

**South Adams County  
Fire Protection District**

**Financial Statements**  
with Independent Auditors' Report

**December 31, 2022**

**South Adams County  
Fire Protection District**

Table of Contents  
December 31, 2022

<b>Independent Auditor’s Report</b> .....	1
<b>Management’s Discussion and Analysis</b> .....	i
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position .....	4
Statement of Activities .....	5
<i>Governmental Funds</i>	
Balance Sheet .....	6
Statement of Revenues, Expenditures and Changes in Fund Balance .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	8
<i>Notes to Financial Statements</i> .....	9
<b>Required Supplementary Information</b>	
<i>Budgetary Comparison Schedules - General Fund</i> .....	37
<i>Schedule of the District’s Proportionate Share of the Net Pension Liability (Asset) and Contributions State Fire and Police Pension Plan (FPPA) - Statewide Defined Plan</i> .....	38
<i>Schedule of Changes in Net Pension Liabilities and Related Ratios</i>	
Volunteer Firefighters Pension Plan (FPPA) .....	40
Old Hire Fire Pension Plan (FPPA) .....	42
<i>Schedule of District Contributions</i>	
Volunteer Firefighters Pension Plan (FPPA) .....	44
Old Hire Fire Pension Plan (FPPA) .....	45
<b>Supplementary Information</b>	
<i>Budgetary Comparison Schedules</i>	
Capital Fund .....	46
Impact Fee Fund.....	47



**HINKLE &  
COMPANY**  
Strategic PC  
Business Advisors

## Independent Auditor's Report

Board of Directors  
South Adams County Fire Protection District  
Adams County, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District South (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

#### Office Locations:

Colorado Springs, CO  
Denver, CO  
Tulsa, OK

#### Denver Office:

750 W. Hampden Avenue  
Suite 400  
Englewood,  
Colorado 80110  
TEL: 303.796.1000  
FAX: 303.796.1001  
[www.HinkleCPAs.com](http://www.HinkleCPAs.com)

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Hick & Company, PC*

Englewood, Colorado  
July 14, 2023



# South Adams County Fire Protection District

## Management's Discussion and Analysis

### Introduction

The South Adams County Fire Protection District (the District) management's discussion and analysis is intended to provide the reader and user of our financial statements with (a) an understanding of the financial issues of the District; (b) an overview of the District's financial activities; (c) an explanation of the changes in the District's financial position; (d) an explanatory analysis of the variations of the annual, approved budgets, and , (e) an assessment of any future financial or operating issues of the District.

### Overview of the Financial Statements of the District

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The statement of net position, prepared using the full accrual basis of accounting, provides information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, the comparison of changes in net position may provide a useful method of evaluating whether the financial position of the District is improving or deteriorating.

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

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

## **South Adams County Fire Protection District**

### Management's Discussion and Analysis

balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The District maintains three funds, the general fund, capital fund, and impact fee fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balance.

The District adopts an annual appropriated budget for all funds. The general fund and a budgetary comparison statement has been provided to demonstrate compliance with the budget on page 38. The capital fund budgetary comparison is on page 47 as Supplementary Information. The impact fee fund budgetary comparison is on page 48 as Supplementary Information.

The government-wide and governmental fund financial statements can be found on pages iv and v of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9-37 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, the report also presents required supplementary information concerning the District's pension benefits to its employees. Required supplementary information can be found starting on page 38-48 of this report.

# South Adams County Fire Protection District

## Management's Discussion and Analysis

### Government-wide Financial Analysis

#### Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$48 million at the close of 2022.

	2022	2021
<b>Assets:</b>		
Current assets	\$ 38,966,080	\$ 37,751,693
Noncurrent assets	4,906,243	2,065,039
Capital assets, net	39,577,739	36,691,345
Total assets	<u>\$ 83,450,062</u>	<u>\$ 76,508,077</u>
<b>Deferred outflows of resources</b>	<u>\$ 3,801,746</u>	<u>\$ 4,548,449</u>
<b>Liabilities:</b>		
Current liabilities	\$ 1,366,797	\$ 979,875
Noncurrent liabilities	10,626,329	13,642,324
Total liabilities	<u>\$ 11,993,126</u>	<u>\$ 14,622,199</u>
<b>Deferred inflows of resources</b>	<u>\$ 27,199,055</u>	<u>\$ 24,606,802</u>
<b>Net position:</b>		
Net investment in capital assets	\$ 29,113,306	\$ 25,020,605
Restricted	1,531,754	619,200
Unrestricted	17,414,567	16,187,720
Total net position	<u>\$ 48,059,627</u>	<u>\$ 41,827,525</u>

The District's net position is comprised primarily of its \$29,113,306 (60.6%) investment in capital assets which include land, buildings, trucks, and equipment, less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. The second largest component of net position is unrestricted funds of \$17,414,567 (36%) which may be used to meet the District's ongoing obligations. Unrestricted funds increased \$1,226,847 in 2022 primarily because revenues of the District exceeded expenses.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position. The same situation held true for the prior year. Overall, the District's net position increased \$6,232,102.

## South Adams County Fire Protection District

### Management's Discussion and Analysis

At December 31, 2022, the District's cash and investments totaled \$14,925,274 which is approximately 18% of total assets. This represents a decrease of \$120,634 from the prior year and results mainly from expenditures related to several capital projects.

Net capital assets for 2022 were \$39,577,739 or 47% of total assets. This was an increase of \$2,886,394 from the prior year and is primarily the result of construction in progress and the purchase of equipment.

Current liabilities increase in 2022 due to the timing of cash flows.

#### Statement of Activities

	2022	2021
<b>Revenues:</b>		
Program revenues		
Charges for service	\$ 255,926	\$ 378,284
Capital Grants	409,439	50,000
General revenues:		
Property Taxes	21,667,334	18,454,055
Specific Ownership	1,608,867	1,564,412
Impact Fees	530,762	1,034,292
Other	474,320	242,458
Total Revenues	<u>\$ 24,916,648</u>	<u>\$ 21,723,501</u>
<b>Expenses:</b>		
Public Safety – fire protection	<u>\$ 18,684,546</u>	<u>\$ 15,823,163</u>
Total Expenditures	<u>\$ 18,684,546</u>	<u>\$ 15,823,163</u>
Change in net position	6,232,102	5,900,338
Net position beginning of year	41,827,525	35,927,187
Net position end of year	<u>\$ 48,059,627</u>	<u>\$ 41,827,525</u>

Governmental activities increased the District's net position by \$6,232,102 for 2022 which is a substantial increase from the prior year. The increase is mainly attributable to an increase in revenues, most of which is attributable to the increase in property tax revenues.

#### Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either

## **South Adams County Fire Protection District**

### **Management's Discussion and Analysis**

an external party, the District itself, or a group or individual delegating authority to assign resources for use for particular purposes by the District's Board of Directors.

At December 31, 2022, the District's governmental funds balance was \$14,622,339, a decrease of \$132,603 from the prior year. The decrease is the result of the use of funds for capital expenditures. Approximately 67% of this amount constitutes an amount assigned for future capital expenditures and restricted in compliance with the TABOR emergency reserve requirement. 3% of this amount is not spendable in inventory and prepaids. 4% of this amount is assigned to subsequent years expenditures. The remaining 26% is unassigned and available for future expenditures.

#### **General Fund Budgetary Highlights**

General Fund revenue exceeded budget by \$311,935, approximately 1.3%. The primary contributing factors to this variance was a greater than expected collection of general property taxes and investment earnings revenues.

