

2021

Summit Fire & EMS Fire Protection District

FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Summit Fire & EMS Fire Protection District

Table of Contents

Independent Auditor's Report.....	2-4
Management's Discussion and Analysis	5-10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - General Fund	14
Reconciliation of the General Fund Balance Sheet with the Government-wide Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	16
Reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-wide Statement of Activities	17
Statement of Net Position - Proprietary Fund	18
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	19
Statement of Cash Flows - Proprietary Fund.....	20
Notes to Financial Statements.....	21-46
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual) - General Fund	49-52
Note to Required Supplementary Information	53
Schedule of the Changes in the Net Pension Liability / (Asset) and Related Ratios - Volunteer Firefighters' Pension Plan	54
Schedule of Contributions - Volunteer Firefighters' Pension Plan	55
Schedule of the District's Proportionate Share of the Net Pension Liability / (Asset) - Cost-Sharing Defined Benefit Plans	56
Schedule of Contributions - Cost-Sharing Defined Benefit Plans.....	57
Other Supplementary Information:	
Schedule of Revenues, Expenses and Changes in Net Position - (Budget and Actual) - Snake River Fleet Services Fund.....	59



INDEPENDENT AUDITORS' REPORT

Board of Directors
Summit Fire and EMS Fire Protection District
Silverthorne, 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, and each major fund of Summit Fire and EMS Fire Protection District (District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the District, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

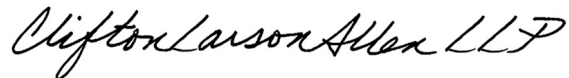
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule of the General Fund, the schedule of changes in net pension liability/(asset) for the Volunteer Firefighters' Pension plan, Schedule of Contributions for the Volunteer Firefighters' Pension Plan, schedule of the District's proportionate share of the net pension liability/(asset) for cost-sharing defined benefit plans, and the schedule of contributions for cost-sharing defined benefit plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 budgetary comparison schedule for the Snake River Fleet Services Fund is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the budgetary comparison schedule for the Snake River Fleet Services Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 25, 2022

Summit Fire & EMS Fire Protection District

Management's Discussion and Analysis
December 31, 2021

As management of the Summit Fire & EMS Fire Protection District, (the "District"), we offer to readers of the District's financial statements with the Independent Auditor's report, this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains required and other supplementary information in addition to the basic financial statements. These components are discussed below.

Summit Fire & EMS Fire Protection District was created by merging Lake Dillon Fire Protection District and Summit Fire & EMS Authority after a successful election held November 3, 2020, whereby all territory within Copper Mountain's jurisdiction was included into the Lake Dillon's jurisdiction. Lake Dillon assumed the provision of Emergency Services to all areas within Copper Mountain, and the court order of inclusion was recorded with the Summit county Clerk and Recorder on November 23, 2020. The District legally changed its name from Lake Dillon Fire Protection District to Summit Fire & EMS Fire Protection District in 2021 and fully dissolved the Summit Fire & EMS Authority in 2021. As such, all employees and fire services was transferred to the District from the Authority along with the capital assets and activities of the Snake River Fleet Services Fund.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The statement of net position presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities shows 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 in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by property and specific ownership taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs.

The District's government-wide financial statements can be found on pages 12 to 13 of this report directly following the management discussion and analysis.

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 uses fund accounting to ensure and demonstrate compliance with legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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 District's near term financing decisions. The governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

Proprietary Funds. The District maintains one proprietary fund, an enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses this fund to account for the Snake River Fleet Services Fund. The proprietary fund provides the same type of information as the business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 18 to 20 of this report.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found on pages 21 to 46 of this report.

Required Supplementary Information: The required supplementary information includes required information concerning the District's budgetary schedule for the General Fund. Required supplementary information can be found on pages 47 to 57 of this report.

Other Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information, a budgetary comparison schedule for the Snake River fleet Services Fund, which can be found on page 59 of this report.

Financial Analysis of the District

Summit Fire & EMS Fire Protection District's Net Position

	Governmental Activities		Business Type Unit		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other	\$ 35,896,734	\$ 16,672,438	\$ 131,974	\$ 114,686	\$ 36,028,708	\$ 16,787,124
Due from Summit Fire & EMS	-	-	30,686	-	30,686	-
Capital assets	10,920,148	11,300,600	24,812	29,649	10,944,960	11,330,249
Net pension asset	1,722,552	-	-	-	1,722,552	-
Total assets	48,539,434	27,973,038	187,472	144,335	48,726,906	28,117,373
Deferred outflows of resources-						
pensions	2,618,775	283,038	-	-	2,618,775	283,038
Liabilities:						
Current liabilities	210,838	13,358	32,681	25,285	243,519	38,643
Long-term liabilities	888,039	-	16,274	2,909	904,313	2,909
Due to Summit Fire & EMS	-	-	23,020	-	23,020	-
Net pension liability	652,691	876,628	-	-	652,691	876,628
Total liabilities	1,751,568	889,986	71,975	28,194	1,823,543	918,180
Deferred inflows of resources:						
Deferred revenue- property taxes	16,758,222	10,356,458	-	-	16,758,222	10,356,458
Deferred inflow pensions	1,654,508	317,324	-	-	1,654,508	317,324
Total deferred inflows of resources	18,412,730	10,673,782	-	-	18,412,730	10,673,782
Net position:						
Investment in capital assets	10,920,148	11,300,600	24,812	29,649	10,944,960	11,330,249
Restricted	2,290,076	323,993	-	-	2,290,076	323,993
Unrestricted	17,783,687	5,067,715	83,020	86,492	17,866,707	5,154,207
Total net position	\$ 30,993,911	\$ 16,692,308	\$ 107,831	\$ 116,141	\$ 31,101,742	\$ 16,808,449

At December 31, 2020, approximately 35% of the District's net position reflects its investment in capital assets, which includes land, fire stations, vehicles, and equipment. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

A portion of the District's net position, approximately 7.5%, represents resources that are subject to Colorado Constitutional restrictions, donor restrictions and pension restrictions. The remaining unrestricted funds of \$17,783,687 may be used to meet the District's ongoing obligations.

At the end of the current fiscal year, the District is able to report positive balance of net position for the governmental type activities.

Overall, the District's net position increased \$4,137,537 from the prior year. The increase is due to several factors. See below for more information.

Financial Analysis of the District (continued)

