

**SABLE-ALTURA FIRE
PROTECTION DISTRICT**
Arapahoe and Adams Counties, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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JOHN CUTLER & ASSOCIATES

Board of Directors
Sable-Altura Fire Protection District
Arapahoe and Adams Counties, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Sable-Altura 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Sable-Altura Fire Protection District as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof 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 (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 Sable-Altura Fire Protection District, and to meet our 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 43-50 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplemental Information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The Supplemental Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

July 25, 2022

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

Our discussion and analysis of Sable-Altura Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the District's basic financial statements which begin on page 1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplemental information and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities) and charges for services. The governmental activity of the District is public safety – fire/EMS.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports governmental funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 3 through 6 of this report.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is located on page 7 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 8-42 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which can be found on pages 43-50 of this report. Also included is supplementary information consisting of the schedules of revenues, expenditures and changes in fund balance – budget to actual – Debt Service Fund, Capital Projects Fund and Impact Fee Capital Projects Fund, summary of assessed valuation, mill levy and property taxes collected and a schedule of debt service requirements to maturity, which can be found on pages 50-54 of this report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

NET POSITION

	December 31,	
	2021	2020
ASSETS		
Current assets	\$ 4,630,334	\$ 4,300,610
Capital assets	1,365,179	1,534,720
Other	180,187	120,922
Total assets	6,175,700	5,956,252
DEFERRED OUTFLOWS OF RESOURCES		
	650,727	516,977
LIABILITIES		
Current liabilities	409,838	389,357
Long-term liabilities	2,049,157	2,225,570
Total liabilities	2,458,995	2,614,927
DEFERRED INFLOWS OF RESOURCES		
	1,602,774	1,478,862
NET POSITION		
Net investment in capital assets	1,732,926	1,595,046
Restricted	487,030	447,915
Unrestricted	544,702	336,479
Total net position	\$ 2,764,658	\$ 2,379,440

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,764,658 at the close of the most recent fiscal year.

The District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, equipment and vehicles) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

From 2020 to 2021, the District's current assets increased \$329,724 primarily as a result of the increase in cash and investments. The increase in cash and investments is primarily due to a positive change in fund balance of the General Fund where revenues exceeded expenditures. The change in capital assets is due to depreciation expense of \$169,541. Deferred outflows of resources in 2020 and 2021 are the result of the implementation of Governmental Accounting Standards Board Statement No. 68 which is related to pension reporting. Total liabilities decreased by \$155,932 primarily due to the District's \$355,000 payment toward the outstanding

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

principal on the General Obligation Bonds, 2006 and changes in the net pension liability for the FPPA Volunteer Firefighters' Pension Plan.

CHANGES IN NET POSITION

	<u>Years Ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
REVENUES		
Program revenues:		
Charges for services	\$ 40,260	\$ 53,453
Operating grants and contributions	505,429	402,566
Capital grants and contributions	7,638	5,507
General revenues:		
Property taxes	1,161,635	1,106,121
Specific ownership taxes	87,816	80,486
Investment earnings	1,717	19,771
Service agreements	16,500	16,500
Other	30,597	12,929
Total revenues	<u>1,851,592</u>	<u>1,697,333</u>
EXPENSES		
Public safety - fire/EMS	1,395,187	1,262,626
Interest and fiscal charges	71,187	86,348
Total operating and debt service	<u>1,466,374</u>	<u>1,348,974</u>
CHANGE IN NET POSITION	385,218	348,359
NET POSITION - BEGINNING OF YEAR	<u>2,379,440</u>	<u>2,031,081</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,764,658</u></u>	<u><u>\$ 2,379,440</u></u>

The District's overall financial position, as measured by net position, increased \$385,218 during 2021. Total revenue increased by \$154,259 or 9.1%. The majority of the increase is related to a decrease in investment earnings due to the decline in the investment market. In addition, other revenue such as Wildland response revenue and insurance proceeds increased in 2021. Operating grants and contributions consists of revenue from South Adams County Fire Protection District, dispatch reimbursements and Medicaid reimbursements. This category increased from 2020 to 2021 by \$102,863. This increase is a combination of several changes as follows: 1) revenue from South Adams County Fire Protection District increased from 2020 to 2021 by \$103,069 under the IGA, 3) dispatch reimbursement revenue increased from 2020 to 2021 by \$18,500 and 3) COVID assistance was not received in 2021 which was provided in 2020 in the amount of \$26,732. Expenses remained relatively consistent in 2020 to 2021 by increasing by \$117,400 with no specific expense causing the change.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental funds follows.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$3,439,886. Of this fund balance, \$1,875,863 is restricted, meaning it is not available for new spending, because it has already been committed for emergencies under Taxpayers' Bill of Rights (TABOR), debt service and capital projects. \$1,552,907 of fund balance is reported as unassigned.

General Fund Budgetary Highlights

Budget Variances. The budget to actual comparison details for the General Fund can be seen on page 7 of the financial statements. Actual District revenues were more than budgeted District revenues by \$177,499 as discussed in a previous section. Actual District expenditures were less than budgeted expenditures by \$3,870.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets at December 31, 2021 amounted to \$1,365,179 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

	CAPITAL ASSETS (net of depreciation)		
	<u>2020</u>	<u>Change</u>	<u>2021</u>
Construction in progress	\$ 61,591	\$ -	\$ 61,591
Land	167,610	-	167,610
Buildings and improvements	525,056	(24,522)	500,534
Vehicles and equipment	780,463	(145,019)	635,444
Total	<u>\$ 1,534,720</u>	<u>\$ (169,541)</u>	<u>\$ 1,365,179</u>

Additional information on the District's capital assets can be found in Note 4 of this report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021**

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding general obligation bonds of \$1,020,000. The analysis of changes in bonds payable is as follows:

LONG-TERM OBLIGATIONS

	2020	Change	2021
2006 G.O. Bonds	\$ 1,375,000	\$ (355,000)	\$ 1,020,000

During 2021, the District made the scheduled principal and interest payments on the bonds.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The District is not anticipating any significant changes in revenues or expenditures in 2022.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Sable-Altura Fire Protection District, 26900 E. Colfax Avenue, Space 52, Aurora, Colorado 80018.

