



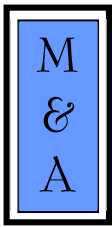
Roaring Fork Fire Rescue Authority

**Financial Statements
December 31, 2021**

**Roaring Fork Fire Rescue Authority
Financial Statements
December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Roaring Fork Fire Rescue Authority**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of Roaring Fork Fire Rescue Authority (the "Authority"), as of and for the year ended December 31, 2021, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Roaring Fork Fire Rescue Authority, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Roaring Fork Fire Rescue Authority 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 Roaring Fork Fire Rescue Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITORS REPORT
To the Board of Directors
Roaring Fork Fire Rescue Authority
Carbondale, Colorado

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 U.S. 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 U.S. 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 Authority'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 Authority'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 and the Schedule of Authority's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Authority Contributions in Section E 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 AUDITORS REPORT
To the Board of Directors
Roaring Fork Fire Rescue Authority
Carbondale, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roaring Fork Fire Rescue Authority's basic financial statements. The budgetary comparisons in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons are 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. Such 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 U.S. GAAS. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Comparative Information

We have previously audited the Authority's 2020 financial statements and, in our report dated April 5, 2021, we expressed an unmodified opinion on those financial statements. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which is has been derived.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
May 24, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2021**

As management of the Roaring Fork Fire Rescue Authority, (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2021.

The Management's Discussion and Analysis (the MD&A) should be read in conjunction with the Authority's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's general purpose financial statements. The Authority's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

The Authority was formed on December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District ("BRFPD") and Snowmass-Wildcat Fire Protection District ("SWFPD"). The Authority is a separate legal entity whose boundaries cover the combined territory of BRFPD and SWFPD. Operations of BRFPD and SWFPD were combined under the Authority on January 1, 2019. At this time, all BRFPD's and SWFPD's employees became employees of the Authority and all BRFPD's and SWFPD's capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

Financial Statements: The financial statements of the Authority are presented as a special purpose government engaged only in business type activities - providing fire protection services.

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

The *Statement of Revenues, Expenses and Changes in Net Position* present information that reflects how the Authority's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* report the Authority's cash flows from operating, capital and related financing, and investing activities.

The Authority's financial statements can be found on pages C1 through C3 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2021
(continued)**

Financial Analysis of the Authority

Roaring Fork Fire Rescue Authority's Net Position

	2021	2020
Assets:		
Current assets	9,381,045	9,228,759
Capital assets, net	26,801,284	27,631,935
Net pension assets	941,134	404,512
Total Assets	37,123,463	37,265,206
 Deferred Outflows of Resources:		
Pension related deferred outflows	1,311,332	1,381,810
Total Deferred Outflows of Resources	1,311,332	1,381,810
 Liabilities:		
Current liabilities	461,349	280,086
Long-term liabilities	295,027	261,378
Total Liabilities	756,376	541,464
 Deferred Inflows of Resources:		
Pension related deferred inflows	798,351	404,823
Total Deferred Inflows of Resources	798,351	404,823
 Net Position:		
Net investment in capital assets	26,801,284	27,631,935
Restricted:		
Pensions	941,134	404,512
Impact fees	336,034	195,034
Capital projects	1,791,405	1,416,041
Unrestricted	7,010,211	8,053,207
Total Net Position	36,880,068	37,700,729

Approximately 73% of the Authority's net position reflects its investment in capital assets, which includes land, fire stations, vehicles and equipment, less debt outstanding related to capital assets. The Authority uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Authority currently has no debt, as capital assets were either contributed or purchased with available funds.

At the end of 2021, the Authority is able to report positive balances in all categories of net position. Overall, the Authority's net position decreased during 2021.

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2021
(continued)**

Financial Analysis of the Authority (continued)

Roaring Fork Fire Rescue Authority's Net Position

	2021	2020
Revenues:		
Operating revenues:		
Charges for services	1,482,944	1,060,962
Transfers from BRFPD	3,288,785	3,230,597
Transfers from SWFPD	3,381,835	3,162,130
Non-operating revenues:		
Transfers from SWFPD restricted for capital purposes	367,059	357,437
Interest and investment income	6,771	30,107
Grants and donations	101,168	113,620
Special event income	14,010	14,000
Employee rentals	105,336	108,776
Wildfire contracts	7,907	123,966
EMS supplemental	85,670	24,754
Gain (loss) on sale of capital assets	12,378	17,612
Other non-operating revenues	172,085	26,538
Pension revenue (expense) and changes in deferrals	72,615	19,770
Capital contributions:		
Contributed capital assets:		
Snowmass-Wildcat Fire Protection District	-	120,853
Contributed impact fees restricted for capital:		
Basalt Rural Fire Protection District	-	90,000
Snowmass-Wildcat Fire Protection District	-	-
Total Revenues	9,098,563	8,501,122
Expenses:		
Operating Expenses:		
Administration	1,502,985	1,578,277
Fire prevention	638,246	531,868
Operations	5,996,683	5,494,956
Vehicle maintenance and repair	196,722	294,804
Non-operating expenses:		
Depreciation	1,584,588	1,507,277
Total Expenses	9,919,224	9,407,182
Change in Net Position	(820,661)	(906,060)
Net Position - Beginning of Year	37,700,729	38,606,789
Net Position - End of Year	36,880,068	37,700,729

**Roaring Fork Fire Rescue Authority
Management's Discussion and Analysis
December 31, 2021
(continued)**

Financial Analysis of the Authority (continued)

Operating transfers from BRFPD and SWFPD were the most significant source of revenues, accounting for 73% of the total revenues. Other charges for services accounted for 16% of total revenues.