Summit Fire & EMS Fire Protection District's Change in Net Position

	Governmental Activities		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
EMS services	\$ 2,004,689	\$ -	\$ -	\$ -	\$ 2,004,689	\$ -
State and federal Wildland response	535,521	-	-	-	535,521	-
Intergovernmental contracts	3,550,394	20,000	-	-	3,550,394	20,000
Operating grants and contributions	23,929	-	-	-	23,929	-
Inspection plan review fees	1,174,404	-	-	-	1,174,404	-
Out of district response	35,574	-	-	-	35,574	-
Rental Income	37,382	37,118	-	-	37,382	37,118
Charges for service-Snake River Fleet Services	-	-	389,561	396,684	389,561	396,684
General revenues:						
Property taxes	10,438,857	9,452,528	-	-	10,438,857	9,452,528
Specific ownership taxes	557,388	484,180	-	-	557,388	484,180
Investment earnings	35,869	103,608	-	-	35,869	103,608
Gain (loss) on sale of capital assets	17,001	10,283	-	-	17,001	10,283
Miscellaneous	59,856	2,517	-	-	59,856	2,517
Total revenues	18,470,864	10,110,234	389,561	396,684	18,860,425	10,506,918
Expenses:						
Operating expenses:						
Firefighters	6,777,396	-	-	-	6,777,396	-
EMS	4,006,985	-	-	-	4,006,985	-
Administration	1,137,860	9,192,037	-	-	1,137,860	9,192,037
Community Risk Division	452,039	-	-	-	452,039	-
Admin support services	476,054	-	-	-	476,054	-
Station and grounds	410,124	-	-	-	410,124	-
Apparatus	268,611	-	-	-	268,611	-
Volunteers	1,453	-	-	-	1,453	-
State and federal Wildland response	310,202	-	-	-	310,202	-
Snake River Fleet Services	-	-	394,207	340,092	394,207	340,092
Total expenses	13,840,724	9,192,037	394,207	340,092	14,234,931	9,532,129
Special item:						
Transfer of operations from Summit County Ambulance	-	2,647,980	-	-	-	2,647,980
Total special items	-	2,647,980	-	-	-	2,647,980
Change in net position	4,630,140	3,566,177	(4,646)	56,592	4,625,494	3,622,769
Net position - beginning as restated	26,363,771	13,126,131	112,477	59,549	26,476,248	13,185,680
Net position - ending	\$ 30,993,911	\$ 16,692,308	\$ 107,831	\$ 116,141	\$ 31,101,742	\$ 16,808,449

Governmental activities: Governmental activities increased the District's net position by \$4,630,140. The most significant source of revenue of the District is property taxes, accounting for approximately 58% of total 2021 revenues.

When compared to 2020, revenues increased by \$8,360,630 in 2021, mainly due to the increase in EMS services and property tax revenue.

Business activities: Business-type activities decreased the District's net position by \$4,646. The revenue is dependent on the actual maintenance required on the vehicles served.

Governmental funds: The general fund is the chief operating fund of the District. At the end of 2021, unassigned fund balance of the general fund was \$13,373,451, while total fund balance was \$18,454,601. The increase in fund balance from the prior year was the result of the District absorbing the transferring of the old Summit Fire & EMS Authority’s fund balance and net position while maintaining expenditures at or below budget which increased the cash and investment balances as well as the increase in property tax revenue.

General Fund Budgetary Highlights

Significant budget variances were as follows:

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Description
EMS services revenue	3,984,674	4,266,959	282,285	The EMS revenue was budgeted based on historical information from the County with the full year of medical billing done in SFE.
Inspection and plan review fees	210,000	817,172	607,172	A total of 328 permits were issued for new construction, life-safety systems and business remodels in 2021, an increase of 14% over the previous year. This revenue is conservatively budgeted due to the unknown projects projected.
State and federal wildland response revenue	10,000	535,521	525,521	State and federal wildland revenue is not typically budgeted. Crews were deployed 22 times in 2021.
Firefighters salaries	4,755,038	3,975,793	779,245	In 2021, firefighter salaries were transferred to the EMS division when a firefighter was riding on a medic unit. It was not budgeted that way, therefore the variance.

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Description
Firefighters Routine Overtime	237,630	64,966	172,664	SFE changed the way routine overtime was paid. All firefighters were paid timely for all hours worked at regular time. The overtime piece came after the 24 day period at .5% increase if overtime was due.
EMS total operations	4,417,495	4,076,371	341,124	The EMS expenditures were budgeted based on historical information from the County as well as our first year of operations. SFE continues to see savings with this merger.
State and federal wildland expenses	10,000	310,202	(300,202)	State and federal wildland revenue is not typically budgeted. Crews were deployed 22 times in 2021.

Capital Assets

Capital assets: The District’s capital assets, net of accumulated depreciation, decreased \$380,450 in 2021. The decrease was the result of depreciation expense exceeding capital additions.

Additional information as well as a detailed classification of the District’s net capital assets can be found in the Notes to the Financial Statements starting on page 21.

Next Year’s Budget

The District’s General Fund balance at the end of the 2021 fiscal year totaled \$18,454,601. The board of directors is anticipating an ending fund balance of approximately \$19,232,624 in the adopted District’s 2022 General Fund budget.

Request for Information

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Summit Fire & EMS Fire Protection District, P.O. Box 4910, Frisco, CO 80443.

Basic Financial Statements

Summit Fire & EMS Fire Protection District

Statement of Net Position December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 16,013,312	\$ 114,449	\$ 16,127,761
Receivables:			
Accounts receivable, net	1,278,936	9,859	1,288,795
Property taxes receivable	16,758,222		16,758,222
Internal balances	(7,666)	7,666	-
Due from Summit County	1,853,930	-	1,853,930
Capital assets:			
Not being depreciated	837,500	-	837,500
Being depreciated, net	10,082,648	24,812	10,107,460
Net pension asset	1,722,552	-	1,722,552
Total assets	48,539,434	156,786	48,696,220
Deferred outflows of resources			
Deferred outflows of resources relating to pensions	2,618,775	-	2,618,775
Liabilities			
Accounts payable	133,618	32,681	166,299
Accrued liabilities	193,062	-	193,062
Accrued compensated absences		16,274	
Due within one year	77,220		
Due in more than one year	694,977		
Noncurrent liabilities:			
Net Pension Liability	652,691	-	652,691
Total liabilities	1,751,568	48,955	1,012,052
Deferred inflows of resources			
Taxes Levied for subsequent year	16,758,222	-	16,758,222
Deferred inflows of resources relating to pensions	1,654,508	-	1,654,508
Total deferred inflows of resources	18,412,730	-	18,412,730
Net position			
Investment in capital assets	10,920,148	24,812	10,944,960
Restricted for:			
Emergencies	542,899	-	542,899
Donors	24,625	-	24,625
Pensions	1,722,552	-	1,722,552
Unrestricted	17,783,687	83,020	17,866,707
Total net position	\$ 30,993,911	\$ 107,831	\$ 31,101,742

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

Summit Fire & EMS Fire Protection District

Statement of Activities

Year Ended December 31, 2021

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Firefighters	\$ 6,777,396	\$ -	\$ 3,574,323	\$ -	\$ (3,203,073)	\$ -	\$ (3,203,073)
EMS Operations	4,006,985	2,004,689	-	-	(2,002,296)	-	(2,002,296)
Administration	1,137,860	72,956	-	-	(1,064,904)	-	(1,064,904)
Community risk division	452,039	1,174,404	-	-	722,365	-	722,365
Admin Support services	476,054	-	-	-	(476,054)	-	(476,054)
Stations and grounds	410,124	-	-	-	(410,124)	-	(410,124)
Apparatus	268,611	-	-	-	(268,611)	-	(268,611)
State and federal wildland response	310,202	535,521	-	-	225,319	-	225,319
Volunteers	1,453	-	-	-	(1,453)	-	(1,453)
Total governmental activities	13,840,724	3,787,570	3,574,323	-	(6,478,831)	-	(6,478,831)
Business-type activities:							
Snake River Fleet Services	394,207	389,561	-	-	-	(4,646)	(4,646)
Total business-type activities	394,207	389,561	-	-	-	(4,646)	(4,646)
Total primary government	\$ 14,234,931	\$ 4,177,131	\$ 3,574,323	\$ -	(6,478,831)	(4,646)	(6,483,477)
General revenues							
Taxes:							
Property taxes					10,438,857		10,438,857
Specific ownership taxes					557,388		557,388
Earnings on investments					35,869	-	35,869
Miscellaneous revenue					59,856	-	59,856
Gain on disposal of capital assets					17,001	-	17,001
Total general revenues					11,108,971	-	11,108,971
Changes in net position					4,630,140	(4,646)	4,625,494
Net position at beginning of year, as restated					26,363,771	112,477	26,476,248
Net position at end of year					\$ 30,993,911	\$ 107,831	\$ 31,101,742