BASIC FINANCIAL STATEMENTS

SABLE-ALTURA FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2021

ASSETS

Cash and investments - Unrestricted	\$ 1,292,916
Cash and investments - Restricted	2,130,688
Cash with County Treasurer	8,896
Property taxes receivable	1,154,393
Accounts receivable - Emergency charges (net of allowance of \$33,00)	32,205
Accounts receivable - other	120
Prepaid expenses	11,116
Prepaid bond insurance premiums	10,393
Net pension asset - FPPA Statewide Defined Benefit Plan	78,540
Net pension asset - FPPA Statewide Hybrid Plan	91,254
Capital assets, not being depreciated	61,591
Capital assets, being depreciated, net of accumulated depreciation	<u>1,303,588</u>
Total assets	<u>6,175,700</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	127,313
Deferred outflows related to pension - FPPA Statewide Hybrid Plan	60,438
Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	426,982
Deferred outflows related to pension - PERA Local Government Division Trust	<u>35,698</u>
Total deferred outflows of resources	<u>650,431</u>

LIABILITIES

Accounts payable and accrued payroll expenses	36,055
Accrued interest payable	3,783
Noncurrent liabilities:	
Bonds payable - due within one year	370,000
Bonds payable - due in more than one year	650,000
Net pension liability - FPPA Volunteer Firefighters' Pension	1,370,816
Net pension liability - PERA Local Government Division Trust	<u>28,341</u>
Total liabilities	<u>2,458,995</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	1,154,393
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	132,058
Deferred inflows related to pension - FPPA Statewide Hybrid Plan	21,132
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	264,542
Deferred inflows related to pension - PERA Local Government Division Trust	<u>30,649</u>
Total deferred property taxes	<u>1,602,774</u>

NET POSITION

Net investment in capital assets	1,732,926
Restricted for:	
Debt service	447,030
Emergencies	40,000
Unrestricted	<u>544,406</u>
Total net position	<u>\$ 2,764,362</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Public safety - Fire/EMS	\$ 1,395,483	\$ 40,260	\$ 505,429	\$ 7,638	\$ (842,156)
Interest on long-term debt	71,187	-	-	-	(71,187)
	<u>\$ 1,466,670</u>	<u>\$ 40,260</u>	<u>\$ 505,429</u>	<u>\$ 7,638</u>	<u>(913,343)</u>

General revenues:

Taxes:	
Property taxes	1,161,635
Specific ownership taxes	87,816
Investment earnings	1,717
Service agreements	16,500
Other	30,597
Total general revenues	<u>1,298,265</u>

Change in net position 384,922

Net position - Beginning of year 2,379,440

Net position - End of year \$ 2,764,362

These financial statement should be read only in
connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Impact Fee Capital Projects</u>	<u>Total</u>
ASSETS					
Current assets					
Cash and investments - unrestricted	\$ 1,292,916	\$ -	\$ -	\$ -	\$ 1,292,916
Cash and investments - restricted	-	448,798	1,674,194	7,696	2,130,688
Cash with County Treasurer	6,881	2,015	-	-	8,896
Property taxes receivable	732,922	421,471	-	-	1,154,393
Accounts receivable - service fees	32,205	-	-	-	32,205
Accounts receivable - other	120	-	-	-	120
Prepaid expenditures	11,116	-	-	-	11,116
Due from other funds	296,840	-	-	-	296,840
	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,373,000</u>	<u>\$ 872,284</u>	<u>\$ 1,674,194</u>	<u>\$ 7,696</u>	<u>\$ 4,927,174</u>
LIABILITIES AND FUND BALANCE					
Current liabilities					
Accounts payable	\$ 19,923	\$ -	\$ -	\$ -	\$ 19,923
Due to other funds	-	-	296,840	-	296,840
Accrued payroll and expenses	16,132	-	-	-	16,132
	-	-	-	-	-
Total liabilities	<u>36,055</u>	<u>-</u>	<u>296,840</u>	<u>-</u>	<u>332,895</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	732,922	421,471	-	-	1,154,393
Total deferred inflows of resources	<u>732,922</u>	<u>421,471</u>	<u>-</u>	<u>-</u>	<u>1,154,393</u>
FUND BALANCES					
Fund balances					
Nonspendable	11,116	-	-	-	11,116
Restricted for capital projects	-	-	1,377,354	7,696	1,385,050
Restricted for debt service	-	450,813	-	-	450,813
Restricted for emergencies	40,000	-	-	-	40,000
Unassigned	1,552,907	-	-	-	1,552,907
Total fund balances	<u>1,604,023</u>	<u>450,813</u>	<u>1,377,354</u>	<u>7,696</u>	<u>3,439,886</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,373,000</u>	<u>\$ 872,284</u>	<u>\$ 1,674,194</u>	<u>\$ 7,696</u>	<u>\$ 4,927,174</u>

These financial statements should be read only in
connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021**

Total Governmental Fund Balances	<u>\$ 3,439,886</u>
<p>Prepaid bond insurance premiums are not financial resources and therefore are not reported as assets in the governmental funds but are capitalized and amortized on the government-wide Statement of Net Position</p>	
	<u>10,393</u>
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements. However, in the Statement of Net Position, the cost of these items are capitalized and expensed over their estimated lives through annual depreciation expense.</p>	
Cost of capital assets	3,315,932
Less: accumulated depreciation	<u>(1,950,753)</u>
	<u>1,365,179</u>
<p>Pension-related assets are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Net pension asset - FPPA Statewide Hybrid Plan	91,254
Net pension asset - FPPA Statewide Defined Benefit Plan	78,540
Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	127,313
Deferred outflows related to pension - FPPA Statewide Hybrid Plan	60,438
Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	426,982
Deferred outflows related to pension - PERA Local Government Division Trust	<u>35,698</u>
	<u>820,225</u>
<p>Liabilities, including bonds and a net pension obligation are not due in the current period and therefore are not reported in the governmental funds</p>	
Bonds payable - due in one year	(370,000)
Bonds payable - due in more than one year	(650,000)
Accrued interest payable	(3,783)
Net pension liability - FPPA Statewide Defined Benefit Plan	-
Net pension liability - FPPA Volunteer Firefighters' Pension	(1,370,816)
Net pension liability - PERA Local Government Division Trust Fund	<u>(28,341)</u>
	<u>(2,422,940)</u>
<p>Pension-related deferred inflows of resources are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	(132,058)
Deferred inflows related to pension - FPPA Statewide Hybrid Plan	(21,132)
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	(264,542)
Deferred inflows related to pension - PERA Local Government Division Trust	<u>(30,649)</u>
	<u>(448,381)</u>
Net position - governmental activities	<u>\$ 2,764,362</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021**

	General	Debt Service	Capital Projects	Impact Fees Capital Projects	Total
REVENUES					
Property taxes	\$ 705,199	\$ 456,436	\$ -	\$ -	\$ 1,161,635
Specific ownership taxes	87,816	-	-	-	87,816
SACFPD Agreement	405,339	-	-	-	405,339
Charges for services - EMS	201,701	-	-	-	201,701
Allowance for write offs	(163,657)	-	-	-	(163,657)
Dispatch reimbursements	33,520	-	-	-	33,520
Medicaid reimbursements	66,570	-	-	-	66,570
Service agreements	16,500	-	-	-	16,500
Net investment income	764	907	42	4	1,717
Exclusion fees	2,000	-	-	-	2,000
Insurance proceeds	17,527	-	-	-	17,527
Wildland response	12,696	-	-	-	12,696
Grants/ Other	7,638	-	-	-	7,638
Fuel tax refunds	374	-	-	-	374
Total revenues	<u>1,394,203</u>	<u>457,343</u>	<u>42</u>	<u>4</u>	<u>1,851,592</u>
EXPENDITURES					
Governmental activities					
Fire administration	173,578	-	-	-	173,578
Fire operations	150,806	-	43,662	-	194,468
Paid personnel	685,255	-	-	-	685,255
Building	33,335	-	-	-	33,335
Debt service					
Principal	-	355,000	-	-	355,000
Interest and other fiscal charges	-	68,544	-	-	68,544
Contingency/Emergency reserves	396	-	-	-	396
Total expenditures	<u>1,043,370</u>	<u>423,544</u>	<u>43,662</u>	<u>-</u>	<u>1,510,576</u>
CHANGE IN FUND BALANCES	350,833	33,799	(43,620)	4	341,016
FUND BALANCES - BEGINNING OF YEAR	<u>1,253,190</u>	<u>417,014</u>	<u>1,420,974</u>	<u>7,692</u>	<u>3,098,870</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,604,023</u>	<u>\$ 450,813</u>	<u>\$ 1,377,354</u>	<u>\$ 7,696</u>	<u>\$ 3,439,886</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021**