General fund expenditures were \$1,420,177, or approximately 6.6% less than the budget mainly because of less than budgeted salaries expense and insurance cost.

See page 38 of this report for details of General Fund revenue and expenditures compared to budget.

Capital Fund revenue was greater than budgeted because of grant revenues not budgeted.

Capital expenditures were less than the budget amount mainly because of cost savings on Capital projects.

See page 47 of this report for details of Capital Fund revenue and expenditures compared to budget.

#### **Capital Asset and Debt Administration**

Capital assets (net of accumulated depreciation) increased in 2022 by \$2,886,394 because of construction to improve capital assets.

Additional information on the District's capital assets can be found in Note 5 on page 18 of this report.

#### **Requests for Information**

This financial report is designed to provide a general overview of the finances for the District. Questions concerning any of the information in this report or requests for additional information should be addressed to: South Adams County Fire District No. 4, 6050 Syracuse St, Commerce City, Colorado 80022.

## **Basic Financial Statements**

**South Adams County Fire Protection District**  
Statement of Net Position  
December 31, 2022

	Total
<b>Assets</b>	
Cash and Investments	\$ 14,925,274
Receivable from county treasurer	125,932
Accounts Receivable	799,741
Property taxes receivable	22,997,931
Prepaid Expenses	56,000
Inventory	61,202
Capital assets, not being depreciated	8,533,813
Capital assets, being depreciated, net	31,043,926
Net pension asset	4,906,243
<b>Total Assets</b>	83,450,062
<b>Deferred Outflows of Resources</b>	
Pension related amounts	3,801,746
<b>Total deferred outflows of resources</b>	3,801,746
<b>Liabilities</b>	
Accounts Payable	133,575
Accrued Liabilities	382,881
Accrued Interest Payable	20,987
Unearned Revenue	829,354
Noncurrent Liabilities	
Due Within One Year	1,399,057
Due In More Than One Year	9,227,272
<b>Total Liabilities</b>	11,993,126
<b>Deferred Inflows of Resources</b>	
Deferred property taxes	22,997,931
Pension related amounts	4,201,124
<b>Total deferred outflows of resources</b>	27,199,055
<b>Net Position</b>	
Net Investment in Capital Assets	29,113,306
Restricted for:	
Emergencies	702,400
Capital Projects	829,354
Unrestricted	17,414,567
<b>Total Net Position</b>	\$ 48,059,627

# South Adams County Fire Protection District

## Statement of Activities

For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Total 2022
		Charges for Services	Capital Grants and Contributions	
Primary Government				
<b>Governmental Activities</b>				
Fire protection and emergency services	\$ 18,395,718	\$ 225,926	\$ 409,439	\$ (17,760,353)
Interest on long-term debt	<u>288,828</u>	<u>-</u>	<u>-</u>	<u>(288,828)</u>
 Total Governmental Activities	 <u>\$ 18,684,546</u>	 <u>\$ 225,926</u>	 <u>\$ 409,439</u>	 (18,049,181)
		<b>General Revenues</b>		
				21,667,334
				1,608,867
				530,762
				352,189
				<u>122,131</u>
				<u>24,281,283</u>
				6,232,102
				<u>41,827,525</u>
				<u>\$ 48,059,627</u>

**South Adams County Fire Protection District**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	General Fund	Capital Fund	Impact Fee Fund	Total Governmental Funds
<b>Assets</b>				
Cash and Investments	\$ 5,976,780	\$ 7,757,151	\$ 1,191,343	\$ 14,925,274
Accounts Receivable	799,741	-	-	799,741
Receivable from county treasurer	125,932	-	-	125,932
Property Taxes Receivable	22,997,931	-	-	22,997,931
Prepaid expenses	56,000	-	-	56,000
Inventory	61,202	-	-	61,202
<b>Total Assets</b>	<b>30,017,586</b>	<b>7,757,151</b>	<b>1,191,343</b>	<b>38,966,080</b>
<b>Liabilities</b>				
Accounts Payable	133,575	-	-	133,575
Accrued Liabilities	382,881	-	-	382,881
Unearned Revenue	-	829,354	-	829,354
<b>Total Liabilities</b>	<b>516,456</b>	<b>829,354</b>	<b>-</b>	<b>1,345,810</b>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	22,997,931	-	-	22,997,931
<b>Total deferred inflows of resources</b>	<b>22,997,931</b>	<b>-</b>	<b>-</b>	<b>22,997,931</b>
<b>Fund Balance</b>				
Nonspendable:				
Prepays	56,000	-	-	56,000
Inventory	61,202	-	-	61,202
Restricted for:				
Emergencies	702,400	-	-	702,400
Grants	-	829,354	-	829,354
Assigned for:				
Capital Projects	-	6,098,443	1,191,343	7,289,786
Subsequent year expenditures	31,199	-	-	31,199
Unrestricted, Unassigned	5,652,398	-	-	5,652,398
<b>Total Fund Balance</b>	<b>6,503,199</b>	<b>6,927,797</b>	<b>1,191,343</b>	<b>14,622,339</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 30,017,586</b>	<b>\$ 7,757,151</b>	<b>\$ 1,191,343</b>	
<b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>				
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:				
Capital assets, net				39,577,739
Net pension asset				4,906,243
Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, are not reported in the funds:				
Deferred outflows				3,801,746
Deferred inflows				(4,201,124)
Long-term liabilities, including loans payable and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds:				
Long-term leases				(10,464,433)
Accrued interest				(20,987)
Compensated absences				(161,896)
Total Net Position of Governmental Activities				<b>\$ 48,059,627</b>

See Notes to the Financial Statements.

**South Adams County Fire Protection District**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2022

	General	Capital Fund	Impact Fee Fund	Total Governmental Funds
<b>Revenues</b>				
General Property Taxes	\$ 21,667,334	\$ -	\$ -	\$ 21,667,334
Specific Ownership Taxes	1,608,867	-	-	1,608,867
Investment Earnings	352,189	-	-	352,189
Fire Protection	163,123	-	-	163,123
Ambulance Lease and Service	62,803	-	-	62,803
Grant Revenue	-	409,439	-	409,439
Impact Fees	-	-	530,762	530,762
Other	122,131	-	-	122,131
	<u>23,976,447</u>	<u>409,439</u>	<u>530,762</u>	<u>24,916,648</u>
Total Revenues				
<b>Expenditures</b>				
Salaries and Benefits	14,072,907	-	-	14,072,907
General Expenses	1,342,349	-	-	1,342,349
Fire Prevention	100,382	-	-	100,382
Contribution - Volunteer Pension	100,975	-	-	100,975
Contribution - Old Hire Pension	50,000	-	-	50,000
Radio Maintenance	610,868	-	-	610,868
Vehicle Maintenance	425,597	-	-	425,597
Equipment Maintenance	29,467	-	-	29,467
Equipment and Supplies	437,747	-	-	437,747
Building Maintenance	593,985	-	-	593,985
Insurance	395,639	-	-	395,639
Training	340,709	-	-	340,709
Capital Outlay	-	5,051,505	-	5,051,505
Debt Service				
Principal	1,206,307	-	-	1,206,307
Interest and Fiscal Charges	290,814	-	-	290,814
	<u>19,997,746</u>	<u>5,051,505</u>	<u>-</u>	<u>25,049,251</u>
Total Expenditures				
<b>Excess Revenues Over (Under) Expenditures</b>	<u>3,978,701</u>	<u>(4,642,066)</u>	<u>530,762</u>	<u>(132,603)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from (to) other funds	<u>(2,850,000)</u>	<u>3,513,000</u>	<u>(663,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,850,000)</u>	<u>3,513,000</u>	<u>(663,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,128,701	(1,129,066)	(132,238)	(132,603)
<b>Fund Balances, Beginning of year</b>	<u>5,374,498</u>	<u>8,056,863</u>	<u>1,323,581</u>	<u>14,754,942</u>
<b>Fund Balances, End of year</b>	<u>\$ 6,503,199</u>	<u>\$ 6,927,797</u>	<u>\$ 1,191,343</u>	<u>\$ 14,622,339</u>

See Notes to the Financial Statements.

