

OAK CREEK FIRE PROTECTION DISTRICT

Financial Statements

December 31, 2021

OAK CREEK FIRE PROTECTION DISTRICT

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Independent Auditor's Report

The Board of Directors
Oak Creek Fire Protection District
Routt County, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Financial Information

We have previously audited the District's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2021. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

GAAP requires that the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 25, and the defined benefit pension plan schedules on pages 26-30 as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Catterson + Company, P.C.

Steamboat Springs, Colorado
October 31, 2022

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

	2021	2020
	Governmental Activities	Governmental Activities
	<u> </u>	<u> </u>
Assets:		
Cash and investments	\$ 170,778	\$ 133,037
Restricted cash in escrow	142,920	-
Accounts receivable, net	595,073	222,241
Due from other government	3,452	8,550
Other assets	11,878	28,379
Property taxes receivable	772,235	727,020
Capital assets, net	1,505,758	567,262
Net pension asset:		
Cost-sharing defined benefit plan	84,142	17,426
	<u> </u>	<u> </u>
Total assets	<u>3,286,236</u>	<u>1,703,915</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	183,263	175,043
	<u> </u>	<u> </u>
Total deferred outflows of resources	<u>183,263</u>	<u>175,043</u>
Liabilities:		
Accrued expenses payable	164,104	48,994
Noncurrent liabilities:		
Due within one year:		
Notes payable	19,177	18,398
Lease purchase obligations	32,367	-
Due in more than one year:		
Notes payable	51,421	70,598
Lease purchase obligations	1,006,360	-
Net pension liabilities:		
Agent employer defined benefit plan	273,335	294,094
	<u> </u>	<u> </u>
Total liabilities	<u>1,546,764</u>	<u>432,084</u>
Deferred Inflows of Resources:		
Deferred property taxes	772,235	727,020
Deferred inflows related to pensions	134,938	59,098
	<u> </u>	<u> </u>
Total liabilities	<u>907,173</u>	<u>786,118</u>
Net Position:		
Net investment in capital assets, net of debt	396,433	478,266
Restricted for:		
Emergencies	51,930	25,072
Lease purchase escrow	142,920	-
Unrestricted	424,279	157,418
	<u> </u>	<u> </u>
Total net position	<u>\$ 1,015,562</u>	<u>\$ 660,756</u>

See accompanying notes to financial statements.

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

Functions/Programs	2021				Net (Expense) Revenue and Change in Net Position	2020 Net (Expense) Revenue and Change in Net Position
	Expenses	Program Revenues		Capital Grants and Contributions		
		Charges for Services	Operating Grants and Contributions			
Governmental activities:						
Fire protection and ambulance services	\$ 1,710,040	\$ 1,057,546	\$ 125,775	\$ -	\$ (526,719)	\$ (568,204)
Pension expense	44,581	-	-	-	(44,581)	14,653
Debt issuance costs	30,750	-	-	-	(30,750)	-
Total governmental activities	<u>\$ 1,785,371</u>	<u>\$ 1,057,546</u>	<u>\$ 125,775</u>	<u>\$ -</u>	<u>(602,050)</u>	<u>(553,551)</u>
General revenues:						
Taxes:						
Property					725,831	520,097
Specific ownership					52,239	33,639
Gain on disposal of capital assets					141,700	-
Other					37,086	34,037
Total general revenues					<u>956,856</u>	<u>587,773</u>
Change in net position					354,806	34,222
Net position, beginning of year					<u>660,756</u>	<u>626,534</u>
Net position, end of year					<u>\$ 1,015,562</u>	<u>\$ 660,756</u>

See accompanying notes to financial statements.

OAK CREEK FIRE PROTECTION DISTRICT
General Fund
Balance Sheet
December 31, 2021
(with summarized financial information as of December 31, 2020)

	2021	2020
Assets:		
Cash and investments	\$ 170,778	\$ 133,037
Restricted cash in escrow	142,920	-
Accounts receivable, net	595,073	222,241
Due from other government	3,452	8,550
Other assets	11,878	28,379
Property taxes receivable	772,235	727,020
Total assets	\$ 1,696,336	\$ 1,119,227
Liabilities, deferred inflows of resources and fund balances:		
Liabilities:		
Accrued expenses payable	\$ 164,104	\$ 48,994
Total liabilities	164,104	48,994
Deferred inflows of resources:		
Deferred property taxes	772,235	727,020
Total deferred inflows of resources	772,235	727,020
Fund balances:		
Nonspendable	-	20,894
Restricted for:		
Emergencies	51,930	25,072
Lease purchase escrow	142,920	-
Unassigned	565,147	297,247
Total fund balances	759,997	343,213
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,696,336	\$ 1,119,227

See accompanying notes to financial statements.