Non-operating revenues totaled \$944,999.

When compared to 2020, overall revenues increased by \$597,441 mainly due to increases in charges for services.

When compared to 2020, overall expenses increased by \$512,042 mainly due to an increase in depreciation expense of \$77,311 and an increase in personnel expenses, which includes wages, payroll taxes and benefits, of \$135,175.

Budget Variances

In 2021, revenues exceeded budget expectations by \$1,124,248. The favorable variance is mainly due to the Authority budgeting conservatively.

Actual expenditures were \$630,103 less than budgeted. The favorable variance is mainly due to less capital expenditures than budgeted.

Capital Asset Administration

At December 31, 2021, the Authority's capital assets, net of accumulated depreciation, totaled \$26,801,284. In 2021, the Authority capitalized \$753,937 of new assets, and reported depreciation expense in the amount of \$1,584,588. Additional information on the Authority's capital assets can be found in the Notes to the Financial Statements in section D of this report.

2022 Budget Considerations

In 2022, the Authority approved budgeted revenues of \$16,751,756 and budgeted expenditures of \$9,065,762, which includes capital additions of \$1,445,000.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Authority's Administrative Offices, 1089 JW Drive, Carbondale, Colorado 81623.



BASIC FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Statement of Net Position
December 31, 2021
(With Comparative Actual Amounts as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents - Unrestricted	7,767,053	7,427,065
Investments	1,217,123	1,211,625
Receivables, net of allowance for uncollectibles:		
Accounts	364,040	331,690
Other	22,454	170,793
Prepaid expenses	10,375	87,586
Capital assets	31,020,543	30,266,606
Accumulated depreciation	(4,219,259)	(2,634,671)
Net pension asset - defined benefit plan	618,044	170,591
Net pension asset - hybrid plan	323,090	233,921
	<u>37,123,463</u>	<u>37,265,206</u>
Deferred Outflows of Resources:		
Pension related deferred outflows - defined benefit plan	1,097,607	1,162,305
Pension related deferred outflows - hybrid plan	213,725	219,505
	<u>1,311,332</u>	<u>1,381,810</u>
	<u>38,434,795</u>	<u>38,647,016</u>
Liabilities:		
Current Liabilities:		
Accounts payable	192,519	63,703
Accrued payroll and taxes	261,230	208,383
Deposits	7,600	8,000
	<u>461,349</u>	<u>280,086</u>
Non-current Liabilities:		
Compensated absences	295,027	261,378
	<u>295,027</u>	<u>261,378</u>
	<u>756,376</u>	<u>541,464</u>
Deferred Inflows of Resources:		
Pension related deferred inflows - defined benefit plan	699,014	345,269
Pension related deferred inflows - hybrid plan	99,337	59,554
	<u>798,351</u>	<u>404,823</u>
Net Position:		
Net investment in capital assets	26,801,284	27,631,935
Restricted for:		
Pensions	941,134	404,512
Impact fees	336,034	195,034
Capital projects	1,791,405	1,416,041
Unrestricted	7,010,211	8,053,207
	<u>36,880,068</u>	<u>37,700,729</u>

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

Roaring Fork Fire Rescue Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended 2020)

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Charges for services	1,482,944	1,060,962
Transfers from Basalt Rural Fire Protection District	3,288,785	3,230,597
Transfers from Snowmass-Wildcat Fire Protection District	3,381,835	3,162,130
	<hr/>	<hr/>
Total Operating Revenues	8,153,564	7,453,689
	<hr/>	<hr/>
Operating Expenses:		
Administration	1,502,985	1,578,277
Fire prevention	638,246	531,868
Operations	5,996,683	5,494,956
Vehicle maintenance and repair	196,722	294,804
	<hr/>	<hr/>
Total Operating Expenses	8,334,636	7,899,905
	<hr/>	<hr/>
Operating Income (Loss)	(181,072)	(446,216)
	<hr/>	<hr/>
Non-operating Revenues (Expenses):		
Transfers from Snowmass-Wildcat Fire Protection District restricted for capital purposes	367,059	357,437
Interest and investment income	6,771	30,107
Grants and contributions	101,168	113,620
Special event income	14,010	14,000
Employee rentals	105,336	108,776
Wildfire contracts	7,907	123,966
EMS supplemental	85,670	24,754
Gain (loss) on sale of capital assets	12,378	17,612
Other non-operating revenues	172,085	26,538
Pension revenue (expense) and changes in deferrals	72,615	19,770
Depreciation	(1,584,588)	(1,507,277)
	<hr/>	<hr/>
Total Non-operating Revenues (Expenses)	(639,589)	(670,697)
	<hr/>	<hr/>
Income (Loss) Before Capital Contributions	(820,661)	(1,116,913)
	<hr/>	<hr/>
Capital Contributions:		
Contributed capital assets:		
Snowmass-Wildcat Fire Protection District	-	120,853
Contributed impact fees restricted for capital:		
Basalt Rural Fire Protection District	-	90,000
	<hr/>	<hr/>
Total Capital Contributions	-	210,853
	<hr/>	<hr/>
Change in Net Position	(820,661)	(906,060)
	<hr/>	<hr/>
Net Position - Beginning of Year	37,700,729	38,606,789
	<hr/>	<hr/>
Net Position - End of Year	36,880,068	37,700,729
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The accompanying notes are an integral part of these financial statements.

