



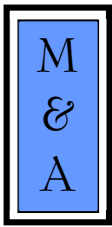
Financial Statements

December 31, 2021

**South Arkansas Fire Protection District
Financial Statements
December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
South Arkansas Fire Protection District**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of South Arkansas 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, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of South Arkansas Fire Protection District, as of December 31, 2021, and the respective changes in financial position 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
South Arkansas Fire Protection District

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, the Schedule of Changes in Net Pension Asset / Liability & Related Rations and the Schedules of District Contributions in section D be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
South Arkansas Fire Protection District**

Required Supplementary Information (continued)

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
August 8, 2022**

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH ARKANSAS FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the annual financial report offers readers of the South Arkansas Fire Protection District (the "District") financial statements the District's discussion and analysis of its financial performance during the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Background Information

The South Arkansas Fire Protection District (the District) was created in 1964 by the head of the Masonic Order, George W. Koenig. Around 1963, a fire outside of the city limits spurred a local controversy. The Salida City Council declared that areas not within the city limits were not entitled to any form of fire protection.

A two-mile area around the City of Salida was petitioned to form a fire protection district. One hundred percent was achieved, and the district was formed. Enough money was generated to order a new fire truck. A portion of Western Fremont County falls within the South Arkansas Fire Protection District.

The District initially had a general fund from a mill levy and a volunteer pension fund. In 1995, the district disbanded the volunteers and entered into an Intergovernmental Agreement with the City of Salida to have the Salida Career Firefighters run their calls and maintain their equipment. Several members from the South Arkansas Volunteers are still collecting a pension.

The final mill levy certified to the County Commissioners is 4.519 for all general operating purposes, subject to statutory and/or TABOR limitation; 0.000 mills for G.O. Bonds; 0.000 mills for refund and abatement; and 0.000 mills for the Temporary Tax Credit/Mill Levy Reduction to be collected in 2021.

2021 Financial Highlights

- The District's financial status reflected an increase in net position during the 2021 fiscal year of \$412,916 as compared to 2020.
- General revenues account for \$351,324, or 21%, of all revenues. The District had \$1,323,849 program specific revenues in the form of charges for services.
- The District had \$1,262,257 in expenses related to governmental activities, of which \$1,081,681 of these expenses were program specific charges for services.
- No capital outlay expenses were incurred for 2021 fiscal year.
- No contributions were made to the Tabor Reserve account. The total Tabor Reserve balance at December 31, 2021 was \$36,000. This fund is established to stay in compliance with the requirements of TABOR.
- With the passage of House Bill 17-1349 in May 2017, the ratio of valuation of assessment of residential property is set at 7.2% for property tax years commencing on and after January 1, 2017. This rate was previously set at the current 7.96%. These adjustments are part of the Gallagher Act of 1982, which establishes a ratio of property taxes in which residential property taxes cannot exceed 45% of the state's overall assessed value. Property taxes comprise approximately 16% of the District's revenue. The Gallagher Amendment was repealed in 2020 by Colorado voters.

Overview of the Financial Statements

This annual financial report consists of three (3) parts: management’s discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two (2) kinds of statements that present different views of the District.

- The first two (2) statements are government-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements.
- The governmental fund statements reflect how basic services such as fire protection were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed information. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District’s general fund budget for the year.

The following diagram displays how the various parts of this annual report are arranged and related to one another.