A reconciliation reflecting the differences between the governmental fund net change in fund balances and change in net position reported for governmental activities in the Statement of Activities is as follows:

Net change in fund balances - Total governmental funds	<u>\$ 341,016</u>
<p>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.</p>	
Depreciation	<u>(169,541)</u>
	<u>(169,541)</u>
<p>Long-term debt (e.g. bonds, capital leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of differences in the treatment of long-term debt and related items.</p>	
Principal payments on long-term debt	355,000
Amortization of prepaid bond insurance premiums	<u>(3,959)</u>
	<u>351,041</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Change in accrued interest on long-term obligations	1,316
Pension income - FPPA Statewide Defined Benefit Plan	12,788
Pension income - FPPA Statewide Hybrid Plan	12,980
Pension expense - FPPA Volunteer Firefighters' Pension	(151,512)
Pension expense - PERA Local Government Division Trust	<u>(13,166)</u>
	<u>(137,594)</u>
Change in net position - Governmental activities	<u><u>\$ 384,922</u></u>

These financial statements should only be read in connection with the accompanying notes to financial statements.

SABLE-ALTURA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
For the Year Ended December 31, 2021

	Original and Final Budget	Actuals	Variance with Final Budget Positive (Negative)
REVENUE			
Property taxes	\$ 707,250	\$ 705,199	\$ (2,051)
Specific ownership taxes	70,349	87,816	17,467
SACFPD Agreement	305,105	405,339	100,234
Charges for services - EMS	150,000	201,701	51,701
Allowance for write offs	(90,000)	(163,657)	(73,657)
Plan review fees	500	-	(500)
Reimbursed expenses	-	178	178
Dispatch reimbursements	-	33,520	33,520
Medicaid reimbursements	-	66,570	66,570
Training fees	500	38	(462)
Service agreements	5,000	16,500	11,500
Facility use fees	-	-	-
Net investment income	8,000	764	(7,236)
Exclusion fees	4,000	2,000	(2,000)
Insurance proceeds	-	17,527	17,527
Wildland response	-	12,696	12,696
Grants/other	55,000	7,638	(47,362)
Fuel tax refunds	1,000	374	(626)
TOTAL REVENUE	1,216,704	1,394,203	177,499
EXPENDITURES			
Governmental activities			
Fire administration	179,209	173,578	5,631
Fire operations	153,700	150,806	2,894
Paid personnel	645,630	685,255	(39,625)
Buildings	32,200	33,335	(1,135)
Contingency/Emergency reserves	36,501	396	36,105
Total expenditures	1,047,240	1,043,370	3,870
CHANGE IN FUND BALANCE	169,464	350,833	181,369
FUND BALANCE - BEGINNING OF YEAR	1,284,598	1,253,190	(31,408)
FUND BALANCE - END OF YEAR	\$ 1,454,062	\$ 1,604,023	\$ 149,961

These financial statements should be read only in
connection with the accompanying notes to financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Sable-Altura Fire Protection District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Arapahoe and Adams Counties, Colorado. The District was established to provide fire suppression, fire protection and education, rescue, hazardous materials, emergency medical, and ambulance services (collectively, "Emergency Services") to the citizens within its jurisdiction and to individuals passing through its jurisdiction.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District except for the fiduciary activities. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred inflows, and, liabilities and deferred inflows, of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and EMS billings. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term obligations of the governmental funds.

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition of equipment, apparatus and the construction of stations and station additions.

The Impact Fee – Capital Projects Fund is used to account for the collection of impact fees to be used for the acquisition of equipment, apparatus and construction of stations and station additions.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds a public hearing in the fall each year to obtain taxpayer comments regarding the proposed budget for the ensuing year. Prior to December 15, the District's Board of Directors approves the budget and appropriates the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can subsequently modify

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

budgeted line item amounts so long as such modifications do not affect the total appropriation of expenditures within the fund. However, any modifications that affect the total appropriation of expenditures within a fund can only be made upon notice to the public and holding of a new public hearing. The budget includes each fund on its basis of accounting unless otherwise indicated. The District has not adopted a budget for the Impact Fee Fund as no expenditures were anticipated.

Supplementary appropriations were approved by the District for the Debt Service Fund.

Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds” in the fund financial statements. These amounts are eliminated in the governmental activities column of the Statement of Net Position.

Property Taxes

Property taxes are levied by the District’s Board of Directors. The estimated revenue to be collected is based on the District’s mill levy multiplied by the total assessed valuations determined by the County Assessors generally as of January 1 of each year. The District’s Board of Directors certifies the mill levy by December 15 to the Boards of County Commissioners and the property taxes attach as an enforceable lien on property as of January 1 of that year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include buildings, improvements, equipment and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Buildings	40	years
Improvements	15-40	years
Equipment	5-7	years
Vehicles	5-15	years

Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Emergency Response Charges

The District provides emergency medical services within the District's boundaries and service area. Emergency response related receivables are shown net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical collection trends.

Prepaid Bond Insurance/Bond Issuance Costs

In the government-wide financial statements, prepaid bond insurance premiums are reported as a deferred charge and are amortized over the term of the related debt using the effective interest method. In the fund financial statements, governmental fund types recognize bond insurance premiums and other bond issuance costs as expenditures in the period the debt is issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB 68* (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets 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/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Fund Balances – Governmental Funds

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash and investments as of December 31, 2021 consist of the following:

Cash on hand	\$ 1,300
Deposits with financial institutions	190,483
Investments	<u>3,231,821</u>
Total cash and investments	<u><u>\$ 3,423,604</u></u>

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Cash and Investments are reflected on the Statement of Net Position and the Balance Sheet – Governmental Funds at December 31, 2021 as follows:

Cash and investments - Unrestricted	\$ 1,292,916
Cash and investments - Restricted	<u>2,130,688</u>
	<u><u>\$ 3,423,604</u></u>

Restricted Cash and Investments

Cash and investments of \$448,798 held by the Debt Service Fund represent taxes levied for payment of debt service and are restricted for such purposes. Cash and investments of \$1,674,194 held by the Capital Projects Fund are unspent bond proceeds and are restricted for spending on construction and related costs. \$7,696 of cash and investments held by the Impact Fee Fund are restricted for spending on capital facilities needed to serve new development pursuant to C.R.S. 29-20-104.5. Amounts have been reported as restricted at December 31, 2021.

