

**PLATTEVILLE – GILCREST  
FIRE PROTECTION DISTRICT**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

# PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Platteville - Gilcrest Fire Protection District  
Platteville, Colorado

### ***Opinions***

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

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

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

### ***Management's Responsibilities for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

#### ***Other Matters***

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 and 4, Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – General Fund on page 22, Schedule of Changes in Net Pension Liability and Related Ratios - Volunteer Pension Trust Fund, Schedule of Contributions, and Schedule of Changes in Net Pension Liability and Related Ratios – State Wide Defined Benefit Plan on pages 23 to 26, 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 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.



Evans, Colorado  
July 13, 2022

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the District provides an overview of the financial activity for the fiscal year ended December 31, 2021. It should be read in conjunction with the financial statements, which begin on Page 5.

**Financial Highlights**

- Property tax collection decreased \$879,704 during the year, primarily due to a decrease in oil and gas production throughout Weld County during the applicable assessment period. Specific ownership tax collections decreased \$22,834 during the year due to a decrease in County collections for specific ownership tax, respectively.
- Cash and cash equivalents balances increased \$361,994 during the year due to operating cash inflows exceeding cash outflows in 2021, netted by capital outlay expenditures and debt service principal and interest payments on the certificates of participation, capital lease obligations and other direct borrowings.
- Capital assets, net of related accumulated depreciation, decreased \$632,135 during the year.
- Certificates of participation liability, net of unamortized premium, decreased \$874,131 during the year.
- Capital lease obligations decreased \$266,387 during the year.
- Salaries expenses increased \$3,209,512 during the year ended December 31, 2021, primarily due to increased fire fighters and increased staffing levels required to effectively operate the emergency medical services.

**Using this Annual Report**

This report consists of a series of financial statements. The statements of net position and activities on page 5 and 6 provide information about the District as a whole and include fixed assets consisting primarily of building and equipment and depreciation of those assets.

**Statement of Net Position**

All of the assets and liabilities of the District are presented on the accrual basis.

	<b>Net Position</b>	
	2021	2020
Current assets	\$ 25,643,612	\$ 26,500,167
Capital assets - net	24,316,006	24,948,141
Net pension assets	721,029	186,446
Total assets	50,680,647	51,634,754
Deferred outflows of resources	1,611,573	1,735,491
Total assets and deferred outflows of resources	52,292,220	53,370,245
 Total liabilities	 20,557,832	 22,191,806
Total deferred inflows of resources	7,930,768	8,398,667
Total liabilities and deferred inflows of resources	28,488,600	30,590,473
 Net Position		
Investment in capital assets	5,345,100	4,775,067
Restricted	990,499	1,448,819
Unrestricted	17,468,021	16,555,886
Total net position	\$ 23,803,620	\$ 22,779,772

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**Statement of Activities**

Expenses and revenues of the District are presented on the accrual basis.

**Statement of Activities**

	2021	2020
Tax revenue	\$ 7,994,240	\$ 8,896,778
Other revenue	403,997	2,937,647
Total revenue	8,398,237	11,834,425
Expenses	7,374,389	6,743,506
Change in net position	\$ 1,023,848	\$ 5,090,919

**Balance Sheet – Governmental Funds**

This statement on page 5 shows the assets, liabilities and reserves for the District operating account (General Fund).

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds**

This statement on page 6 shows the revenue and expenditures for the District operating account (General Fund).

**Description of Current and Expected Conditions**

Constituents of the District voted to increase the mill levy for assessed taxes in 2018 by \$3.75 million in order for the District to begin operating its own emergency medical services and ambulance operations within the District, which began during 2019. The District continues to offer emergency medical services throughout the current year.

The District's portion of the 2021 tax assessments, to be collected in 2022, is estimated to be \$6,688,404. The amount represents a decrease of approximately \$938,000 from the previous year's assessment. The biggest factor in the decline was a decrease in oil and gas production throughout Weld County, which was expected from changing regulations at the state level and also overall fluctuation of oil prices during the year. The District believes it is well positioned to absorb the decrease, as it has previously budgeted for significant variances in assessment revenues from year to year and established reserves in anticipation of these variances.

In 2018, the District obtained certificate of participation financing to construct its new fire station headquarters in Platteville. Financing collected was \$21,182,616, which is payable over 20 years, and was used for construction of the new Platteville station and remodel of the existing Gilcrest station. Both projects have been completed. The District has further pledged a portion of future property tax collections to redeem the certificates of participation as they become due.

The District began replacement of apparatus beginning in 2014, whereby the District expects that it will continue to replace one piece of apparatus each year through 2021.

**Contacting the Agency's Financial Management**

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability to its beneficiaries. If you have questions about this report or need additional financial information, contact the District's office at 202 Main Street, Platteville, Colorado 80651.