**South Adams County Fire Protection District**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2022

**Amounts Reported for Governmental Activities  
 in the Statement of Activities are Different Because:**

Net Change in Fund Balances of Governmental Funds	\$ (132,603)
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital Outlay	4,597,569
Depreciation Expense	(1,711,175)
<p>The issuance of long-term debt (e.g. bonds, note payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Long-term lease principal payments	1,206,307
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in pension related items	2,331,608
Interest Expense - change in accrued interest	1,986
Compensated absences - change in liability	<u>(61,590)</u>
Change in Net Position of Governmental Activities	<u>\$ 6,232,102</u>

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 1: Reporting Entity**

The South Adams County Fire Protection District (the District) is a quasi-municipal corporation and political sub-division of the State of Colorado, and was organized in 1952 pursuant to the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection and emergency services to the citizens and their property within its jurisdiction.

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

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

**Note 2: Summary of Significant Accounting Policies**

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

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

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

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

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies** *(Continued)*

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

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

The capital fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The impact fee fund is used to account for impact fees charged on new development within the District and use of those funds for related capital projects.

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

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies (Continued)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

The District did not amend its annual budget for the year ended December 31, 2022.

**Pooled Cash and Investments**

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

**Interfund Balances**

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

**Property Taxes**

Property taxes are levied based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

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

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies (Continued)**

**Inventories**

Inventories are valued at cost using the first-in, first-out method. Inventories in the General Fund consist of expendable supplies held for consumption, medical supplies, vehicle parts and uniforms. The cost is recorded as expenditures at the time individual inventory items are consumed.

**Capital Assets**

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

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

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and Improvements	10 - 50 years
Vehicles	15 - 25 years
Equipment	5 - 25 years

**Compensated Absences**

District employees are permitted to accumulate earned, but unused vacation pay benefits. The maximum vacation leave hours that an employee may accumulate or receive upon separation of service is limited by District policy. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position will sometimes report separate sections for deferred outflows and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The District has certain items that relate to its pension plans that qualify for reporting as deferred outflows of resources and deferred inflows of resources. Deferred inflows of resources also consist of deferred property tax revenue. The deferred property tax revenue is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Fund Balances**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies (Continued)**

**Fund Balances** (Continued)

Committed fund balance - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

**Net Position**

In the government-wide and proprietary fund financial statements, net position is classified in the following the following categories:

- *Net Investment in Capital Assets* - this classification consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of capital assets or related debt are also included in this component of net position.
- *Restricted Net Position* - this classification presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - this classification represents the net position of the Authority, which is not restricted for any project or other purpose.

**Fire Protection Postemployment Benefits Plan**

The Governmental Accounting Standards Board (GASB) released Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions that was effective for the District for fiscal year ending December 31, 2018. This statement details the reporting requirements for employers regarding other post-employment benefit (OPEB) plans.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 2: Summary of Significant Accounting Policies** (Continued)

**Fire Protection Postemployment Benefits Plan** (Continued)

FPPA administers the Statewide Death & Disability Plan discussed in Note 7, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the District, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is \$-0-.

**Subsequent Events**

Management of the District has evaluated subsequent events through July 14, 2023, the date the financial statements were available to be issued.

**Note 3: Cash and Investments**

Cash and investments as of December 31, 2022 consist of the following:

Cash on hand	\$ 249
Deposits with financial institutions	1,156,573
Investments	<u>13,768,452</u>
Total	\$ <u>14,925,274</u>

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has adopted a deposit policy, which follows state statutes, for custodial risk.

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the District had bank deposits of \$664,538 collateralized with securities held by the financial institution's agent but not in the District's name.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 3: Cash and Investments (Continued)**

**Investments**

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the District may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings established by the nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the District may invest in a single issuer, except for corporate securities.

*Local Government Investment Pools* - As December 31, 2022, the District had \$13,768,452 invested in the Colorado Local Government Liquid Assets Trust (Colotrust) (the Trust). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust is rated AAAM by Standard & Poor's. Colotrust records its investments at fair value and the District records its investment in Colotrust at net asset value as determined by fair value. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 4: Interfund Receivables, Payables, and Transfers**

The following schedule summarizes the District's transfers for the year ended December 31, 2022:

	<u>Transfer in Capital Fund</u>
Transfers Out:	
General Fund	\$ 2,850,000
Impact Fee Fund	<u>663,000</u>
Total	<u>\$ 3,513,000</u>

The transfer from the General Fund to the Capital Fund is to cover capital expenditures. The transfer from the Impact Fee Fund to the Capital Fund is for impact fees collected and used to fund capital expenditures.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 5: Capital Assets**

Capital asset activity for the year ended December 31, 2022, was as follows:

<b>Governmental Activities</b>	<b>Balance 12/31/21</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/22</b>
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 478,247	\$ -	\$ -	\$ 478,247
Construction in Progress	7,211,859	843,707	-	8,055,566
<b>Total Capital Assets, Not Being Depreciated</b>	<b>7,690,106</b>	<b>843,707</b>	<b>-</b>	<b>8,533,813</b>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	24,853,170	1,701,886	-	26,555,056
Vehicles and Accessories	10,394,183	551,981	-	10,946,164
Equipment	3,609,457	1,499,995	-	5,109,452
<b>Total Capital Assets, Being Depreciated</b>	<b>38,856,810</b>	<b>3,753,862</b>	<b>-</b>	<b>42,610,672</b>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(4,689,700)	(813,096)	-	(5,502,796)
Vehicles and Accessories	(3,348,978)	(441,667)	-	(3,790,645)
Equipment	(1,816,893)	(456,412)	-	(2,273,305)
<b>Total Accumulated Depreciation</b>	<b>(9,855,571)</b>	<b>(1,711,175)</b>	<b>-</b>	<b>(11,566,746)</b>
<b>Total Capital Assets, Being Depreciated, net</b>	<b>29,001,239</b>	<b>2,042,687</b>	<b>-</b>	<b>31,043,926</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 36,691,345</b>	<b>\$ 2,886,394</b>	<b>\$ -</b>	<b>\$ 39,577,739</b>

Depreciation expense of \$1,711,1745 for 2022 was charged to the fire protection and emergency services function of the District on the statement of activities.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 6: Long-term Obligations**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

<b>Governmental Activities</b>	<b>Balance 12/31/21</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/22</b>	<b>Due Within One Year</b>
Direct Placement Borrowings:					
Long-term leases					
Fire Engines (6/16)	\$ 382,000	\$ -	\$ (188,214)	\$ 193,786	\$ 193,786
HQ (6/16)	3,957,000	-	(401,000)	3,556,000	410,000
Fire Engine (12/16)	231,789	-	(114,359)	117,430	117,430
SCBA (12/19)	411,452	-	(77,431)	334,021	79,788
Turnout Gear (12/19)	78,499	-	(25,303)	53,196	26,157
Training Center (3/21)	6,610,000	-	(400,000)	6,210,000	410,000
Compensated Absences	100,306	61,590	-	161,896	161,896
	<u>11,771,046</u>	<u>61,590</u>	<u>(1,206,307)</u>	<u>10,626,329</u>	<u>1,399,057</u>
Total	\$ <u>11,771,046</u>	\$ <u>61,590</u>	\$ <u>(1,206,307)</u>	\$ <u>10,626,329</u>	\$ <u>1,399,057</u>

On June 29, 2016, the District entered into a lease obligation with BOK Financial for the purchase of two new fire engines totaling \$1,359,000. The agreement calls for semi-annual payments of principal and interest commencing December 1, 2016, through December 1, 2023. Interest accrues at a rate of 1.93%.