Cash Deposits

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

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021 the District's cash deposits had a bank balance of \$190,678 and a carrying balance of \$190,483.

Investments

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Credit Risk

The District owns investments held by Wells Fargo Bank, N.A. in the form of money market mutual funds. The money market mutual fund is unrated.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Money Market Mutual Fund	20 days	\$ 1,674,194
COLOTRUST	Weighted average under 60 days	1,557,627
		<u>\$ 3,231,821</u>

Money Market Mutual Fund

The District has invested in the Cash Investment Money Market Fund – Administrator Class shares managed by Wells Fargo Asset Management. The Cash Investment Money Market Fund primarily invests in high quality, short-term, U.S. dollar-denominated money market instruments of domestic and foreign issuers. The net asset value (NAV) is the value of one share of the fund.

COLOTRUST

At December 31, 2021, the District has invested \$1,557,627 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

However, the investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments such as COLOTRUST.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

The Cash Investment Money Market Fund determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share.

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**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	<u>Balance at January 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2021</u>
Capital assets, not being depreciated				
Work in process	\$ 61,591	\$ -	\$ -	\$ 61,591
Land	167,610	-	-	167,610
Total capital assets, not being depreciated	<u>229,201</u>	<u>-</u>	<u>-</u>	<u>229,201</u>
Capital assets, being depreciated:				
Buildings and improvements	903,392	-	-	903,392
Vehicles and equipment	2,183,339	-	-	2,183,339
Total capital assets, being depreciated	<u>3,086,731</u>	<u>-</u>	<u>-</u>	<u>3,086,731</u>
Less accumulated depreciation for:				
Buildings and improvements	(378,336)	(24,522)	-	(402,858)
Vehicles and equipment	(1,402,876)	(145,019)	-	(1,547,895)
Total accumulated depreciation	<u>(1,781,212)</u>	<u>(169,541)</u>	<u>-</u>	<u>(1,950,753)</u>
Total capital assets, being depreciated	<u>1,305,519</u>	<u>(169,541)</u>	<u>-</u>	<u>1,135,978</u>
Capital assets, net	<u>\$ 1,534,720</u>	<u>\$ (169,541)</u>	<u>\$ -</u>	<u>\$ 1,365,179</u>

Depreciation expense has been reported in the Public Safety – Fire/EMS function on the Statement of Activities.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2021:

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
2006 G.O. Bonds	\$ 1,375,000	\$ -	\$ 355,000	\$ 1,020,000	\$ 370,000

The detail of the District's long-term obligations is as follows:

2006 General Obligation Bonds

On August 23, 2006, the District issued \$6,000,000 in General Obligation Bonds, Series 2006 at varying interest rates ranging from 4.00% to 4.45%. Interest is to be paid semiannually on June 1 and December 1. Annual principal payments are due on December 1 starting in 2007 with the final payment originally due on December 1, 2026. The bonds constitute general obligations of the District. On June 15, 2016, the District redeemed \$1,000,000 in bond principal with excess accumulated debt service funds held. This shortened the maturity date on the District's bonds from 2026 to 2024 and also reduced the interest to be paid on the bonds over the remaining life of the bonds.

The bonds are subject to redemption prior to maturity, at any time after December 1, 2015, at a redemption price equal to par plus accrued interest. The bonds maturing on December 1, 2016 are subject to mandatory sinking fund requirements at par plus accrued interest on each December 1, years 2019 through 2024 in varying amounts.

Proceeds of the bonds are to be used for purposes of acquiring, constructing, installing, completing, equipping and otherwise providing, within or without the boundaries of the District, two fire stations, together with all necessary, incidental, and appurtenant facilities, equipment, land, and easements; purchasing or refinancing other fire and/or emergency medical vehicles and equipment and paying the cost of issuance of the bonds.

At December 31, 2021, the District had no authorized but unissued debt. The District's long-term obligations will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 370,000	\$ 45,390	\$ 415,390
2023	385,000	28,925	413,925
2024	265,000	11,792	276,792
	\$ 1,020,000	\$ 86,107	\$ 1,106,107

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - FUND EQUITY

At December 31, 2021, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$11,116 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$40,000 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 16).

The restricted fund balance in the Debt Service Fund in the amount of \$450,813 is to be used exclusively for debt service requirements (see Note 5).

The restricted fund balance in the Capital Projects Fund in the amount of \$1,377,354 is to be used exclusively for capital asset construction or acquisition in accordance with the General Obligation Bonds, Series 2006 bond documents (see Note 5). The restricted fund balance in the Impact Fee Fund of \$7,696 is restricted for capital expenses.

NOTE 7 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, net investment in capital assets was \$1,732,926.

Restricted net position includes items that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$40,000 as of December 31, 2021 as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 16) and \$447,030 restricted for debt service as required by the 2006 General Obligation Bond documents.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for risks of loss. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

General Information about the SWDBP

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include fire department clerical and other personnel whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWDBP:

- **Normal:** 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years’ base salary (as defined in FPPA Rule 101.05).
- **Early:** 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years’ base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

The SWDBP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has six payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Vested members with more than 5 years of service and non-vested members with less than 5 years of service may elect to withdraw their member contribution accounts upon termination of employment with all FPPA employers; waiving rights to any lifetime retirement benefits earned. The member's contributions plus 5% interest may be refunded to the member with all other contributions being forfeited. If a refund is chosen, stabilization reserve account monies and all employer contributions are forfeited.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Contributions. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute and are 8% of the employee's base salary. Member contribution rates can be amended by statute or by election of the membership. In 2021, eligible employees were required to contribute 11.5% of their FPPA base salary, and as a result of the 2014 Member Contributions Election, the plan member contribution rate will increase by 0.5% of covered salary each year through 2022. Contributions to the SWDBP from the District were \$27,299 for the year ended December 31, 2021.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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Annually, at the discretion of the Board of Directors of FPPA, the difference between the combined member/employer contributions and the actuarially determined contribution rate may be allocated to the stabilization reserve account (SRA). If the cost of the SWDBP exceeds the combined member/employer contribution rate, funds from the SRA may be used to make up the shortfall. Amounts set aside in the SRA are allocated to individual accounts for each member. A member may receive the amounts in this individual account upon election of Normal, Early or Vested retirement.

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

At December 31, 2021, the District reported a net pension asset of \$78,540 for its proportionate share of the net pension liability. 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 District contributions to the SWDBP for the calendar year 2020 relative to the total contributions of participating employers to the SWDBP.

