1,901,965</u>
Other financing sources/uses:							
Sale of assets	-	103,599	-	-	103,599	(380,505)	(276,906)
Proceeds from capital leases	-	-	-	-	-	-	-
Transfers-internal activities	(2,433,293)	2,433,293	-	-	-	-	-
Total other financing sources (uses)	<u>(2,433,293)</u>	<u>2,536,892</u>	<u>-</u>	<u>-</u>	<u>103,599</u>	<u>(380,505)</u>	<u>(276,906)</u>
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	<u>1,317,558</u>	<u>1,043,395</u>	<u>68</u>	<u>-</u>	<u>2,361,021</u>	<u>(2,361,021)</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,625,059</u>	<u>1,625,059</u>
Fund balance/net position, beginning of year	<u>9,159,876</u>	<u>2,752,578</u>	<u>5,614</u>	<u>38,263</u>	<u>11,956,331</u>	<u>10,492,871</u>	<u>22,449,202</u>
Fund balance/net position, end of year	<u>\$ 10,477,434</u>	<u>\$ 3,795,973</u>	<u>\$ 5,682</u>	<u>\$ 38,263</u>	<u>\$ 14,317,352</u>	<u>\$ 9,756,909</u>	<u>\$ 24,074,261</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Excess (deficiency) of revenues and transfers in over expenditures and transfers out - governmental funds	\$	2,361,021
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Change in compensated absences		(745,766)
Change in pension assets and liabilities		116,489
 Repayment of lease principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. The principal payments and other debt transactions change the liabilities in the statement of net position and do not result in an expense in the statement of activities.		
Principal payments made		879,815
Amortization of Debt Issuance Costs		36,046
 Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		494,676
Depreciation		(1,144,558)
Sale of assets		(380,505)
 Interest expense in the statement of activities differs from the amount reported in governmental funds. Additional accrued interest was calculated for bonds payable and capital leases.		
Decrease in accrued interest		<u>7,841</u>
Change in net position	\$	<u><u>1,625,059</u></u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
SWAC VOLUNTEER PENSION
DECEMBER 31, 2021**

Assets

Cash	\$	17,279
Investments		1,159,818
Cash surrender value of life insurance		107,030
Accounts receivable		8,100
Due from other funds		-
Total Assets	\$	1,292,227

Liabilities

Accounts payable	\$	778
Due to other funds		1,430
Total Liabilities		2,208

Net Position

Net position - reserved		
Reserved for retirement benefits		1,290,019
Total Net Position		1,290,019
Total Liabilities and Net Position	\$	1,292,227

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
 SWAC VOLUNTEER PENSION
 STATEMENT OF CHANGES IN FIDUCIARY
 NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	Actual
Additions:	
General property taxes	\$ 119,000
Earnings on investments	107,836
Insurance claims	-
Contributions from the State of Colorado	8,100
Total Additions	234,936
 Deductions:	
Benefits paid to retirees	229,098
Administration of fund	12,399
Other expenses	19,604
Total Deductions	261,101
Changes in plan net position	(26,165)
Net position, beginning of year	1,316,184
Net position, end of year	\$ 1,290,019

See independent auditors' report.
 The accompanying notes on pages 10 to 51 are an
 integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies

Organization

The Adams County Fire Protection District (the District) provides emergency services to the northern metro area of Denver, Colorado. Effective May 7, 2014, the District's legal name changed from North Washington Fire Protection District to Adams County Fire Protection District, also doing business as Adams County Fire Rescue. The name change occurred in connection with a merger between the District and the Southwest Adams County Fire Protection District (SWAC), effective January 1, 2015.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District uses funds to maintain its financial records during the year.

Reporting Entity

For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District's ability to exercise significant operational control or financial accountability over the potential component unit. Financial relationship or operational control is determined on the basis of the District's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management and the ability to significantly influence operations.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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. The government-wide financial statements report information for the District as a whole.

Individual funds are not displayed at this financial reporting level. Internal balances and activity are eliminated at the government-wide level.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

The statement of net position presents the financial position of the governmental activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds (the Pension Trust). The activity of the fiduciary funds is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Non-major Governmental Funds."

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balances. The following are the District's major governmental funds:

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

General - This fund accounts for general operations and for financial resources of the District that are not accounted for in other funds. Primary sources of revenue are property taxes and interest on deposits. The major expenditures are for personnel and services. The General Fund also accounts for the District's health benefit activity.

Capital Reserve - This fund is used to account for the accumulation of resources for, and the payment for the purchase of, capital improvements and equipment. The primary source of revenues is transfers from the General Fund and grant revenue.

Bond - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The primary sources of revenues are property taxes levied specifically to retire general obligation bonds and interest on deposits.

Special Event - This fund is used to account for the accumulation of resources for, and the payment of, community and charitable activities and related costs. The primary sources of revenues are fundraisers and donations from individuals.

Fiduciary Fund - This fund is used for assets held by the District in a trustee capacity and is presented accordance with the Governmental Accounting Standard Board Statement No. 84, *Fiduciary Activities*.

Pension Trust - This fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. This fund is accounted for on the accrual basis of accounting.

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

All governmental funds are accounted for using a flow of current financial resources measurement focus. Within this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental 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 governmental fund statements.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and Pension Trust Fund are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of certain deferred outflows of resources and in the presentation of expenses versus expenditures. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt and compensated absences, which are recognized when due.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

Property Tax Revenue and Recognition

Property taxes are levied on December 15 and attach as an enforceable lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Adams and Denver Counties bill and collect property taxes for the District. The property tax receipts collected by the counties are remitted to the District in the subsequent month. Property taxes receivable not collected within 60 days of year end have been recorded as a deferred inflow of resources in the fund financial statements. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations are at the total fund level and lapse at fiscal year end.

The Fire Chief submits the proposed budget to the Board of Directors prior to the October 15 statutory deadline for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control tool during the year for the District's funds.

Cash And Cash Equivalents

The District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these instruments.

Investments

Investments are measured at fair value in accordance with the Governmental Accounting Standard Board Statement No. 72, *Fair Value Measurement and Application*.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for the goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. The interfund balances are eliminated at the government-wide level, except for the residual balances between the governmental activities and the Pension Trust Fund.

Other Receivables

Other receivables consist of short-term receivables that the District expects to collect within the next fiscal year.

Capital Assets

General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the fund financial statements.

All capital assets are recorded at cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date donated. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. 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 expensed.

All capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	10 - 30 years
Equipment and vehicles	5 - 20 years

See independent auditors’ report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

Compensated Absences

Accrued vacation and sick leave represent amounts earned, but not paid or taken, as of year end. The District's sick leave policy allows accumulation of up to 2,160 hours. A total of either 16 hours (line personnel) or 8 hours (administrative employees) of sick leave is earned on the 1st of each month following an employee's hire date. After 10 years of service, employees are partially vested in their accrued but unused sick leave, with the vesting increasing each year per an approved vesting schedule, with a maximum vesting of 100%. Unused and vested sick leave hours are paid upon separation of employment.

The vested portion of accrued sick leave is shown as a liability in the governmental statement of net position and is liquidated out of the General Fund. Vacation time is accrued on January 1 and must be taken within 1 year of the accrued date; therefore, no accrual is made for unused vacation time.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The deferred charge on advanced refunding is recorded as a deferred outflow. A deferred charge on advanced refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as a deferred inflow. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available, at both the governmental fund level and in the period the taxes are levied at the government-wide reporting level. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

Fund Balance/Net Position

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints.

Nonspendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to motions or resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through motions or resolutions approved by the Board of Directors.

Assigned - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Fire Chief or designee.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the District considers restricted funds to have been spent first. Although not included in a formal policy, the District considers decreases to fund balance to first reduce committed, then assigned and then unassigned balances, in that order.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. Summary Of Significant Accounting Policies (continued)

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Pensions

The District participates in four defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. Cash, Cash Equivalents And Investments

	<u>December 31 2021</u>
Cash and cash equivalents	\$ 1,306,895
Investments	11,974,524
Cash with County Treasurer	<u>258,433</u>
Total Governmental Activities	<u>\$ 13,539,852</u>
Cash, Pension Trust, bank	\$ 17,279
Pension Trust Fund investments	<u>1,159,818</u>
Total Pension Trust	<u>\$ 1,177,097</u>

Deposits

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 specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2021, the District had bank deposits of \$1,324,174 collateralized with securities held by the financial institution's agent but not in the District's name.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2021, the District's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. Cash, Cash Equivalents and Investments (Continued)

Investments

Colorado Revised Statutes (C.R.S.) and the district's deposit and investment policy permit District funds to be invested in the following types of securities and transactions:

- Fully collateralized or insured interest-bearing checking accounts, savings accounts and time certificates of deposit in state or national banks doing business in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Fully collateralized or insured interest-bearing accounts or time certificates of deposit at state-chartered or federally chartered savings and loan associations in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Local government investment pools that are organized in conformity with Part 7 of Article 57 of Title 24, of C.R.S., which provides specific authority for pooling of local government funds
- Securities and Exchange Commission-regulated money market funds which comply with Colorado state law
- U.S. Treasury obligations (Treasury bills, notes and bonds)

The District had invested \$11,974,524 in Colorado Government Liquid Asset Trust (COLOTRUST) as of December 31, 2021. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice periods.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. Cash, Cash Equivalents And Investments (continued)

COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios: COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST financial statements may be obtained at www.colotruster.com.

The District had the following investments at December 31, 2021:

Investment Type	S&P Rating	Fair Value	Less Than 1 Year	1 To 5 Years
Local government investment pools	AAAM	\$ 11,974,524	\$ 11,974,524	\$ —
Total Government Activities		\$ 11,947,524	\$ 11,974,524	\$ —

The District also has the following investments reported in the Pension Trust Fund as of December 31, 2021:

Investment Type	Fair Value	Allocation
Mutual funds	\$ 568,311	49%
Common stocks	591,507	51%
Total	\$ 1,159,818	100%

Interest Rate Risk - The District's investment policy states that investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. The period from the date of purchase of an investment to its maturity date will be three years or less, or as authorized by the District Board, as a means of limiting exposure to fair value losses arising from prevailing market interest rates.

Credit Risk - The District's investment policy is to apply the prudent person rule, where investments are made as a prudent person would be expected to act. The District's investment policy requires that investments in local government investment pools and authorized money market fund investments must maintain an AAA rating from a nationally recognized independent rating agency.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. Cash, Cash Equivalents And Investments (continued)

Concentration Of Credit Risk - It is the policy of the District to diversify its use of investment instruments. Investments shall be diversified to avoid incurring unreasonable risks of loss inherent in over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The asset allocation in the portfolio should, however, be flexible, depending on the outlook of the economy, the securities market and the District's anticipated cash flow needs.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments in the Pension Trust Fund have a Level 1 fair value measurement as of December 31, 2021.

Investment Type	December 31, 2021	Level 1	Total
Mutual funds	\$ 568,311	\$ 568,311	\$ 568,311
Common stocks	591,507	591,507	591,507
Total	\$ 1,159,818	\$ 1,159,818	\$ 1,159,818

Mutual Funds - These are public investment vehicles, valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Common Stocks - These are publicly traded and valued at the per share closing price reported on the active market on which the individual securities are traded.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

3. Interfund Transactions

The District had the following interfund receivables and payables in 2021.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ ---	\$ 501,827
Capital Fund	500,505	---
Bond Fund	1,322	---
Total	\$ 501,827	\$ 501,827

4. Accounts Receivable

The District considers all receivables, other than medical billing receivables, to be fully collectible. The allowance for doubtful medical billing accounts totaled \$763,697 as of December 31, 2021. The allowance is estimated using past collection rates and trends for emergency medical revenue billed, net of contractually adjusted write-offs.

5. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2021, is as follows:

	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Governmental Activities				
Nondepreciable Capital Assets:				
Land	\$ 973,188	---	---	\$ 973,188
Total Nondepreciable Capital Assets	973,188	---	---	973,188
Depreciable capital assets:				
Buildings and improvements	22,520,449	---	---	22,520,449
Transportation equipment	8,140,843	426,551	(763,506)	7,803,888
Furniture, fixtures and equipment	2,619,422	68,125	---	2,687,547
Total Depreciable Capital Assets	33,280,714	494,676	(763,506)	33,011,884
Accumulated depreciation	(12,063,599)	(1,144,558)	383,001	(12,825,156)
Total Depreciable Capital Assets – Net	21,217,115	(649,882)	(380,505)	20,186,728
Total Capital Assets - Net	\$ 22,190,303	\$ (649,882)	\$ (380,505)	\$ 21,159,916

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

5. Capital Assets (continued)

Depreciation expense for the year ended December 31, 2021 was charged to functions/programs of the primary government, as follows:

Governmental Activities	
Firefighting	<u>\$1,144,558</u>

6. Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in long-term liabilities reported for governmental activities:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Current
General Obligation Refunding Bond					
Series 2011	\$ 955,000	\$ ---	\$ (470,000)	\$ 485,000	\$ 485,000
Premium	17,759	---	(8,880)	8,879	---
Discount	(5,266)	---	2,633	(2,633)	---
Total	<u>967,493</u>	<u>---</u>	<u>(476,247)</u>	<u>491,246</u>	<u>485,000</u>
Fire apparatus capital lease	72,413	---	(35,575)	36,838	36,838
PNC apparatus capital lease	64,386	---	(64,386)	---	---
North Valley bank lease	900,000	---	(150,000)	750,000	150,000
Certificates of Participation (COP)					
Series 2018	7,950,000	---	(160,000)	7,790,000	175,000
Premium – COP	563,154	---	(33,927)	529,227	---
Total	<u>8,513,154</u>	<u>---</u>	<u>(193,927)</u>	<u>8,319,227</u>	<u>175,000</u>
Compensated absences	2,992,012	745,776	---	3,737,778	---
Total	<u>\$ 13,509,458</u>	<u>\$ 745,766</u>	<u>\$ (920,135)</u>	<u>\$ 13,335,089</u>	<u>\$ 846,838</u>

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. Long-Term Liabilities (continued)

General Obligation Bonds

In August 2002, the District issued \$5,500,000 General Obligation Bonds, Series 2002. The proceeds of the issue were placed in a project account to provide funds to improve fire safety and emergency response capabilities of the District, to purchase a municipal bond insurance policy and to pay the costs of issuing the bonds. The bonds bear interest at rates ranging from 2.5% to 5.0% per annum. Principal payments are due semiannually on November 1 and May 1, and payments range from \$35,000 to \$500,000.

On February 22, 2011, the District issued General Obligation Refunding Bonds, Series 2011, in the amount of \$4,095,000, with interest rates ranging from 2% to 4%. The bonds were issued to advance refund a portion of the outstanding Series 2002 General Obligation Bonds.