## **BASIC FINANCIAL STATEMENTS**

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**

**For the Year Ended December 31, 2021**

	General Fund	Adjustments (See Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,811,219	\$ -	\$ 13,811,219
Restricted cash and cash equivalents (Note 2)	4,164,788	-	4,164,788
Certificates of deposits	869,129	-	869,129
Property taxes receivable	6,719,136	-	6,719,136
Accounts receivable	23,356	-	23,356
Prepaid insurance	55,984	-	55,984
Net pension asset	-	721,029	721,029
Capital assets, not being depreciated	-	564,911	564,911
Capital assets being depreciated, net	-	23,751,095	23,751,095
<b>Total assets</b>	<b>25,643,612</b>	<b>25,037,035</b>	<b>50,680,647</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Debt issuance costs, net of amortization	-	221,542	221,542
Pension contribution and change in earnings	-	1,390,031	1,390,031
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>1,611,573</b>	<b>1,611,573</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 25,643,612</b>	<b>\$ 26,648,608</b>	<b>\$ 52,292,220</b>

	General Fund	Adjustments (See Note 8)	Statement of Net Position
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 35,194	\$ 309,340	\$ 344,534
Interest payable	72,403	-	72,403
Capital lease obligation	-	417,007	417,007
Certificates of participation liability, net of unamortized premium (Note 4)	-	18,775,441	18,775,441
Net pension liability	-	948,447	948,447
<b>Total liabilities</b>	<u>107,597</u>	<u>20,450,235</u>	<u>20,557,832</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension difference between actual and expected experience	-	1,242,364	1,242,364
Unavailable revenue	6,711,761	(23,357)	6,688,404
<b>Total deferred inflows of resources</b>	<u>6,711,761</u>	<u>1,219,007</u>	<u>7,930,768</u>
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid expenses	55,984	(55,984)	-
Restricted:			
Emergency reserve	240,560	(240,560)	-
Capital outlay	4,914,727	(4,914,727)	-
Committed:			
Capital outlay	782,925	(782,925)	-
Assigned:			
Encumbered	-	-	-
Unassigned	12,830,058	(12,830,058)	-
<b>Total fund balances</b>	<u>18,824,254</u>	<u>(18,824,254)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 25,643,612</u>	<u>2,844,988</u>	<u>28,488,600</u>
<b>NET POSITION</b>			
Investment in capital assets		5,345,100	5,345,100
Restricted			
Reserved for emergencies		240,560	240,560
Reserved for capital outlay		749,939	749,939
Unrestricted			
Designated for capital outlay		782,925	782,925
Undesignated		16,685,096	16,685,096
<b>Total net position</b>		<u>23,803,620</u>	<u>23,803,620</u>
<b>Total liabilities, deferred inflows of resources and net position</b>		<u>\$ 26,648,608</u>	<u>\$ 52,292,220</u>

See accompanying notes to financial statements.

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE/NET POSITION**  
**For the Year Ended December 31, 2021**

	General Fund	Adjustments (See Note 9)	Statement of Activities
<b>Expenditures/Expenses</b>			
Administration	\$ 936,812	\$ -	\$ 936,812
Fire fighting	3,475,135	19,750	3,494,885
Emergency medical services	801,442	-	801,442
Station utilities and maintenance	81,563	-	81,563
Capital outlay	668,933	(452,671)	216,262
Communication	39,390	-	39,390
Depreciation	-	1,033,239	1,033,239
<b>Debt Service</b>			
Principal	1,136,263	(1,136,263)	-
Interest and amortization	836,701	(65,905)	770,796
<b>Total expenditures/expenses</b>	<b>7,976,239</b>	<b>(601,850)</b>	<b>7,374,389</b>
<b>Revenues</b>			
Charges for services	560,871	(146,739)	414,132
Operating grants and contributions	17,000	-	17,000
<b>Taxes</b>			
Property taxes	7,613,659	-	7,613,659
Specific ownership taxes	380,581	-	380,581
Interest earned	13,405	-	13,405
Miscellaneous income	11,027	-	11,027
<b>Total revenues</b>	<b>8,596,543</b>	<b>(146,739)</b>	<b>8,449,804</b>
<b>Excess expenditures/expenses over revenues</b>	<b>620,304</b>	<b>455,111</b>	<b>1,075,415</b>
<b>Other financing sources</b>			
(Loss) on sale of capital assets	-	(51,567)	(51,567)
<b>Total other financing sources</b>	<b>-</b>	<b>(51,567)</b>	<b>(51,567)</b>
Change in Fund Balance/Net Position	620,304	403,544	1,023,848
<b>Fund Balance/Net Position</b>			
Beginning of the Year	18,203,950	4,702,217	22,779,772
End of the Year	<u>\$ 18,824,254</u>	<u>\$ 5,105,761</u>	<u>\$ 23,803,620</u>

See accompanying notes to financial statements.

# PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### Note 1. Summary of Significant Accounting Policies

#### The Reporting Entity

Platteville - Gilcrest Fire Protection District (the District) provides fire protection in Weld County, Colorado and is governed by the Colorado Department of Local Affairs.

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GASB and used by the District are discussed below.

#### Government-Wide and Fund Financial Statements

The government-wide Statement of Net Position is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general government revenues (property and specific ownership taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants may include operating-specific and discretionary (either operating or capital).

#### Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

#### Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District has one fund, the general fund. The general fund is the District's primary operating fund. It is used to account for all financial resources.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using *the economic resources measurement focus* and *the accrual basis of accounting*. Revenues are recorded when earned, and the expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the District.

Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, equity in pooled cash and investments, amounts in demand deposits and short-term investments with a maturity date of three months or less.