At December 31, 2020, the District's proportion was 0.0361767694 percent, which was an increase of 0.0081047473 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension income of \$12,788. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 66,610	\$ 312
Net difference between projected and actual earnings on pension plan investments	33,404	80,672
Changes in assumptions or other inputs	-	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	51,074
Contributions subsequent to the measurement date	27,299	-
Total	\$ 127,313	\$ 132,058

\$27,299 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2022.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ (15,974)
2023	(5,512)
2024	(19,083)
2025	(5,209)
2026	7,574
2027	5,418
2028	1,959
2029	(933)
2030	(284)
	<u>\$ (32,044)</u>

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

For determining the total pension liability, 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 the projected prospectively using the ultimate rates of the scale of all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the PR-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

The SWDBP's 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 return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were 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 percent).

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Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; 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 percent.

Sensitivity of the District's proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability 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:

	6.00%	7.00%	8.00%
Proportionate share of the net pension (asset) liability	\$ 79,038	\$ (78,540)	\$ (209,034)

Pension plan fiduciary net position. Detailed information about the SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.0% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 3.0% contribution on behalf of the members. For the year ending December 31, 2021, the District's contributions to the SWD&DP were \$9,632, equal to their required contributions for that year.

NOTE 11 – DEFERRED COMPENSATION PLAN

All paid firefighters are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

NOTE 12 – VOLUNTEER FIGHTERS' PENSION FUND - FPPA ADMINISTERED

Volunteer Firefighters' Pension Plan

General Information about the Volunteer Firefighters' Pension Plan

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Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan (VFPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the VFPP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighters' Pension Plan Board of Trustees is comprised of the five Directors of the District and two District volunteer, retired volunteer, or active retiree firefighters. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes.

The Board of Trustees has adopted the following schedule of monthly benefits, which was in effect at December 31, 2021:

Normal Retirement Benefit	\$ 550
Extended Service (amount per year of service)	
5% of normal, for up to 10 additional years	\$ 27.50
Vested Retirement Benefit	
With 10 to 20 years of service, amount	
per year of service per minimum vesting years	\$ 27.50
Disability Retirement Benefit	\$ 275
Survivor benefit	
Death after normal retirement	\$ 275
Death after normal retirement with extended	
service (amount per year of service), subject to a maximum	\$ 13.75
Funeral Benefits (lump sum)	\$ 1,100

At December 31, 2021, there are 8 retired volunteers receiving benefits, 1 beneficiary receiving benefits, 30 active volunteers and 7 inactive, nonretired volunteers.

Contributions. The District makes contributions based upon District established benefits; the needs and best interest of the District, the VFPP, and the VFPP beneficiaries; and the funding that would be required in order to maintain the actuarial soundness of the plan, based upon a biennial actuarial study. VFPP members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District contributed \$5,000 for the year ended December 31, 2021.

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Net Pension Liability

Actuarial assumptions. The District's net pension liability was based on an actuarial valuation performed as of January 1, 2021 and a measurement date of December 31, 2019. The total pension liability for the December 31, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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	2.5%
Projected salary increases	N/A
Investment rate of return	7.0% per annum
Retirement age	50% per year of eligibility until 100% at age 65

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 mortality. **Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected prospectively using the ultimate rates of the scale for all years. **Disabled:** 2006 central rates from the RP-2014 Disabled 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.

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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	2.00%	2.32%
Fixed income - Rates	10.00%	4.10%
Fixed income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	100.00%	

Single Discount Rate. Projected benefit payments are 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 & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 2.30%.

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**SABLE-ALTURA FIRE PROTECTION DISTRICT
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Changes in the Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/20	\$ 1,737,182	\$ 550,924	\$ 1,186,258
Changes for the year:			
Service cost	67,014	-	67,014
Interest on the total pension liability	53,389	-	53,389
Difference between expected and actual experience	(137,360)	-	(137,360)
Changes in assumptions or other inputs	275,702	-	275,702
Benefit payments	(40,288)	(40,288)	-
District contributions	-	5,000	(5,000)
State of Colorado contributions	-	8,865	(8,865)
Pension plan net investment income	-	68,615	(68,615)
Administrative expense	-	(8,293)	8,293
Net Changes	<u>218,457</u>	<u>33,899</u>	<u>184,558</u>
Balances at 12/31/21	<u>\$ 1,955,639</u>	<u>\$ 584,823</u>	<u>\$ 1,370,816</u>

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 3.05 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.05 percent) or 1-percentage-point higher (4.05 percent) than the current rate:

	1.50%	2.30%	3.30%
Proportionate share of the net pension (asset) liability	<u>\$ 1,851,956</u>	<u>\$ 1,370,816</u>	<u>\$ 1,015,884</u>

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the District recognized pension expense of \$151,512.

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At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 410,891	\$ 54,615
Changes of assumptions or other inputs	16,091	71,311
Net difference between projected and actual investment earnings	-	138,616
Total	\$ 426,982	\$ 264,542

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31</u>		
2021	\$	56,041
2022		60,035
2023		31,095
2024		15,269
	\$	162,440

NOTE 13 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Hybrid Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Hybrid Plan – Defined Benefit Component (SWHP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWHP have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

General Information about the SWHP

Plan description. The SWHP covers full-time firefighters and police officers from departments that elect coverage. The SWHP may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The SWHP is comprised of two components: Defined Benefit and Money Purchase. With the later component, employees have the option of choosing among various mutual funds offered by an outside investment manager. SWHP benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable

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provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. SWHP provides retirement benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWHP:

- Normal: 25 years of service and age 55 with a benefit of 1.5% of the member's Highest Average Salary times year of service credit which is paid for the life of the member, with no designated beneficiary benefits. Benefits are based on the average of the highest 3 years' base salary.
- Early: 30 years of service or age 50 and who is not receiving benefits pursuant to the Statewide Death and Disability Plan. The annual early retirement pension for the member shall be the benefit, as determined by the FPPA Board of Trustees, that the member would have received at normal retirement reduced on an Actuarially Equivalent basis to reflect the early receipt of the benefit.
- Vested: 5 years of service payable at age 55 with a benefit of 1.5% of the member's Highest Average Salary times year of service credit in the Hybrid Plan. Benefits are based on the average of the highest 3 years' base salary.
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

The SWHP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has five payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors

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based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Contributions. Members and the District contribute to the SWHP at a rate determined by the individual employer, however, both the employer and individual members each must contribute at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The District's contributions to the SWHP for the years ending December 31, 2021, 2020 and 2019, respectively, were \$5,645, \$5,635 and \$4,549 equal to the District's required contributions for each year.

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

At December 31, 2021, the District reported an asset of \$91,254 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset 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 District contributions to the SWHP for the calendar year 2020 relative to the total contributions of participating employers to the SWHP.