The advance refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$376,886. This difference is reported in the statement of net position as a deferred outflow of resources and is amortized over the new debt's life using the effective interest method.

The bonds constitute general obligations of the District. All of the taxable property in the District is subject to the levy of a separate ad valorem property tax to pay the principal and interest on the bonds.

As of December 31, 2021, debt service requirements through the maturity date of November 1, 2022 are as follows:

Series 2011	Principal	Interest	Total
2022	\$ 485,000	\$ 16,975	\$ 501,975
Total	\$ 485,000	\$ 16,975	\$ 501,975

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. Long-Term Liabilities (continued)

The District entered into capital lease-purchase financing for fire apparatus dated September 7, 2012. Total acquisition cost of the fire apparatus was \$577,936, and the total amount financed was \$316,442. Net book value of the asset at December 31, 2021 is \$265,350. Payments are to be made in annual installments of \$38,145 beginning September 8, 2013, with final payment due September 8, 2022. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 36,838	\$ 1,307	\$ 38,145
Total	\$ 36,838	\$ 1,307	\$ 38,145

The District entered into capital lease-purchase financing with North Valley Bank (the Bank) on February 8, 2017, to finance the renovation and equipping of Fire Station No. 14 located at 8055 North Washington Street, Denver, Colorado, and pay costs of issuance in connection with the financing. The lease is secured by certain property of the District. In connection with the lease, the District borrowed \$1,500,000 which will be paid back in annual installments beginning April 30, 2017, with final payment due April 30, 2026. Net book value of the asset at December 31, 2021 is \$ 1,269,616. Upon maturity of the lease, the District has an option to purchase the Bank's interest for \$1. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 150,000	\$ 21,250	\$ 171,250
2023	150,000	17,400	167,400
2024	150,000	13,086	163,086
2025	150,000	8,700	158,700
2026	150,000	4,350	154,350
Total	\$ 750,000	\$ 64,786	\$ 814,786

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. Long-Term Liabilities (continued)

Certificates Of Participation

The District entered into lease-purchase financing with Zions Bank on April 30, 2018. In connection with the lease, COPs Series 2018 were issued to finance certain capital improvements for the District. The 2018 COPs were issued in the amount of \$8,545,000 and mature in December 2047.

The proceeds of the issue were placed in a project account to provide funds for certain capital improvements for the District and to pay the costs of issuing the COPs. The COPs bear interest at rates ranging from 3.0% to 5.0% per annum. Principal and interest payments are due semiannually on June 1 and December 1, and payments range from \$150,000 to \$495,000. The following is a summary of debt service requirements to maturity:

	Principal	Interest	Total
2022	\$ 175,000	\$ 348,263	\$ 523,263
2023	175,000	341,263	516,263
2024	175,000	334,263	509,263
2025	180,000	327,263	507,263
2026	185,000	321,863	506,863
2027-2031	1,075,000	1,479,063	2,554,063
2032-2036	1,375,000	1,181,813	2,556,813
2037-2041	1,750,000	802,563	2,552,563
2042-2047	2,700,000	371,063	3,071,063
Total	\$ 7,790,000	\$ 5,507,413	\$ 13,297,413

7. Operating Leases

In December 2019, the District entered into a 49-month lease for bunker gear. The District makes payments beginning in January 2021 through January 2024. A summary of future lease requirements follows:

2022	\$ 55,306
2023	57,089
2024	58,930
Total	\$ 171,325

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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8. Fire And Police Pension Association (FPPA) Statewide Cost-Sharing Defined Benefit Pension Plan (SWDBP)

SWDBP Plan Description

Eligible employees of the District are provided with pensions through SWDBP, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided

SWDBP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. 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 50).

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to SWDBP. Benefits paid to retired members are evaluated and may be redetermined every October 1. The amount of any increase is at the FPPA 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.

A member is eligible for an early retirement after completion of 20 years of service or attainment of age 50 with at least five years of credited services. 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 5 years of accredited service may leave contributions with SWDBP and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. Fire And Police Pension Association (FPPA) Statewide Cost-Sharing Defined Benefit Pension Plan (SWDBP) (Continued)

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Through December 31, 2021, contribution rates for the plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of SWDBP and their employers are contributing at the rate of 10.5% and 8%, respectively, of base salary for a total contribution rate of 18.5% in 2019. In 2014, the members elected to increase the member contribution rate to SWDBP beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions remained at 8.0% through 2020, but increased by 0.5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings.

Contributions from members and employers or departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry 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 the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% 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 5.25% and 4%, 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 affiliate Social Security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions are 4% in 2020 and 4.25% in 2021. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
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8. Fire And Police Pension Association (FFPA) Statewide Cost- Sharing Defined Benefit Pension Plan (SWDBP) (continued)

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member, and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the District were \$800,976 for the year ended December 31, 2021.

Pension Assets, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At December 31, 2021, the District reported a net pension asset of \$573,869 as its proportionate share of the plan's net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on District contributions to SWDBP for the calendar year 2021, relative to the total contributions of participating employers.

At December 31, 2021, the District's proportion was 1.13559%, which was an increase of 0.059098% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2021, the District recognized pension benefit of \$2,465,361. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to SWDBP from the following sources:

Deferred Outflows of Resources	
Changes in proportionate share	\$ 56,940
Changes of assumptions	1,048,555
Differences between expected and actual experience	2,090,869
Contributions subsequent to measurement date	718,161
Total Deferred Outflows of Resources	\$ 3,914,525
 Deferred Inflows of Resources	
Change in proportionate share	\$ -
Net difference between projected and actual earnings on pension plan investments	2,532,281
Difference between expected and actual experience	9,806
Total Deferred Inflows of Resources	\$ 2,542,086

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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8. Fire And Police Pension Association (FFPA) Statewide Cost- Sharing Defined Benefit Pension Plan (SWDBP) (continued)

The amount of \$718,161 was reported as deferred outflows of resources related to SWDBP, resulting from contributions subsequent to the measurement date, and will be recognized as an increase in the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDBP will be recognized in pension expense (benefit) as follows:

For the Year Ended December 31,	
2022	\$ (253,663)
2023	74,789
2024	(351,238)
2025	79,579
2026	458,673
Thereafter	646,137
Total	
	\$ 654,277

Actuarial Assumptions

The actuarial valuations for SWDBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Valuation date	January 1, 2021	January 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % Payroll, Open
Remaining amortization period	N/A	30 Years
Actuarial assumptions:		
Investment rate of return*	7.0%	7.0%
Projected salary increase*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments	0.0%	0.0%
 *Includes inflation at:	 2.5%	 2.5%

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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8. Fire And Police Pension Association (FPPA) Statewide Cost- Sharing Defined Benefit Pension Plan (SWDBP) (continued)

For determining the total pension liability, the post-retirement mortality tables for nondisabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using MP-2017 projection scales, and projected prospectively using the ultimate rates of the scale for all years. The preretirement 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, FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by FPPA’s actuaries based on their analysis of past experience and expectations for 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 credits and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	39.0%	7.0%
Equity long/short	8.0%	6.0%
Absolute Return	10.0%	5.5%
Private Market	26.0%	9.2%
Fixed Income	15.0%	5.2%
Cash	2.0%	2.5%
Total	100.0%	

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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8. Fire And Police Pension Association (FFPA) Statewide Cost- Sharing Defined Benefit Pension Plan (SWDBP) (continued)

Discount Rate

The discount rate used to measure the total pension asset 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 Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDBP 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 asset.