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

Summit Fire & EMS Fire Protection District

Balance Sheet

General Fund

December 31, 2021

Assets	
Cash, cash equivalents and investments	\$ 16,013,312
Due from Summit County	1,853,930
Accounts receivables, net	1,278,936
Due from Snake River Fleet Services Fund	23,020
Property tax receivable	16,758,222
Total assets	\$ 35,927,420
Liabilities, deferred inflows of resources and fund balance	
Liabilities	
Accounts payable	\$ 133,618
Accrued liabilities	193,062
Due to Snake River Fleet Services Fund	30,686
Total liabilities	357,366
Deferred inflows of resources	
Unavailable revenue	\$ 357,232
Taxes levied for subsequent year	16,758,222
Total deferred inflows of resources	\$ 17,115,454
Fund balance	
Restricted for emergencies	542,899
Committed by Board of Directors	2,538,251
Unassigned	15,373,451
Total fund balance	18,454,601
Total liabilities and fund balance	\$ 35,927,421

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

Summit Fire & EMS Fire Protection District
Reconciliation of the General Fund Balance Sheet
with the Government-wide Statement of Net Position
December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - General Fund		\$ 18,454,601
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Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.

Capital assets	\$ 19,798,717		
Accumulated depreciation	<u>(8,878,569)</u>		10,920,148

Pension asset, liability and related deferred inflows and deferred outflows of resources are not current financial resources or obligations and, therefore, are not reported in the fund financial statements.

Net pension asset	\$ 1,722,552		
Net pension liability	(652,691)		
Deferred outflows of resources relating to pensions	2,618,775		
Deferred inflows of resources relating to pensions	<u>(1,654,508)</u>		2,034,128

Revenues unavailable in the governmental funds because they are not current financial resources that are accrued under the economic resources basis of accounting.		357,232
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Accrued compensated absences payable are not due and payable from current financial resources and, therefore, are not reported as liabilities in the fund financial statements.		<u>(772,197)</u>
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Total net position - governmental activities		\$ 30,993,911
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Summit Fire & EMS Fire Protection District

Statement of Revenues, Expenditures and Changes in Fund Balance General Fund

Year Ended December 31, 2021

Revenues	
Property taxes	\$ 10,438,857
Specific ownership tax	557,388
EMS services	2,004,689
Earnings on investments	35,869
Inspection and plan review fees	817,172
Grants	23,929
Intergovernmental	3,550,394
Out of district response	35,574
Rental Income	37,382
State and federal wildland response	535,521
Miscellaneous revenue	59,856
Total revenues	18,096,631
Expenditures	
Current:	
Firefighters	6,532,600
EMS Operations	4,076,371
Administration	1,256,356
Community risk division	471,015
Admin support services	486,961
Stations and grounds	158,167
Apparatus	268,611
State and federal wildland response	310,202
Volunteers	1,453
Capital outlay	359,797
Total expenditures	13,921,533
Excess of revenues over expenditures	4,175,098
Other financing sources	
Proceeds from sale of capital assets	17,001
Total other financing sources	17,001
Change in fund balance	4,192,099
Fund balance at beginning of year, as restated	14,262,502
Fund balance at end of year	\$ 18,454,601

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

Summit Fire & EMS Fire Protection District

Reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance with the Government-wide Statement of Activities

Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance - governmental funds	\$	4,192,099
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Capital outlay to purchase capital assets that are not depreciated are reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized on the statement of net position and depreciated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount of capital outlay exceeded depreciation during the period.

Depreciation expense	\$	(830,464)	
Capital outlay		450,014	(380,450)

Decrease in accrued compensated absences is shown as an expense on the government-wide financial statements and not reflected in the governmental fund financial statements.	252,907
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Revenues unavailable in the governmental funds because they are not current financial resources that are accrued under the economic resources basis of	357,232
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Pension expense relating to the District's changes in pension related account balances is recognized on the statement of activities and not included in the fund financial statements.	208,352
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Change in net position - governmental activities	\$	4,630,140
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The accompanying notes are an integral part of these financial statements.

Summit Fire & EMS Fire Protection District

Statement of Net Position

Proprietary Fund

December 31, 2021

	Snake River Fleet Services Fund
Assets	
Current assets:	
Cash, cash equivalents and investments	\$ 114,449
Accounts receivable	9,859
Due From Summit Fire & EMS	30,686
Total current assets	154,994
Noncurrent assets:	
Capital assets:	
Vehicles and equipment	87,164
Less: accumulated depreciation	(62,353)
Total noncurrent assets	24,812
Total assets	179,806
Liabilities	
Current liabilities:	
Accounts payable	32,681
Due to Summit Fire & EMS	23,020
Compensated absences	4,069
Noncurrent liabilities:	
Compensated absences	12,205
Total liabilities	71,975
Net position	
Investment in capital assets	24,812
Unrestricted	83,020
Total net position	\$ 107,831

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

Summit Fire & EMS Fire Protection District
Schedule of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended December 31, 2021

	Snake River Fleet Services Fund
Operating revenues	
Charges for parts and services:	
Lake Dillon Fire Protection District	\$ 218,837
Red, White & Blue Fire Protection District	152,326
Summit Fire Authority	11,189
Other	7,209
Total operating revenues	389,561
Operating expenses	
Salaries and administrative overhead	160,167
Benefits	34,779
Payroll taxes	2,189
Workers compensation	1,769
Pension	14,642
Vehicle parts	149,256
Service vehicle	3,326
Insurance	5,228
Supplies	3,569
Utilities	3,498
Tools and equipment	2,573
Training	3,265
Telephone	1,146
Dues and subscriptions	3,963
Depreciation expense	4,837
Total operating expenses	394,207
Change in net position	(4,646)
Net position at beginning of year	112,477
Net position at end of year	\$ 107,831

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

Summit Fire & EMS Fire Protection District

Statement of Cash Flows

Proprietary Fund

Year Ended December 31, 2021

		Snake River Fleet Services Fund
Cash flows from operating activities:		
Cash received from customers	\$	405,071
Cash received from interfund services provided		(50,308)
Cash paid to suppliers		(162,971)
Cash paid to employees		(209,302)
Net cash flows from operating activities		(17,510)
Net change in cash and cash equivalents		(17,510)
Cash and cash equivalents at beginning of year		131,959
Cash and cash equivalents at end of year	\$	114,449
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$	(4,646)
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation		4,837
Changes in operating assets and liabilities:		
Receivables		15,510
Due to/from other funds		(50,308)
Accounts payable		9,587
Compensated absences		7,510
Net cash flows from operating activities	\$	(17,510)

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

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Form of Organization

The Summit Fire & EMS Fire Protection District (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within the towns of Dillon, Silverthorne, Frisco, Montezuma, and unincorporated areas such as Dillon Valley, Keystone, Summit Cove, and Copper Mountain Colorado.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criterion of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

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. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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. Other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the District’s fleet service function and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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. Revenue from government grants are deemed to be earned when the District incurs expenditures which satisfy the terms imposed by the respective grant contracts. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

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

The District reports the following governmental fund:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. This is a major fund of the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are due on the last day of February and June 15.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The District reports the following major enterprise fund:

Snake River Fleet Services Fund - The Snake River Fleet Services Fund accounts for revenues and expenses associated with the maintenance of the District's and other fire Districts' vehicles and apparatus.