OAK CREEK FIRE PROTECTION DISTRICT
Reconciliation of the General Fund Balance Sheet
to the Statement of Net Position
December 31, 2021

General fund balance	\$	759,997
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the general fund.		1,505,758
Long-term liabilities within governmental activities are not due and payable in the current period and therefore, are not reported in the general fund.		(1,109,325)
Net pension asset and net pension liability are not financial resources and, therefore are not reported as assets and liabilities in the general fund:		
Net pension asset		84,142
Net pension liability		(273,335)
Deferred outflows related to pensions		183,263
Deferred inflows related to pensions		<u>(134,938)</u>
Governmental activities net position	\$	<u>1,015,562</u>

See accompanying notes to financial statements.

OAK CREEK FIRE PROTECTION DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2021
(with summarized financial information for the year ended December 31, 2020)

	2021	2020
Revenues:		
Taxes:		
Property	\$ 725,831	\$ 520,097
Specific ownership	52,239	33,639
Charges for services, net:		
Ambulance	44,769	48,991
Wildland firefighting	796,565	198,977
Mitigation	216,212	-
Grants and contributions	125,775	-
Other	37,086	34,037
Total revenues	1,998,477	835,741
Expenditures:		
Wages and benefits	1,165,175	551,601
Wildland fire	84,687	-
Insurance	44,361	44,324
Supplies	55,237	33,633
Training and education	7,397	6,839
Utilities	30,631	28,098
Professional fees	17,929	9,731
Tax collection fees	21,835	15,842
Repairs and maintenance	162,374	28,732
Other	84,725	34,645
Volunteer pension plan contribution	27,000	29,500
Capital outlay	1,007,235	93,996
Debt issuance costs	30,750	-
Debt service:		
Principal	18,398	-
Interest	4,386	-
Total expenditures	2,762,120	876,941
Excess (deficiency) of revenues over expenditures	(763,643)	(41,200)
Other Financing Sources (Uses):		
Proceeds from lease purchase agreements	1,038,727	88,996
Sale of capital assets	141,700	-
Total other financing sources	1,180,427	88,996
Change in fund balance	416,784	47,796
Fund balance, beginning of year	343,213	295,417
Fund balance, end of year	\$ 759,997	\$ 343,213

See accompanying notes to financial statements.

OAK CREEK FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
General Fund Balance to the Statement of Activities
For the Year Ended December 31, 2021

Change in general fund balance	\$	416,784
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>The general fund reports capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities.</p>		938,496
<p>The issuance of long-term debt provides current financial resources to the general fund, while the repayment of principal of long-term debt consumes the current financial resources of the general fund. Neither transaction, however has any effect on net position.</p>		
Principal payments on long-term debt		18,398
Proceeds from long-term debt		(1,038,727)
<p>In the general fund, expenditures for the defined benefit pension plans are measured by the amount of the financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension asset and liability and the related deferred inflows and outflows changed in the current year.</p>		19,855
Change in net position of governmental activities	\$	354,806

See accompanying notes to financial statements.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 1: Summary of Significant Accounting Policies

The Oak Creek Fire Protection District (the District) was established in 1982 in Routt County, Colorado as a local government entity under Colorado Revised Statutes (CRS) to provide fire protection and ambulance services to the Town of Oak Creek, Stagecoach and surrounding rural areas excluding Phippsburg and covering approximately 262 square miles.

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

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District does not have any component units for which it is financially accountable.