Roaring Fork Fire Rescue Authority
Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended 2020)

	2021	2020
Cash Flows From Operating Activities:		
Cash received from customers and others	1,598,936	976,200
Cash received from Basalt Rural Fire Protection District	3,288,785	3,230,597
Cash received from Snowmass-Wildcat Fire Protection District	3,381,835	3,162,130
Cash payments for goods and services	(2,331,847)	(2,281,404)
Cash payments to employees and for benefits	(5,710,269)	(5,467,590)
Net Cash Provided (Used) by Operating Activities	227,440	(380,067)
Cash Flows From Non-capital Financing Activities:		
Cash received from grants and contributions	101,168	113,620
Cash received from employee rentals	104,936	108,426
Cash received from special events	14,010	14,000
Other cash receipts	265,662	175,258
Net Cash Provided (Used) by Non-capital Financing Activities	485,776	411,304
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of capital assets	12,378	102,800
Contributed cash	-	90,000
Transfers restricted for capital purposes	367,059	357,437
Cash paid for capital acquisitions	(753,937)	(2,078,608)
Net Cash Provided (Used) by Capital and Related Financing Activities	(374,500)	(1,528,371)
Cash Flows From Investing Activities:		
Interest income received	1,272	24,737
Net Cash Provided (Used) by Investing Activities	1,272	24,737
Net Increase (Decrease) in Cash and Cash Equivalents	339,988	(1,472,397)
Cash and Cash Equivalents - Beginning of Year	7,427,065	8,899,462
Cash and Cash Equivalents - End of Year	7,767,053	7,427,065
Represented by Balance Sheet Captions:		
Cash and cash equivalents - Unrestricted	7,767,053	7,427,065
Cash and Cash Equivalents - End of Year	7,767,053	7,427,065
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	(181,072)	(446,216)
Adjustments:		
(Increase) decrease in accounts receivable	115,989	(84,762)
(Increase) decrease in prepaid expenses	77,211	(87,586)
Increase (decrease) in accounts payable	128,816	44,499
Increase (decrease) in accrued payroll	52,847	138,805
Increase (decrease) in compensated absences	33,649	55,193
Total Adjustments	408,512	66,149
Net Cash Provided (Used) by Operating Activities	227,440	(380,067)
Non-cash Investing, Capital, and Financing Activities:		
Contribution of capital assets	-	210,853

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



NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021

I. Summary of Significant Accounting Policies

Roaring Fork Fire Rescue Authority (the “Authority”) was formed December 18, 2017 pursuant to creating by an intergovernmental agreement between Basalt and Rural Fire Protection District and Snowmass-Wildcat Fire Protection District (the “parties”). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties’ employees became employees of the Authority and all parties’ capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

The Authority is governed by six appointed directors, who each cast one vote on matters that come before the board. Each party will appoint three directors. The purposes of the Authority are to provide fire rescue services on behalf of the parties, take assignment of all existing assets of the parties unless otherwise specifically exempt by the agreement, and to employ, supervise, and manage all employees and volunteers of the parties.

The Authority’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Authority are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government; i.e., the Authority. The Authority 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 Authority. 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 Authority. Organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Authority is not financially accountable for any other entity nor is the Authority a component unit of any other government.

B. Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority uses a proprietary fund-type, an enterprise fund, to account for its activity, providing fire protection services to residents within the Authority’s boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

I. Summary of Significant Accounting Policies (continued)

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

Proprietary funds 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. Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are operating transfers from the parties and charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts and Accounting Policies

1. Cash, Cash Equivalents and Investments

For purposes of the Statements of Cash Flows, the Authority considers cash on hand, demand deposits, U.S. government obligations and other highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2021, the Authority established an allowance for doubtful accounts in the amount of \$72,989 (2020 – \$25,556) to estimate uncollectible accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

4. Capital Assets

Capital assets, which include land, construction in progress, vehicles, equipment, buildings and improvements, are reported in the financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Each of the participating parties contributed their capital assets to the Authority at no cost to the Authority.

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.

Vehicles, equipment, buildings and improvements, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles & Equipment	5 - 25
Buildings & Improvements	5 - 50

In the event of the dissolution of the Authority, the assets assigned to the Authority by each party will be returned to the assigning party. Assets acquired by the Authority and other financial assets will be liquidated and conveyed to each party in proportion to the total amounts paid to the Authority by each party during the term of the agreement.

5. Pensions

The Authority participates in the Statewide Defined Benefit Plan and the Statewide Hybrid Plan, both administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The Statewide Hybrid Plan is comprised of two components: Defined Benefit and Money Purchase. 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 position of the plans 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.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

6. Compensated Absences

The Authority permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the statement of net position.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial 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 Authority has two items that qualify for reporting in this category, which are the pension-related deferred outflow of the defined benefit pension plan and pension-related deferred outflow of the hybrid pension plan reported in the statement of net position.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category, which are the pension-related deferred inflow of the defined benefit pension plan and pension-related deferred inflow of the hybrid pension plan reported in the statement of net position.

8. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets and increased by any unspent proceeds from related borrowings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

9. Use of Estimates

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts and Accounting Policies (continued)

10. Restricted and Unrestricted Resources

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations for the ensuing year pursuant to the Colorado Local Budget Law. The budget is adopted on a non-GAAP basis and is reconciled to GAAP in Section E of this report. Expenditures may not legally exceed appropriations and all appropriations lapse at year-end.

As required by Colorado statutes, the Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2021:

1. The Authority submitted, on or before October 15, 2020, a recommended budget that detailed the necessary revenues to meet the Authority's operating requirements.
2. On or prior to December 31, 2020, after a required publication of "Notice of Budget" and a public hearing, the Authority adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.
3. After adoption of the budget resolution, the Authority may make the following changes: a) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) it may approve emergency appropriations; and c) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from state and local governments, are excluded from the provisions of TABOR. The Authority's management believes its operations qualify for this exclusion.

The Authority 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 and qualification as an enterprise, will require judicial interpretation.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

The Authority's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures depositors up to \$250,000 for all accounts. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amounts of the Authority's cash and cash equivalents were \$7,767,053 as of December 31, 2021.

Interest Rate Risk. The Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than two years from the purchase date. As a result of limited length of maturities the Authority has limited its interest rate risk.

Credit Risk. The Authority's investment policy limits investments to those authorized by State statutes. The Authority's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

The investment policy permits investments in the following types of obligations:

- U.S. Treasury Obligations – U.S. Treasury bills and notes. Federally insured mortgages and student loans.
- Shares of a local government surplus funds trust (Colorado Trust, Government Asset Pool) established under the provisions of 24-74-701, CRS, as amended.
- Money market funds authorized under CRS, 24-75-601.1(l)(k) and rated in the highest category by a nationally recognized rating agency.

Concentration of Credit Risk. According to the Authority's investment policy, the maximum amount deposited in any one local government surplus fund shall not exceed \$6,000,000.

At December 31, 2021, the Authority had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	December 31, 2021	
			Maturities	
			Less than one year	Less than five years
<i>Deposits:</i>				
Checking	Not rated	3,431,430	3,431,430	-
Money market	Not rated	1,867,798	1,867,798	-
Government investment pools	AAAm	2,467,825	2,467,825	-
<i>Investments:</i>				
Certificates of deposit	Not rated	1,217,123	1,217,123	-
Total		8,984,176	8,984,176	-

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

II. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The investment pool represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") which is a 2a7-like pool. The Authority has no regulatory oversight for the pool. At December 31, 2021 the Authority had \$2,467,825 in Colotrust. 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 to \$1.00. Investments consist of U.S. Treasury bills, notes and note 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 owed are held by the Federal Reserve Bank in an account maintained for the custodial bank.

Fair Value of Investments - The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2021, the Authority had the following recurring measurements:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	1,217,123	-	1,217,123	-
Investments Measured at Net Asset Value	Total			
Colotrust	2,467,825			

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. 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>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	364,985	-	-	364,985
Total capital assets, not being depreciated	<u>364,985</u>	<u>-</u>	<u>-</u>	<u>364,985</u>
Capital assets, being depreciated:				
Buildings & Improvements	23,299,706	-	-	23,299,706
Vehicles & Equipment	6,601,915	753,937	-	7,355,852
Total capital assets being depreciated	<u>29,901,621</u>	<u>753,937</u>	<u>-</u>	<u>30,655,558</u>
Less accumulated depreciation for:				
Buildings & Improvements	(1,499,764)	(716,099)	-	(2,215,863)
Vehicles & Equipment	(1,134,907)	(868,489)	-	(2,003,396)
Total accumulated depreciation	<u>(2,634,671)</u>	<u>(1,584,588)</u>	<u>-</u>	<u>(4,219,259)</u>
Total capital assets, being depreciated, net	<u>27,266,950</u>	<u>(830,651)</u>	<u>-</u>	<u>26,436,299</u>
Total capital assets, net	<u><u>27,631,935</u></u>	<u><u>(830,651)</u></u>	<u><u>-</u></u>	<u><u>26,801,284</u></u>

Fully depreciated assets totaled \$303,629 for the year ended December 31, 2021.

C. Long-Term Liabilities

Long-term liabilities activity for the year ended December 31, 2021 was as follows:

	<u>1/1/21 Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/21 Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	261,378	33,649	-	295,027	-
Net pension liabilities/(assets):					
Defined benefit plan	(170,591)	-	(447,453)	(618,044)	-
Total	<u>90,787</u>	<u>33,649</u>	<u>(447,453)</u>	<u>(323,017)</u>	<u>-</u>

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

1. FPPA Statewide Defined Benefit Plan

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

The plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Director Investment Fund (for Deferred Retirement Option Plan (“DROP”) assets and Separate Retirement Account assets from eligible retired members).

The plan is administered by the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Pension Association of Colorado (“FPPA”). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA’s website at <http://FPPAco.org>.