**Capital Assets**

Capital assets, which include property and equipment assets, are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30-50
Vehicles and Equipment	5-30

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to the debt issuance costs for certificates of participation, and related to net pension liability and its changes in expected and actual investment returns, assumptions and benefits provided in its pension plan. More detailed information can be found in Notes 4 and 5.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**Deferred Outflows/Inflows of Resources (continued)**

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. The District reports deferred inflows of resource related to the *unavailable revenue*, and *difference between actual and expected experience* are reported in the statement of net position and in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Pension Asset and Liability**

For purposes of measuring the net pension asset, net pension 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 and Police Pension Association of Colorado (FPPA) plans and additions to/deductions from FPPA's fiduciary net position have been determined on the same basis as they are reported by 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.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets and capital-related deferred outflow of resources, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets and any accounts payable related to those assets. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. The District had restrictions on net position for emergencies of \$240,560 and capital outlay of \$749,939 at December 31, 2021. The District designated net position for capital outlay of \$782,925 at December 31, 2021.

**Estimates**

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

**Governmental Fund Balances**

Governmental fund equity is classified as fund balance. The District has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification 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:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.

# PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Governmental Fund Balances (continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's Board of Directors, which is the District's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amount that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the District's (1) Board of Directors, (2) its finance committee, or (3) an official, such as the executive director, to which the Board of Directors has delegated the authority to assign amounts to be used for a specific purpose.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

#### Property and Specific Ownership Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld County in October of the preceding year, levied on January 1 and paid in either one installment on April 30, or two installments on February 28 and June 15. Weld County bills and collects the District's property taxes. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year.

Specific ownership taxes are collected by Weld County through the Motor Vehicle Department. The amount distributed to the District is based on an amount assigned to the authority based on the amount of revenue estimated to be collected for the year.

#### Budget

In accordance with the District's enabling legislation, the Board holds public hearings and subsequently adopts an annual budget for operating expenses and capital outlays. The budget is adopted on a basis consistent with generally accepted accounting principles except no amounts are provided for depreciation and amortization. It is monitored at various levels of classification detail within the general fund. Expenses at the fund level may not legally exceed the total budget.

#### Board Member Compensation

Members that serve on the board receive non-employee compensation depending on the title of the board member. Total compensation for the board members was \$4,500 for the year ending December 31, 2021.

#### Subsequent Events

Management has evaluated subsequent events through July 13, 2022, the date on which the financial statements were available to be issued.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 2. Cash and Certificates of Deposit**

Colorado statutes require that the District use eligible public depositories as defined by the Colorado Public Deposit Protection Act. Under the Act, amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the Act and 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 be at least equal to the aggregate uninsured deposits. The carrying amount of unrestricted cash at December 31, 2021, was \$13,811,219. The carrying amount of certificates of deposits was \$869,129 at December 31, 2021.

The District participates in an investment pool through the Colorado Surplus Asset Fund Trust (CSAFE). The investments in CSAFE are measured at amortized cost. Participants in CSAFE have no limitations or restrictions on withdrawals, no redemption notice periods, no maximum transaction amount and no liquidity fees or redemption gates. CSAFE has a credit rating of AAA from Standard & Poor’s Corporation (S&P). The District’s balance at CSAFE was \$13,666,155 at December 31, 2021, included in the carrying value of cash above.

The District maintains cash and cash equivalents with the Trustee of the certificates of participation agreement, discussed in Note 4. The proceeds from the certificates of participation must stay with the Trustee, and will be disbursed upon written order of the District to fund the construction of the new Platteville fire station and remodel of the existing Gilcrest fire station. The balance of restricted cash and cash equivalents was \$4,164,788 at December 31, 2021.

**Note 3. Capital Assets**

A summary of changes in capital assets for the year ended December 31, 2021 was as follows:

	Balance at 12/31/2020	Additions	Deletions/ Transfers	Balance at 12/31/2021
Capital assets not being depreciated:				
Land	\$ 518,557	\$ -	\$ -	\$ 518,557
Water rights	46,354	-	-	46,354
Total capital assets not being depreciated	<u>564,911</u>	-	-	<u>564,911</u>
Capital assets being depreciated:				
Buildings and improvements	22,124,331	187,700	(55,612)	22,256,419
Vehicles and equipment	6,555,421	264,971	(255,586)	6,564,806
Total capital assets being depreciated	<u>28,679,752</u>	<u>452,671</u>	<u>(311,198)</u>	<u>28,821,225</u>
Less accumulated depreciation				
Buildings and improvements	1,567,564	430,985	(28,086)	1,970,463
Vehicles and equipment	2,728,958	602,254	(231,545)	3,099,667
Total accumulated depreciation	<u>4,296,522</u>	<u>1,033,239</u>	<u>(259,631)</u>	<u>5,070,130</u>
Total capital assets being depreciated, net	<u>24,383,230</u>	<u>(580,568)</u>	<u>(51,567)</u>	<u>23,751,095</u>
Capital assets-net	<u>\$ 24,948,141</u>			<u>\$ 24,316,006</u>

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 4. Compensated Absences and Direct Borrowings**