Measurement Focus and Basis of Accounting

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

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

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

Financial Statement Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The District reports the following major governmental fund:

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

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 1: Summary of Significant Accounting Policies (continued)

Fund Balance Presentation

Fund balances of the governmental fund are classified as follows:

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

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

Cash and Investments

The District's cash includes cash on hand, demand deposits, and certificates of deposit. The District's investment in the Colorado Local Government Liquid Asset Trust (COLOTRUST) PLUS+ fund is measured at net asset value, equal to \$1.00 per share.

Accounts Receivable

The District's accounts receivable consists of charges for ambulance services, wildland firefighting services and fire mitigation services. The District estimates an allowance for uncollectible accounts for ambulance services based on review of trends in collection percentages and insurance coverage of the transported persons.

As of December 31, 2021 and 2020, the District's net accounts receivable was as follows:

	<u>2021</u>	<u>2020</u>
Accounts receivable:		
Wildland firefighting and mitigation	\$ 560,483	\$ 197,270
Ambulance services	85,590	54,971
Allowance for uncollectible accounts	<u>(51,000)</u>	<u>(30,000)</u>
	<u>\$ 595,073</u>	<u>\$ 222,241</u>

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 1: Summary of Significant Accounting Policies (continued)

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

Capital Assets

Capital assets include land, buildings, vehicles and equipment. Capital assets are defined by the District as assets with an initial individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased by the District or fair value if contributed to the District. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	27.5
Vehicles	5-10
Equipment	5-10

Deferred Outflows/Inflows of Resources

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

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

Property Taxes

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

Pensions

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

Use of Estimates

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

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 1: Summary of Significant Accounting Policies (continued)

Comparative Financial Statements

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

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

An annual budget is adopted on a basis consistent with GAAP for the General Fund.

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

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

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

Compliance

The District's General Fund expenditures exceeded appropriations by \$1,847,332. The excess expenditures were primarily for capital purposes and additional wildland fire and mitigation staffing and funded by proceeds from lease purchase agreements and charges for services.

TABOR Amendment

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

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

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

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

Note 2: Stewardship, Compliance and Accountability (continued)

TABOR Amendment (continued)

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has reserved \$51,930 of the December 31, 2021 fund balance in the General Fund for this purpose.

The District's voters passed a ballot question in 2002 that permanently lifted TABOR restrictions on the amount of revenue that the District can collect and retain.

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

Note 3: Detailed Notes on the Fund

Deposits

The carrying amount of the District's deposits as of December 31, 2021 and 2020 was \$248,418 and \$31,228, respectively, and bank balances were \$397,959 and \$39,790, respectively. Of the bank balances, \$250,000 and \$39,790 as of December 31, 2021 and 2020, respectively, was covered by federal deposit insurance and \$147,959 and \$0, respectively, was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA).

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal or exceed 102% of the aggregate uninsured deposits.

Investments

As of December 31, 2021 and 2020, the District had \$65,280 and \$100,226, respectively, invested in the COLOTRUST PLUS+ fund. COLOTRUST PLUS+ is a short-term money market fund organized in conformity with Part 7 of Article 75 of Title 24, CRS. The portfolio offers Colorado governmental entities a convenient and efficient means to pool their funds to take advantage of short-term investments and maximize net interest earnings. COLOTRUST PLUS+'s investment objective is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity. The investment adviser for COLOTRUST PLUS+ is Public Trust Advisors LLC, a Colorado-based investment adviser, registered with the SEC. The portfolio manager is responsible for making all of the investment decisions for the portfolio. Wells Fargo Bank, N.A. is custodian of the portfolio's securities and cash. The COLOTRUST PLUS+ portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements, tri-party repurchase agreements, collateralized bank deposits, the highest rated commercial paper, and highly-rated corporate bonds. The weighted average maturity to reset is kept under 60 days, which helps to enhance liquidity and limits market price exposure. The COLOTRUST PLUS+ fund holds a 'AAAm' rating by Standard and Poor's.