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 the valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 1.59% (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 7.0%, based upon the plan’s fiduciary net position projected to be sufficient to pay benefits.

Sensitivity Of The District’s Proportionate Share Of The Net Pension Asset To Changes In The Discount Rate

Regarding the sensitivity of the net pension asset to changes in the single discount rate, the following presents the plan’s net pension asset, calculated using a single discount rate of 7.0%, as well as what the plan’s net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.0%) or one percent higher (8.0%):

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of the net pension (asset) liability	\$ 2,480,999	\$ (2,465,361)	\$ (6,561,565)

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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8. Fire And Police Pension Association (FPPA) Statewide Cost- Sharing Defined Benefit Pension Plan (SWDBP) (continued)

Pension Plan Fiduciary Net Position

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

9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978)

Plan Description

The Old Hire Defined Benefit Pension Plan (the Old Hire Plan) is an agent multiple-employer defined benefit pension plan, established by resolution of the District. All assets are held and invested by FPPA. Firefighters hired prior to April 8, 1978 who elected not to invest in SWDBP are covered by this plan. Any changes to this plan are referred to the membership by the Pension Trustee Board and voted upon. The Old Hire Plan is closed to new entrants as of April 8, 1978.

Benefits Provided

The member's normal retirement date for the Old Hire Plan is based on the date a member has completed 20 years of credited service and attained the age of 50. A member that retires after the normal retirement date shall be eligible for a monthly pension equal to one-half of the monthly salary at the date of retirement. For each full year a member continues working past eligibility for normal retirement, the member's benefit increases by 4% of the monthly salary.

There is no maximum benefit. Severance benefits are offered for contributions plus interest, up to 5% per annum, to members who terminate employment prior to being eligible for retirement. If a retired member dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-third of the salary of a firefighter of the same rank held by the deceased firefighter including rank escalation.

Members Covered By Benefit Terms

Membership of the Old Hire Plan consists of the following at December 31, 2021:

	<u>Old Hire Plan</u>
Retirees and beneficiaries receiving benefits	7

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978) (continued)

Contributions

The District is required by statute to contribute the remaining amounts necessary to pay benefits when due using the actuarial basis specified by statute. In 2009, legislation was adopted to defer the State of Colorado contributions for the Old Hire Plan for 2009 through 2011 and resume in 2012 through 2015. In 2011, legislation was adopted to change payment dates to 2012 until 2019. Senate Bill 13-234 authorized the State of Colorado to fulfill its obligation during 2013. A payment of \$1,456,060 was made into the Old Hire Plan during 2013. As a result, the Old Hire Plan will receive no further payments from the State of Colorado, and all future funding is the requirement of the District. Legislation passed during 2014 requires the District to begin funding an actuarially appropriate amount annually beginning no later than 2016, calculated by the actuary as \$179,968 for 2021.

Net Pension Liability

The District's Old Hire Plan net pension liability measurement date is December 31, 2021, and the total pension liability was determined by an actuarial valuation as of January 1, 2021. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2021 and may be used for December 31, 2021 reporting purposes.

Actuarial Methods And Assumptions

The actuarial valuation for the Old Hire Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuation used the following actuarial assumption and other inputs:

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization periods	8 years
Asset valuation method	5 – Year Smoothed Fair Value
Actuarial assumptions	
Investment rate of return*	7.5%
Projected salary increase*	N/A
Cost of living	None
*Includes inflation at:	2.5%

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978) (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. 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	10.0%	.01%
Fixed Income – Rates	70.0%	2.3%
Fixed Income – Credit	10.0%	3.5%
Absolute Return	0.0%	5.6%
Long Short	0.0%	6.9%
Global Public Equity	10.0%	7.8%
Private Capital	0.0%	10.5%
Total	100.0%	

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 4.50%, the municipal bond rate is 2.75% (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 4.50%.

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978) (continued)

Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 4.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (3.5%) or one percent higher (5.5%):

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Proportionate share of the net pension (asset) liability	\$ 1,286,438	\$ 1,072,987	\$ 884,703

Change In Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2020	\$ 3,133,018	\$ 2,052,774	\$ 1,080,244
Changes for the Year			
Interest	134,535	---	134,535
Differences between expected and actual expenses	---	---	---
Changes of assumptions	---	---	---
Contributions- employer	---	---	---
Net investment income	---	145,614	(145,614)
Benefit payments	(289,915)	(289,915)	---
Administrative expenses	---	(3,822)	3,822
Net Changes	(155,380)	(148,123)	(7,257)
Balances at December 31, 2021	\$ 2,977,638	\$ 1,904,651	1,072,987

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9. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978) (continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2021, the District recognized pension liability of \$1,072,987. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan from the following sources:

	Governmental Activities
Deferred outflow of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 61,740
Contributions subsequent to measurement date	179,968
Total Deferred Outflow of Resources	\$ 241,708
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 124,990

The amount of \$179,968 reported as deferred outflows of resources related to the Old Hire Plan, resulting from contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability for the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Old Hire Plan will be recognized in pension expense (benefit) as follows:

For the Year Ended December 31,	
2022	\$ (25,389)
2023	2,481
2024	(28,386)
2025	(11,956)
Total	\$ (63,250)

Pension Plan Fiduciary Net Position

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

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10. Volunteer Firefighters Defined Benefit Pension Plan

Plan Description

The District established the Volunteer Firefighters Pension Plan (the Volunteer Plan) in 1964. In January 1990, the District funded its Volunteer Plan through FPPA as an agent multiple-employer defined benefit noncontributing pension plan. The Volunteer Plan was closed to new members in 1974. The Volunteer Plan is administered by a seven-member Board of Trustees that includes the District’s Board of Directors and two retired volunteer firefighters. Investment decisions are made by FPPA. The District Board has the authority to establish or amend benefit provisions, including contribution levels, in accordance with the biennial actuarial study.

Benefits Provided

The benefit provisions and the Volunteer Plan requirements were established according to C.R.S. The Board of Trustees has adopted the following schedule of monthly benefits that was in effect at December 31, 2021:

Normal Retirement Benefit Age 50 with 20 Years of Service Regular, monthly benefit	\$ 350.00
Survivor Benefit (Monthly)	
After age and service retirement	175.00
Following death after vested retirement with 10 to 20 years of service amount per year of service per minimum vesting years	8.75
Vested Retirement Benefit (Monthly)	
With 10 to 20 years of service amount per year of service per minimum 10 vesting years	17.50
Funeral Benefits	
Lump-sum benefit, one time	300.00

Members Covered By Benefit Terms

Membership of the Volunteer Plan consists of the following at December 31,2021:

	Volunteer Plan
Retirees and beneficiaries receiving benefits	7

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10. Volunteer Firefighters Defined Benefit Pension Plan (continued)

Contributions

There are no paid employees within the Volunteer Plan, and employees do not contribute to the plan. The District is required by statute to contribute the amounts remaining necessary to pay benefits when due using the actuarial basis specified by statute.

Net Pension Liability

The District's Volunteer Plan net pension liability was measured as of December 31, 2020, and the total pension liability was determined by an actuarial valuation as of January 1, 2021. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2020 and may be used for December 31, 2021 reporting purposes.