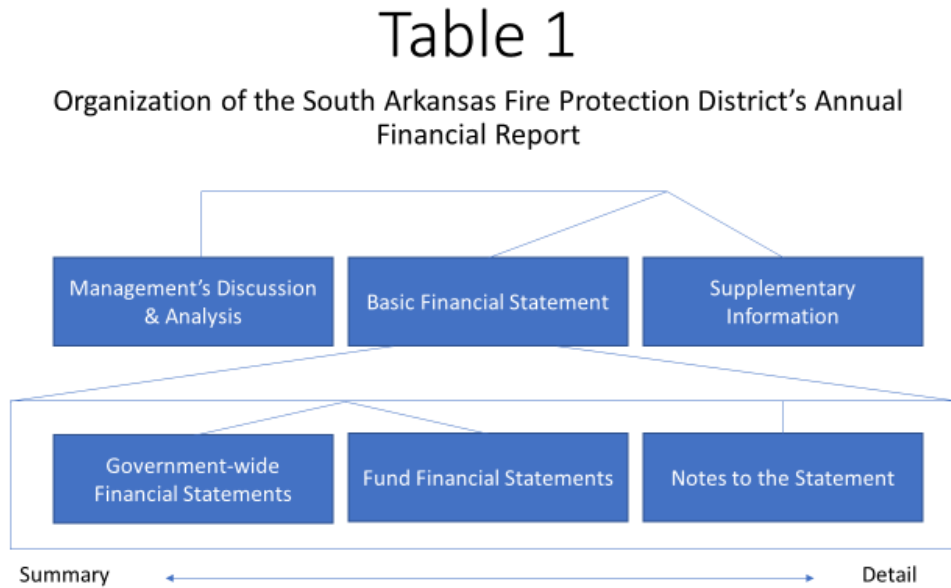


Table 2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the two (2) types of financial statements, government-wide and fund financial statements, which found in the basic financial statements.

Table 2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds Fund Financial Statements
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statements of Net Position Statements of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of the District’s finances, in a manner similar to a private-sector business. The statement of net position includes all of the District’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid, in accordance with the accrual basis and economic resources focus of accounting. These statements provide both short-term and long-term information about the District’s overall financial status.

The Statement of Net Position, presents information on all of the District’s assets and liabilities, with the difference between the two reported as the 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. To assess the District’s overall health, one needs to consider additional non-financial factors such as the condition of buildings and equipment.

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 flow in future fiscal periods.

Both of the government-wide financial statements (Statement of Net Position and Statement of Activities) distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District’s basic services such as fire protection.

The basic government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District's funds are divided into one category, the governmental fund, which is referred to in the fund financial statements as the General Fund.

-Governmental fund: Most of the District's basic services are included in its governmental fund, which generally focuses on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus that is presented on the government-wide statements, a reconciling schedule is included on the governmental fund statements showing the relationship (or difference) between the fund and government-wide financial statements.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered a major fund.

The basic governmental fund financial statements can be found on pages C1-C2 of this report.

Notes to the Financial Statements

The notes to the financial statements, which are included in section D of this report, provide additional information, which is essential to the full understanding of the information included in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position increased to \$2,797,173 or approximately 17%, as compared to the prior year. Table 3 includes a comparison of the District's net position at December 31, 2021 and 2020, respectively.

Table 3 – Condensed Statement of Net Position

	2021	2020
ASSETS		
Current Assets	2,940,594	2,371,032
Capital Assets, Net	303,323	342,820
Total Assets	3,243,917	2,713,852
 DEFERRED OUTFLOWS OF RESOURCES	 6,285	 6,285
 LIABILITIES		
Current Liabilities	13,441	35,069
Long-term Liabilities	59,286	-
Total Liabilities	72,727	35,069
 DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue - Property Taxes	372,638	296,893
Pension Related Deferred Inflows	7,664	3,918
Total deferred inflows of resources	380,302	300,811
 NET POSITION		
Net Investment in Capital Assets	303,323	342,820
Restricted for :		
Emergencies (Tabor Reserve)	36,000	36,000
Unrestricted	2,457,850	2,005,437
Total Net Position	2,797,173	2,384,257

The following table, Table 4, includes a summary of the changes in net position for the years ended December 31, 2021 and 2020, respectively.