The District's investments are subject to interest rate, credit risk, and concentration of credit risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District currently invests only in investment pools which may be redeemed at any time.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 3: Detailed Notes on the Fund (continued)

Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Land	\$ 15,000	\$ -	\$ -	\$ 15,000
Other capital assets:				
Buildings	763,854	-	-	763,854
Vehicles	1,063,024	831,394	(28,310)	1,866,108
Equipment	553,450	175,841	-	729,291
Total other capital assets at cost	<u>2,380,328</u>	<u>1,007,235</u>	<u>(28,310)</u>	<u>3,359,253</u>
Less accumulated depreciation for:				
Buildings	(407,327)	-	-	(407,327)
Vehicles	(954,915)	(51,628)	28,310	(978,233)
Equipment	<u>(465,824)</u>	<u>(17,111)</u>	<u>-</u>	<u>(482,935)</u>
Total accumulated depreciation	<u>(1,828,066)</u>	<u>(68,739)</u>	<u>28,310</u>	<u>(1,868,495)</u>
Other capital assets, net	<u>552,262</u>	<u>938,496</u>	<u>-</u>	<u>1,490,758</u>
Governmental activities capital assets, net	<u>\$ 567,262</u>	<u>\$ 938,496</u>	<u>\$ -</u>	<u>\$ 1,505,758</u>

Long-Term Liabilities

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

The District entered into a \$15,000 promissory note with Yampa Valley Bank (YVB) on June 18, 2020. The note is payable in annual installments of \$5,438 on July 1 including interest at 4.25% through maturity on July 1, 2023. The note is secured by a vehicle purchased with the proceeds.

The District entered into a \$73,996 promissory note with YVB on December 22, 2020. The note is payable in annual installments of \$16,719 on December 22 including interest at 4.15% through maturity on December 22, 2025. The note is secured by radio equipment purchased with the proceeds.

On March 26, 2021, the District entered into a \$307,247 equipment lease purchase agreement with Municipal Asset Management, Inc. (MAM). Proceeds of \$305,328 were used to purchase a command vehicle, brush truck and related equipment. The lease requires annual payment of \$36,890, including interest at 3.35% beginning May 31, 2022 through maturity on May 31, 2031. Lease payments are subject to annual appropriation by the District.

On April 20, 2021, the District entered into a \$93,746 equipment lease purchase agreement with MAM. Proceeds of \$83,399 were used to purchase a truck and related equipment. The lease requires annual payment of \$11,230, including interest at 3.35% beginning May 31, 2022 through maturity on May 31, 2031. Lease payments are subject to annual appropriation by the District.

On December 17, 2021, the District entered into a \$650,000 equipment lease purchase agreement with Bank of the San Juans. Proceeds are to be used to purchase a fire engine, tanker and related equipment. The lease requires annual payment of \$74,269, including interest at 2.50% beginning March 15, 2023 through maturity on March 15, 2032. Lease payments are subject to annual appropriation by the District.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 3: Detailed Notes on the Fund (continued)

Long-Term Liabilities (continued)

Activity in long-term liabilities for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Notes payable	\$ 88,996	\$ -	\$ (18,398)	\$ 70,598	\$ 19,177
Lease purchase obligations	-	1,038,727	-	1,038,727	32,367
	<u>\$ 88,996</u>	<u>\$ 1,038,727</u>	<u>\$ (18,398)</u>	<u>\$ 1,109,325</u>	<u>\$ 51,544</u>

Aggregate debt service requirements if annual appropriates are made as of December 31, 2021 is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 51,544	\$ 22,706	\$ 74,250
2023	113,774	30,772	144,546
2024	111,836	27,273	139,109
2025	115,205	23,904	139,109
2026	101,969	20,421	122,390
2027-2031	542,552	57,129	599,681
2032	72,445	1,811	74,256
Total	<u>\$ 1,109,325</u>	<u>\$ 184,016</u>	<u>\$ 1,293,341</u>

Governmental Fund Balances

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

- Emergency reserve required by TABOR
- Equipment lease purchase proceeds for fire engine, tanker and related equipment

The District has no committed or assigned fund balances as of December 31, 2021.

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

Note 4: Pension Plans

Fire and Police Statewide Defined Benefit Plan

Plan Description

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

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

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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

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

Benefits Provided

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

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

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

Contributions

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

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

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

OAK CREEK FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2021

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

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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

Contributions to the Plan from the District were \$37,436 and \$24,904, respectively, for the years ended December 31, 2021 and 2020.