Actuarial Methods and Assumptions

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

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization periods	10 years
Asset valuation method	5 Year Smoothed Fair Value
Actuarial assumptions	
Investment rate of return*	7.0%
Projected salary increase*	N/A
Cost of living	None
*Includes inflation at:	2.5%

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**ADAMS COUNTY FIRE PROTECTION DISTRICT
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10. Volunteer Firefighters Defined Benefit Pension Plan (continued)

Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.0%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percent lower (6.0%) or one percent higher (8.0%):

	1% Decrease (4.29%)	Current Discount Rate (5.29%)	1% Increase (6.29%)
Proportionate share of the net pension (asset) liability	\$11,580	\$3,900	\$(3,009)

Change In Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balance at December 31, 2020	\$ 133,683	\$ 128,965	\$ 4,718
Changes for the Year			
Interest	8,760	---	8,760
Net investment income	---	14,509	(14,509)
Difference - experience	(8,637)	---	(8,637)
Change of assumptions	11,404	---	11,404
Benefit payments	(17,360)	(17,360)	---
Administrative expenses	---	(2,164)	2,164
Net Changes	(5,833)	(5,015)	(818)
Balances at December 31, 2021	\$127,950	\$ 123,950	\$3,900

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. Volunteer Firefighters Defined Benefit Pension 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. 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global equity	38.0%	7.0%
Equity long/short	25.0%	9.2%
Illiquid alternatives	15.0%	5.2%
Fixed income	8.0%	6.0%
Absolute return	8.0%	5.5%
Managed fund	4.0%	5.0%
Cash	2.0%	2.5%
Total	100.0%	

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 2.75% (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%.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. Volunteer Firefighters Defined Benefit Pension Plan (continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2021, the District recognized a pension expense of \$2,761. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan from the following sources:

	<u>Governmental Activities</u>
Deferred outflow of Resources	
Net difference between projected and actual earnings on pension plan investments	\$4,251
<hr/>	
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$12,712
<hr/> <hr/>	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan will be recognized in pension expense (benefit) as follows:

For the Year Ended December 31,	
2022	\$ (3,234)
2023	(937)
2024	(3,061)
2025	(1,229)
Total	\$ (8,461)

Pension Plan Fiduciary Net Position

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

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11. Southwest Adams County Volunteer Firefighters Pension Plan

Plan Description

The Southwest Adams County Volunteer Firefighters Pension Plan (the SWAC Volunteer Plan) is a single-employer defined benefit pension plan. The SWAC Volunteer Plan is administered by the SWAC Volunteer Plan Board of Trustees. Assets are held and administered by an independent third party.

Benefits Provided

The SWAC Volunteer Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted by the Board of Directors of SWAC (now merged with the District). C.R.S., as amended, establishes basic benefit provisions. Retirees are eligible to receive full retirement benefits of \$800 per month after 20 years of service and reaching the age of 50. Retirees may also receive 50% of retirement benefits after 10 years of service and reaching the age of 50. Prorated pension can be vested between 10 and 20 years of eligible volunteer service.

Members Covered By Benefit Terms

Membership of the SWAC Volunteer Plan consists of the following at December 31, 2021:

	<u>Volunteer Plan</u>
Retirees and beneficiaries receiving benefits	37

Contributions

There are no paid employees within the SWAC Volunteer Plan, and employees do not contribute to the plan. Contributions consist of contributions determined by the District Board of Directors and a matching contribution by the State of Colorado based on statute.

Net Pension Liability

The SWAC Volunteer Plan total pension liability was measured as of December 31, 2021 and was based on an actuarial valuation performed as of January 1, 2021.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11. Southwest Adams County Volunteer Firefighters Pension Plan (continued)

Actuarial Methods And Assumptions

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

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	19 Years
Asset valuation method	Market Value
Actuarial assumptions	
Investment rate of return*	6.5%
Projected salary increase*	N/A
Cost of living	None

*Includes inflation at: Implicit Rate

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 contributions for use with the long-term expected rate of return are not met). For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%, the municipal bond rate is 2% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index) and the resulting single discount rate is 6.5%.

Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (5.5%) or one percent higher (7.5%):

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11. Southwest Adams County Volunteer Firefighters Pension Plan (continued)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Proportionate share of the net pension (asset) liability	\$ 1,095,053	\$ 918,444	\$ 765,005
 Changes In Net Pension Liability			
	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Pension	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2020	\$ 2,295,781	\$ 1,316,204	\$ 979,577
Changes for the Year			
Interest	141,780	---	141,780
Contributions - employer	---	119,000	(119,000)
Contributions - state	---	8,100	(8,100)
Net investment income	---	107,836	(107,836)
Benefit payments	(229,098)	(229,098)	---
Professional Fees	---	(32,023)	32,023
Net Changes	(87,318)	(26,185)	(61,133)
Balances at December 31, 2021	\$ 2,208,463	\$ 1,290,039	\$ 918,444

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

11. Southwest Adams County Volunteer Firefighters Pension Plan (continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2021, the District recognized a net pension liability of \$918,444. At December 31, 2021, the District reported deferred outflows and deferred inflows of resources related to the SWAC Volunteer Plan from the following sources:

	Governmental Activities
Deferred outflow of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 29,113
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 65,703

There were no contributions subsequent to the measurement date of December 31, 2021. Amounts reported as deferred outflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended December 31,	
2022	1,455
2023	(27,457)
2024	(5,262)
2025	(5,626)
Total	(36,590)

12. Statewide Death and Disability Plan

The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at www.fppaco.org.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

12. Statewide Death and Disability Plan (continued)

The plan provides pre-retirement death benefits, as follows:

- a. **Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children**
- b. **On-duty: 70% of the base salary paid to the member prior to death**

Disability benefits are as follows:

- c. **Total disability: 70% of the base salary preceding disability**
- d. **Permanent occupational disability: 50% of the base salary preceding disability**
- e. **Temporary occupational disability: 40% of the base salary preceding disability for up to five years**

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect the Consumer Price Index, but in no case may be higher than 3%.

Once a member is eligible to retire, contributions to the plan and plan benefit obligations cease.

Contributions

The member contribution requirements are established by state statutes. However, in accordance with C.R.S. 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contributes to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the District.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the District contributed 2.8% of base salaries on behalf of the members during the year ended December 31, 2020. Contributions to the plan for the year ended December 31, 2021 were \$198,929, equal to the required contributions.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

12. Statewide Death and Disability Plan (continued)

Based on the 2018 actuarial results, the FPPA Board of Directors agreed to increase the contribution rate from 2.7% to 2.8%, effective January 1, 2019 through December 31, 2020.

Other Post-Employment Benefit (OPEB) Liabilities, OPEB Expense and Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB

The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the District does not report a net liability for other postemployment benefits or deferred outflows of resources and deferred inflows of resources related to OPEB.

OPEB Plan Fiduciary Net Position

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

13. Deferred Compensation Plans

The District participates in a deferred compensation plan (the 457 Plan), as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the year ended December 31, 2021, participating employees contributed \$477,381.

The District provides a money purchase pension plan for full-time firefighting, prevention and maintenance SWAC personnel who elected to stay with the plan as part of the merger with the District. The District contributes 8% of covered salary to the money purchase pension plan. There are no employee voluntary contributions. The District contributed \$115,841 to the plan during 2021.