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by the state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12.0% of base salary. Employer contributions are 8.0% and 8.5% in 2020 and 2021, respectively. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13.0%. In 2020, members of SWDB plan and their employers are contributing at a rate of 11.0% and 8.0%, respectively, of base salary for a total contribution rate of 19.0%.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0% and 23.5% of base salary in 2020 and 2021, respectively. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member and employer contribution rates increase 0.5% annually. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% contribution to the plan for reentry contributions.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Contributions (continued). The contribution rate for members and employers of affiliated social security employers is 5.50% and 4.0% of base salary for a total contribution rate of 9.5% in 2020 and 9.75% in 2021. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of base salary.

Benefits. On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50.

The annual normal retirement benefit is 2.0% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0.0% to the higher of 3.0% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Liability. At December 31, 2021, the Authority reported \$618,044 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 Authority's proportionate share of the net pension asset was based on Authority's contributions to the Plan for the calendar year 2020 relative to the total contributions of participating employers to the Plan.

At December 31, 2021, the Authority's proportionate share was 0.284682%, as compared to 0.301632% at December 31, 2020.

For the year ended December 31, 2021, the Authority recognized pension income of \$29,010. At December 31, 2021, the Authority 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	524,163	2,458
Changes of assumptions or other inputs	262,864	-
Net difference between projected and actual earnings on pension plan investments	-	634,821
Difference between actual and reported contributions recognized	-	1,237
Changes in proportionate share of contributions	122,509	60,498
Contributions subsequent to the measurement date	188,071	-
Total	1,097,607	699,014

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended December 31, 2022.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension Liability (continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2022	(66,983)
2023	15,357
2024	(91,445)
2025	18,431
2026	123,421
Thereafter	211,741
	210,522

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	N/A
Amortization Period	N/A	N/A
Long-term Investment Rate*	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate 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 for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Illiquid Alternatives	26%	10.63%
Fixed Income	15%	4.01% to 5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

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

Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.0%; 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 7.0%.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective pension liability/(asset)	218,477,475	(217,100,397)	(577,813,278)
Proportionate share of net pension liability/(asset)	621,965	(618,044)	(1,644,928)

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

Collective Pension Expense for the Plan Year Ended December 31, 2020

Service Cost	360,192
Interest on the Total Pension Liability	595,024
Current-Period Benefit Changes	149,855
IRC 414(h)(2) Employer-paid Member Contributions	(249,817)
Member Purchases of Service Credit	(49,023)
Projected Earnings on Plan Investments	(599,660)
Pension Plan Administrative Expense	11,479
Recognition of Outflow of Resources due to Liabilities	124,540
Recognition of Outflow of Resources due to Assets	(172,062)
Total Pension Plan Expense	170,528

2. FPPA Statewide Hybrid Plan

Plan Description. The Plan was established January 1, 2004 as a cost-sharing multiple-employer pension plan covering full-time firefighters and police officers from departments that elect coverage. The Plan may also cover clerical staff or other fire district personnel whose services are auxiliary to fire protection. The Plan is comprised of two components: Defined Benefit and Money Purchase. With the latter component, members have the option of choosing among various investment options offered by an outside investment manager. Employers may not withdraw from the Plan once affiliated.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Plan Description (continued). The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan ("DROP") assets are included in the Fire & Police Members' Self-Directed Investment Fund.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8.0% 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 Defined Benefit Component contribution rate from July 1, 2020 through June 30, 2021 was 13.8%. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.8%.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after five years of service. Employer and member contributions are invested in funds at the discretion of members.

Benefits. The Plan states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0.0% to 3.0%.

A member is eligible for early retirement within the Defined Benefit Component after completion of 30 years of service or at age 50 with at least five years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5% as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the average of the member's highest three years' base salary for each year of credited service.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability. At December 31, 2021, the Authority reported \$323,090 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 Authority's proportionate share of the net pension asset was based on Authority's contributions to the Plan for the calendar year 2020 relative to the total contributions of participating employers to the Plan.

At December 31, 2021, the Authority's proportionate share was 1.174652%, as compared to 1.201195% at December 31, 2020.

For the year ended December 31, 2021, the Authority recognized pension income of \$43,605. At December 31, 2021, the Authority 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	119,980	-
Changes of assumptions or other inputs	15,174	-
Net difference between projected and actual earnings on pension plan investments	-	74,817
Difference between actual and reported contributions recognized	-	-
Changes in proportionate share of contributions	58,317	24,520
Contributions subsequent to the measurement date	20,254	-
Total	213,725	99,337

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended December 31, 2022.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Net Pension Liability (continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2022	26,326
2023	35,292
2024	16,764
2025	5,797
2026	7,666
Thereafter	2,289
	<u>94,134</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Total Pension Liability	Contributions
Actuarial Valuation Date	January 1, 2020	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate*	7.0%	7.0%
Projected Salary Increases	4.25% to 11.25%	4.25% to 11.25%
Cost of Living Adjustments	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate 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 for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

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

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Illiquid Alternatives	26%	10.63%
Fixed Income	15%	4.01% to 5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

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

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

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

III. Detailed Notes on All Funds (continued)

D. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. FPPA Statewide Hybrid Plan (continued)

Discount Rate (continued). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.0%; 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 7.0%.