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

As of December 31, 2021 and 2020, the District reported an asset of \$84,142 and \$17,426, respectively, for its proportionate share of the collective net pension asset of the Plan. The net pension asset was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on the District's contributions to the SWDB for the years ended December 31, 2020 and 2019 relative to the total contributions of participating employers to the SWDB. As of December 31, 2020 and 2019, the District's proportion was 0.038757% and 0.030811%, respectively.

For the years ended December 31, 2021 and 2020, the District recognized pension expense (revenue) of (\$1,043) and \$16,606, respectively. As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 71,360	\$ 335
Changes of assumptions or other inputs	35,787	-
Net difference between projected and actual investment earnings	-	86,426
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	10,668
Contributions subsequent to the measurement date	37,436	-
 Total	 \$ 144,583	 \$ 97,429

\$37,436 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2021	\$ (9,454)
2022	711
2023	(13,829)
2024	875
2025	14,208
Therafter	17,207
	\$ 9,718

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

Actuarial Assumptions

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

Investment rate of return	7.0%, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0.0%
Inflation	2.5%

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Fire and Police Statewide Defined Benefit Plan (continued)

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

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

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

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

Discount Rate:	Sensitivity of the (NPA)/NPL		
	6.00%	7.00%	8.00%
Proportionate share of the NPL	\$ 84,675	\$ (84,142)	\$ (223,943)

Plan Fiduciary Net Position

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

Volunteer Firefighters Pension Fund

Plan Description

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

The District contributes, on behalf of its volunteers, to an agent multiple-employer defined benefit pension plan included in the PERS. Title 31, Article 30 of CRS, as amended, establishes basic benefit provisions under the plan. The Plan covers 22 members at the measurement date of December 31, 2020.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Benefits Provided

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

1. Normal Retirement Benefit at Age 50 with 20 years of Service (monthly):	
a. Regular	\$400.00
b. Extended Service Amount Per Year of Service	\$0.00
2. Vested Retirement Benefit (monthly):	
a. With 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$20.00
b. Minimum Vesting Years	10
3. Disability Retirement Benefit (monthly):	
a. Short Term Disability for line of duty injury Amount payable for not more than 1 year	\$0.00
b. Long Term Disability for line of duty injury Lifetime Benefit	\$0.00
4. Survivor Benefits (monthly):	
a. Following Death before Retirement Eligible; Due to death in line of duty as volunteer firefighter	\$0.00
b. Following Death after Normal Retirement	\$0.00
c. Following Death after Normal Retirement with Extended Service Amount Per Year of Service	\$0.00
d. Following Death after Vested Retirement with 10 to 20 Years of Service Amount Per Year of Service per Minimum Vesting Years	\$0.00
e. Following Death after Disability Retirement	\$0.00
f. Optional Survivor Benefit Following Death before or after Retirement Eligible; Due to death on or off duty as a volunteer firefighter (Purchase of Life Insurance Required)	\$0.00
5. Funeral Benefits (Required Benefit):	
a. Funeral Benefit Lump Sum, one time only	\$100.00

Contributions

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

Contribution to the Plan from the District was \$27,000 and \$29,500 for the years ended December 31, 2022 and 2020, respectively. Plan members do not make contributions.

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

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

As of December 31, 2021 and 2020, the District reported a net pension liability of \$273,335 and \$294,094, respectively. The net pension liability was measured as of December 31, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the years ended December 31, 2021 and 2020, the District recognized pension expense (revenue) of \$22,408 and (\$6,355), respectively. As of December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual investment earnings	11,680	37,509
Contribution subsequent to the measurement date	<u>27,000</u>	<u>-</u>
 Total	 <u>\$ 38,680</u>	 <u>\$ 37,509</u>

\$27,000 reported as deferred outflows of resources related to pensions resulting from the District's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2022	\$ (8,633)
2023	(3,615)
2024	(9,457)
2025	<u>(4,124)</u>
	<u>\$ (25,829)</u>

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Actuarial Assumptions

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

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

Long-Term Expected Return on Plan Assets

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

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

OAK CREEK FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2021

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

Note 4: Pension Plans (continued)

Volunteer Firefighters Pension Fund (continued)

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%. December 31, 2120 is the end of the projection period for which projected benefit payments are fully funded.