Table 4 – Changes in Net Position

	<u>2021</u>	<u>2020</u>
REVENUES		
General Revenues		
Property and Specific Ownership Taxes	335,199	327,603
Earnings on Investments	397	4,565
Other	15,728	25,951
Program Revenues		
Charges for Services	1,323,849	1,483,174
Total Revenues	<u>1,675,173</u>	<u>1,841,293</u>
 EXPENDITURES/EXPENSES		
Personnel Expenses	894,635	1,004,989
Professional Services	96,834	120,094
Education, Training, and Travel	196,091	81,250
Supplies, Commodities & Materials	22,387	21,543
Equipment Maintenance	12,812	15,043
Interest on Long-Term Debt	-	140
Depreciation Expense	39,498	39,491
Total Expenditures	<u>1,262,257</u>	<u>1,282,550</u>
 CHANGES IN NET POSITION	 <u>\$ 412,916</u>	 <u>\$ 558,743</u>

Financial Analysis of District’s Funds

General Fund

The general fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization – administration, firefighting, emergency medical service, fire prevention, training, communications, vehicle maintenance, and facility maintenance. The general fund also provides for such other items as insurance, utilities, fees, and other operating costs the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include development review fees, interest income, and other income. The primary projects or program efforts for establishing needed funding during 2021 were:

1. Salaries and benefits for all personnel of the District.
2. Professional services such as legal, utility, and insurance services.
3. Supplies and materials such as protective equipment, information technology equipment, and medical supplies.
4. Education classes, travel, and supplies for district personnel and public education.
5. Equipment maintenance for all apparatus, vehicles, and power tools.
6. Contributions to the capital reserve account.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado Law and is based on accounting for certain transaction on basis of cash receipts and disbursements. The District's budget for the general fund anticipated that revenues would exceed expenditures by \$166,797. The actual results for the year show revenues exceeding expenditures by \$412,915 in the Statement of Activities, and expenses exceeded revenues by \$1,217,147 in the General Fund.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the Fire District's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Personnel services
- Professional services
- Supplies and materials
- Education and travel
- Equipment maintenance

The District must maintain at least a 3% emergency contingency restricted reserve account as part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2021, the District's TABOR reserve amounted to \$36,000.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2021, the District had invested \$1,223,372 (before depreciation) in a broad range of capital assets, including land, our building, site improvements, vehicles and other equipment (See Table 8). Additional information on the District's capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$39,498.

Table 5 – Capital Assets (Net of Depreciation)

	Governmental Activities		% Change
	2021	2020	
Land	\$ 50,000	\$ 50,000	0.00%
Buildings and improvements	2,939	3,919	-25.00%
Machinery and Equipment	250,384	288,901	-13.33%
Total	\$ 303,323	\$ 342,820	

Long-Term Debt

By the end of 2021, the District had \$0 in capital lease obligations.

Table 6 – Outstanding Long-Term Liabilities

	Total Governmental Activities		
	2021	2020	% Change
Government activities:			
Capital lease obligation	\$ 0	\$ 0	0.00%

Volunteer Firefighters’ Pension Fund

The Volunteer Firefighters’ Pension Fund was established and continually funded to provide for the provision of retirement pension benefits for volunteer firefighters of the District. The fund provides for the payment of benefits and expenses of providing those benefits. The primary funding source for this fund is the transfer of funds from the interest from previously invested assets of the fund and from the State of Colorado funding mechanism specifically developed for these benefit efforts. Currently there are no active volunteers within the district. There are six Old Hires (Retired volunteers) that are still receiving a pension; however, the District is no longer making contributions to the Fund. At the time the Old Hires are no longer able to draw on the Fund, the District will receive the remaining Pension Fund balance, in accordance with C.R.S. 31-30 Part 11.

Factors Bearing on the District’s Future

The District closed the operating and travel bank accounts a Pueblo Bank & Trust in 2021. They were replaced with one checking account at High Country Bank. On September 9, 2021, the court granted South Arkansas Fire Protection District’s proposed order to include 10 additional real properties within the district. This order will create additional property tax revenues for the District. At the October 11, 2021 board meeting, the South Arkansas Fire Protection District board members approved the purchase of a new Type III Rosenbauer Timberwolf Engine. The production process for the engine is scheduled to begin in fiscal year 2022. Any financial aspects of the purchase go into effect in fiscal year 2022 beginning with an initial payment due in the later part of 2022 with subsequent payments thereafter.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have any questions or need additional financial information, contact the South Arkansas Fire Protection District at 124 E Street Salida, CO 81201, or P.O. Box 393, Salida, CO 81201; telephone 719-539-2212 or fax 719-539-9086. Please direct all questions to Fire Chief Doug Bess.