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

	1% Decrease (6.0%)	Assumption (7.0%)	1% Increase (8.0%)
Collective pension liability/(asset)	(18,956,442)	(27,505,090)	(34,596,077)
Proportionate share of net pension liability/(asset)	(222,672)	(323,090)	(406,384)

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

Collective Pension Expense for the Plan Year Ended December 31, 2020

Service Cost	19,775
Interest on the Total Pension Liability	52,772
Current-Period Benefit Changes	6,645
IRC 414(h)(2) Employer-paid Member Contributions	(8,408)
Member Purchases of Service Credit	(53,586)
Projected Earnings on Plan Investments	(70,899)
Pension Plan Administrative Expense	1,263
Recognition of Outflow of Resources due to Liabilities	37,030
Recognition of Outflow of Resources due to Assets	(19,947)
Total Pension Plan Expense	(35,355)

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

IV. Other Information

A. Retirement Plans

1. FPPA Statewide Death and Disability Plan

Plan Description. The Statewide Death and Disability Plan (“SWDD”) is a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. Contributions to the SWDD are used solely for the payment of death and disability benefits. The SWDD was established in 1980 pursuant to Colorado Revised Statutes

SWDD benefits provide 24-hour coverage, both on- and off-duty for members not eligible for normal retirement under a defined benefit plan, or under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member’s disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy. Prior to 1997, the SWDD was primarily funded by the State of Colorado (the “State”), whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated.

Members hired on or after January 1, 1997, began contributing 2.4% of base salary to the SWDD. Contributions may be increased 0.1% biennially by the FPPA Board. As of January 1, 2019, the contribution rate is 2.8% of base salary. Effective January 1, 2021, the contribution rate increased to 3.0% of base salary and may be increased 0.2% annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the Authority or member, or it may be split between the Authority and the member as determined at the local level. The Authority paid \$82,144 on-behalf of members to the SWDD in 2021.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

2. FPPA Section 457 Deferred Compensation Plan

The Authority adopted an IRC Section 457 deferred compensation plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). Participants may defer up to the lesser of \$19,500 or 100% of the participant’s includable compensation. Participants over age 50 are eligible to contribute more than the \$19,500 limit due to a catch-up provision in the plan. The Authority is neither the trustee nor the administrator and has no liability under the plan. The Authority contributed \$76,075 in 2021.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

IV. Other Information (continued)

A. Retirement Plans (continued)

3. Defined Contribution Money Purchase Retirement Plan

The Authority adopted the Roaring Fork Fire Rescue Authority Defined Contribution Money Purchase Retirement Plan and Trust (the "Trust") On January 1, 2019. This Trust is administered by ICMA. All non-responder personnel of the Authority are eligible to participate in the plan. The contribution rate for members is 8% of covered salaries, and for the Authority is 15% of covered salaries. For members that are grandfathered into FPPA plans, the Authority contribution rate ranges from 3% to 7%. The plan vests 20% after each year of service completed. Members are fully vested after 5 years of service are completed. The Authority contributed \$161,124 in 2021.

4. Fidelity Section 457 Deferred Compensation Plan

The Authority offers its non-responder personnel an additional voluntary deferred compensation plan created in accordance with IRC section 457 (the "457 Plan"). The plan is administered by Fidelity. All compensation deferred under the 457 Plan, together with 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 exclusive benefit of the participants and their designated beneficiaries. Compensation deferred under the 457 Plan is not available to participants until termination, retirement, death, or unforeseeable emergency.

Employees 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. The Authority does not contribute to this 457 plan.

5. Length of Service Award Program Volunteer Plan

In 2019, the Authority adopted a Length of Service Award Plan ("LOSAP") in accordance with exclusions listed under IRC section 457. All benefits earned under LOSAP, together with 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 exclusive benefit of the participants and their designated beneficiaries. The plan was established for the purpose of providing service awards to qualified volunteer firefighters and volunteer emergency medical technicians who do not participate in the FPPA Volunteer Pension Plan, as defined.

Annually, the Authority determines eligible participants and amount of the service awards, although no award shall exceed \$3,000 for any given year of service. The Authority made contributions totaling \$25,000 to the plan for the year ended December 31, 2021, in accordance with established provisions.

The individual participants determine investment decisions within the LOSAP Plan and, therefore, the LOSAP Plan's investment concentration varies between participants. The Authority, as Trustee of the LOSAP Plan, has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the LOSAP Plan. Consequently, the LOSAP Plan is not part of the Authority's financial statements.

Roaring Fork Fire Rescue Authority
Notes to the Financial Statements
December 31, 2021
(continued)

IV. Other Information (continued)

B. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

The Authority participates in the Western Slope Health Care Group, currently with 13 local government members, for employee health and accident coverage. The plan self-insures up to \$65,000 per employee and carries commercial coverage for claims in excess of \$65,000.

Effective January 1, 2021, the Western Slope Health Care Group dissolved and the Authority joined the Public Sector Health Care Group.

C. Intergovernmental Agreements

1. Regional Emergency Dispatch Center

On January 1, 2019 the Authority entered into an intergovernmental agreement (IGA) with Pitkin County, the City of Aspen, Town of Snowmass Village, and the Town of Basalt, and the Special Districts of Aspen Fire Protection District, Aspen Ambulance District, and Carbondale and Rural Fire Protection District (the "Participating Members") for the operation, administration, and financial support of the Pitkin County Regional Emergency Dispatch Center (the "Center").

The Center is governed by a Communications Board comprised of individual Participating Members. The purpose of the Board is to provide representatives of the Participating Members with a means to offer advice, suggestions and recommendations to the Director and the County with respect to the operation and management of the Center to ensure the efficient operation of the Center. The Center will remain a department of Pitkin County.