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

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

Discount Rate:	Sensitivity of the NPL		
	6.00%	7.00%	8.00%
Net pension liability	\$ 342,992	\$ 273,335	\$ 214,479

Note 5: Other Information

Developer Ground Lease

The District leases the land under its new Stagecoach fire station from the Stagecoach Property Owners Association. The lease calls for an annual payment of \$1 through the term of the lease ending on March 28, 2103.

Building Lease Agreement

The District leases garage and office facilities from the Town of Oak Creek (the Town) for \$600 annually. The lease has no expiration date and terms include allowing the Town use of the District's tanker truck for certain Town purposes.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District maintains commercial insurance for these risks of loss, including workers compensation. Settled claims have not exceeded coverage in the past three fiscal years.

Subsequent Events

The District has evaluated subsequent events through October 31, 2022, the date these financial statements were available to be issued.

OAK CREEK FIRE PROTECTION DISTRICT
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance
Revenues:			
Taxes:			
Property	\$ 727,020	\$ 725,831	\$ (1,189)
Specific ownership	23,000	52,239	29,239
Charges for services, net			
Ambulance	35,000	44,769	9,769
Wildland firefighting	15,000	796,565	781,565
Mitigation	-	216,212	216,212
Grants and donations	-	125,775	125,775
Other	6,800	37,086	30,286
Total revenues	<u>806,820</u>	<u>1,998,477</u>	<u>1,191,657</u>
Expenditures:			
Wages and benefits	532,800	1,165,175	(632,375)
Wildland fire	-	84,687	(84,687)
Insurance	40,000	44,361	(4,361)
Supplies	36,419	55,237	(18,818)
Training and education	9,500	7,397	2,103
Utilities	30,000	30,631	(631)
Professional fees	37,000	17,929	19,071
Tax collection fees	22,500	21,835	665
Repairs and maintenance	15,500	162,374	(146,874)
Other	126,869	84,725	42,144
Volunteer pension plan contribution	30,000	27,000	3,000
Capital outlay	5,000	1,007,235	(1,002,235)
Debt issuance costs	-	30,750	(30,750)
Debt service:			
Principal	18,398	18,398	-
Interest	10,802	4,386	6,416
Total expenditures	<u>914,788</u>	<u>2,762,120</u>	<u>(1,847,332)</u>
Excess (deficiency) of revenues over expenditures	(107,968)	(763,643)	(655,675)
Other financing sources:			
Proceeds from sale of capital assets	-	141,700	141,700
Proceeds from lease purchase agreements	-	1,038,727	1,038,727
Net change in fund balance	(107,968)	416,784	<u>\$ 524,752</u>
Fund balance, beginning of year	<u>343,213</u>	<u>343,213</u>	
Fund balance, end of year	<u>\$ 235,245</u>	<u>\$ 759,997</u>	

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0388%	0.0308%	0.0323%	0.0331%	0.0368%
District's proportionate share of the net pension liability (asset)	\$ (84,142)	\$ (17,426)	\$ 40,826	\$ (47,617)	\$ 13,289
District's covered payroll	\$ 440,425	\$ 311,296	\$ 227,097	\$ 216,313	\$ 214,388
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-19.10%	-5.60%	17.98%	-22.01%	6.20%
Plan fiduciary net position as a percentage of the total pension liability	106.7%	95.2%	95.2%	106.3%	98.2%
	<u>2016</u>	<u>2015</u>			
District's proportion of the net pension liability	0.0395%	0.0323%			
District's proportionate share of the net pension liability (asset)	\$ (696)	\$ (36,406)			
District's covered payroll	\$ 180,176	\$ 195,000			
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.39%	-18.67%			
Plan fiduciary net position as a percentage of the total pension liability	100.1%	106.8%			

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 37,436	\$ 24,904	\$ 18,168	\$ 17,305	\$ 17,151
Contributions in relation to the contractually required contribution	<u>\$ (37,436)</u>	<u>\$ (24,904)</u>	<u>\$ (18,168)</u>	<u>\$ (17,305)</u>	<u>\$ (17,151)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 440,425	\$ 311,296	\$ 227,097	\$ 216,313	\$ 214,388
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%	8.00%	8.00%
	<u>2016</u>	<u>2015</u>			
Contractually required contribution	\$ 14,414	\$ 15,600			
Contributions in relation to the contractually required contribution	<u>\$ (14,414)</u>	<u>\$ (15,600)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
District's covered payroll	\$ 180,176	\$ 195,000			
Contributions as a percentage of covered payroll	8.00%	8.00%			