14. 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 carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

See independent auditors' report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

14. Risk Management (continued)

The District administers a self-insurance program for medical and dental insurance that covers the premiums for District employees and medical claims up to \$30,000 per year per person. Amounts over \$30,000 per year are covered by the District’s reinsurance policy. The estimated liability for pending and incurred but not reported claims at December 31, 2021 are reported as claims payable in the financial statements. Claims incurred but not reported for the past two years are as follows:

Year Ended December 31,	Claims Payable January 1,	Claims And Changes In Estimates	Claims Paid	Claims Payable December 31,
2020	\$ 135,860	\$ 1,132,066	\$ 1,185,561	\$ 82,365
2021	82,365	2,482,593	2,474,133	90,825

15. Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed the Taxpayer Bill of Rights (TABOR), which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

TABOR requires voter approval for any increase in mill levies or tax rates, new taxes or creation of multi-fiscal year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves of 1% of 1993 fiscal year spending, excluding bonded debt service, be established for declared emergencies, with 2% of fiscal year spending required in 1994 and 3% thereafter.

As of December 31, 2021, the District reported \$718,618 as restricted net position and restricted fund balance in the governmental activities and General Fund, respectively, to comply with the reserve for emergencies.

See independent auditors’ report

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

15. Tax, Spending And Debt Limitations (continued)

In 2002, the voters of the District approved a ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the general operations and capital construction. The District's management believes that it has legally removed itself from TABOR's revenue and spending limitations. However, TABOR is complex and subject to future judicial interpretation.

16. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

17. Risks And Uncertainties

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world has caused significant volatility in U.S. and international markets. The District has taken a number of measures to monitor and mitigate the effects of COVID-19. There continues to be uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and as such, the District is unable to determine if it will have a material impact to its operations in future years.

18. Subsequent Events

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditor's Report.

Required Supplementary Information

**ADAMS COUNTY FIRE PROTECTION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
Revenues:				
General property taxes	\$ 19,395,960	\$ 19,395,960	\$ 19,364,554	\$ (31,406)
Specific ownership taxes	1,400,000	1,400,000	1,640,335	240,335
Interest	85,000	85,000	42,217	(42,783)
Charges for services	1,102,100	1,102,100	1,465,343	363,243
Grant revenue	1,815,000	1,815,000	1,688,339	(126,661)
Permit fees	150,000	150,000	238,973	88,973
Insurance reimbursement	20,000	20,000	31,249	11,249
Other income	386,800	386,800	285,660	(101,140)
Total revenues	<u>24,354,860</u>	<u>24,354,860</u>	<u>24,756,670</u>	<u>401,810</u>
Expenditures:				
Firefighting	14,929,268	14,929,268	14,201,132	728,136
Administration	1,067,226	1,067,226	983,281	83,945
Utilities	191,040	191,040	260,192	(69,152)
Communications	629,444	629,444	567,577	61,867
Medical	1,920,745	1,920,745	2,872,443	(951,698)
Station and grounds	263,735	263,735	183,370	80,365
Station supplies	37,485	37,485	27,964	9,521
Information technology	367,806	367,806	213,481	154,325
Ambulance	200,920	200,920	245,630	(44,710)
Training	296,231	296,231	154,175	142,056
Fire prevention	42,100	42,100	38,186	3,914
Trucks and equipment	719,910	719,910	747,496	(27,586)
Special operations	247,815	247,815	216,902	30,913
Capital outlay	551,565	551,565	293,990	257,575
Total expenditures/expenses	<u>21,465,290</u>	<u>21,465,290</u>	<u>21,005,819</u>	<u>459,471</u>
Excess (deficiency) of revenues over expenditures	<u>2,889,570</u>	<u>2,889,570</u>	<u>3,750,851</u>	<u>861,281</u>
Other financing sources/uses:				
Transfers to other funds	<u>(2,345,610)</u>	<u>(2,345,610)</u>	<u>(2,433,293)</u>	<u>(87,683)</u>
Total other sources:	<u>(2,345,610)</u>	<u>(2,345,610)</u>	<u>(2,433,293)</u>	<u>(87,683)</u>
Excess (deficiency) of revenues and and other financing sources over expenditures	543,960	543,960	1,317,558	773,598
Fund balance/net position, beginning of year	<u>9,159,876</u>	<u>9,159,876</u>	<u>9,159,876</u>	<u>-</u>
Fund balance/net position, end of year	<u>\$ 9,703,836</u>	<u>\$ 9,703,836</u>	<u>\$ 10,477,434</u>	<u>\$ 773,598</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION (ASSET) LIABILITY - SWDBP
Employee Pension Plan**

Measurement Period Ending December 31,	2021		2019		2018		2017		2016		2015		2014	
District's portion of the net pension asset	1.1356	%	1.0765	%	1.8048	%	1.2041	%	1.2622	%	1.2516	%	1.0612	%
District's proportionate share of the net pension (asset) liability	\$ (2,465,361)		\$ (608,840)		\$ 1,371,459		\$ (1,733,467)		\$ 456,067		\$ (22,063)		\$ (1,197,681)	
District's covered payroll	8,977,007		7,593,238		7,577,507		7,043,039		6,459,505		6,071,376		4,611,454	
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-27.46%		-8.02%		18.10%		-24.61%		7.06%		-0.36%		-25.97%	
Plan fiduciary net position as a percentage of the total pension (asset) liability	106.70%		101.90%		95.20%		-106.30%		-98.20%		100.10%		106.80%	

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available

**See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.**

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
TO THE PENSION PLAN - SWDBP
Employee Pension Plan
Last Eight Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 718,161	\$ 702,844	\$ 606,341	\$ 606,201	\$ 563,443	\$ 516,761	\$ 485,709	\$ 381,791
Contributions in relation to the contractually required contribution	718,161	702,844	606,341	606,201	563,443	516,761	485,709	381,791
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	8,977,007	8,792,649	7,593,238	7,577,507	7,043,039	6,459,505	6,071,376	4,611,454
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.28%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET PENSION (ASSET) LIABILITY AND RELATED RATIOS-
OLD HIRE PLAN**

Measurement Period Ending December 31,	2021	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Interest	\$ 134,535	\$ 229,910	\$ 241,731	\$ 254,227	\$ 271,496	\$ 307,681	\$ 324,580
Differences between expected and actual experience in the measurement of the total pension liability	-	(482,979)	-	54,973	-	(569,630)	-
Changes in assumptions	-	498,607	-	-	-	294,822	-
Benefit payments, including lump sums	(289,915)	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
Net Changes In Total Pension Liability	(155,380)	(104,098)	(205,563)	(194,126)	(228,747)	(497,024)	(244,603)
Total Pension Liability - Beginning	3,133,018	3,237,116	3,442,679	3,636,805	3,865,552	4,362,576	4,607,179
Total Pension Liability - Ending (a)	\$ 2,977,638	\$ 3,133,018	\$ 3,237,116	\$ 3,442,679	\$ 3,636,805	\$ 3,865,552	\$ 4,362,576
Plan Fiduciary Net Position							
Contributions - employer	\$ -	\$ 199,964	\$ 180,163	\$ 180,163	\$ 196,745	\$ 45,912	\$ 45,912
Net investment income	145,614.00	225,056	4,227	298,038	115,263	52,699	201,507
Benefit payments, including lump sums	(289,915.00)	(349,636)	(447,294)	(503,326)	(500,243)	(529,897)	(569,183)
Administrative expenses	(3,822.00)	(2,628)	(5,157)	(2,380)	(5,753)	(4,119)	(8,200)
Net Change in Fiduciary Net Position	(148,123)	72,756	(268,061)	(27,505)	(193,988)	(435,405)	(329,964)
Plan Fiduciary Net Position - Beginning	2,052,774	1,980,018	2,248,079	2,275,584	2,469,572	2,904,977	3,234,941
Plan Fiduciary Net Position - Ending (b)	\$ 1,904,651	\$ 2,052,774	\$ 1,980,018	\$ 2,248,079	\$ 2,275,584	\$ 2,469,572	\$ 2,904,977
Plan Fiduciary Net Position - Liability Ending (a)-(b)	1,072,987	1,080,244	1,257,098	1,194,600	1,361,221	1,395,980	1,457,599
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	63.97%	65.52%	61.17%	65.30%	62.57%	63.89%	66.59%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.**