The initial term of this IGA commenced on January 1, 2019, and is set to expire on December 31, 2023, with automatic five-year renewals. Annual operating costs of the Center including salaries, utilities, maintenance, insurance premiums and deductibles and any other expenses related to the operation and administration of the Center will be allocated to each Participating Member as set forth in the IGA.

During the year ended December 31, 2021, the Authority paid \$95,403 related to this agreement.



REQUIRED SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Authority's Proportionate Share of Net Pension Asset / Liability
Fire and Police Association of Colorado
Last 10 Fiscal Years *

Defined Benefit Plan:	2020	2019	2018	2017	2016	2015	2014	2013
Authority's portion of the net pension liability/(asset)	0.284682%	0.301632%	0.337447%	0.335945%	0.328790%	0.306189%	0.280935%	0.232311%
Authority's proportionate share of the net pension liability/(asset)	\$ (618,044)	\$ (170,591)	\$ 426,627	\$ (483,307)	\$ 118,805	\$ (5,396)	\$ 317,056	\$ 207,728
Authority's covered payroll	\$ 2,286,588	\$ 2,029,575	\$ 1,997,386	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792	\$ 1,226,852	\$ 952,400
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-27.0%	-8.4%	21.4%	-25.5%	7.3%	-0.4%	25.8%	21.8%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%
Hybrid Plan:	2020	2019	2018	2017	2016	2015	2014	2013
Authority's portion of the net pension liability/(asset)	1.174652%	1.201195%	1.103290%	1.237387%	1.246679%	1.685480%	1.765584%	1.574854%
Authority's proportionate share of the net pension liability/(asset)	\$ (323,090)	\$ (233,921)	\$ (152,292)	\$ (241,943)	\$ (135,704)	\$ (177,530)	\$ (209,392)	\$ (160,638)
Authority's covered payroll	\$ 199,510	\$ 191,687	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Authority's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-161.9%	-122.0%	-86.2%	-127.9%	-84.2%	-80.0%	-95.8%	-78.8%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	138.0%	130.1%	123.5%	138.9%	125.8%	129.4%	140.6%	139.0%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013.

**Roaring Fork Fire Rescue Authority
Schedule of Authority Contributions
Fire and Police Pension Association of Colorado
Last 10 Fiscal Years ***

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Defined Benefit Plan:									
Statutorily required contribution	\$ 188,072	\$ 182,927	\$ 162,366	\$ 160,390	\$ 150,455	\$ 136,101	\$ 113,095	\$ 86,331	\$ 79,648
Contributions in relation to the statutorily required contribution	(188,072)	(182,927)	(162,366)	(160,390)	(150,455)	(136,101)	(113,095)	(86,331)	(79,648)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 2,224,660	\$ 2,286,588	\$ 2,029,575	\$ 1,997,386	\$ 1,891,995	\$ 1,632,070	\$ 1,385,792	\$ 1,226,852	\$ 952,400
Contributions as a percentage of covered payroll	8.5%	8.0%	8.0%	8.0%	8.0%	8.3%	8.2%	7.0%	8.4%
Hybrid Plan:									
Statutorily required contribution	\$ 20,253	\$ 19,951	\$ 19,169	\$ 17,584	\$ 18,920	\$ 16,122	\$ 22,196	\$ 21,855	\$ 20,374
Contributions in relation to the statutorily required contribution	(20,253)	(19,951)	(19,169)	(17,584)	(18,920)	(16,122)	(22,196)	(21,855)	(20,374)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 202,530	\$ 199,510	\$ 191,687	\$ 176,647	\$ 189,204	\$ 161,220	\$ 221,963	\$ 218,556	\$ 203,741
Contributions as a percentage of covered payroll	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

* Information is only available beginning in fiscal year 2013.

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2021

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan and Hybrid Plan

A. Changes to assumptions or other inputs

1. Changes Since the January 1, 2019 Actuarial Valuation are as Follows:

- No changes.

2. Changes Since the January 1, 2018 Actuarial Valuation are as Follows:

- 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 for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

3. Changes Since the January 1, 2017 Actuarial Valuation are as Follows:

- No changes.

4. Changes Since the January 1, 2016 Actuarial Valuation are as Follows:

- No changes.

5. Changes Since the January 1, 2015 Actuarial Valuation are as Follows:

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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

Roaring Fork Fire Rescue Authority
Notes to the Required Supplementary Information
December 31, 2021
(continued)

I. Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset) – Statewide Defined Benefit Plan and Hybrid Plan (continued)

A. Changes to assumptions or other inputs (continued)

6. Changes Since the January 1, 2014 Actuarial Valuation are as Follows:

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of Authority Contributions – Statewide Defined Benefit Plan and Hybrid Plan

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms.

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms.

No changes during the years presented.