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

Measurement period ending December 31,	2020	2019	2018	2017	2016
Total Pension Liability					
Service Cost	\$ 2,575	\$ 2,575	\$ 2,553	\$ 2,553	\$ 1,920
Interest on the Total Pension Liability	48,988	49,807	54,900	55,024	39,622
Benefit Changes	-	-	-	-	186,135
Difference between Expected and Actual Experience	1,350	-	(44,186)	-	14,141
Assumption Changes	-	-	26,538	-	24,625
Benefit Payments	<u>(64,080)</u>	<u>(64,080)</u>	<u>(56,583)</u>	<u>(61,780)</u>	<u>(61,015)</u>
Net Change in Total Pension Liability	(11,167)	(11,698)	(16,778)	(4,203)	205,428
Total Pension Liability - Beginning	730,057	741,755	758,533	762,736	557,308
Total Pension Liability - Ending	<u>\$ 718,890</u>	<u>\$ 730,057</u>	<u>\$ 741,755</u>	<u>\$ 758,533</u>	<u>\$ 762,736</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 29,500	\$ 29,253	\$ 31,500	\$ 31,645	\$ 32,436
Net Investment Income	48,774	53,486	712	51,678	17,960
Benefit Payments	(64,080)	(64,080)	(56,583)	(61,780)	(61,015)
Pension Plan Administrative Expense	(4,602)	(6,182)	(5,378)	(5,525)	(823)
State of Colorado supplemental discretionary payment	-	39,455	-	18,355	17,473
Net Change in Plan Fiduciary Net Position	9,592	51,932	(29,749)	34,373	6,031
Plan Fiduciary Net Position - Beginning	435,963	384,031	413,780	379,407	373,376
Plan Fiduciary Net Position - Ending	<u>\$ 445,555</u>	<u>\$ 435,963</u>	<u>\$ 384,031</u>	<u>\$ 413,780</u>	<u>\$ 379,407</u>
Net Pension Liability	\$ 273,335	\$ 294,094	\$ 357,724	\$ 344,753	\$ 383,329
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.98%	59.72%	51.77%	54.55%	49.74%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

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

Measurement period ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 1,920	\$ 2,023
Interest on the Total Pension Liability	40,378	39,321
Benefit Changes	-	-
Difference between Expected and Actual Experience	-	17,596
Assumption Changes	-	-
Benefit Payments	<u>(44,040)</u>	<u>(45,540)</u>
Net Change in Total Pension Liability	(1,742)	13,400
Total Pension Liability - Beginning	<u>559,050</u>	<u>545,650</u>
Total Pension Liability - Ending	<u><u>\$ 557,308</u></u>	<u><u>\$ 559,050</u></u>
Plan Fiduciary Net Position		
Employer Contributions	\$ 32,436	\$ 27,912
Net Investment Income	6,432	21,359
Benefit Payments	(44,040)	(45,540)
Pension Plan Administrative Expense	(2,847)	(888)
State of Colorado supplemental discretionary payment	<u>17,564</u>	<u>22,088</u>
Net Change in Plan Fiduciary Net Position	9,545	24,931
Plan Fiduciary Net Position - Beginning	<u>363,831</u>	<u>338,900</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 373,376</u></u>	<u><u>\$ 363,831</u></u>
Net Pension Liability	\$ 183,932	\$ 195,219
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	67.00%	65.08%
Covered Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A

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

<u>FY Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 23,237	\$ 50,000	\$ (26,763)	N/A	N/A
2015	\$ 23,237	\$ 50,000	\$ (26,763)	N/A	N/A
2016	\$ 17,606	\$ 49,909	\$ (32,303)	N/A	N/A
2017	\$ 17,606	\$ 50,000	\$ (32,394)	N/A	N/A
2018	\$ 40,136	\$ 31,500	\$ 8,636	N/A	N/A
2019	\$ 40,136	\$ 68,708	\$ (28,572)	N/A	N/A
2020	\$ 37,599	\$ -	\$ 37,599	N/A	N/A

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