At December 31, 2020, the District's proportion was 0.3317711339 percent, which was a decrease of 0.1339432163 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension income of \$12,980. At December 31, 2020, 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	\$ 33,887	\$ -
Net difference between projected and actual earnings on pension plan investments	-	21,132
Changes in assumptions or other inputs	4,286	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	16,620	-
Contributions subsequent to the measurement date	5,645	-
	<hr/>	<hr/>
Total	<u>\$ 60,438</u>	<u>\$ 21,132</u>

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\$5,645 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending 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:

2022	\$	6,696
2023		9,228
2024		4,880
2025		3,609
2026		7,034
2027		2,214
	<u>\$</u>	<u>33,661</u>

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.0%-14.0%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	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 the projected prospectively using the ultimate rates of the scale of all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the PR-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

The SWHP's 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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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

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

Sensitivity of the District’s proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability 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:

	6.00%	7.00%	8.00%
Proportionate share of the net pension (asset) liability	\$ (62,892)	\$ (91,254)	\$ (114,780)

Pension plan fiduciary net position. Detailed information about the SWHP’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 14 - PUBLIC EMPLOYEES’ RETIREMENT ASSOCIATION OF COLORADO

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net

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position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all of these changes were in effect as of December 31, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit or
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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As of December 31, 2021, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions as of December 31, 2021. Eligible employees and District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f) ¹	-1.02%
Amount apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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DECEMBER 31, 2021**

contributions to the LGDTF. Employer contributions recognized by the LGDTF from District were \$7,291 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a liability of \$28,341 for its proportionate share of the net pension liability. 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 December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2020.

The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF. At December 31, 2021, the District proportion was 0.0054383223 percent, which was an increase of 0.0027978584 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the District recognized pension expense of \$13,166. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 1,370	\$ -
Net difference between projected and actual earnings on pension plan investments	6,849	30,649
Changes in assumptions and other inputs	-	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	20,188	-
Contributions subsequent to the measurement date	<u>7,291</u>	<u>-</u>
 Total	 <u>\$ 35,698</u>	 <u>\$ 30,649</u>

\$7,291 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending 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:

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Year Ending December 31

2022	\$	12,530
2023		454
2024		(10,389)
2025		(4,837)
		(2,242)
	\$	(2,242)

Actuarial assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.25 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternative	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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	6.25%	7.25%	8.25%
Proportionate share of the net pension (asset) liability	<u>\$ 65,285</u>	<u>\$ 28,341</u>	<u>\$ (2,504)</u>

Pension plan fiduciary net position. Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 15 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF— a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient’s eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$587 for the year ended December 31, 2021.

The District's calculated liability for its proportionate share of the net OPEB liability at December 31, 2021 was \$3,934 which is not material and has therefore not been recorded on the government-wide financial statements.

NOTE 16 – INTERGOVERNMENTAL AGREEMENT

The District entered into an Intergovernmental Agreement Regarding Exclusion and Inclusion of Real Property (IGA) on May 16, 2017 with South Adams Fire Protection District No. 4 (SACFPD). The IGA provides for certain real property to be excluded from the District's service area and included into SACFPD's service area. SACFPD agrees to share a portion of its mill levy revenue on the District's excluded property as follows:

- Years 1-3: Sable Altura will receive 100% of the mill levy revenue received by SACFPD,
- Years 4-5: Sable Altura will receive 80% of mill levy revenue received by SACFPD,
- Years 6-7: Sable Altura will receive 60% of mill levy revenue received by SACFPD,
- Years 8-9: Sable Altura will receive 40% of mill levy revenue received by SACFPD,

**SABLE-ALTURA FIRE PROTECTION DISTRICT
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- Year 10: Sable Altura will receive 20% of mill levy revenue received by SACFPD,
- Years 11 and thereafter: Sable Altura will receive 0% of mill levy revenue received by SACFPD

SACFPD agrees to pay the District's share of mill levy revenue within sixty days following receipt by SACFPD of mill levy revenue attributable to the excluded property, along with documentary proof of the amount of such mill levy revenue collected. The IGA terminates at the end of the tenth year following the IGA date.

NOTE 17 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

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

TABOR requires local governments to establish Emergency Reserves. 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.

In the 1996 General Election, a majority of the District's electors exempted the District from TABOR's revenue and spending restrictions.

At an election conducted in November 2003, a majority of the District's electors exempted the District from the additional 5.5% annual revenue limitation imposed by section 29-1-301, C.R.S. and exempted any additional revenue collected as a result of TABOR's revenue and spending restrictions.

At an election conducted in November 2017, a majority of the District's electors approved the District's taxes to be increased \$350,000 (first full fiscal year dollar increase) annually beginning in levy year 2017 (for collection in calendar year 2018) by increasing the District's existing property tax of 7.000 mills by 4.330 mills to be used for administration, operations, and capital improvements, all revenue and earnings from this tax constituting a permanent voter-approved revenue change within the meaning of Article X, Section 20 of the Colorado Constitution and an exception to the limitations set forth in Section 29-1-301 of the Colorado Revised Statutes and any other law.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST NINE FISCAL YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	3.6176769%	2.8072022%	0.3681754%	0.0149163%	0.0169774%	0.0177454%	0.0179215%	0.0141153%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (78,540)	\$ (15,877)	\$ 46,547	\$ (21,459)	\$ 6,135	\$ 313	\$ 20,226	\$ 12,622
District's Covered Payroll	\$ 290,575	\$ 206,894	\$ 246,624	\$ 87,251	\$ 86,885	\$ 86,019	\$ 80,593	\$ 61,307
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-27.03%	-7.67%	18.87%	-24.59%	7.06%	0.36%	25.10%	20.59%
Calculation of Collectvie Net Pension Liability (Asset):								
Total Pension Liability	\$ 3,230,485,701	\$ 2,919,378,738	\$ 2,653,120,261	\$ 2,269,410,684	\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
Plan Fiduciary Net Position	<u>3,447,586,098</u>	<u>2,975,935,079</u>	<u>2,526,692,808</u>	<u>2,413,276,447</u>	<u>1,985,393,043</u>	<u>1,848,724,853</u>	<u>1,765,758,630</u>	<u>1,623,049,809</u>
Net Pension Liability (Asset)	<u>\$ (217,100,397)</u>	<u>\$ (56,556,341)</u>	<u>\$ 126,427,453</u>	<u>\$ (143,865,763)</u>	<u>\$ 36,133,840</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.72%	101.94%	95.23%	106.34%	98.21%	100.10%	106.83%	105.83%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior two years was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 27,299	\$ 23,246	\$ 16,552	\$ 19,730	\$ 6,980	\$ 6,951	\$ 6,881	\$ 6,447	\$ 4,905
Contributions in Relation to the Contractually Required Contribution	(27,299)	(23,246)	(16,552)	(19,730)	(6,980)	(6,951)	(6,881)	(6,447)	(4,905)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 321,877	\$ 290,575	\$ 206,894	\$ 246,624	\$ 87,251	\$ 86,885	\$ 86,019	\$ 80,593	\$ 61,307
Contributions as a Percentage of Covered Payroll	8.48%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