On June 29, 2016, the District entered into a lease obligation with BOK Financial for the construction costs of a new headquarters building totaling \$5,830,000. The agreement calls for semi-annual payments of interest and annual payments of principal commencing December 1, 2016, through December 1, 2030. Interest accrues at a rate of 2.30%. The District has committed to various covenants that must be maintained to avoid events of default. The more significant covenants are for the District to pay any base rentals or additional rentals in accordance with the lease terms and the appropriation of funds to make all rental payments in accordance with the lease terms. In the event of default, the lessor has the right to recalculate the interest portion of the base rentals at the default rate and lease or sub-lease the property.

On December 23, 2016, the District entered into a lease obligation with PNC Equipment Finance, LLC for the purchase of a new fire engine totaling \$760,238. The agreement calls for annual principal and interest payments of \$120,586 commencing December 23, 2017, through December 23, 2023. Interest accrues at a rate of 2.687%.

On December 20, 2019, the District entered into a lease obligation with Community First National Bank for the purchase of SCBA equipment totaling \$559,520. The agreement calls for annual principal and interest payments of \$89,956 commencing December 20, 2020, through December 20, 2026. Interest accrues at a rate of 3.044%.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 6: Long-term Obligations (Continued)**

On December 20, 2019, the District entered into a lease obligation with Community First National Bank for the purchase of turnout gear totaling \$126,760. The agreement calls for annual principal and interest payments of \$27,903 commencing December 20, 2020, through December 20, 2024. Interest accrues at a rate of 3.284%.

On March 17, 2021, the District entered into a lease obligation with BOK Financial for the acquisition and improvement of a building for a new training facility totaling \$7,000,000. The agreement calls for semiannual payments of interest and annual payments of principal commencing June 1, 2021, through December 1, 2035. Interest accrues at a rate of 2.60%. The District has committed to various covenants that must be maintained to avoid events of default. The more significant covenants are for the District to pay any base rentals or additional rentals in accordance with the lease terms and the appropriation of funds to make all rental payments in accordance with the lease terms. In the event of default, the lessor has the right to recalculate the interest portion of the base rentals at the default rate and lease or sub-lease the property.

The District has committed to various covenants for the lease of the fire engines, SCBA equipment and turnout gear that must be maintained to avoid events of default. The more significant covenants are the timely rent payment in accordance with the lease terms and the appropriation of funds to make all rent payments required pursuant to the lease. In the event of a default, the lessor has the option to take any action pursuant to the lease agreement or to take legal action to require the District to cure such default, including requiring the District to pay all amounts then currently due or the return of the related vehicles/equipment.

As of December 31, 2022, assets under long-term leases totaled \$14,871,714 and accumulated depreciation on those underlying assets totaled \$1,783,844.

The District's long-term lease obligations will mature as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,237,161	\$ 260,839	\$ 1,498,000
2024	948,255	231,203	1,179,458
2025	943,719	207,299	1,151,018
2026	966,298	183,716	1,150,014
2027	904,000	159,566	1,063,566
2028 - 2032	3,850,000	467,075	4,317,075
2033 - 2035	<u>1,615,000</u>	<u>84,305</u>	<u>1,699,305</u>
	<u>\$ 10,464,433</u>	<u>\$ 1,594,003</u>	<u>\$ 12,058,436</u>

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan**

Pension liabilities, assets, deferred outflows, deferred inflows and pension expense/(income) for the District's plans as of December 31, 2022 are as follows:

Description	Net Pension Asset	Deferred of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
FPPA statewide defined benefit plan	\$ 6,092,893	\$ 3,643,320	\$ -	\$ 3,538,307	\$ (682,821)
FPPA volunteer pension plan	-	100,975	680,242	662,817	(275,728)
FPPA old hire pension plan	-	57,451	506,408	-	(19,680)
Total	<u>\$ 6,092,893</u>	<u>\$ 3,801,746</u>	<u>\$ 1,186,650</u>	<u>\$ 4,201,124</u>	<u>\$ (978,229)</u>

**State Fire and Police Pension Plan (FPPA)**

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

**Description of Benefits**

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

The annual normal retirement benefit is 2 percent 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 percent 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 to the higher of 3 percent or the Consumer Price Index or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Description of Benefits** (Continued)

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent 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 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Contributions**

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 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.

Members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of base salary for a total contribution rate of 20.0 percent in 2022. 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 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. Contributions to the SWDB plan from the District were \$859,993 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported an asset of \$6,092,893 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. As December 31, 2021, the District's proportion was 1.1242873946%, which was an increase of 0.1730963146% from its proportion measures as of December 31, 2020.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended December 31, 2022, the District recognized pension benefit of \$682,821. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,419,367	\$ 122,491
Changes of Assumptions and other inputs	699,662	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,052,628
Changes in proportion	664,298	363,188
Contributions subsequent to measurement date	859,993	-
Total	<u>\$ 3,643,320</u>	<u>\$ 3,538,307</u>

\$859,993 in total reported as deferred outflows of resources related to pension resulting from District contributions subsequent to measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Amounts
2023	\$ (1,353,781)
2024	(52,442)
2025	(97,646)
2026	418,757
2027	270,742
Thereafter	59,390
Total	<u>\$ (754,980)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

For determining the total pension asset and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales and 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.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.00%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%
*Includes Inflation at	2.50%

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 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 the purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

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, 2021 are summarized in the following table:

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

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following table presents the net pension liability of the District, calculated using the discount rate of 7.00% as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate Share of the Net Pension Liability (Asset)	\$ (840,248)	\$ (6,092,893)	\$ (10,444,416)

**Pension Plan Fiduciary Net Position**

Detailed information about the SWDB's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained at <http://www.fppaco.org>.

**Changes Between the Measurement Date of the Net Pension Asset and December 31, 2021**

During 2020, legislation was passed effective January 1, 2021, that amended the Statewide Defined Benefit Plan. The stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021, actuarial valuation date. This transfer does not impact the net pension asset of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Volunteer Pension Fund**

**Plan Description and Provisions**

The District, on behalf of its volunteer firefighters, contributes to a single-employer defined benefit pension plan (the Plan). The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions for such plans. The Plan is included as a Pension Trust fund of the District and the Pension Trust does not issue separate statements.

**Volunteers Covered by Benefit Terms**

As of the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	68
Inactive, Nonretired Members	8
Active Members	1
Total	<u><u>77</u></u>

**Benefits Provided**

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is \$1,050 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$52.50 per month for every year of service. Survivor's death benefits range from \$525 monthly benefit payment to 50 percent of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$2,100.