FINANCIAL STATEMENTS

**South Arkansas Fire Protection District
Balance Sheet/
Statement of Net Position
December 31, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and cash equivalents	1,393,732	-	1,393,732
Property tax receivable	372,638	-	372,638
Receivables, net	1,174,224	-	1,174,224
Capital assets, not depreciated	-	50,000	50,000
Capital assets, net of depreciation	-	253,323	253,323
Total Assets	<u>2,940,594</u>	<u>303,323</u>	<u>3,243,917</u>
Deferred Outflows of Resources			
Pension related deferred outflows	-	6,285	6,285
Total Pension Related Deferred Outflows	<u>-</u>	<u>6,285</u>	<u>6,285</u>
Liabilities:			
Accounts payable	12,812	-	12,812
Payroll liabilities	629	-	629
Net pension liability	-	59,286	59,286
Total Liabilities	<u>13,441</u>	<u>59,286</u>	<u>72,727</u>
Deferred Inflow of Resources:			
Deferred revenue - property taxes	372,638	-	372,638
Pension-related deferred inflows	-	7,664	7,664
Deferred revenue - wildland income	584,008	(584,008)	-
Total Deferred Inflow of Resources	<u>956,646</u>	<u>(576,344)</u>	<u>380,302</u>
Fund Balance/Net Assets:			
Fund Balance:			
Restricted for:			
Emergencies	36,000	(36,000)	-
Contractual obligation	455,627	(455,627)	-
Assigned	105,230	(105,230)	-
Unassigned	1,373,650	(1,373,650)	-
Total Fund Balance	<u>1,970,507</u>	<u>(1,970,507)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>2,940,594</u>		
Net Position:			
Restricted for:			
Emergencies		36,000	36,000
Net invested in capital assets		303,323	303,323
Unrestricted		2,457,850	2,457,850
Total Net Position		<u>2,797,173</u>	<u>2,797,173</u>

The accompanying notes are an integral part of these financial statements.

South Arkansas Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	296,848	-	296,848
Specific ownership tax	38,351	-	38,351
Interest income	397	-	397
Charges for services	2,055,267	(731,418)	1,323,849
Impact fees in lieu of cistern	9,000	-	9,000
Other income	6,728	-	6,728
Total Revenues	<u>2,406,591</u>	<u>(731,418)</u>	<u>1,675,173</u>
Expenditures/Expenses:			
Fire protection	1,042,183	39,498	1,081,681
General government	147,261	33,315	180,576
Total Expenditures/Expenses	<u>1,189,444</u>	<u>72,813</u>	<u>1,262,257</u>
Excess (Deficiency) of Revenues Over Expenditures	1,217,147	(1,217,147)	
Change in Net Position		412,916	412,916
Fund Balance/Net Position:			
Beginning	753,360		2,384,257
Ending	<u>1,970,507</u>		<u>2,797,173</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021

I. Summary of Significant Accounting Policies

The South Arkansas Fire Protection District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District is governed by five members of the Board of Directors who operate under the Bylaws of the Board of Directors of the South Arkansas Fire Protection District. The District's purpose is to provide fire protection services within the boundaries of the District in Chaffee and Fremont counties, Colorado.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District has no component units, and it is not a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. However, the District does not have any business-type activities, only governmental activities.

1. Government-wide Financial Statements

In the Governmental Funds Balance Sheet/Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—invested in capital assets; restricted net position; and unrestricted net position.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. The effect of interfund activity has been eliminated from the government-wide financial statements.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

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

The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental funds financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to accrued compensated absences are recognized when due.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

Certain deposits held by the District are classified as restricted assets on the balance sheet because their use is limited to the District's debt requirements.

2. Investments

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease in investment assets and investment income.

The District follows state statute, which permits investments in the following types of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Capital Assets

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

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

<u>Assets</u>	<u>Years</u>
Buildings	27.5
Improvements	10
Machinery and equipment	5-20

7. Pensions

The District holds a Volunteer Firefighters' Pension Fund, which is an agent multiple-employer plan 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 pension, pension expense, information about the fiduciary net position and additions to/deletions from the fiduciary net position of the Plan 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.