SUPPLEMENTARY INFORMATION

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services	725,000	725,000	1,482,944	757,944	1,060,962
Interest and investment income	30,000	30,000	6,771	(23,229)	30,107
Grants and contributions	7,500	7,500	101,168	93,668	113,620
Special event income	15,000	15,000	14,010	(990)	14,000
Employee rentals	109,200	109,200	105,336	(3,864)	108,776
Wildfire income	-	-	7,907	7,907	123,966
EMS supplemental	-	-	85,670	85,670	24,754
Gain (loss) on sale of capital assets	75,000	75,000	12,378	(62,622)	102,800
Other	185,000	185,000	172,085	(12,915)	26,538
Transfers from Basalt Rural Fire Protection District	3,175,000	3,175,000	3,288,785	113,785	3,230,597
Transfers from Snowmass-Wildcat Fire Protection District	3,580,000	3,580,000	3,748,894	168,894	3,519,567
Total Revenues	<u>7,901,700</u>	<u>7,901,700</u>	<u>9,025,948</u>	<u>1,124,248</u>	<u>8,355,687</u>
Expenditures:					
Administration:					
Salaries	896,845	896,845	729,065	167,780	817,200
Payroll taxes	14,185	14,185	12,521	1,664	13,100
Health benefits	209,380	209,380	204,126	5,254	217,136
Pension benefits	121,920	121,920	110,677	11,243	117,901
Workmen's compensation	130,000	130,000	106,748	23,252	129,751
Public relations	12,000	12,000	4,745	7,255	8,312
Office expenses	132,500	132,500	162,009	(29,509)	127,526
Fees	139,143	139,143	113,965	25,178	118,181
Wildland mitigation	-	-	63,248	(63,248)	13,117
Subtotal - Administration	<u>1,655,973</u>	<u>1,655,973</u>	<u>1,507,104</u>	<u>148,869</u>	<u>1,562,224</u>
Fire Prevention:					
Salaries	499,535	499,535	455,806	43,729	377,836
Payroll taxes	7,692	7,692	7,380	312	5,945
Health benefits	83,814	83,814	88,515	(4,701)	75,589
Pension benefits	68,307	68,307	68,530	(223)	56,431
Public relations	7,000	7,000	3,511	3,489	2,750
Office expenses	5,100	5,100	2,418	2,682	1,797
Equipment	38,000	38,000	9,556	28,444	3,899
Subtotal - Fire Prevention	<u>709,448</u>	<u>709,448</u>	<u>635,716</u>	<u>73,732</u>	<u>524,247</u>
Operations:					
Salaries	2,911,901	2,911,901	3,033,783	(121,882)	2,836,467
Payroll taxes	76,014	76,014	62,262	13,752	64,574
Health benefits	465,019	465,019	465,800	(781)	487,943
Pension benefits	366,346	366,346	386,692	(20,346)	363,443
Communications	112,000	112,000	95,790	16,210	133,361
Rent	38,000	38,000	34,140	3,860	33,932
Building maintenance	189,000	189,000	187,889	1,111	173,755
Utilities	187,000	187,000	176,120	10,880	163,063
Benefits	171,500	171,500	117,201	54,299	129,958
Repair and maintenance	125,000	125,000	151,808	(26,808)	175,672
Equipment and supplies	289,000	289,000	303,408	(14,408)	237,303
Staff development	160,500	160,500	303,222	(142,722)	75,142
COVID-19 direct expenses	-	-	29,119	(29,119)	74,399
Subtotal - Operations	<u>5,091,280</u>	<u>5,091,280</u>	<u>5,347,234</u>	<u>(255,954)</u>	<u>4,949,012</u>

(continued)

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

Roaring Fork Fire Rescue Authority
Schedule of Revenues, Expenditures, and Changes in Funds Available
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended 2020)
(Continued)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Expenditures (continued):					
Vehicle Maintenance and Repair:					
Salaries	5,000	5,000	51,093	(46,093)	72,506
Payroll taxes	1,450	1,450	767	683	1,206
Health benefits	12,256	12,256	6,403	5,853	13,555
Pension benefits	12,409	12,409	6,594	5,815	11,004
Repair and maintenance	135,000	135,000	122,562	12,438	202,071
Equipment and supplies	3,000	3,000	9,303	(6,303)	983
Subtotal - Vehicle Maintenance and Repair	<u>169,115</u>	<u>169,115</u>	<u>196,722</u>	<u>(27,607)</u>	<u>301,325</u>
Other:					
Capital outlay	1,445,000	1,445,000	753,937	691,063	2,078,608
Subtotal - Other	<u>1,445,000</u>	<u>1,445,000</u>	<u>753,937</u>	<u>691,063</u>	<u>2,078,608</u>
Total Expenditures	<u>9,070,816</u>	<u>9,070,816</u>	<u>8,440,713</u>	<u>630,103</u>	<u>9,415,416</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,169,116)	(1,169,116)	585,235	1,754,351	(1,059,729)
Funds Available - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,741,315</u>	<u>9,741,315</u>	<u>10,801,044</u>
Funds Available - End of Year	<u>(1,169,116)</u>	<u>(1,169,116)</u>	<u>10,326,550</u>	<u>11,495,666</u>	<u>9,741,315</u>
Reconciliation to GAAP Basis:					
Excess (deficiency) of revenues over expenditures			585,235		(1,059,729)
Contributed capital assets			-		210,853
Gain (loss) on sale of capital assets			-		(85,188)
Depreciation			(1,584,588)		(1,507,277)
Provision for uncollectible income			(614,211)		(507,904)
Pension expense and change in deferrals			72,615		19,770
Capitalized assets			753,937		2,078,608
Change in compensated absences			(33,649)		(55,193)
Change in Net Position - GAAP Basis			<u>(820,661)</u>		<u>(906,060)</u>

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