**Funding Policy**

The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The Actuarial study as of January 1, 2022, indicated that the current level of contributions to the fund are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

**Contributions**

For the year ended December 31, 2022 the District contributed \$100,975 to the plan.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Net Pension Liability**

The total pension liability is based on an actuarial valuation performed as of January 1, 2022 and a measurement date of December 31, 2021. This measurement date is within two years of the plan sponsor's fiscal year-end of December 31, 2022 and may be used for December 31, 2022 reporting purposes.

*Actuarial Assumptions.* The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization	Period 20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Mortality	50% per year of eligibility until 100% at age 65

**Mortality:**

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount rate is 7.00%.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Net Pension Liability** (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 nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term
Cash	2.00 %	2.32 %
Fixed Income - Rates	10.00 %	4.00 %
Fixed Income - Credit	5.00 %	5.25 %
Absolute Return	10.00 %	5.60 %
Long Short	8.00 %	6.87 %
Global Equity	39.00 %	8.23 %
Private Capital	26.00 %	10.63%
Total	100.00 %	

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at 12/31/21	\$ 7,757,457	\$ 6,439,171	\$ 1,318,286
Changes for the Year			
Service Cost	2,104	-	2,104
Interest	518,780	-	518,780
Employer Contribution	-	120,000	(120,000)
State of Colorado discretionary payment	-	141,012	(141,012)
Net Investment Income	-	916,417	(916,417)
Benefit Payments, Including Refunds	(706,650)	(706,650)	-
Administrative Expenses	-	(18,501)	18,501
Net Changes	(185,766)	452,278	(638,044)
Balance at 12/31/22	\$ 7,571,691	\$ 6,891,449	\$ 680,242

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Sensitivity of the Net Pension Liability (Asset) to the Changes in the Discount Rate**

The following table presents the net pension liability of the District, calculated using the discount rate of 7.00% as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
District's Net Pension Liability (Asset)	\$ <u>1,400,030</u>	\$ <u>680,242</u>	\$ <u>70,118</u>

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

For the year ended December 31, 2022, the District recognized pension benefit of \$275,728 for the Volunteer Pension Plan. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 662,817
Contributions subsequent to measurement date	100,975	-
Total	\$ <u>100,975</u>	\$ <u>662,817</u>

\$100,975 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease in the pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Amounts</u>
2023	\$ (155,417)
2024	(247,751)
2025	(163,320)
2026	(96,329)
Total	\$ <u>(662,817)</u>

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Pension Plan Fiduciary Net Position**

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

**Old Hire Pension Fund**

**Plan Description and Provisions**

The District's paid employees, hired prior to associating with FPPA, participate in a contributing pension plan administered by the Board of Trustees. The plan is closed to new participants.

**Members Covered by Benefit Terms**

As of the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	2
Total	<u>2</u>

**Funding Policy**

The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The Actuarial study as of January 1, 2022, indicated that the current level of contributions to the fund are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

**Contributions**

For the year ended December 31, 2022 the District contributed \$50,000 to the plan.

**Net Pension Liability**

The total pension liability is based on an actuarial valuation performed as of January 1, 2022 and a measurement date of December 31, 2021. This measurement date is within two years of the plan sponsor's fiscal year-end of December 31, 2022 and may be used for December 31, 2022 reporting purposes.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Net Pension Liability** (Continued)

*Actuarial Assumptions.* The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization	Period 20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Mortality	50% per year of eligibility until 100% at age 65

Mortality rates were based on the following:

- Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables.
- Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

All tables were projected and based on Scale BB.

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

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Net Pension Liability** (Continued)

The assumptions shown above pertain to the actuarial valuation as of January 1, 2018, and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in the January 1, 2020, valuations. The primary changes, which can be observed in the January 1, 2020, valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return	4.50%
Mortality:	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; 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 4.50%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term
Cash	10.00 %	0.10 %
Fixed Income - Rates	70.00 %	2.30 %
Fixed Income - Credit	10.00 %	3.50 %
Absolute Return	- %	5.60 %
Long Short	- %	6.90 %
Global Equity	10.00 %	7.80 %
Private Capital	- %	10.50%
Total	100.00 %	

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Net Pension Liability (Continued)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
Balance at 12/31/21	\$ 1,123,360	\$ 570,368	\$ 552,992
Changes for the Year			
Service Cost	-	-	-
Interest	48,806	-	48,806
Difference Between Expected and	(42,532)	-	(42,532)
Changes in assumptions	-	-	-
Employer Contribution	-	51,500	(51,500)
Net Investment Income	-	2,568	(2,568)
Benefit Payments, Including Refunds	(78,421)	(78,421)	-
Administrative Expenses	-	(1,210)	1,210
Net Changes	<u>(72,147)</u>	<u>(25,563)</u>	<u>(46,584)</u>
Balance at 12/31/22	<u>\$ 1,051,213</u>	<u>\$ 544,805</u>	<u>\$ 506,408</u>

Regarding the sensitivity of the net pension liability/(asset) to the changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 3.5%	Current Discount 4.5%	1% Increase 5.5%
District's Net Pension Liability (Asset)	<u>\$ 615,174</u>	<u>\$ 506,408</u>	<u>\$ 413,572</u>

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

For the year ended December 31, 2022, the District recognized pension benefit of \$19,680 for the Old Hire Pension Plan. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 7,451	\$ -
Contributions subsequent to measurement date	50,000	-
Total	<u>\$ 57,451</u>	<u>\$ -</u>

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 7: Employee Retirement Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$50,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease in the pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Years Ended December 31,</u>	<u>Deferred Amounts</u>
2023	\$ 4,892
2024	(3,231)
2025	1,297
2026	4,493
Total	<u>\$ 7,451</u>

**Pension Plan Fiduciary Net Position**

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

**Note 8: Deferred Compensation Plan**

Fire protection employees of the District who are members of the FPPA Statewide Defined Benefit Plan may voluntarily contribute to the FPPA 457 Deferred Compensation Plan (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the FPPA. 457 Plan participation is voluntary, and contributions to the 457 Plan are separate from contributions made to other FPPA plans. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the 457 Plan. The report may be obtained at [www.ffpaco.org](http://www.ffpaco.org). During 2022, the District's fire protection employees contributed \$360,185 to the 457 Plan.

**Note 9: Post Employment Health Plan**

The District established a post employment health plan on May 12, 2021, for the District's collectively bargained public employees. The plan is administered by Nationwide Retirement Solutions. All collectively bargained public employees will participate in the plan and the District will match up to 1% of the employee's annual base salary. The plan has no annual maximum contribution limit for employee contributions other than defined by Retirement Health Savings limits. During 2022 there were minimal employee and employer contributions to the plan.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 9: Post Employment Health Plan** (Continued)

The District established a post employment health plan on November 30, 2021, for the District's administrative employees (non-collectively bargained employees). The plan is administered by Nationwide Retirement Solutions. All administrative employees are eligible to participate in the plan and the District will match up to 1% of the employee's annual base salary. The plan has no annual maximum contribution limit for employee contributions other than defined by Retirement Health Savings limits. During 2022 there were no employee and employer contributions to the plan.