Budgets

The following table summarizes the individual fund budgeted expenditures, as originally adopted and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General Fund	\$ 16,002,985	\$ -	\$ 16,002,985
Proprietary fund:			
Snake River Fleet Services Fund	373,475	-	373,475
Total	\$ 16,376,460	\$ -	\$ 16,376,460

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits. All cash equivalents have an original maturity date of less than three months.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, based on quoted market values, with the exception of certain local government investment pools. These are stated at net asset value or amortized cost.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied on December 31, 2021, are identified as property taxes receivable and deferred inflows of resources. Accounts Receivable for total outstanding ambulance billings are recorded net of an allowance for amounts deemed uncollectible based upon the age of the account.

Due from Summit County

As detailed in Note 2, Summit County transferred the operations of its ambulance services to the District effective January 1, 2020. Ambulance funding that was approved by the tax voters in Summit County Ballot Issue 1A in 2014 will be contributed to the District in calendar years 2020 through 2022. The County maintains a reserve balance relating to the 1A funding, which will be held by the County until April 15, 2023 as a cash performance bond.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement 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.

Capital assets of the District will be depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Land	N/A
Buildings	40 years
Building improvements	40 years
Vehicles (excluding fire equipment)	3-10 years
Fire vehicles and equipment	15-20 years
Other equipment	3-20 years

Interfund Transactions

Activity between funds that represent outstanding balances between funds are reported as “due to/from other funds”. The outstanding balances between the funds result mainly from the time lag between the dates that (1) the interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. The District permits employees to accumulate earned but unused vacation, sick time, subject to certain limits in amounts. Sick time is paid out at one third of total accrued upon separation of services. Accumulated, unpaid time is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for pension-related amounts. See Note 8 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports a deferred inflow of resource relating to pension-related amounts as well as unavailable revenue. See Note 8 for additional information.

Fund Balance and Net Position

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

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted Net Position - This category 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 category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Fire Chief and the Board has the District to assign amounts for specific purposes.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance.

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

Revenue Recognition/Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources is recognized as revenue and the receivable is reduced.

Pensions

The District contributes to the Statewide Defined Benefit Plan ("SWDB") and the Statewide Hybrid Plan ("SWH"). Both plans are cost-sharing multiple-employer defined benefit pension plans administered by the Fire and Police Pension Association of Colorado ("FPPA"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB and SWH plans and additions to/deductions from the SWDB and SWH plans fiduciary

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by FPPA are reported at fair value.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

2. Government Merger

Effective November 17, 2021, the Summit Fire & EMS District absorbed the Summit Fire & EMS Authority (the “Authority”) as of the effective date. The Authority fully dissolved in 2021.

3. Cash, Cash Equivalents and Investments

The following is a summary of cash, cash equivalents and investments as of December 31, 2021:

Deposits with financial institutions	\$ 566,587
Investments	15,561,174
Total	\$ 16,127,761

The amounts are classified in the statement of net position is as follows:

Cash, cash equivalents and investments:	
Governmental activities	\$ 16,013,312
Business-type activities	114,449
	\$ 16,127,761

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity’s deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (“PDPA”) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (“FDIC”) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. 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 assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2021, the District had deposits with financial institutions of \$566,587. The bank balances with the

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

financial institutions were \$565,547, of which \$250,000 was covered by federal depository insurance. The remaining balance of \$315,547 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

At December 31, 2021, the District had the following investments:

	S&P Rating	Value	Weighted Ave. Maturity Date (in days)	Concentration of Credit Risk
ColoTrust	AAAm	\$ 13,464,040	N/A	86.52%
Mutual funds	NR	7,977	N/A	0.05%
Certificates of deposits	NR	1,841,206	587	11.83%
FHLMC	AA+	247,951	699	1.59%
		\$ 15,561,174		

Local Government Investment Pools - COLOTRUST

At December 31, 2021, the District had invested \$13,464,040 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The District participates in the COLOTRUST PLUS+ which can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value ("NAV"). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2021, the District had no investments exposed to custodial credit risk.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates. The District limits its investments to savings accounts, certificates of deposits, and investment pools where each share is equal to one dollar, thus the District avoids interest rate risk. The District also holds U.S Government fixed income securities with maturities five years and under in compliance with Colorado Revised Statutes. At December 31, 2021, all U.S. Government fixed income securities mature in 1-5 years.

4. Capital Assets

Governmental activities:

	Beginning Balance	Adjustments	Adjusted Beg Balance	Additions	Deletions	Ending Balance
Governmental activities						
Capital assets, not being depreciated:						
Land	\$ 837,500	\$ -	\$ 837,500		\$ -	\$ 837,500
Construction in progress	-	-	-		-	-
Total capital assets, not being depreciated	837,500	-	837,500	-	-	837,500
Capital assets, being depreciated:						
Buildings and improvements	9,570,504	219,158	9,789,662	152,697	-	9,942,359
Vehicles and equipment	7,764,957	956,584	8,721,541	297,317	-	9,018,858
Total capital assets, being depreciated	17,335,461	1,175,742	18,511,203	450,014	-	18,961,217
Less accumulated depreciation for:						
Buildings and improvements	(2,899,714)	(219,157)	(3,118,871)	(251,957)		(3,370,828)
Vehicles and equipment	(3,972,649)	(956,585)	(4,929,234)	(578,507)	-	(5,507,741)
Total accumulated depreciation	(6,872,363)	(1,175,742)	(8,048,105)	(830,464)	-	(8,878,569)
Total capital assets being depreciated, net	10,463,098	-	10,463,098	(380,450)	-	10,082,648
Governmental activities capital assets, net	\$11,300,598	\$ -	\$11,300,598	\$ (380,450)	\$ -	\$10,920,148

The capital assets beginning balance has been adjusted for the historical cost and accumulated depreciation for fully depreciated assets received from the County as part of the transferring EMS operations.

Depreciation for governmental activity capital assets has been allocated to firefighters and stations and grounds as shown below.

Governmental activities	
Firefighters	\$ 578,507
Stations and grounds	251,957
Total depreciation expense - governmental activities	\$ 830,464

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Business-type activities	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, being depreciated:				
Vehicles and equipment	\$ 87,164	\$ -	\$ -	\$ 87,164
Total capital assets, being depreciated	87,164	-	-	87,164
Less accumulated depreciation for:				
Vehicles and equipment	(57,514)	(4,839)		(62,353)
Total accumulated depreciation	(57,514)	(4,839)	-	(62,353)
Business-type activities capital assets, net	\$ 29,651	\$ (4,839)	\$ -	\$ 24,812

Depreciation for business-type activity capital assets has been allocated to the Snake River Fleet Services Fund.

5. Long-Term Debt

Governmental Activities Debt

Following is a summary of governmental activity compensated absences and termination benefits for the year ended December 31, 2021:

	Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences and termination benefits	\$ 1,025,104	\$ 780,757	\$ 1,033,664	\$ 772,197	\$ 77,220
Total governmental activities	\$ 1,025,104	\$ 780,757	\$ 1,033,664	\$ 772,197	\$ 77,220

Following is a summary of business-type activity compensated absences and termination benefits for the year ended December 31, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities					
Compensated absences and termination benefits	\$ 8,764	\$ 10,731	\$ 3,221	\$ 16,274	\$ 4,069
Total business-type activities	\$ 8,764	\$ 10,731	\$ 3,221	\$ 16,274	\$ 4,069

6. Risk Management

The District is exposed to various risks of loss related to worker's compensation; general liability; unemployment; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

The District carries commercial insurance covering specific and general risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

7. Summit County Fire Protection Authority Agreement

The Summit Fire Authority ("SFA") was officially formed on July 7, 1983, a successor to the Summit County Cooperative Fire Board Association.