8. Compensated Absences

A liability for compensated absences has not been recorded on the financial statements. Due to the voluntary nature of this organization, absences are not compensated.

9. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position column. In the fund financial statements, proceeds from debt are recorded as other financing sources, and debt principal and interest payments made in the current period are reported as debt service expenditures in the current period.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Inflows and Outflows 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 then. The District has one item that qualifies for reporting in this category, which is the pension-related deferred outflow reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for this type of reporting in this category, which are the unavailable revenues from property taxes and wildland income along with pension-related deferred inflows reported in the government-wide statement of net position.

Deferred items related to the District's pension plans, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan, are amortized over the average remaining service life of active and inactive plan participants.

11. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The General Fund has \$36,000 restricted by law for emergencies. The General Fund also has \$455,627 restricted for a contractual obligation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Balance (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee. The General Fund has \$105,230 assigned for future capital expenditures.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve position and management calculates targets and reports them annually to the Board of Directors.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the Governmental Funds Balance Sheet and the government-wide Statement of Net Position

The Governmental Funds Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds.

Capital assets	\$ 1,223,372	
Accumulated depreciation	<u>(920,049)</u>	
		\$ 303,323

Deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds. Pension-related deferred outflows were \$6,285 at December 31, 2021.

Net pension liability of \$59,286 does not use current financial resources and, therefore, is not reported in the funds..

Deferred inflows are not available as current period revenues and, therefore, are not reported in the funds. Pension-related deferred inflows were \$7,664 at December 31, 2021.

Deferred wildland firefighting revenue is not available in the current period and, therefore, is not reported in the funds. Wildland firefighting revenue earned in the current period, but not available until the subsequent period was \$584,008 at December 31, 2021.

B. Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows.

The change in deferred wildland firefighting revenue of \$731,418 is reported as an adjustment to wildland firefighting revenue in the current period.

Pension expense of \$33,315 reported in the Statement of Activities does not require the use of current financial resources and therefore is not recorded as an expenditure in the governmental fund.

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense during 2021 was \$39,498.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. GAAP.

- (1) For the 2021 budget, prior to August 25, 2020, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2020, only once by a single notification to the District.
- (2) On or before October 15, 2020, the District's budget officer submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2021 budget, prior to December 15, 2020, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

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

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

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

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each separately chartered FDIC-member financial institution, without regard to the nature of the accounts. Any remaining deposit are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$1,393,732.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a statement of collateral in a form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

The District had invested \$1,119,939 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is 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, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Capital assets, being depreciated				
Buildings and improvements	376,047	-	-	376,047
Machinery and equipment	797,325	-	-	797,325
Total capital assets, being depreciated	<u>1,173,372</u>	<u>-</u>	<u>-</u>	<u>1,173,372</u>
Less accumulated depreciation				
Buildings and improvements	(372,129)	(979)	-	(373,108)
Machinery and equipment	(508,423)	(38,518)	-	(546,941)
Total accumulated depreciation	<u>(880,552)</u>	<u>(39,497)</u>	<u>-</u>	<u>(920,049)</u>
Total capital assets, being depreciated	<u>292,820</u>	<u>(39,497)</u>	<u>-</u>	<u>253,323</u>
Net Governmental Activities Capital Assets	<u>\$ 342,820</u>	<u>\$ (39,497)</u>	<u>\$ -</u>	<u>\$ 303,323</u>

Depreciation expense was charged to the fire protection function.

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South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information

A. Volunteer Pension Fund

General Plan Information

Plan Description

The District holds a Volunteer Firefighters' Pension Fund, which is considered an agent multiple-employer plan, and was originally established for volunteer firefighters as authorized by the State of Colorado Statutes. The plan has been closed to new members for numerous years, as the District no longer has volunteer firefighters. The plan is administered by the Fire and Police Pension Association of Colorado ("FPPA"). The FPPA's Comprehensive Annual Financial Report (CAFR) can be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721.