**Note 10: Agreements**

The District entered into an Intergovernmental Agreement Regarding Exclusion and Inclusion of Real Property (IGA) on May 16, 2017, with Sable-Altura Fire Protection District (Sable-Altura). The IGA provides for certain real property to be excluded from Sable-Altura's service area and included into the District's service area. The District agrees to share a portion of its mill levy revenue on Sable-Altura's excluded property as follows:

- Years 1-3: Sable-Altura will receive 100% of the mill levy revenue received by the District
- Years 4-5: Sable-Altura will receive 80% of the mill levy revenue received by the District
- Years 6-7: Sable-Altura will receive 60% of the mill levy revenue received by the District
- Years 8-9: Sable-Altura will receive 40% of the mill levy revenue received by the District
- Year 10: Sable-Altura will receive 20% of the mill levy revenue received by the District

The IGA terminates at the end of the tenth year following the IGA date.

**Note 11: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or volunteers; and natural disasters. The District was a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official's liability, and workers compensation coverage to its members. Settled claims have not exceeded coverage in any of the last three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials and workers compensation coverage. In the event the aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to members pursuant to a distribution formula.

**South Adams County  
Fire Protection District**  
Notes to Financial Statements  
December 31, 2022

**Note 12: Tax, Spending and Debt Limitation**

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

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

On November 5, 2002, the District's voters authorized the District to retain all revenues from all sources including grants in the year 2002 and subsequent years, and spend the same as a voter-approved revenue change and an exception to limits which would otherwise apply for each of said years, including those contained in Article X, Section 20, of the Colorado Constitution and Section 29-1-301 of the Colorado Revised Statutes.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

On November 6, 2018, registered electors of the District approved a ballot issue allowing the District to increase or decrease its current and all future mill levies if there are changes in the method of calculating assessed valuation including, but not limited to, a change in the percentage of actual valuation used to determine residential assessed valuation due to Article X, Section 3 of the Colorado Constitution (commonly known as the Gallagher Amendment), so that, to the extent possible, the actual tax revenues generated by such mill levies are the same as the actual tax revenues that would have been generated had such changes not occurred.

## **Required Supplementary Information**

**South Adams County Fire Protection District**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended December 31, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
General Property Taxes	\$ 21,593,211	\$ 21,667,334	\$ 74,123
Specific Ownership Taxes	1,537,000	1,608,867	71,867
Investment Earnings	164,000	352,189	188,189
Fire Protection	140,000	163,123	23,123
Ambulance Lease and Service	84,400	62,803	(21,597)
Other	145,901	122,131	(23,770)
<b>Total Revenues</b>	<u>23,664,512</u>	<u>23,976,447</u>	<u>311,935</u>
<b>Expenditures</b>			
Salaries and benefits	14,525,911	14,072,907	453,004
General Expenses	1,427,223	1,342,349	84,874
Fire Prevention	-	100,382	(100,382)
Contribution - Volunteer Pension	126,000	100,975	25,025
Contribution - Old Hire Pension	51,500	50,000	1,500
Radio Maintenance	692,760	610,868	81,892
Vehicle Maintenance	510,000	425,597	84,403
Equipment Maintenance	-	29,467	(29,467)
Equipment and Supplies	570,725	437,747	132,978
Building Maintenance	599,027	593,985	5,042
Insurance	751,000	395,639	355,361
Training	457,225	340,709	116,516
Debt Service			
Principal	1,347,199	1,206,307	140,892
Interest	359,353	290,814	68,539
<b>Total Expenditures</b>	<u>21,417,923</u>	<u>19,997,746</u>	<u>1,420,177</u>
<b>Excess Revenues Over (Under) Expenditures</b>	2,246,589	3,978,701	1,732,112
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	(2,850,000)	(2,850,000)	-
<b>Excess of Revenue and Other Financing Sources Over (under) Expenditures</b>	(603,411)	1,128,701	1,732,112
<b>Fund Balance, Beginning of year</b>	<u>6,600,734</u>	<u>5,374,498</u>	<u>(1,226,236)</u>
<b>Fund Balance, End of year</b>	<u>\$ 5,997,323</u>	<u>\$ 6,503,199</u>	<u>\$ 505,876</u>

**South Adams County Fire Protection District**  
Schedule of Proportionate Share of the Net Pension Liability and Contributions  
State Fire and Police Pension Plan (FPPA) - Statewide Defined Benefit Plan

Measurement Date	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
<b>Proportionate Share of the Net Pension (Asset)</b>				
District's Proportion of the Net Pension (Asset)	1.1242870%	0.9511910%	0.7542982%	0.6424784%
District's Proportionate Share of the Net Pension (Asset)	\$ (6,092,893)	\$ (2,065,039)	\$ (426,603)	\$ 839,792
District's Covered Payroll	\$ 9,075,573	\$ 7,640,044	\$ 5,939,425	\$ 4,449,513
District's Proportionate Share of the Net Pension(Asset) as a Percentage of Covered Payroll	-67.14%	-27.03%	-7.18%	18.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)	116.20%	106.70%	101.90%	95.20%

Reporting Date	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Authority Contributions</b>				
Statutorily Required Contribution	\$ 859,993	\$ 769,315	\$ 611,204	\$ 475,154
Contributions in Relation to the Statutorily Required Contribution	<u>859,993</u>	<u>769,315</u>	<u>611,204</u>	<u>475,154</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 9,575,120	\$ 9,075,573	\$ 7,640,044	\$ 5,939,425
Contributions as a Percentage of Covered Payroll	9%	8%	8%	8%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**South Adams County Fire Protection District**  
Schedule of Proportionate Share of the Net Pension Liability and Contributions  
State Fire and Police Pension Plan (FPPA) - Statewide Defined Benefit Plan  
(Continued)

Measurement Date	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<b>Proportionate Share of the Net Pension (Asset)</b>				
District's Proportion of the Net Pension (Asset)	0.5894256%	0.5433582%	0.3762745%	0.2859886%
District's Proportionate Share of the Net Pension (Asset)	\$ (847,982)	\$ 196,336	\$ (6,633)	\$ (322,760)
District's Covered Payroll	\$ 4,360,663	\$ 3,592,436	\$ 2,674,100	\$ 1,843,863
District's Proportionate Share of the Net Pension(Asset) as a Percentage of Covered Payroll	-19.45%	5.47%	-0.25%	-17.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)	106.30%	98.21%	100.10%	106.80%

Reporting Date	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
<b>Authority Contributions</b>				
Statutorily Required Contribution	\$ 355,961	\$ 348,853	\$ 287,379	\$ 213,928
Contributions in Relation to the Statutorily Required Contribution	<u>355,961</u>	<u>348,853</u>	<u>287,379</u>	<u>213,928</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's Covered Payroll	\$ 4,449,513	\$ 4,360,663	\$ 3,592,436	\$ 2,674,100
Contributions as a Percentage of Covered Payroll	8%	8%	8%	8%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**South Adams County Fire Protection District**  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
State Fire and Police Pension Plan (FPPA) - Volunteer Pension Fund  
For the Year Ended December 31, 2022