Compensated absences, capital lease obligations, certificates of participation (COP), and other direct borrowings have been accrued in the statement of net position. Changes in the liability balances consist of the following at December 31, 2021:

	Balance at 12/31/20	Additions	Reductions	Balance at 12/31/21	Due Within One Year
Compensated absences	\$ 255,484	\$ 174,453	\$ 120,597	\$ 309,340	\$ 120,597
Capital lease obligations	683,394	-	266,387	417,007	134,714
COP	19,649,572	-	874,131	18,775,441	909,131
Other direct borrowing	74,876	-	74,876	-	-
	<u>\$ 20,663,326</u>	<u>\$ 174,453</u>	<u>\$ 1,335,991</u>	<u>\$ 19,501,788</u>	<u>\$ 1,164,442</u>

The District entered into a lease purchase for a custom built fire engine. The bank advanced \$650,000 of lease financing during the year ending December 31, 2016 to the District to be remitted to the engine manufacturer upon completion of the fire engine. During the year ending December 31, 2017 the engine was completed and the District took possession of the engine. The lease required quarterly principal and interest payments of \$34,421 through November 15, 2021. The lease obligation was fully satisfied at December 31, 2021. The engine has an estimated useful life of 10 years, and its remaining net book value was \$312,773 at December 31, 2021.

The District entered into another lease purchase for a ladder truck. The financier advanced \$927,829 of lease financing during the year ended December 31, 2017 for the acquisition of the ladder truck during the year. The lease requires annual principal and interest payments of \$147,850 through June 27, 2024. The balance of lease obligation was \$417,007 at December 31, 2021. The ladder truck has an estimated useful life of 15 years, and its remaining net book value was \$729,844 at December 31, 2021.

During the year ended December 31, 2018, the District entered into a Certificate of Participation Agreement (COP) and Indenture of Trust with UMB Bank, N.A. (Trustee) in order to fund the construction of a new fire station in Platteville, Colorado and the remodel of the existing fire station in Gilcrest, Colorado. Included with the COP agreement is a Site Lease Agreement and Lease Purchase Agreement between the District and the Trustee. The District has transferred its interest in the properties to the Trustee, and the District leases the property back from the Trustee through its biannual COP lease payments.

The District received COP offering of \$19,600,000 and a premium of \$1,582,616 deposited into designated funds with the Trustee to be used to pay for construction costs for the projects. The proceeds of the COP issuance funded a debt service reserve fund with a required balance of \$1,880,250 to be used for future payments of the agreement. The District incurred costs of \$264,528 to issue the COP, including underwriting and other costs. The premium and issuance costs will be charged to operations through the year 2038 using the effective interest method. As of December 31, 2021 the unamortized debt issuance costs totaled \$221,542, and unamortized premium totaled \$1,325,441. Payments will be required biannually, with principal installments ranging from \$410,000 to \$1,490,000 through December 2038 and incurring interest at an average rate of 4.67% annually. In order to pay the COP lease requirements in future years, the District has pledged an average of 1.733 mills each year from the property tax mill levy assessed and collected by Weld County on behalf of the District. The COP offering includes a provision that if the District fails to make payments, the property must be vacated by the District within 90 days of failure to pay.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 4. Compensated Absences and Direct Borrowings (continued)**

During the year ended December 31, 2019, the District into an other direct borrowing agreement to purchase new equipment and related maintenance for the equipment for emergency medical services. The agreement requires three annual payments of \$74,876 to acquire the equipment with no stated interest rate through February 2021. The entire obligation was satisfied at December 31, 2021. The equipment has an estimated useful life of 5 years, and its remaining net book value was \$89,851 at December 31, 2021.

The annual debt service requirements of the capital lease, COP, and other direct borrowing obligations as of December 31, 2021 are as follows:

	Principal	Interest
2022	1,043,845	803,842
2023	1,078,089	766,398
2024 – 2028	5,398,989	3,246,646
2029 – 2033	4,980,654	2,324,620
2034 – 2038	6,690,870	957,000
	<u>\$ 19,192,447</u>	<u>\$ 8,098,506</u>

**Note 5. Pension Plans**

The District maintains the following separately administered pension plans:

Plan Name	Plan Type
Volunteer Firefighters’ Pension Plan	Agent multiple-employer defined benefit
Statewide Defined Benefit Plan	Cost-sharing multiple-employer defined benefit plan

The defined benefit plans are administered by the Fire and Police Pension Association of Colorado (“FPPA”). It is reported in the FPPA comprehensive annual financial report (CAFR). The CAFR of the FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721.

Volunteer Firefighters’ Pension Plan

*Plan Description* - The District has established the Volunteer Firefighters’ Pension Plan (the “Volunteer Plan”), an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statute.

*Benefits Provided* - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a full benefit monthly pension of \$1,126. The Volunteer Plan provides both short term and long term disability for line of duty injury. The Volunteer Plan also provides for a lump-sum burial benefit of \$2,000 upon the death of an active or retired firefighter.

Spouses of deceased firefighters receive benefits equal to one-half those of a firefighter. Benefits are determined by the Volunteer Firefighter Pension Board.

*Contributions* - In addition to contributions from the District, the Volunteer Plan received contributions from the State in an amount not to exceed one-half mill of property tax revenue. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Amounts to be contributed are determined by the District as part of its budget process. For the year ended December 31, 2021 the District made actual contributions of \$63,900.