Benefits Provided

Volunteer firefighters who have attained the age of 50 and provided at least 20 years of service are eligible for a full monthly benefit of \$225. Firefighters are also eligible for an extended service amount of \$11.25 per year of service each month. A disability retirement benefit of \$150 per month for short term disability for a line of duty injury is available for less than or equal to one year.

Spouses of firefighters are also eligible for survivor benefits, which consist of \$112.50 per month following death after normal retirement or following death before the firefighter was retirement eligible due to death in the line of duty as a volunteer firefighter. An additional \$5.63 per month is available as survivor benefits following death after vested retirement with 10 to 20 years of service per year of service, and after normal retirement with extended service. A \$400 lump sum one-time funeral benefit is also available as a part of the plan.

Contributions

The District made a contribution after the measurement date of \$6,285.

Employees Covered by Benefit Terms

As of the actuarial valuation date of January 1, 2021, the Volunteer Plan included five retirees and beneficiaries currently receiving benefits.

Pension Assets & Liabilities

At December 31, 2021, the Volunteer Plan reported a net pension liability of \$59,286. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Pension Expense, Deferred Outflows of Resources & Deferred Inflows of Resources

For the year ended December 31, 2021, the Volunteer Plan recognized pension expense of \$33,315. In addition, the District reported deferred outflows of resources and deferred inflows of resources from the following sources:

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

A. Volunteer Pension Fund (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	-	(7,664)
Contributions subsequent to measurement date	6,285	-
Total	6,285	(7,664)

The District had no contributions to the Plan as of the valuation date of January 1, 2020. Amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflow (Inflow) of Resources
2022	(2,797)
2023	(911)
2024	(2,779)
2025	(1,177)
2026	-
Thereafter	-
Total	(7,664)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are displayed below.

Measurement Date	December 31, 2020
Actuarial Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	13 years*
Inflation	2.5%
Salary Increases	N/A
Investment Rate of Return	7%

Mortality for pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017. **For post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. **Disabled:** 2006 central rates from the RP-2014 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.

South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

A. Volunteer Pension Fund (continued)

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

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

Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2%	2.32%
Fixed income -- rates	10%	4.01%
Fixed income -- credit	5%	5.25%
Absolute return	10%	5.60%
Long short	8%	6.87%
Global equity	39%	8.23%
Private markets	26%	10.63%
Total	100%	

Changes in the District's Net Pension Liability

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

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Beginning Balance	141,481	111,765	29,716
Changes for the year:			-
Interest	9,260	-	9,260
Contributions	-	6,285	(6,285)
Changes of assumptions	37,763	-	37,763
Net investment income	-	13,209	(13,209)
Benefit payments	(18,720)	(18,720)	-
Administrative expense	-	(2,041)	2,041
Net changes	<u>28,303</u>	<u>(1,267)</u>	<u>29,570</u>
Ending Balance	<u>169,784</u>	<u>110,498</u>	<u>59,286</u>

**South Arkansas Fire Protection District
Notes to the Financial Statements
December 31, 2021
(Continued)**

V. Other Information (continued)

A. Volunteer Pension Fund (continued)

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption
Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Current Single Discount Rate		
1% Decrease	Assumption	1% Increase
6.00%	7.00%	8.00%
72,409	59,286	47,763

B. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks, the District maintains commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims have not exceeded insured amounts in the last three years.

C. Intergovernmental Agreement with City of Salida

The District and City of Salida (the "City") entered into an annually renewable agreement on January 6, 2015 whereby the City will provide fire protection services to the District for \$80,000 annually, payable by the District in semiannual installments. The parties agree that should the full-time administrative position be reverted to part-time, the District's payment shall revert to \$70,000 per year. In fiscal year 2021, the District paid \$70,000 to the City in accordance with this agreement.

D. Commitments

On September 2, 2021, the District entered into an apparatus purchase agreement with Rosenbauer Minnesota, LLC ("Rosenbauer") to purchase firefighting apparatus for a net amount of \$455,627. The District shall pay \$121,868 to Rosenbauer within 10 days of delivery of the chassis to Rosenbauer, with the balance due upon delivery of the apparatus to the District. The deliveries and payments are expected to occur in 2022.