The purpose of the SFA is to conduct business and affairs for the benefit of the contracting parties and their inhabitants, and to develop cooperative programs designed to improve the fire protection and related service capabilities of the contracting parties, and implement cost savings to the contracting parties through various types of resource pooling and joint purchase, use or participation arrangements.

The current contracting parties are Summit Fire & EMS Fire Protection District and Red, White & Blue Fire Protection District. The SFA is governed by a Board of Directors comprised of two representatives from the District representing two from the District and one from Red, White & Blue Fire Protection District. The Board elects its own officers from its members.

Effective January 1, 2009, the SFA entered into an agreement titled the "Agreement Governing the Summit County Fire Protection District" (the "Agreement"). The Agreement was modified with the purpose of updating operating, business, contractual, and financial provisions to memorialize the current business activities of the District. This Agreement modified the original agreement establishing the Summit Fire District.

On an annual basis, the SFA shall assess to each contracting party a fixed fee to cover the administrative and other operational expense of the SFA. The District may withdraw from the SFA for the following year by giving appropriate notice during the period June 1 through July 15 of any year. Upon withdrawal, the District would have no equity in the SFA's assets. However, the District could be held liable for its share of any liabilities incurred during the period it was a participant.

Upon termination of the Agreement and the dissolution of the SFA, all assets of the SFA shall immediately vest to the contracting parties subject to any outstanding liens, mortgages or other pledges of such assets. This distribution shall be in proportion to each contracting party's percentage of the total amount paid to the SFA. However, the contracting parties may upon unanimous agreement dispose of any and all interests of the SFA to any successors to the District or for any alternate disposition among the contracting parties.

The SFA paid \$8,967 to the District in 2021 for fleet parts and services. In addition, the District paid \$247,369 to the SFA for High Country Training Center, hazmat, outside training services, and a capital project.

The audited financial statements of the SFA may be obtained by calling the SFA's main office at (970) 668-4330.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

8. Volunteer Firefighters' Pension Plan

Plan description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). As of January 1, 2021, the Plan had 52 retirees and beneficiaries and no current members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at www.fppaco.org.

Benefits provided. The Plan provides for a monthly pension of \$1,000 for volunteers who have satisfied the normal age and service requirements and pro rata pension for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and a service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum one-time only payment of \$2,000.

Funding policy. The Plan receives cash contributions from the District. As established by the legislature, the State of Colorado also contributes to the plan. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions.

The actuarial study as of January 1, 2021, indicated that the current level of contributions to the fund is adequate to support, on an actuarially sound basis, the prospective benefits for the present Plan.

Contributions to the Plan from the District were \$91,082 and from the State of Colorado were \$81,974 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a net pension liability of \$652,691. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2021 and may be used for December 31, 2021 reporting purposes. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

For the year ended December 31, 2021, the District recognized pension expense of \$8,036. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience pension plan investments	\$ 116,666	\$ 382,925
District contributions subsequent to measurement date	91,082	-
	\$ 207,748	\$ 382,925

The \$91,082 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. 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,	Amortization
2022	\$ (89,657)
2023	(37,775)
2024	(96,110)
2025	(42,717)
2026	-
Thereafter	-
Total	\$ (266,259)

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	20 years
Asset Valuation Period	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00% per annum
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	<p>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.</p> <p>Post-retirement: 2006 central rates from the RP-2014 Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected</p>

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%. Projected cash flows used in determining the Single Discount Rate are available upon request.

Long-term expected return on plan assets. 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	2.00%	2.32%
Fixed Income	10.00%	4.01%
Managed Fixtures	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Public Equity	39.00%	8.23%
Private Capital	26.00%	10.63%
Total	100.00%	

Sensitivity of the District’s proportionate share of the net pension liability(asset) to changes in the Single Discount Rate. The following presents the District’s proportionate share of the net pension liability/(asset) calculated using the Single Discount Rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
District's proportionate share of the net pension liability/(asset)	\$1,093,505	\$652,691	\$274,543

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Change in Net Pension Liability	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability a-b
Balances at December 31, 2019	\$ 4,906,167	\$ 4,029,539	\$ 876,628
Changes for the year			
Interest	328,020		328,020
Difference between expected and actual experience of Pension Liability	95,523		95,523
Changes of assumptions	-		-
Contributions - employer	-	91,082	(91,082)
Net investment income	-	485,808	(485,808)
Benefit payments	(447,900)	(447,900)	-
Administrative expenses	-	(11,384)	11,384
State of Colorado supplemental discretionary payment	-	81,974	(81,974)
Net changes	(24,357)	199,580	(223,937)
Balances at December 31, 2020	\$ 4,881,810	\$ 4,229,119	\$ 652,691

9. Employee Retirement Plans

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

Plan Description. The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for firefighters hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDB became effective January 1, 1980. All full-time, paid firefighters of the District are members of the SWDB.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Separate Retirement Account assets from eligible retired members). The SWDB is administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Benefits Provided. SWDB provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 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 for Urban Wage Earners and Clerical Workers.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 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. Through December 31, 2021, 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.

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. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0 percent of pensionable earnings in 2020. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by SWDB in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SWDB. Contributions to the SWDB from the District were \$384,744 for the year ended December 31, 2021.

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

At December 31, 2021, the District reported a net pension asset of \$1,188,988 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. The District's proportion of the net pension asset was based on District contributions to the SWDB relative to the total contributions of participating employers to SWDB based upon the January 1, 2021 actuarial valuation. At December 31, 2020, the District's proportion was 0.5477 percent, which was a decrease of .0136 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension expense of (\$334,683). At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 1,008,379	\$ 4,729
Changes of assumptions or other inputs	505,694	-
Changes to proportionate share	313,479	26,744
Net difference between projected and actual investment earnings on pension plan investments	-	1,221,262
District contributions subsequent to measurement date	384,744	-
	\$ 2,212,296	\$ 1,252,735

The \$384,744 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred inflows and outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Year Ended December 31,	Amortization
2022	\$ (89,423)
2023	68,982
2024	(136,481)
2025	69,187
2026	258,655
Thereafter	403,897
	\$ 574,817

Actuarial assumptions. The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

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

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income-Rates	10.0%	4.01%
Fixed Income-Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

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 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

	1.00% Decrease* (6.00%)	Current Discount Rate* (7.00%)	1.00% Increase* (8.00%)
District's proportionate share of the net pension liability/(asset)	\$1,196,530	\$(1,188,988)	\$(3,164,495)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan

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

The SWH is comprised of two components: Defined Benefit and Money Purchase. The Plan assets associated with the Defined Benefit Component are included in the Fire & Police Members' Benefit Investment Fund and the Plan assets associated with the Money Purchase Component and Deferred Retirement Option Plan assets are included in the Fire & Police Members' Self-Directed Investment Fund.

The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

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

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

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

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

Contributions. The SWH Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of this SWH Plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. Effective July 1, 2021, the Defined Benefit Component contribution rate is set at 14.10 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employee and member contributions are invested in funds at the discretion of members.

Contributions to the SWH Plan from the District were \$32,955 for the year ended December 31, 2021.