State of Colorado Fire and Police Pension Association-Defined Benefit Plan

*Plan Description* - The District contributes to a the Statewide Defined Benefit Plan (“SWDB”), a cost sharing multiple-employer defined benefit pension plan administered by the FPPA for the District’s paid permanent staff.

# PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

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### Note 5. Pension Plans (continued)

#### State of Colorado Fire and Police Pension Association-Defined Benefit Plan (continued)

Plan Description (continued): The SWDB provides retirement benefits for member and beneficiaries. Death and disability coverage is provided for plan members through the Statewide Death and Disability Plan, which is also administered by the FPPA. All paid permanent firefighters are members of the Statewide Death and Disability Plan.

Plan Benefits- The benefits requirements of plan members and the District are established by State statute. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary of each of the credited service up to ten years, plus 2.5% of each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3% or the Consumer Price Index.

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

Plan Contributions - 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.

The contribution rate is 11.5% of covered salary for all plan members and 8.5% for the District. Beginning 2015, member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. The District's contribution rate will also increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of base salary.

The District's contributions were \$285,280 for the year ended December 31, 2021.

#### All Defined Benefit Plans

Volunteers Covered by Benefit Terms - Membership data related to the Volunteer Plan, as of January 1, 2019 was as follows:

Retirees and beneficiaries currently receiving benefits	44
Inactive, Non-retired Members	9
Active Members	<u>2</u>
Total	<u><u>55</u></u>

Pension Assets and Liabilities - At December 31, 2021, the Volunteer Plan reported a net pension liability of \$948,447. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

At December 31, 2021, the District reported an asset of \$721,029 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2021, the District's proportion was 0.3321%, which was an increase of 0.0025% from its proportion measured as of December 31, 2020.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 5. Pension Plans (continued)**

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource* - For the year ended December 31, 2021, the District recognized pension expense of \$128,591 related to the Volunteer Plan and pension expense of \$186,483 related to the SWDB. In addition, the District reported deferred outflows of resources and deferred inflows of resources from the following sources for each plan:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Volunteer Plan</u>		
Differences between expected and actual experience	\$ -	\$ -
Net deferred between projected and actual earnings on pension plan investments	122,682	390,073
District contribution subsequent to the measurement date	63,900	-
Total	<u>\$ 186,582</u>	<u>\$ 390,073</u>

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SWDB</u>		
Differences between expected and actual experience	\$ 611,504	\$ 2,868
Net difference between projected and actual earnings on Plan investments	-	740,601
Changes in Assumptions	306,665	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	108,822
District contributions subsequent to the measurement date	285,280	-
Total	<u>\$ 1,203,449</u>	<u>\$ 852,291</u>

The District's contributions subsequent to the measurement date, \$63,900 for the Volunteer plan and \$285,280 for SWDB plan, will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Volunteer Plan</u>	<u>SWDB</u>
2022	\$ (91,626)	\$ (93,669)
2023	(36,138)	2,391
2024	(97,477)	(122,207)
2025	(42,150)	3,792
2026	-	119,647
Thereafter	-	155,924
	<u>\$ (267,391)</u>	<u>\$ 65,878</u>

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 5. Pension Plans (continued)**

Actuarial Assumptions - The significant actuarial assumptions used to measure the total pension liability are as follows:

	Volunteer Plan	SWDB – Total Pension Liability	SWDB – Actuarial Determined Contributions
Measurement date	December 31, 2020	December 31, 2020	December 31, 2020
Actuarial valuation date	January 1, 2019	January 1, 2021	January 1, 2020
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, open	N/A	Level percentage of payroll, open
Remaining amortization period	20 years	N/A	30 years
Asset valuation method	5 year smoothed fair value	5 year smoothed market	5 year smoothed market
Inflation	2.50%	2.50%	2.50%
Salary increases	N/A	4.25%-11.25%	4.25% - 11.25%
Investment rate of return	7.00%	7.00%	7.00%
Retirement age	50% per year of eligibility until 100% at age 65		

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

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

For SWDB 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.

For both plans, the long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are as follows for the Volunteer Plan:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
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%

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 5. Pension Plans (continued)**

*Actuarial Assumptions (continued) -*

The target allocation and best estimates of arithmetic real rates of return for each major asset class are as follows for SWDB:

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

*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 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 & 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 Net Pension Liability to Changes in the Discount Rate -*

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

	Discount rate	Volunteer Plan	SWDB
1% decrease	6.0%	\$ 1,438,642	\$ 725,603
Current discount rate	7.0%	948,447	(721,029)
1% increase	8.0%	532,958	(1,919,021)

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

**Note 5. Pension Plans (continued)**

*Changes in Department's Net Pension Liability* - Changes in the District's net pension liability for the Volunteer Plan for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liabilities [a] – [b]
<u>Volunteer Plan</u>			
Balance, December 31, 2020	\$ 5,152,853	\$ 4,124,277	\$ 1,028,576
Changes for the year:			
Interest	344,443	-	344,443
Difference between expected and actual experience	(41,306)	-	(41,306)
Service cost	3,372	-	3,372
Benefit changes	158,317	-	158,317
Changes of assumption	-	-	-
Net investment income	-	485,127	(485,127)
Contributions - employer	-	71,000	(71,000)
Benefit payments including refunds of employee contributions	(475,850)	(475,850)	-
Administrative expense	-	(11,172)	11,172
State of Colorado supplemental discretionary payment	-	-	-
Net changes	(11,024)	69,105	(80,129)
Balance, December 31, 2021	<u>\$ 5,141,829</u>	<u>\$ 4,193,382</u>	<u>\$ 948,447</u>

**Note 6. Risk Management and Losses Incurred**

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 property and casualty loss 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.