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
OLD HIRE PLAN
DECEMBER 31, 2021**

Fiscal Year Ending (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)
2014	\$ 375,468	\$ 45,912	\$ 329,556	N/A	N/A
2015	196,745	45,912	150,833	N/A	N/A
2016	196,745	196,745	-	N/A	N/A
2017	180,163	180,163	-	N/A	N/A
2018	180,163	180,163	-	N/A	N/A
2019	199,964	199,964	-	N/A	N/A
2020	199,964	200,000	(36)	N/A	N/A
2021	179,968	179,968	-	N/A	N/A

*Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.

N/A = Information not applicable

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET PENSION (ASSET) LIABILITY AND REALTED RATIOS-
VOLUNTEER PLAN**

Measurement Period Ending December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Interest	\$ 8,760	\$ 9,401	\$ 9,857	\$ 10,667	\$ 3,504	\$ 3,770	\$ 3,688
Differences between expected and actual experience in the measurement of the total pension liability	(8,637)	-	12,756	108,661	(6,029)	-	5,594
Changes in assumptions	11,404	-	1,500	-	2,859	-	-
Benefit payments, including lump sums	(17,360)	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
Net Changes In Total Pension Liability	(5,833)	(10,315)	1,433	99,048	(6,626)	(3,890)	597
Total Pension Liability - Beginning	133,683	143,998	142,565	43,517	50,143	54,033	53,436
Total Pension Liability - Ending (a)	\$ 127,850	\$ 133,683	\$ 143,998	\$ 142,565	\$ 43,517	\$ 50,143	\$ 54,033
Plan Fiduciary Net Position							
Net investment income	\$ 14,509	\$ 17,750	\$ 358	\$ 22,636	\$ 8,393	\$ 2,991	\$ 10,941
Benefit payments, including lump sums	(17,360)	(19,716)	(22,680)	(20,280)	(6,960)	(7,660)	(8,685)
Administrative expenses	(2,164)	(3,055)	(2,582)	(4,006)	(527)	(1,383)	(634)
Net Change in Fiduciary Net Position	(5,015)	(5,021)	(24,904)	(1,650)	906	(6,052)	1,622
Plan Fiduciary Net Position - Beginning	128,965	133,986	158,890	160,540	159,634	165,686	164,064
Plan Fiduciary Net Position - Ending (b)	\$ 123,950	\$ 128,965	\$ 133,986	\$ 158,890	\$ 160,540	\$ 159,634	\$ 165,686
Plan Fiduciary Net Position - Liability Ending (a)-(b)	3,900	4,718	10,012	(16,325)	(117,023)	(109,491)	(111,653)
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	96.95%	96.47%	93.05%	111.45%	368.91%	318.36%	306.64%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.**

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
VOLUNTEER PLAN
DECEMBER 31, 2021**

Fiscal Year Ending (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)
2014	\$ -	\$ -	\$ -	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A

*Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.

N/A = Information not applicable

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET PENSION (ASSET) LIABILITY AND REALTED RATIOS-
SWAC VOLUNTEER PLAN**

Measurement Period Ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Interest	\$ 141,780	\$ 92,589	\$ 161,964	\$ 161,964	\$ 167,073	\$ 170,217	\$ 176,197	\$ 188,602
Differences between expected and actual experience in the measurement of the total pension liability		(81,163)	-	39,474	-	(56,558)	-	(92,587)
Changes in assumptions		(411,902)	-	445,898	-	276,961	-	-
Benefit payments, including lump sums	(229,098)	(241,649)	(242,333)	(241,644)	(249,679)	(254,214)	(269,026)	(277,441)
Net Changes In Total Pension Liability	(87,318)	(642,125)	(80,369)	405,692	(82,606)	136,406	(92,829)	(181,426)
Total Pension Liability - Beginning	2,295,781	2,937,906	3,018,275	2,612,583	2,695,189	2,558,783	2,651,612	2,833,038
Total Pension Liability - Ending (a)	\$ 2,208,463	\$ 2,295,781	\$ 2,937,906	\$ 3,018,275	\$ 2,612,583	\$ 2,695,189	\$ 2,558,783	\$ 2,651,612
Plan Fiduciary Net Position								
Contributions - employer	\$ 119,000	\$ 119,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 56,000	\$ 46,000
Contributions - state	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
Net investment income	107,836	83,979	193,463	(46,030)	211,971	76,142	12,099	102,011
Benefit payments, including lump sums	(229,098)	(241,649)	(242,333)	(241,644)	(249,680)	(254,214)	(269,026)	(277,441)
Administrative expenses	(32,003)	(15,257)	(22,441)	(23,866)	(13,242)	(8,707)	(9,585)	(40,342)
Other	-20	-	-	-	-	123,930	(6,946)	22,328
Net Change in Fiduciary Net Position	(26,185)	(45,827)	(7,211)	(247,440)	13,149	1,251	(209,358)	(139,344)
Plan Fiduciary Net Position - Beginning	1,316,204	1,362,031	1,369,242	1,616,682	1,603,533	1,602,282	1,811,640	1,950,984
Plan Fiduciary Net Position - Ending (b)	\$ 1,290,019	\$ 1,316,204	\$ 1,362,031	\$ 1,369,242	\$ 1,616,682	\$ 1,603,533	\$ 1,602,282	\$ 1,811,640
Plan Fiduciary Net Position - Liability Ending (a)-(b)	918,444	979,577	1,575,875	1,649,033	995,901	1,091,656	956,501	839,972
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability (b)/(a)	58.41%	57.33%	46.36%	45.37%	61.88%	59.50%	62.62%	68.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.**

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SWAC VOLUNTEER PLAN
DECEMBER 31, 2021**

Fiscal Year Ending (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)
2014	\$ 61,667	\$ 54,100	\$ 7,567	N/A	N/A
2015	48,178	64,100	(15,922)	N/A	N/A
2016	48,178	64,100	(15,922)	N/A	N/A
2017	63,502	64,100	(598)	N/A	N/A
2018	63,502	64,100	(598)	N/A	N/A
2019	119,387	64,100	55,287	N/A	N/A
2020	119,387	127,100	(7,713)	N/A	N/A
2021	107,274	119,000	(11,726)	N/A	N/A

*Actuarially determined contributions is net of employee contributions, if any. Actual contributions is from the employer only and does not include employee amounts.

N/A = Information not applicable

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

1. Budgets and Budgetary Accounting

The District Board adopts an annual budget for all funds required by C.R.S., as amended. Budgeted amounts for all funds are based on legally adopted budgets, including supplemental budget appropriations, if any, which are on a basis consistent with generally accepted accounting principles for each fund type. The Fire Chief is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures for any of the funds must be approved by the District Board.

The budgetary comparison schedule included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted.

On or before October 15th of each year, the District's budget officer must prepare and submit a proposed budget to the District Board for the next fiscal year. Thereupon, notice must be published stating, among other things, that the budget is open to inspection by the public and that interested electors may file or register any objection to the budget.