	12/31/2021	12/31/2020	12/31/2019	12/31/2018
<b>Total Pension Liability</b>				
Service Cost	\$ 2,104	\$ 6,865	\$ 6,865	\$ 12,967
Interest on the Total Pension Liability	518,780	526,950	536,899	546,996
Changes in Benefit Terms	-	-	381,156	-
Difference between expected and actual experience of the Total Pension Liability	-	55,321	-	(181,986)
Changes of Assumptions	-	-	-	284,763
Benefit Payments, Including Refunds of Employee Contributions	<u>(706,650)</u>	<u>(700,490)</u>	<u>(671,771)</u>	<u>(656,113)</u>
Net Change in Total Pension Liability	(185,766)	(111,354)	253,149	6,627
Total Pension Liability - Beginning	<u>7,757,457</u>	<u>7,868,811</u>	<u>7,615,662</u>	<u>7,609,035</u>
Total Pension Liability - Ending	<u><u>\$ 7,571,691</u></u>	<u><u>\$ 7,757,457</u></u>	<u><u>\$ 7,868,811</u></u>	<u><u>\$ 7,615,662</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 120,000	\$ 115,126	\$ 78,340	\$ 78,340
Net Investment Income	916,417	751,946	821,665	8,342
Benefit Payments, Including Refunds of Employee Contributions	(706,650)	(700,490)	(671,771)	(656,113)
Administrative Expenses	(18,501)	(15,623)	(18,731)	(17,423)
State of Colorado supplemental discretionary payment	<u>141,012</u>	<u>70,506</u>	<u>-</u>	<u>70,506</u>
Net Change in Plan Fiduciary Net Position	452,278	221,465	209,503	(516,348)
Total Plan Fiduciary Net Position - Beginning	<u>6,439,171</u>	<u>6,217,706</u>	<u>6,008,203</u>	<u>6,524,551</u>
Total Plan Fiduciary - Ending	<u><u>\$ 6,891,449</u></u>	<u><u>\$ 6,439,171</u></u>	<u><u>\$ 6,217,706</u></u>	<u><u>\$ 6,008,203</u></u>
<b>Plan Fiduciary Net Position</b>				
Total Pension Liability - Ending	\$ 7,571,691	\$ 7,757,457	\$ 7,868,811	\$ 7,615,662
Total Plan Fiduciary - Ending	<u>6,891,449</u>	<u>6,439,171</u>	<u>6,217,706</u>	<u>6,008,203</u>
Net Pension Liability - End of Year	\$ 680,242	\$ 1,318,286	\$ 1,651,105	\$ 1,607,459
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.02%	83.01%	79.02%	78.89%
Covered Payroll	N/A	N/A	N/A	N/A
District's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**South Adams County Fire Protection District**  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
State Fire and Police Pension Plan (FPPA) - Volunteer Pension Fund  
For the Year Ended December 31, 2022  
(Continued)

	12/31/2017	12/31/2016	12/31/2015	12/31/2014
<b>Total Pension Liability</b>				
Service Cost	\$ 12,967	\$ 80,536	\$ 80,536	\$ 86,605
Interest on the Total Pension Liability	553,831	603,035	602,152	436,518
Changes in Benefit Terms	-	-	-	2,593,866
Difference between expected and actual experience of the Total Pension Liability	-	(865,756)	-	(251,821)
Changes of Assumptions	-	227,419	-	-
Benefit Payments, Including Refunds of Employee Contributions	(659,690)	(676,250)	(665,765)	(642,125)
Net Change in Total Pension Liability	(92,892)	(631,016)	16,923	2,223,043
Total Pension Liability - Beginning	7,701,927	8,332,943	8,316,020	6,092,977
Total Pension Liability - Ending	<u>\$ 7,609,035</u>	<u>\$ 7,701,927</u>	<u>\$ 8,332,943</u>	<u>\$ 8,316,020</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 78,340	\$ 267,000	\$ 660,300	\$ 657,000
Net Investment Income	864,216	313,633	122,986	397,240
Benefit Payments, Including Refunds of Employee Contributions	(659,690)	(676,250)	(665,765)	(642,125)
Administrative Expenses	(16,409)	(9,769)	(11,640)	(9,446)
State of Colorado supplemental discretionary payment	70,506	70,506	70,506	70,506
Net Change in Plan Fiduciary Net Position	336,963	(34,880)	176,387	473,175
Total Plan Fiduciary Net Position - Beginning	6,187,588	6,222,468	6,046,081	5,572,906
Total Plan Fiduciary - Ending	<u>\$ 6,524,551</u>	<u>\$ 6,187,588</u>	<u>\$ 6,222,468</u>	<u>\$ 6,046,081</u>
<b>Plan Fiduciary Net Position</b>				
Total Pension Liability - Ending	\$ 7,609,035	\$ 7,701,927	\$ 8,332,943	\$ 8,316,020
Total Plan Fiduciary - Ending	6,524,551	6,187,588	6,222,468	6,046,081
Net Pension Liability - End of Year	\$ 1,084,484	\$ 1,514,339	\$ 2,110,475	\$ 2,269,939
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.75%	80.34%	74.67%	72.70%
Covered Payroll	N/A	N/A	N/A	N/A
District's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

*See Accompanying Independent Auditors' Report.*

**South Adams County Fire Protection District**  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
State Fire and Police Pension Plan (FPPA) - Old Hire Pension Fund  
For the Year Ended December 31, 2022

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
<b>Total Pension Liability</b>				
Interest on the Total Pension Liability	\$ 48,806	\$ 50,180	\$ 62,852	\$ 64,003
Changes in Benefit Terms	-	-	-	146,390
Difference between expected and actual experience of the Total Pension Liability	(42,532)	-	34,613	-
Changes of Assumptions	-	-	261,642	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(78,421)</u>	<u>(82,960)</u>	<u>(80,543)</u>	<u>(78,197)</u>
Net Change in Total Pension Liability	(72,147)	(32,780)	278,564	132,196
Total Pension Liability - Beginning of Year	<u>1,123,360</u>	<u>1,156,140</u>	<u>877,576</u>	<u>745,380</u>
Total Pension Liability - End of Year	<u><u>\$ 1,051,213</u></u>	<u><u>\$ 1,123,360</u></u>	<u><u>\$ 1,156,140</u></u>	<u><u>\$ 877,576</u></u>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 51,500	\$ 48,000	\$ 50,000	\$ 50,000
Pension Plan Net Investment Income	2,568	40,671	61,777	915
Benefit Payments, Including Refunds of Employee Contributions	(78,421)	(82,960)	(80,543)	(78,197)
Pension Plan Administrative Expense	<u>(1,210)</u>	<u>(2,511)</u>	<u>(1,377)</u>	<u>(5,786)</u>
Net Change in Plan Fiduciary Net Position	(25,563)	3,200	29,857	(33,068)
Plan Fiduciary Net Position - Beginning of Year	<u>570,368</u>	<u>567,168</u>	<u>537,311</u>	<u>570,379</u>
Plan Fiduciary Net Position - End of Year	<u><u>544,805</u></u>	<u><u>570,368</u></u>	<u><u>567,168</u></u>	<u><u>537,311</u></u>
<b>Net Pension Liability (Asset)</b>				
Total Pension Liability - Ending	\$ 1,051,213	\$ 1,123,360	\$ 1,156,140	\$ 877,576
Total Plan Fiduciary - Ending	<u>544,805</u>	<u>570,368</u>	<u>567,168</u>	<u>537,311</u>
Net Pension Liability - End of Year	\$ 506,408	\$ 552,992	\$ 588,972	\$ 340,265
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.83%	50.77%	49.06%	61.23%
Covered Payroll	N/A	N/A	N/A	N/A
District's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

*See Accompanying Independent Auditors' Report.*

**South Adams County Fire Protection District**  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
State Fire and Police Pension Plan (FPPA) - Old Hire Pension Fund  
For the Year Ended December 31, 2022