**Note 7. Tax, Spending and Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. At an election on May 7, 1996, district voters approved a ballot issue allowing the district to accept and expend grant funds. In 1998, voters approved a ballot issue setting a maximum 2.303 mill levy for General Fund and voter approved revenue change, and an exception to the limits which would otherwise apply. In 2018, voters approved a ballot issue to increase the General Fund revenues by \$3,750,000 in order for the District to begin operations of the emergency medical services in 2019. This revenue increase did not impact the base mill levy, but increased the property taxes paid by constituents and therefore collected for the District. The District believes it is in compliance with the requirements of the division of local governments.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 7. Tax, Spending and Debt Limitations (continued)**

The Amendment also requires the local government to reserve three percent of total expenditures for emergencies in 1995 and years thereafter. (The definition of an “emergency,” under the Amendment is restricted to natural events, but excludes “economic conditions, revenue shortfalls, or district salary or fringe benefit increase.”) Accordingly, the District has reviewed the existing reserves and determined that a minimum of 3% or \$240,560 existed at December 31, 2021 to comply with the provisions of the Amendment. The District believes it is in compliance with all provisions of TABOR. However, TABOR is complex and subject to interpretation, and many of its provisions will require judicial interpretation.

**Note 8. Reconciliation of Governmental Fund Balance to Net Position of Governmental Activities**

Differences in reporting occur on the statement of net position and governmental fund balance sheet due to the economic resources measurement focus and the current financial resources measurement focus, respectively. The following differences existed at December 31, 2021:

Total Governmental Fund Balances	\$ 18,824,254
Amounts reported as governmental activities in the statement of net position are different because:	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the governmental fund.	24,316,006
The liabilities for compensated absences and direct borrowings are not recorded in the fund level, but are reported in the statement of net position.	(19,501,788)
Deferred outflow of resources used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	1,611,573
Net pension asset and liability are not due and payable in the current period and therefore are not reported in the governmental fund.	(227,418)
Deferred inflow of resources used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	<u>(1,219,007)</u>
Net Position of Governmental Activities	<u>\$ 23,803,620</u>

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 9. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance/Net Position of the Governmental Fund to the Statement of Activities**

Differences in reporting occur on the statement of activities and governmental fund revenues, expenditures and changes in fund balance due to the economic resources measurement focus and the current financial resources measurement focus, respectively. The following differences existed at December 31, 2021:

Net Change in Governmental Fund Balances	\$ 620,304
Amounts reported for the governmental activities in the statement of activities are different because:	
Governmental funds do not report gains and losses on sales, or donations for disposals of capital assets. However, the statement of activities reports these amounts.	(51,567)
Governmental funds do not recognize revenue that is not available within 60 days of the reporting date. However, these amounts are recognized in the statement of activities.	(146,739)
Governmental funds report capital outlays 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. This is the amount by which capital outlay exceeded depreciation.	(580,568)
Debt issuance costs and premium on certificates of participation are allocated over the life of the certificates of participation and reported as amortization expense in the statement of activities.	65,905
The liability for paid time off not reported in the government funds, but changes the liability in the statement of net position.	(53,856)
Repayment of direct borrowing principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.	1,136,263
The change in the asset and liability for net pension asset and liability is not reported in the governmental funds, but changes the liability in the statement of net position.	<u>34,106</u>
Change in Net Position of Governmental Activities	<u>\$ 1,023,848</u>

**Note 10. Tax Abatements**

To promote economic development within Weld County for generating employment opportunities thereby stimulating the economic wellbeing of Weld County and its citizens, in accordance with Colorado Revised Statute 30-11-123, the county offers incentive payments to taxpayers who establish or expand existing business facilities in Weld County. The Weld County Personal Property Tax Refund Incentive program allows for the refund of up to 50% of the personal property tax paid on new personal property put in to place in new or qualifying expanded facilities in Weld County for a period of 10 years per state statute.

**PLATTEVILLE – GILCREST FIRE PROTECTION DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2021**

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**Note 10. Tax Abatements (continued)**

In order to qualify for the tax incentive payments taxpayers must qualify as a “New Business Facility” (NBF) as referenced in C.R.S. 30-11-123 and make a minimum investment of \$1,000,000 in new personal property. Eligible personal property must be located at/within the NBF or be directly attributable to the expansion of the existing business facility and used in connection with such facility for the current property tax year. The program is intended to assist business engaged in manufacturing, processing and research & development activities so eligible businesses shall derive at least 50% of annual gross revenue from sale of products/services outside of Weld County and no more than 25% of gross annual income can be from direct retail sales. Furthermore 50% of the eligible work force must be weld county residents.