REQUIRED SUPPLEMENTARY INFORMATION

South Arkansas Fire Protection District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2021

	2021			Final Budget	2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property tax	296,893	296,893	296,848	(45)	291,716
Specific ownership tax	34,632	34,632	38,351	3,719	35,887
Interest income	5,399	5,399	397	(5,002)	4,565
Charges for services	1,145,000	1,145,000	2,055,267	910,267	850,955
Impact fees in lieu of cistern	-	-	9,000	9,000	15,000
Other income	18,583	18,583	6,728	(11,855)	10,951
Total Revenues	<u>1,500,507</u>	<u>1,500,507</u>	<u>2,406,591</u>	<u>906,084</u>	<u>1,209,074</u>
Expenditures:					
Fire protection	1,165,387	1,165,387	1,042,183	123,204	1,118,410
General government	161,323	161,323	147,261	14,062	146,980
Capital outlay	7,000	7,000	-	7,000	9,133
Debt service					
Principal - capital leases	-	-	-	-	69,924
Interest	-	-	-	-	1,174
Total Expenditures	<u>1,333,710</u>	<u>1,333,710</u>	<u>1,189,444</u>	<u>144,266</u>	<u>1,345,621</u>
Excess (Deficiency) of Revenues Over Expenditures	166,797	166,797	1,217,147	1,050,350	(136,547)
Fund Balance - Beginning	<u>841,891</u>	<u>841,891</u>	<u>753,360</u>	<u>(88,531)</u>	<u>889,907</u>
Fund Balance - Ending	<u><u>1,008,688</u></u>	<u><u>1,008,688</u></u>	<u><u>1,970,507</u></u>	<u><u>961,819</u></u>	<u><u>753,360</u></u>

South Arkansas Fire Protection District
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years *

* 2014 was the first year data were available

Measurement period ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Interest	9,260	7,859	10,551	11,200	10,511	11,162	9,089
Benefit changes	-	-	-	-	-	-	18,451
Difference between expected and actual experience	-	-	6,585	-	9,131	-	8,470
Changes in assumptions	37,763	(21,450)	27,198	-	9,385	-	-
Benefit payments	(18,720)	(19,845)	(19,845)	(19,845)	(19,845)	(19,845)	(19,845)
Net change in total pension liability	28,303	(33,436)	24,489	(8,645)	9,182	(8,683)	16,165
Total pension liability -- beginning	141,481	174,917	150,428	159,073	149,891	158,574	142,409
Total pension liability -- ending	169,784	141,481	174,917	150,428	159,073	149,891	158,574
Plan Fiduciary Net Position							
Contributions -- employer	6,285	1,774	-	-	-	-	-
Net investment income	13,209	15,527	316	19,315	7,641	3,159	11,818
Benefit payments	(18,720)	(19,845)	(19,845)	(19,845)	(19,845)	(19,845)	(19,845)
Pension plan administrative expense	(2,041)	(3,730)	(1,722)	(3,442)	(508)	(1,385)	(653)
Net change in plan fiduciary net position	(1,267)	(6,274)	(21,251)	(3,972)	(12,712)	(18,071)	(8,680)
Plan fiduciary net position -- beginning	111,765	118,039	139,290	143,262	155,974	174,045	182,725
Plan fiduciary net position -- beginning	110,498	111,765	118,039	139,290	143,262	155,974	174,045
Net pension liability (asset) -- ending	59,286	29,716	56,878	11,138	15,811	(6,083)	(15,471)
Plan fiduciary net position as a percentage of total pension liability	65.08%	79.00%	67.48%	92.60%	90.06%	104.06%	109.76%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**South Arkansas Fire Protection District
Schedule of Contributions
Last 10 Years ***

* 2014 was the first year data were available

Measurement period ended December 31,	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	6,285	1,774	1,774	-	-	-	-
Actual contribution	6,285	1,774	-	-	-	-	-
Contribution deficiency (excess)	-	-	1,774	-	-	-	-
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual contribution as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A