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

At December 31, 2020, the District reported a net pension asset of \$533,564 for its proportionate share of the net pension asset. The collective total pension liability as of December 31, 2021 is based upon the January 1, 2021 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2020, the District's proportion was 1.9399 percent, which was an decrease of .0003 from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$42,290. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 198,140	\$ -
Changes of assumptions or other inputs	25,059	-
Changes to proportionate share	59,243	11,957
Net difference between projected and actual investment earnings on pension plan investments	-	123,557
District contributions subsequent to measurement date	32,955	-
	<u>\$ 315,397</u>	<u>\$ 135,514</u>

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

The \$32,955 reported as deferred outflows of resources relating to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2022	\$ 41,034
2023	55,841
2024	26,271
2025	6,060
2026	14,481
Thereafter	3,241
	\$ 146,928

Actuarial assumptions. The actuarial valuations for the SWH plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

actuarial factors for benefit purposes such as 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income-Rates	10.0%	4.01%
Fixed Income-Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

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 Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH 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.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00% Decrease* (6.00%)	Current Discount Rate* (7.00%)	1.00% Increase* (8.00%)
District's proportionate share of the net pension liability/(asset)	\$(367,731)	\$(533,564)	\$(671,121)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan - Money Purchase Plan Only

FPPA offers a statewide money purchase plan for fire employees. This plan is a defined contribution plan. Under this plan, 8% of the employee's regular salary was withheld and contributed to the plan. The District contributes 8%. The employee is 100% vested in his or her contribution and earns a 100% vested right to the District contributions after five years of service at the rate of 20% per year. The employee's contributions to this plan for the years ended December 31, 2021, 2020, and December 31, 2019, were \$9,481, \$18,096, and \$16,881, respectively, with the District's contributions being \$9,481, \$18,096, and \$16,881, respectively.

FPPA issues an annual, publicly available financial report that includes the statewide money purchase plan. The report may be obtained on FPPA's website at www.fppaco.org.

10. Deferred Compensation Plans

Section 401(a)

The District provides a deferred compensation pension plan in accordance with Internal Revenue Code Section 401(a) that is being administered by Mission Square ICMA Retirement (formerly ICMA Retirement Corporation). The District has no administration or fiduciary responsibilities for this plan. All non-firefighter, full-time employees are required to participate in this plan at the time they begin work. The plan vests at 20% per year and plan members are fully vested after five years of employment. In service distributions can be made after a participant attains the normal retirement age. The District is required to contribute 8.5% and plan members are required to contribute 8.5% of salary to the plan. In 2021, this amounted to \$180,900 each for the District and the plan members, totaling \$361,800.

Deferred Compensation Plans - Section 457

The District offers its employees a deferred compensation plan created in accordance with Internal Service Code 457 ("457 Plan"). The District has three 457 plans, one of which is administered by FPPA and covers all commissioned firefighters of the District, the other two are administered by Mission Square ICMA Retirement (formerly ICMA Retirement Corporation) and one covers the non-firefighter employees of the District and one covers the part-time, temporary, and seasonal non-

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

firefighters of the District (“457 PTS Plan”). The plans allow its participants to defer a portion of their current salary to all future years. Participation in the plans is optional except for the 457 PTS Plan which is mandatory. The primary purpose of this 457 PTS Plan is to provide retirement benefits comparable to the benefits these employees would receive under Social Security. A minimum contribution of 7.5 percent of an employee’s gross salary is required under the 457 PTS Plan. The District and employee contribute 3.75% to the 457 PTS Plan. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the District.

11. Tabor Compliance

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20), which limits the revenue raising and spending abilities of state and local Districts. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local Districts to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$542,899 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

12. Restatement of Fund Balance and Net Position

Summit Fire & EMS Fire Protection District was created by merging Lake Dillon Fire Protection District and Summit Fire & EMS Authority after a successful election held November 3, 2020, whereby all territory within Copper Mountain’s jurisdiction was included into the Lake Dillon’s jurisdiction. Lake Dillon assumed the provision of Emergency Services to all areas within Copper Mountain, and the court order of inclusion was recorded with the Summit county Clerk and Recorder on November 23, 2020. The District legally changed its name from Lake Dillon Fire Protection District to Summit Fire & EMS Fire Protection District in 2021 and fully dissolved the Summit Fire & EMS Authority thus transferring the Authority’s assets, deferred outflows of resources, deferred inflows of resources, fund balance, and net position to Summit Fire & EMS Fire Protection District as shown below. For the Snake River Fleet Services Fund, the \$157,328 in current assets, \$29,649 in capital assets, \$67,927 in current liabilities, \$6,573 in noncurrent liabilities, \$29,649 in net investment in capital assets, and \$82,828 in unrestricted position were moved from the Summit Fire & EMS Authority to the business-type activities of the District.

Summit Fire & EMS Fire Protection District

Notes to Financial Statements

	Lake Dillon Fire Protection District	Summit Fire & Emergency Medical Services Authority	Summit Fire and EMS Fire Protection District
Governmental Fund:			
Current Assets	16,672,438	8,263,283	24,935,721
Current Liabilities	13,358	303,403	316,761
Deferred Inflows of Resources	10,356,458	-	10,356,458
Restricted Fund Balance	323,993	463,396	787,389
Unassigned Fund Balance	5,978,629	7,496,484	13,475,113
Total Fund Balance	<u>6,302,622</u>	<u>7,959,880</u>	<u>14,262,502</u>
Governmental Activities			
Current Assets	16,672,438	8,263,283	24,935,721
Capital Assets	11,300,600	-	11,300,600
Net Pension Asset	-	695,305	695,305
Total Assets	<u>27,973,038</u>	<u>8,958,588</u>	<u>36,931,626</u>
Deferred Outflows of Resources	283,038	2,593,021	2,876,059
Current Liabilities	13,358	405,913	419,271
Noncurrent Liabilities	876,628	922,594	1,799,222
Total Liabilities	<u>889,986</u>	<u>1,328,507</u>	<u>2,218,493</u>
Deferred Inflows of Resources	10,673,782	551,636	11,225,418
Net Investment In Capital Assets	11,300,600	-	11,300,600
Restricted Net Position	323,993	1,158,701	1,482,694
Unrestricted Net Position	5,067,715	8,512,765	13,580,480
Total Net Position	<u><u>16,692,308</u></u>	<u><u>9,671,466</u></u>	<u><u>26,363,774</u></u>

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax receipts	\$ 10,361,458	\$ 10,361,458	\$ 10,438,857	\$ 77,400
Specific ownership tax	350,000	350,000	557,388	207,388
EMS services	3,984,674	3,984,674	2,004,689	(1,979,985)
Earnings on investments	60,000	60,000	35,869	(24,131)
Inspection and plan review fees	210,000	210,000	817,172	607,172
Grants	18,200	18,200	23,929	5,729
Intergovernmental	1,288,201	1,288,201	3,550,394	2,262,193
Out of district response	12,000	12,000	35,574	23,574
Rental income	35,000	35,000	37,382	2,382
Fleet service reimbursement	171,912	171,912	-	(171,912)
State and federal wildland response	10,000	10,000	535,521	525,521
Miscellaneous revenue	8,850	8,850	59,856	51,006
Total revenues	16,510,294	16,510,294	18,096,631	1,586,337
Expenditures				
Firefighters:				
Salaries	4,755,038	4,755,038	3,975,793	779,245
Payroll taxes	73,784	73,784	61,595	12,189
Pension expense	472,712	472,712	379,324	93,388
FPPA D&D	139,127	139,127	110,390	28,737
Uniforms	52,450	52,450	34,005	18,445
Health insurance	1,130,948	1,130,948	1,084,847	46,101
Disability and life insurance	26,247	26,247	24,092	2,155
Workers compensation	139,523	139,523	108,172	31,351
Routine overtime	237,630	237,630	64,966	172,664
Overtime	325,000	325,000	280,513	44,487
Current leave benefits	62,665	62,665	59,239	3,426
Supplies	17,400	17,400	17,022	378
Equipment repair	13,800	13,800	13,473	327
Dues and subscriptions	750	750	175	575
Physicals and drug tests	20,000	20,000	13,949	6,051
Conferences and education	22,500	22,500	19,038	3,462
Personal protective equipment	38,306	38,306	38,638	(332)
SFA hazmat assessment	16,531	16,531	16,537	(6)
SFA administration and training	85,000	85,000	79,332	5,668
SFA Capital assessment	175,000	175,000	151,500	23,500
Total firefighters	7,804,411	7,804,411	6,532,600	1,271,811

Continued.