Weld County has not made any other commitments as part of these agreements other than to refund the personal property tax paid on personal property put into place in qualifying NBFs. All tax incentive payments are made to the extent of revenue and must be available and appropriated in each of the 10 years of the 10-year term. Any unused/excess tax incentives are retained by the count in the Weld County Economic Development fund to be used for economic development.

The District does not create the abatements, but is subject to the abatements of the County. In the opinion of District management, the abatements entered into by the County for tax incentive refunds does not have a significant effect on the District mil levy base and related property tax receipts. The additional collections approved by voters, as more fully disclosed in Note 7, is not adversely impacted by these abatements of the County as the voters approved an increased dollar collection versus an increased mill levy.

**Note 11. Trends and Uncertainties**

Domestic and international economies continue to face uncertainty related to the ongoing impact of the COVID-19 disease. The District has been and may continue to be adversely affected through lack of employee availability, interruptions in operations and ability to serve District constituents, volatility in investment markets, and decreases in revenue. Management is currently evaluating the impact it will have on future operations.

**REQUIRED SUPPLEMENTAL INFORMATION**

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
<b>Revenues</b>				
Charges for services	\$ 115,000	\$ 383,047	\$ 560,871	\$ 177,824
Property taxes	7,626,217	7,626,217	7,613,659	(12,558)
Specific ownership taxes	315,000	315,000	380,581	65,581
Interest	76,887	76,887	13,405	(63,482)
Miscellaneous	104,923	115,742	11,027	(104,715)
Proceeds from lease purchase	3,200,000	3,200,000	-	(3,200,000)
Contingency reserve	311,195	311,195	-	(311,195)
Operating grants and contributions	-	17,000	17,000	-
<b>Total revenues</b>	<b>11,749,222</b>	<b>12,045,088</b>	<b>8,596,543</b>	<b>(3,448,545)</b>
<b>Expenditures</b>				
<b>Administration</b>				
Professional	51,350	51,350	34,769	16,581
Insurance	865,837	865,837	746,714	119,123
Treasurer's fees	114,393	114,393	114,211	182
Miscellaneous	258,414	258,414	-	258,414
Board fees	6,000	6,000	4,500	1,500
Volunteer pension contributions	79,650	79,650	-	79,650
Office expense	98,332	98,332	36,618	61,714
<b>Total fire administration</b>	<b>1,473,976</b>	<b>1,473,976</b>	<b>936,812</b>	<b>537,164</b>
<b>Fire fighting</b>				
Salaries and benefits	3,260,875	3,260,875	3,168,176	92,699
Training	77,455	77,455	46,716	30,739
Repairs and maintenance	185,482	185,482	149,721	35,761
Gas and oil	39,242	39,242	42,983	(3,741)
Department fee and incentive	30,711	30,711	18,505	12,206
Supplies	42,085	42,085	34,300	7,785
Uniforms	17,580	17,580	14,734	2,846
<b>Total fire fighting</b>	<b>3,653,430</b>	<b>3,653,430</b>	<b>3,475,135</b>	<b>178,295</b>
Emergency medical services	951,368	951,368	801,442	149,926
Communication	38,500	38,500	39,390	(890)
Fire station and building utilities	68,880	68,880	81,563	(12,683)
Capital outlay	3,580,801	3,580,801	668,933	2,911,868
Debt service	1,912,860	1,912,860	1,972,964	(60,104)
<b>Total expenditures</b>	<b>11,679,815</b>	<b>11,679,815</b>	<b>7,976,239</b>	<b>3,703,576</b>
Excess of revenues over expenditures	69,407	365,273	620,304	255,031
<b>Other financing sources</b>				
Sale of capital assets	-	(51,567)	-	51,567
Change in fund balance	69,407	313,706	620,304	306,598
Fund Balance at Beginning of Year			18,203,950	
Fund Balance at End of Year			<u>\$ 18,824,254</u>	

See independent auditors' report and notes to financial statements.

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**  
**SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**VOLUNTEER PENSION TRUST FUND**  
**LAST 10 FISCAL YEARS**  
**FOR THE YEARS ENDING**

<b>Measurement period ending December 31,</b>	2020	2019
<b>A. Total Pension Liability</b>		
1. Service Cost	\$ 3,372	\$ 3,372
2. Interest on the Total Pension Liability	344,443	352,817
3. Benefit changes	158,317	-
4. Difference between expected and actual experience of the Total Pension Liability	(41,306)	-
5. Changes of assumptions	-	-
6. Benefit payments	(475,850)	(475,807)
7. Net change in total pension liability	(11,024)	(119,618)
8. Total pension liability - beginning	5,152,853	5,272,471
9. Total pension liability - ending	\$ 5,141,829	\$ 5,152,853
<b>B. Plan fiduciary net position</b>		
1. Contributions - employer	71,000	50,000
2. Net investment income	485,127	541,497
3. Benefit payments	(475,850)	(475,807)
4. Pension Plan Administrative Expense	(11,172)	(14,045)
5. State of Colorado supplemental discretionary payment	-	45,000
6. Net change in plan fiduciary net position	69,105	146,645
7. Plan fiduciary net position - beginning (Market value of assets at beginning of year)	4,124,277	3,977,632
8. Plan fiduciary net position - ending (Market value of assets at end of year)	\$ 4,193,382	\$ 4,124,277
<b>C. Net pension liability/(asset) (Item A.9 - Item B.8)</b>	948,447	1,028,576
<b>D. Plan fiduciary net position as a percentage of the total pension liability (Item B.8 / Item A.9)</b>	81.55%	80.04%
<b>E. Covered payroll</b>	N/A	N/A
<b>F. Net pension liability/(asset) as a percentage of covered payroll</b>	N/A	N/A

\* - GASB 68 was implemented by the District during the year ended December 31, 2015. This schedule is being built prospectively, and only available years are shown. Ultimately, 10 years of data will be presented.