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increase in excess of the statutory limitations to the Division of Local Government (if within TABOR limits) or submit the question for an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption.

Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance of the District. Budget appropriations lapse at the end of each fiscal year. The encumbrance method is not used.

Supplementary Information

**ADAMS COUNTY FIRE PROTECTION DISTRICT
CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 5,000	\$ 5,000	\$ 852	\$ (4,148)
Grant revenue	483,775	483,775	449,092	(34,683)
Impact fees	<u>300,000</u>	<u>300,000</u>	<u>196,346</u>	<u>(103,654)</u>
Total revenues	<u>788,775</u>	<u>788,775</u>	<u>646,290</u>	<u>(142,485)</u>
Expenditures:				
Administration	5,000	5,000	1,682	3,318
Capital outlay	1,379,710	1,379,710	1,342,242	37,468
Debt service:				
Principal	409,815	409,815	409,815	-
Interest	<u>383,526</u>	<u>383,526</u>	<u>386,048</u>	<u>(2,522)</u>
Total expenditures/expenses	<u>2,178,051</u>	<u>2,178,051</u>	<u>2,139,787</u>	<u>38,264</u>
Excess (deficiency) of revenues over expenditures	<u>(1,389,276)</u>	<u>(1,389,276)</u>	<u>(1,493,497)</u>	<u>(104,221)</u>
Other financing sources/uses:				
Sale of assets	-	-	103,599	103,599
Proceeds from capital leases	-	-	-	-
Transfers from other funds	<u>2,345,610</u>	<u>2,345,610</u>	<u>2,433,293</u>	<u>87,683</u>
Total other sources:	<u>2,345,610</u>	<u>2,345,610</u>	<u>2,536,892</u>	<u>191,282</u>
Excess (deficiency) of revenues and and other financing sources over expenditures	956,334	956,334	1,043,395	87,061
Fund balance, beginning of year	<u>2,752,578</u>	<u>2,752,578</u>	<u>2,752,578</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,708,912</u>	<u>\$ 3,708,912</u>	<u>\$ 3,795,973</u>	<u>\$ 87,061</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
BOND FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with Final Budget favorable (unfavorable)
	Original	Final		
Revenues:				
General property tax	\$ 502,198	\$ 502,198	\$ 503,425	\$ 1,227
Interest	50	50	93	43
Total revenues	<u>502,248</u>	<u>502,248</u>	<u>503,518</u>	<u>1,270</u>
Expenditures:				
Administration	500	500	25	475
Capital outlay	-	-	-	-
Debt service:				
Principal	470,000	470,000	470,000	-
Interest	33,425	33,425	33,425	-
Total expenditures/expenses	<u>503,925</u>	<u>503,925</u>	<u>503,450</u>	<u>475</u>
Excess (deficiency) of revenues over expenditures	<u>(1,677)</u>	<u>(1,677)</u>	<u>68</u>	<u>1,745</u>
Other financing sources/uses:				
Transfers from other funds	-	-	-	-
Total other sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and and other financing sources over expenditures	<u>(1,677)</u>	<u>(1,677)</u>	<u>68</u>	<u>1,745</u>
Fund balance, beginning of year	<u>5,614</u>	<u>5,614</u>	<u>5,614</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,937</u>	<u>\$ 3,937</u>	<u>\$ 5,682</u>	<u>\$ 1,745</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

**ADAMS COUNTY FIRE PROTECTION DISTRICT
SWAC VOLUNTEER PENSION
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
Additions:				
General property taxes	\$ 119,000	\$ 119,000	\$ 119,000	\$ -
Earnings on investments	92,973	92,973	107,836	14,863
Contributions from the State of Colorado	<u>8,100</u>	<u>8,100</u>	<u>8,100</u>	<u>-</u>
Total Additions	<u>220,073</u>	<u>220,073</u>	<u>234,936</u>	<u>14,863</u>
Deductions:				
Benefits paid to retirees	240,200	240,200	229,098	11,102
Administration of fund	7,000	7,000	12,399	(5,399)
Other expenses	<u>18,500</u>	<u>18,500</u>	<u>19,604</u>	<u>(1,104)</u>
Total Deductions	<u>265,700</u>	<u>265,700</u>	<u>261,101</u>	<u>4,599</u>
Changes in plan net position	(45,627)	(45,627)	(26,165)	19,462
Net position, beginning of year	<u>1,316,184</u>	<u>1,316,184</u>	<u>1,316,184</u>	<u>-</u>
Net position, end of year	<u>\$ 1,270,557</u>	<u>\$ 1,270,557</u>	<u>\$ 1,290,019</u>	<u>\$ 19,462</u>

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

Federal Financial Awards

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Adams County Fire Protection District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Adams County Fire Protection District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Adams County Fire Protection District’s basic financial statements, and have issued our report thereon dated October 19, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams County Fire Protection District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adams County Fire Protection District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Adams County Fire Protection District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

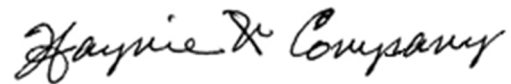
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams County Fire Protection District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


A handwritten signature in cursive script that reads "Haynie & Company".


Littleton, Colorado


October 19, 2022



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

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 303-795-3356

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

To the Board of Directors
Adams County Fire Protection District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Adams County Fire Protection District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Adams County Fire Protection District's major federal programs for the year ended December 31, 2021. Adams County Fire Protection District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Adams County Fire Protection District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Adams County Fire Protection District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Adams County Fire Protection District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Adams County Fire Protection District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Adams County Fire Protection District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is

higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Adams County Fire Protection District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Adams County Fire Protection District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Adams County Fire Protection District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Adams County Fire Protection District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

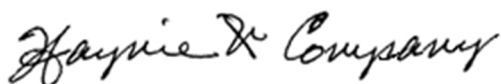
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Littleton, CO
October 19, 2022

**ADAMS COUNTY FIRE PROTECTION DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2021**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures(\$)
Medicaid Cluster-Cluster		
Department of Health and Human Services		
Medical Assistance Program		
Medical Assistance Program	93.778	\$ 1,669,954
<i>Total Department of Health and Human Services</i>		<u>1,669,954</u>
Total Medicaid Cluster-Cluster		<u>1,669,954</u>
Total Expenditures of Federal Awards		<u><u>\$ 1,669,954</u></u>

**See independent auditors' report.
 The accompanying notes on pages 10 to 51 are an
 integral part of the financial statements.**

**ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021**

1. Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Adams County Fire Protection District, for the year ended December 31, 2021. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

3. Indirect Cost

The District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.

Adams County Fire Protection District Supplemental Information

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2021

1. Summary of Auditor's Results

Type of report issued on the financial statements:	Unmodified
Material weaknesses in financial reporting internal control noted:	None
Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting:	None
Material noncompliance noted:	None
Material weaknesses in internal control over major programs:	None
Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:	None
Type of report issued on compliance for major programs:	Unmodified
Audit findings required to be reported:	None
The following programs are considered to be major:	
Medical Assistance Program – CFDA 93.778	
Dollar threshold used to distinguish Type A and Type B programs:	\$750,000
Risk type qualification:	Low-Risk

2. Findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

None

3. Findings and questioned costs for Federal Awards

None

4. Summary Schedule of Prior Audit Findings

None

See independent auditors' report.
The accompanying notes on pages 10 to 51 are an
integral part of the financial statements.