**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
EMS Opearations:				
Salaries	1,804,147	1,804,147	1,900,130	(95,983)
Payroll taxes	28,509	28,509	32,298	(3,789)
Pension expense	168,498	168,498	200,931	(32,433)
FPPA D&D	-	-	20,274	(20,274)
Uniforms	20,800	20,800	2,735	18,065
Health insurance	338,546	338,546	307,417	31,129
Disability and life insurance	20,561	20,561	15,078	5,483
Workers compensation	44,510	44,510	40,987	3,523
Routine overtime	361,034	361,034	286,965	74,069
Overtime	200,000	200,000	92,723	107,277
Current leave benefits	14,891	14,891	42,272	(27,381)
Office supplies	6,500	6,500	9,667	(3,167)
Bank fees	7,000	7,000	2,213	4,787
Medical supplies	60,000	60,000	82,507	(22,507)
Equipment repair	15,000	15,000	17,419	(2,419)
IT Equipment and maintenance	114,212	114,212	49,631	64,581
Dues and subscriptions	7,500	7,500	3,429	4,071
Telephone	20,960	20,960	12,521	8,439
Conferences and education	15,000	15,000	10,733	4,267
External contracts	26,100	26,100	21,444	4,656
Training	10,000	10,000	1,469	8,531
Vehicle repair	200,000	200,000	87,558	112,442
Fuel	50,000	50,000	25,745	24,255
Allocated expenses	883,727	883,727	810,225	73,502
Total EMS operations	4,417,495	4,417,495	4,076,371	341,124
Administration:				
Administrative salaries	551,798	551,798	578,090	(26,292)
Payroll taxes	8,001	8,001	8,080	(79)
Pension expense	52,421	52,421	54,667	(2,246)
FPPA D&D	4,198	4,198	4,198	-
Uniforms	2,000	2,000	1,438	562
Health insurance	102,939	102,939	112,476	(9,537)

Continued.

**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration (continued)				
Disability and life insurance	4,744	4,744	4,308	436
Workers compensation	5,377	5,377	3,518	1,859
Current leave benefits	6,270	6,270	3,988	2,282
Overtime	-	-	749	(749)
Directors and Chief expense	38,540	38,540	25,322	13,218
Treasurer fees	559,621	559,621	522,882	36,739
Insurance	76,000	76,000	74,833	1,167
Miscellaneous staff benefits	8,400	8,400	7,089	1,311
Legal services	85,000	85,000	83,011	1,989
Audit	41,000	41,000	28,700	12,300
Elections	35,000	35,000	37,321	(2,321)
Supplies	31,000	31,000	20,230	10,770
Dues and subscriptions	6,500	6,500	3,283	3,217
Conferences and education	10,500	10,500	3,823	6,677
Unemployment insurance	40,800	40,800	4,060	36,740
Education allowance	50,000	50,000	29,529	20,471
Human resources expense	6,000	6,000	7,535	(1,535)
TIF expense Silverthorne	40,175	40,175	40,804	(629)
TIF expense Dillon	72,007	72,007	72,488	(481)
Accreditation expense	21,450	21,450	2,149	19,301
EMS Allocated Expenses	(613,715)	(613,715)	(572,405)	(41,310)
Employee asst fund expense	2,000	2,000	3,108	(1,108)
Contribution to volunteer pension	91,082	91,082	91,082	-
Total administration	1,339,108	1,339,108	1,256,356	82,752
Community risk division:				
Salaries	349,564	349,564	326,924	22,640
Payroll taxes	5,068	5,068	4,773	295
Pension expense	33,208	33,208	31,115	2,093
FPPA D&D	5,130	5,130	4,121	1,009
Uniforms	2,250	2,250	2,720	(470)
Health insurance	59,654	59,654	61,300	(1,646)
Disability and life insurance	2,161	2,161	2,444	(283)
Workers compensation	7,534	7,534	4,200	3,334
Unemployment insurance	-	-	1,054	(1,054)
Current leave benefits	3,721	3,721	11,601	(7,880)
Overtime	-	-	1,420	(1,420)
Supplies	5,500	5,500	5,847	(347)
Dues and subscriptions	4,850	4,850	1,150	3,700
Conferences and education	13,450	13,450	10,704	2,746
Public education	6,000	6,000	991	5,009
Physicals and drug tests	480	480	-	480
Fire investigation expense	600	600	651	(51)
Contractual Services	10,000	10,000	-	10,000
Total community risk division	509,170	509,170	471,015	38,155

Continued.

**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Admin Support services:				
Salaries	202,259	202,259	144,921	57,338
Payroll taxes	2,933	2,933	2,538	395
Pension expense	19,215	19,215	13,414	5,801
FPPA D&D	3,611	3,611	3,288	323
Uniforms	800	800	249	551
Health insurance	36,008	36,008	22,089	13,919
Disability and life insurance	1,249	1,249	977	272
Workers compensation	5,011	5,011	3,336	1,675
Current leave benefits	33,666	33,666	34,134	(468)
Supplies	27,500	27,500	17,453	10,047
Equipment repair	5,400	5,400	2,588	2,812
IT maintenance & contracts	232,503	232,503	180,798	51,705
Dues and subscriptions	-	-	-	-
Telephone	65,176	65,176	35,242	29,934
Conferences and education	3,500	3,500	1,497	2,003
IT Consulting services	5,500	5,500	6,035	(535)
IT hardware & maintenance	50,000	50,000	38,915	11,085
Communication center assessment	128,530	128,530	130,283	(1,753)
EMS Allocated Expenses	(189,670)	(189,670)	(150,796)	(38,874)
Total support services	633,191	633,191	486,961	146,230
Stations and grounds:				
Building maintenance	141,021	141,021	117,208	23,813
Snow removal	14,370	14,370	9,427	4,943
Water and sewer	15,127	15,127	13,537	1,590
Utilities	67,900	67,900	96,536	(28,636)
Trash removal	5,200	5,200	8,042	(2,842)
Alarm monitoring	590	590	441	149
EMS allocated expenses	(81,661)	(81,661)	(87,024)	5,363
Total stations and grounds	162,547	162,547	158,167	4,380
Fleet services:				
Salaries	153,681	153,681	-	153,681
Current leave benefits	1,403	1,403	-	1,403
Payroll taxes	2,228	2,228	-	2,228
Pension	14,600	14,600	-	14,600
Total fleet services	171,912	171,912	-	171,912

Continued.