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**

**SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
VOLUNTEER PENSION TRUST FUND  
LAST 10 FISCAL YEARS  
FOR THE YEARS ENDING**

	2018	2017	2016	2015	2014	2013	2012	2011
\$	3,060	\$ 3,060	\$ 7,818	\$ 7,818	\$ 24,245	*	*	*
	358,466	365,545	341,931	348,706	302,513	*	*	*
	310,294	147,758	-	-	924,569	*	*	*
	(131,078)	-	111,029	-	(184,985)	*	*	*
	189,204	-	164,846	-	-	*	*	*
	(462,686)	(463,262)	(449,400)	(444,400)	(440,400)	*	*	*
	267,260	53,101	176,224	(87,876)	625,942	*	*	*
	5,005,211	4,952,110	4,775,886	4,863,762	4,237,820	*	*	*
\$	5,272,471	\$ 5,005,211	\$ 4,952,110	\$ 4,775,886	4,863,762	*	*	*
	50,000	50,000	100,000	100,000	420,015	*	*	*
	5,701	574,054	211,116	78,790	261,059	*	*	*
	(462,686)	(463,262)	(449,400)	(444,400)	(440,400)	*	*	*
	(12,476)	(13,112)	(6,609)	(8,530)	(6,503)	*	*	*
	45,000	79,185	79,185	79,185	79,185	*	*	*
	(374,461)	226,865	(65,708)	(194,955)	313,356	*	*	*
	4,352,093	4,125,228	4,190,936	4,385,891	4,072,535	*	*	*
\$	3,977,632	\$ 4,352,093	\$ 4,125,228	\$ 4,190,936	\$ 4,385,891	*	*	*
	1,294,839	653,118	826,882	584,950	477,871	*	*	*
	75.44%	86.95%	83.30%	87.75%	90.17%	*	*	*
	N/A	N/A	N/A	N/A	N/A	*	*	*
	N/A	N/A	N/A	N/A	N/A	*	*	*

See independent auditors' report and notes to financial statements.

**PLATTEVILLE - GILCREST FIRE PROTECTION DISTRICT**

**SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

**VOLUNTEER**

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
(a)	(b)	(c)	(d) = (b)-(c)	(e)	(f)
2020	\$ 134,861	\$ 71,000	\$ 63,861	N/A	N/A
2019	\$ 65,233	\$ 95,000	\$ (29,767)	N/A	N/A
2018	65,233	95,000	(29,767)	N/A	N/A
2017	-	129,185	(129,185)	N/A	N/A
2016	-	179,185	(179,185)	N/A	N/A
2015	56,441	179,185	(122,744)	N/A	N/A
2014	56,441	499,200	(442,759)	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*

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

**STATE WIDE DEFINED BENEFIT**

Fiscal Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
(a)	(b)	(c)	(d) = (b)-(c)	(e)	(f)
2020	\$ 213,408	\$ 213,408	\$ -	\$ 2,510,682	8.50%
2019	\$ 194,379	\$ 194,379	\$ -	\$ 2,429,738	8.00%
2018	123,607	123,607	-	1,545,088	8.00%
2017	105,125	105,125	-	1,314,063	8.00%
2016	108,271	108,271	-	1,353,388	8.00%
2015	88,128	88,128	-	1,101,600	8.00%
2014	81,879	81,879	-	1,023,485	8.00%
2013	76,221	76,221	-	952,751	8.00%
2012	*	*	*	*	*
2011	*	*	*	*	*

\* - GASB 68 was implemented by the District during the year ended December 31, 2015. This schedule is being built prospectively, and only available years are shown. Ultimately, 10 years of data will be presented.

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**PLATTEVILLE GILCREST FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
STATE WIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\***

Fiscal Year Ended December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	0.3321%	\$ (721,029)	\$ 2,510,682	(28.72)%	106.70%
2020	0.3297%	\$ (186,446)	\$ 2,429,738	(7.67)%	101.90%
2019	0.2307%	291,617	1,545,088	18.87%	95.20%
2018	0.2247%	(323,199)	1,314,063	(24.60)%	106.30%
2017	0.2644%	95,554	1,353,388	7.06%	98.21%
2016	0.2272%	(4,006)	1,101,600	(0.36)%	100.10%
2015	0.2276%	(39,290)	1,023,485	(3.84)%	106.80%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*

\* - GASB 68 was implemented by the District during the year ended December 31, 2015. This schedule is being built prospectively, only available years are shown. Ultimately, 10 years of data will be presented.