NOTE: Information for one prior year was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE HYBRID PLAN
LAST EIGHT FISCAL YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.3317711%	0.4657144%	0.3339233%	0.3069924%	0.3656058%	0.3417129%	0.3235573%	0.3037324%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (91,254)	\$ (90,693)	\$ (46,093)	\$ (60,025)	\$ (39,797)	\$ (35,992)	\$ (38,373)	\$ (30,981)
District's Covered Payroll	\$ 70,431	\$ 56,862	\$ 46,058	\$ 58,670	\$ 59,101	\$ 56,248	\$ 50,063	\$ 49,119
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-129.57%	-159.50%	-100.08%	-102.31%	-67.34%	-63.99%	-76.65%	-63.07%
Calculation of Collectvie Net Pension Liability (Asset):								
Total Pension Liability	\$ 72,402,198	\$ 64,782,432	\$ 58,841,997	\$ 50,319,464	\$ 42,201,793	\$ 35,776,922	\$ 29,177,530	\$ 26,123,656
Plan Fiduciary Net Position	99,907,288	84,256,450	72,645,438	69,872,191	53,087,030	46,309,805	41,037,152	36,323,815
Net Pension Liability (Asset)	<u>\$ (27,505,090)</u>	<u>\$ (19,474,018)</u>	<u>\$ (13,803,441)</u>	<u>\$ (19,552,727)</u>	<u>\$ (10,885,237)</u>	<u>\$ (10,532,883)</u>	<u>\$ (11,859,622)</u>	<u>\$ (10,200,159)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.99%	130.06%	123.46%	138.86%	125.79%	129.44%	140.65%	139.05%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for one prior year was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE HYBRID PLAN
LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 5,645	\$ 5,635	\$ 4,549	\$ 3,685	\$ 4,694	\$ 4,728	\$ 4,500	\$ 4,005	\$ 3,929
Contributions in Relation to the Contractually Required Contribution	(5,645)	(5,635)	(4,549)	(3,685)	(4,694)	(4,728)	(4,500)	(4,005)	(3,929)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 70,560	\$ 70,431	\$ 56,862	\$ 46,058	\$ 58,670	\$ 59,101	\$ 56,248	\$ 50,063	\$ 49,119
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

NOTE: Information for the prior two years was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST SEVEN FISCAL YEARS**

Measurement period ending December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 67,014	\$ 51,086	\$ 82,226	\$ 73,181	\$ 83,409	\$ 78,914	\$ 37,746
Interest on the total pension liability	53,389	55,939	57,297	55,251	52,283	48,884	53,026
Difference between expected and actual experience	(137,360)	-	(43,046)	-	(35,396)	-	(108,706)
Changes in assumptions or other inputs	275,702	266,402	(148,195)	103,822	6,191	44,070	194,992
Benefit payments	(40,288)	(39,600)	(39,600)	(39,600)	(39,600)	(37,400)	(36,300)
Net Change in Total Pension Liability	<u>218,457</u>	<u>333,827</u>	<u>(91,318)</u>	<u>192,654</u>	<u>66,887</u>	<u>134,468</u>	<u>140,758</u>
Total Pension Liability - Beginning	<u>1,737,182</u>	<u>1,403,355</u>	<u>1,494,673</u>	<u>1,302,019</u>	<u>1,235,132</u>	<u>1,100,664</u>	<u>959,906</u>
Total Pension Liability - Ending (a)	<u>\$ 1,955,639</u>	<u>\$ 1,737,182</u>	<u>\$ 1,403,355</u>	<u>\$ 1,494,673</u>	<u>\$ 1,302,019</u>	<u>\$ 1,235,132</u>	<u>\$ 1,100,664</u>
Plan Fiduciary Net Position							
District contributions	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -
State of Colorado contributions	8,865	-	-	-	-	-	-
Pension plan net investment income	68,615	72,166	637	75,395	27,978	10,349	37,992
Benefit payments	(40,288)	(39,600)	(39,600)	(39,600)	(39,600)	(37,400)	(36,300)
Administrative expense	(8,293)	(9,401)	(10,095)	(9,935)	(1,113)	(2,233)	(1,251)
Net Change in Plan Fiduciary Net Position	<u>33,899</u>	<u>28,165</u>	<u>(44,058)</u>	<u>30,860</u>	<u>(7,735)</u>	<u>(29,284)</u>	<u>441</u>
Plan Fiduciary Net Position - Beginning	<u>550,924</u>	<u>522,759</u>	<u>566,817</u>	<u>535,957</u>	<u>543,692</u>	<u>572,976</u>	<u>572,535</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 584,823</u>	<u>\$ 550,924</u>	<u>\$ 522,759</u>	<u>\$ 566,817</u>	<u>\$ 535,957</u>	<u>\$ 543,692</u>	<u>\$ 572,976</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 1,370,816</u>	<u>\$ 1,186,258</u>	<u>\$ 880,596</u>	<u>\$ 927,856</u>	<u>\$ 766,062</u>	<u>\$ 691,440</u>	<u>\$ 527,688</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	29.90%	31.71%	37.25%	37.92%	41.16%	44.02%	52.06%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: Information for the prior three years was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 66,851	\$ 57,666	\$ 57,666	\$ 50,955	\$ 50,955	\$ 50,955	\$ 36,237
Contributions in relation to the actuarially required contribution:							
District contribution	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	-	-
State of Colorado contribution	(8,865)	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ 52,986</u>	<u>\$ 52,666</u>	<u>\$ 52,666</u>	<u>\$ 45,955</u>	<u>\$ 45,955</u>	<u>\$ 50,955</u>	<u>\$ 36,237</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open
Remaining amortization period	20 years
Asset valuation method	5 - year smoothed fair value
Inflation	2.5%
Projected salary increases	N/A
Investment rate of return	7.0% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	

Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using MP-2017 projection scales, and then 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 year. **Disabled:** 2006 central rates from the RP-2014 Disabled 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.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST SEVEN FISCAL YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.5438322%	0.0024640%	0.0010825%	0.0010779%	0.0010889%	0.0010213%	0.0010402%	0.0010871%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 28,341	\$ 19,312	\$ 13,609	\$ 12,002	\$ 14,704	\$ 11,250	\$ 9,324	\$ 8,946
District's Covered Payroll	\$ 39,223	\$ 18,183	\$ 6,600	\$ 6,800	\$ 6,600	\$ 5,800	\$ 5,700	\$ 5,800
Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	72.26%	106.21%	206.20%	176.50%	222.79%	193.97%	163.58%	154.24%
Calculation of Collective Net Pension Liability:								
Total Pension Liability	\$ 5,715,765,000	\$ 5,324,353,000	\$ 5,228,602,000	\$ 5,396,516,000	\$ 5,123,847,000	\$ 4,762,090,000	\$ 4,647,777,000	\$ 4,331,233,000 (2)
Plan Fiduciary Net Position	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000	3,508,312,000
Net Pension Liability	<u>\$ 521,127,000</u>	<u>\$ 731,391,000</u>	<u>\$ 1,257,213,000</u>	<u>\$ 1,113,430,000</u>	<u>\$ 1,350,341,000</u>	<u>\$ 1,101,581,000</u>	<u>\$ 896,309,000</u>	<u>\$ 822,921,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.88%	86.26%	75.96%	79.37%	73.65%	76.87%	80.72%	81.00%

(1) - The amounts presented for each fiscal year were determined as of 12/31.