	12/31/2017	12/31/2016	12/31/2015	12/31/2014
<b>Total Pension Liability</b>				
Interest on the Total Pension Liability	\$ 53,442	\$ 56,383	\$ 41,926	\$ 42,990
Changes in Benefit Terms	-	203,330	-	-
Difference between expected and actual experience of the Total Pension Liability	19,089	-	8,488	-
Changes of Assumptions	-	-	23,386	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(78,002)</u>	<u>(112,566)</u>	<u>(57,177)</u>	<u>(57,177)</u>
Net Change in Total Pension Liability	(5,471)	147,147	16,623	(14,187)
Total Pension Liability - Beginning of Year	<u>750,851</u>	<u>603,704</u>	<u>587,081</u>	<u>601,268</u>
Total Pension Liability - End of Year	<u>\$ 745,380</u>	<u>\$ 750,851</u>	<u>\$ 603,704</u>	<u>\$ 587,081</u>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	50,000	290,000	19,461	10,000
Pension Plan Net Investment Income	73,431	18,077	6,476	24,779
Benefit Payments, Including Refunds of Employee Contributions	(78,002)	(112,566)	(57,177)	(57,177)
Pension Plan Administrative Expense	<u>(877)</u>	<u>(3,782)</u>	<u>(862)</u>	<u>(4,651)</u>
Net Change in Plan Fiduciary Net Position	44,552	191,729	(32,102)	(27,049)
Plan Fiduciary Net Position - Beginning of Year	<u>525,827</u>	<u>334,098</u>	<u>366,200</u>	<u>393,249</u>
Plan Fiduciary Net Position - End of Year	<u>\$ 570,379</u>	<u>\$ 525,827</u>	<u>\$ 334,098</u>	<u>\$ 366,200</u>
<b>Net Pension Liability (Asset)</b>				
Total Pension Liability - Ending	\$ 745,380	\$ 750,851	\$ 603,704	\$ 587,081
Total Plan Fiduciary - Ending	<u>570,379</u>	<u>525,827</u>	<u>334,098</u>	<u>366,200</u>
Net Pension Liability - End of Year	\$ 175,001	\$ 225,024	\$ 269,606	\$ 220,881
Plan Fiduciary Net Position as a Percentage of the Total Pension	76.52%	70.03%	55.34%	62.38%
Covered Payroll	N/A	N/A	N/A	N/A
District's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

*See Accompanying Independent Auditors' Report.*

**South Adams County Fire Protection District**  
 Schedule of District Contributions  
 State Fire and Police Pension Plan (FPPA) - Volunteer Pension Fund  
 For the Year Ended December 31, 2022

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2015	\$ 162,943	\$ 730,806	\$(567,863)	N/A	N/A
2016	\$ 267,024	\$ 337,506	\$ (70,482)	N/A	N/A
2017	\$ 267,024	\$ 148,846	\$ 118,178	N/A	N/A
2018	\$ 125,749	\$ 148,846	\$ (23,097)	N/A	N/A
2019	\$ 125,749	\$ 148,846	\$ (23,097)	N/A	N/A
2020	\$ 125,749	\$ 78,340	\$ 47,409	N/A	N/A
2021	\$ 185,632	\$ 185,632	\$ -	N/A	N/A
2022	\$ 185,632	\$ 261,012	\$ (75,380)	N/A	N/A

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

NOTES:

Actuarial Valuation Date: 1/1/2019  
 Actuarially determined contribution rates are calculated as of January 1 of even numbered years.

Actuarial Cost Method: Entry Age Normal  
 Amortization Method: Level Dollar, Open  
 Remaining Amortization Period: 20 years \*  
 Asset Valuation Method: 5-Year Smoothed Fair Value  
 Inflation: 2.50%  
 Salary Increases: N/A  
 Investment Rate of Return: 7.50%  
 Retirement Age: 50% per year of eligibility until 100% at age 65.

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

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

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See Accompanying Independent Auditors' Report.

**South Adams County Fire Protection District**  
 Schedule of District Contributions  
 State Fire and Police Pension Plan (FPPA) - Old Hire Pension Fund  
 For the Year Ended December 31, 2022

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2015	\$ 19,461	\$ 19,461	\$ -	N/A	N/A
2016	\$ 19,461	\$ 290,000	\$ (270,539)	N/A	N/A
2017	\$ 48,096	\$ 50,000	\$ (1,904)	N/A	N/A
2018	\$ 48,096	\$ 50,000	\$ (1,904)	N/A	N/A
2019	\$ 48,096	\$ 50,000	\$ (1,904)	N/A	N/A
2020	\$ 39,206	\$ 50,000	\$ (10,794)	N/A	N/A
2021	\$ 39,206	\$ 48,000	\$ (8,794)	N/A	N/A
2022	\$ 44,920	\$ 51,500	\$ (6,580)	N/A	N/A

\* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date:

1/1/2019

Actuarially determined contribution rates are calculated as of January 1 of even numbered years.

Actuarial Cost Method:

Entry Age Normal

Amortization Method:

N/A

Remaining Amortization Period:

N/A

Asset Valuation Method:

5-Year Smoothed Fair Value

Inflation:

2.50%

Salary Increases:

N/A

Investment Rate of Return

4.50%

Retirement Age:

Any remaining actives are assumed to retire immediately.

Mortality:

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

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

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

## **Supplementary Information**

**South Adams County Fire Protection District**  
 Budgetary Comparison Schedule  
 Capital Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Grant Revenue	\$ -	\$ -	\$ 409,439	\$ 409,439
Total Revenues	-	-	409,439	409,439
<b>Expenditures</b>				
Capital Outlay	5,780,000	5,780,000	5,051,505	728,495
Total Expenditures	5,780,000	5,780,000	5,051,505	728,495
<b>Excess Revenues Over (Under) Expenditures</b>	(5,780,000)	(5,780,000)	(4,642,066)	1,137,934
<b>Other Financing Sources (Uses)</b>				
Proceeds from financing	2,500,000	2,500,000	-	(2,500,000)
Transfers from other funds	3,650,000	3,650,000	3,513,000	(137,000)
<b>Net Change in Fund Balance</b>	370,000	370,000	(1,129,066)	(1,499,066)
<b>Fund Balance, Beginning of year</b>	7,665,646	7,665,646	8,056,863	391,217
<b>Fund Balance, End of year</b>	\$ 8,035,646	\$ 8,035,646	\$ 6,927,797	\$ (1,107,849)

**South Adams County Fire Protection District**  
 Budgetary Comparison Schedule  
 Impact Fee Fund  
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Impact Fees	\$ 350,000	\$ 350,000	\$ 530,762	\$ 180,762
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>530,762</u>	<u>180,762</u>
<b>Expenditures</b>				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess Revenues Over (Under) Expenditures</b>	350,000	350,000	530,762	180,762
<b>Other Financing Sources (Uses)</b>				
Transfers to other funds	<u>(800,000)</u>	<u>(800,000)</u>	<u>(663,000)</u>	<u>137,000</u>
<b>Net Change in Fund Balance</b>	(450,000)	(450,000)	(132,238)	317,762
<b>Fund Balance, Beginning of year</b>	<u>1,313,958</u>	<u>1,313,958</u>	<u>1,323,581</u>	<u>9,623</u>
<b>Fund Balance, End of year</b>	<u>\$ 863,958</u>	<u>\$ 863,958</u>	<u>\$ 1,191,343</u>	<u>\$ 327,385</u>