(2) - December 31, 2013 amount reduced by the \$186,006,000 specific liability adjustment resulting from the termination of the affiliation of Memorial Health Systems. This specific liability was paid in October 2014 by the City of Colorado Springs.

NOTE: Information for the prior two years was not available to report.

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND
LAST NINE FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 7,291	\$ 4,973	\$ 2,306	\$ 837	\$ 862	\$ 837	\$ 736	\$ 723	\$ 736
Contributions in Relation to the Contractually Required Contribution	(7,291)	(4,973)	(2,306)	(837)	(862)	(837)	(736)	(723)	(736)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 57,500	\$ 39,223	\$ 18,183	\$ 6,600	\$ 6,800	\$ 6,600	\$ 5,800	\$ 5,700	\$ 5,800
Contributions as a Percentage of Covered Payroll	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%	12.68%

NOTE: Information for one prior year was not available to report.

SUPPLEMENTAL INFORMATION

SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actuals</u>	Variance with Final Budget Positive (Negative)
REVENUE				
Property taxes	\$ 465,231	\$ 465,231	\$ 456,436	\$ (8,795)
Net investment income	6,000	6,000	907	(5,093)
TOTAL REVENUE	<u>471,231</u>	<u>471,231</u>	<u>457,343</u>	<u>(13,888)</u>
EXPENDITURES				
Debt service				
Principal	355,000	355,000	355,000	-
Interest	61,188	61,188	61,187	1
Paying agent fees	200	1,834	500	1,334
Treasurers' fees	6,978	6,978	6,857	121
TOTAL EXPENDITURES	<u>423,366</u>	<u>425,000</u>	<u>423,544</u>	<u>1,456</u>
NET CHANGE IN FUND BALANCE	47,865	46,231	33,799	(12,432)
FUND BALANCE - BEGINNING OF PERIOD OF PERIOD	<u>413,917</u>	<u>413,917</u>	<u>417,014</u>	<u>3,097</u>
FUND BALANCE - END OF PERIOD	<u>\$ 461,782</u>	<u>\$ 460,148</u>	<u>\$ 450,813</u>	<u>\$ (9,335)</u>

SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2021

	Original and Final Budget	Actuals	Variance with Final Budget Positive (Negative)
REVENUE			
Net investment earnings	\$ 15,000	\$ 42	\$ (14,958)
TOTAL REVENUE	<u>15,000</u>	<u>42</u>	<u>(14,958)</u>
EXPENDITURES			
Non-capitalizable items:			
Station 1	-	13,200	(13,200)
Station 2	1,408,927	4,962	1,403,965
Buildings/Improvements	-	6,755	(6,755)
Other improvements	-	64	(64)
Vehicle equipment	-	18,681	(18,681)
TOTAL EXPENDITURES	<u>1,408,927</u>	<u>43,662</u>	<u>1,365,265</u>
NET CHANGE IN FUND BALANCE	(1,393,927)	(43,620)	1,350,307
FUND BALANCE - BEGINNING OF PERIOD	<u>1,393,927</u>	<u>1,420,974</u>	<u>27,047</u>
FUND BALANCE - END OF PERIOD	<u>\$ -</u>	<u>\$ 1,377,354</u>	<u>\$ 1,377,354</u>

SABLE-ALTURA FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - IMPACT FEE - CAPITAL PROJECTS FUND
For the Year Ended December 31, 2021

	Original and Final Budget	Actuals	Variance with Final Budget Positive (Negative)
REVENUE			
Impact fees	\$ -	\$ -	\$ -
Net investment earnings	100	4	(96)
TOTAL REVENUE	<u>100</u>	<u>4</u>	<u>(96)</u>
EXPENDITURES			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	100	4	(96)
FUND BALANCE - BEGINNING OF PERIOD	<u>7,714</u>	<u>7,692</u>	<u>(22)</u>
FUND BALANCE - END OF PERIOD	<u><u>\$ 7,814</u></u>	<u><u>\$ 7,696</u></u>	<u><u>\$ (118)</u></u>

**SABLE-ALTURA FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2021**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>Operations</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2006	\$ 22,127,010	7.000	0.000	\$ 238,845	\$ 236,095	98.85%
2007	\$ 33,405,480	7.000	14.000	\$ 701,515	\$ 702,209	100.10%
2008	\$ 39,078,970	7.000	14.000	\$ 820,659	\$ 820,351	99.96%
2009	\$ 40,094,150	7.000	14.000	\$ 841,980	\$ 841,644	99.96%
2010	\$ 40,991,740	7.000	14.000	\$ 860,827	\$ 860,658	99.98%
2011	\$ 38,455,580	7.000	14.000	\$ 807,567	\$ 807,116	99.94%
2012	\$ 40,297,210	7.000	14.000	\$ 846,241	\$ 845,224	99.88%
2013	\$ 43,816,260	7.000	14.000	\$ 920,141	\$ 915,251	99.47%
2014	\$ 47,019,010	7.000	14.000	\$ 987,399	\$ 977,699	99.02%
2015	\$ 54,524,578	7.000	14.000	\$ 1,145,016	\$ 1,144,577	99.96%
2016	\$ 64,952,703	7.000	14.000	\$ 1,104,196	\$ 1,093,388	99.02%
2017	\$ 63,561,197	7.000	10.000	\$ 1,080,540	\$ 1,094,647	101.31%
2018	\$ 61,598,519	11.333	5.667	\$ 1,047,175	\$ 1,046,608	99.95%
2019	\$ 69,148,958 (a)	11.333	5.667	\$ 1,064,425	\$ 1,065,418	100.09%
2020	\$ 80,756,255 (b)	11.560	5.200	\$ 1,110,452	\$ 1,106,121	99.61%
2021	\$ 89,467,681 (c)	11.552	5.200	\$ 1,172,481	\$ 1,161,635	99.07%
Estimated for year ending December 31, 2022	\$ 123,962,170 (d)	11.592	3.400	\$ 1,154,394		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurers' does not permit identification of specific year of assessment.

- (a) includes \$9,803,900 of assessed valuation for debt service only
- (b) includes \$21,022,770 of assessed valuation for debt service only
- (c) includes \$28,244,540 of assessed valuation for debt service only
- (d) includes \$60,735,600 of assessed valuation for debt service only

**SABLE-ALTURA FIRE PROTECTION DISTRICT
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2021**

**\$6,000,000 General Obligation Bonds
 Dated August 23, 2006
 Interest Rate 4.00% to 4.20%
 Principal Due December 1
 Interest Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 370,000	\$ 45,390	\$ 415,390
2023	385,000	28,925	413,925
2024	265,000	11,792	276,792
	<u>\$ 1,020,000</u>	<u>\$ 86,107</u>	<u>\$ 1,106,107</u>