**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Apparatus				
Repairs and maintenance	65,000	65,000	87,036	(22,036)
Fuel	55,000	55,000	54,387	613
SR Fleet Assessment	122,990	122,990	122,988	2
Apparatus station expense	-	-	4,200	(4,200)
Total apparatus	242,990	242,990	268,611	(21,421)
State and federal wildland				
Salaries	-	-	98,391	(98,391)
Payroll taxes	-	-	3,582	(3,582)
Overtime	-	-	154,074	(154,074)
Miscellaneous	10,000	10,000	54,155	(44,155)
Total state and federal wildland	10,000	10,000	310,202	(300,202)
Volunteers:				
Benefits	1,200	1,200	1,453	(253)
Workers compensation	361	361	-	361
Uniforms	2,600	2,600	-	2,600
Total volunteers	4,161	4,161	1,453	2,708
Capital expenditures				
Firefighters	100,000	100,000	39,540	60,460
EMS operations	275,000	275,000	-	275,000
Administration	50,000	50,000	45,131	4,869
Admin support services	40,000	40,000	44,238	(4,238)
Apparatus	201,000	201,000	206,516	(5,516)
Stations and grounds	42,000	42,000	24,372	17,628
Capital expenditures	708,000	708,000	359,797	348,203
Total expenditures	16,002,985	16,002,985	13,921,533	2,085,652
Excess of revenues over expenditures	507,309	507,309	4,175,098	3,671,989
Other financing sources				
Proceeds from sale of capital assets	-	-	17,001	17,001
Total other financing sources	-	-	17,001	17,001
Change in fund balance	\$ 507,309	\$ 507,309	4,192,099	\$ 3,688,990
Fund balance at beginning of year, as restated			14,262,502	
Fund balance at end of year			\$ 18,454,601	

See accompanying Independent Auditor's Report.

Summit Fire & EMS Fire Protection District

Notes to Required Supplementary Information

Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before August 1 of each year, the District's Fire Chief and Finance Manager shall submit to the District Board of Directors and to each Party's Board of Directors a preliminary draft budget which details the necessary Party Contributions needed along with other available revenues to meet the District's operating requirements. The Parties may continue to meet until they have reached mutual agreement on the amount of each Party's Annual Contribution (as defined). If for any reason the Parties are unable to reach such mutual agreement by October 15, then the amount of each Party's Annual Contribution in the upcoming fiscal year shall be equal to the amount of such Party's Annual Contribution in the current fiscal year, plus a percentage equal to the Consumer Price Index, U.S. Department of Labor, Bureau of Labor Statistics, all Urban Consumers, all items, Denver/Boulder/Greeley Urban (1982-84, equals 100), or the successor of that Index.
- By October 15, the District's Fire Chief and Finance Manager submit to the Board of Directors, a recommended budget which details the necessary Contributions needed along with other available revenues to meet the District's operating requirements.
- After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget via resolution, appropriating expenditures for the upcoming years.
- After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.
- The District legally adopts budgets for all of the funds of the District on a basis consistent with GAAP.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

Summit Fire & EMS Fire Protection District
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Volunteer Firefighters' Pension Plan

Last Ten Fiscal Years

Measurement Period Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the Total Pension Liability	328,020	335,814	347,479	354,087	277,217	285,265	289,034
Benefit Changes	-	-	-	-	993,372	-	-
Difference Between Expected and Actual Experience	95,523	-	73,026	-	65,279	-	8,667
Assumption Changes	-	-	188,325	-	130,502	-	-
Benefit Payments	(447,900)	(446,429)	(442,200)	(442,200)	(440,700)	(346,160)	(349,680)
Net Change in Total Pension Liability	(24,357)	(110,615)	166,630	(88,113)	1,025,670	(60,895)	(51,979)
Total Pension Liability - Beginning	4,906,167	5,016,782	4,850,152	4,938,265	3,912,595	3,973,490	4,025,469
Total Pension Liability - Ending	\$ 4,881,810	\$ 4,906,167	\$ 5,016,782	\$ 4,850,152	\$ 4,938,265	\$ 3,912,595	\$ 3,973,490
Plan Fiduciary Net Position							
Employer Contribution	\$ 91,082	\$ 91,082	\$ 91,082	\$ 91,082	\$ 92,500	\$ 90,874	\$ 143,000
Pension Plan Net Investment Income	485,808	522,603	3,246	535,193	196,946	70,611	259,598
Benefit Payments	(447,900)	(446,429)	(442,200)	(442,200)	(440,700)	(346,160)	(349,680)
Pension Plan Administrative Expenses	(11,384)	(12,120)	(11,616)	(10,873)	(6,181)	(8,109)	(6,320)
State of Colorado Supplemental Discretionary Payment	81,974	81,974	81,974	81,974	81,787	81,974	81,974
Net Change in Plan Fiduciary Net Position	199,580	237,110	(277,514)	255,176	(75,648)	(110,810)	128,572
Plan Fiduciary Net Position - Beginning	4,029,539	3,792,429	4,069,943	3,814,767	3,890,415	4,001,225	3,872,653
Plan Fiduciary Net Position - Ending	\$ 4,229,119	\$ 4,029,539	\$ 3,792,429	\$ 4,069,943	\$ 3,814,767	\$ 3,890,415	\$ 4,001,225
Net Pension Liability/(Asset) - Ending	\$ 652,691	\$ 876,628	\$ 1,224,353	\$ 780,209	\$ 1,123,498	\$ 22,180	\$ (27,735)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.63%	82.13%	75.59%	83.91%	77.25%	99.43%	100.70%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report.

Summit Fire & EMS Fire Protection District

Schedule of Contributions

Volunteer Firefighters' Pension Plan

Last Ten Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 27,734	\$ 224,974	\$ (197,240)	N/A	N/A
2015	\$ 27,734	\$ 172,848	\$ (145,114)	N/A	N/A
2016	\$ -	\$ 174,287	\$ (174,287)	N/A	N/A
2017	\$ -	\$ 173,056	\$ (173,056)	N/A	N/A
2018	\$ 91,438	\$ 173,056	\$ (81,618)	N/A	N/A
2019	\$ 91,438	\$ 173,056	\$ (81,618)	N/A	N/A
2020	\$ 101,636	\$ 173,056	\$ (71,420)	N/A	N/A

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report.

Summit Fire & EMS Fire Protection District
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)
Cost-Sharing Defined Benefit Plans
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014
FPPA - Statewide Defined Benefit Plan								
District's proportion of the net pension liability/(asset)	\$ (1,188,988)	\$ (317,461)	\$ 770,957	\$ 988,345	\$ 224,321	\$ (10,306)	\$ (666,673)	\$ (754,130)
District's proportionate share of the net pension liability/(asset)	0.5477%	0.5613%	0.6098%	0.5355%	0.6208%	0.5846%	0.5907%	0.6057%
District's covered payroll	\$ 4,411,458	\$ 4,186,992	\$ 4,078,025	\$ 4,532,868	\$ 3,204,893	\$ 3,033,564	\$ 2,659,086	\$ 2,632,935
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	26.95%	7.58%	18.91%	21.80%	7.00%	0.34%	25.07%	28.64%
Plan fiduciary net position as a percentage of the total pension liability / (asset)	106.70%	101.90%	95.23%	106.30%	98.21%	100.10%	106.80%	105.80%
FPPA - Statewide Hybrid Plan								
District's proportion of the net pension liability/(asset)	\$ (533,564)	\$ (377,844)	\$ (270,027)	\$ (375,677)	\$ (241,958)	\$ (259,032)	\$ (342,312)	\$ (305,778)
District's proportionate share of the net pension liability/(asset)	1.9399%	1.9402%	1.9562%	1.9214%	2.2228%	2.4593%	2.8864%	2.6475%
District's covered payroll	\$ 411,850	\$ 387,041	\$ 389,731	\$ 422,956	\$ 365,895	\$ 475,287	\$ 446,602	\$ 428,133
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	129.55%	97.62%	69.29%	88.82%	66.13%	54.50%	76.65%	71.42%
Plan fiduciary net position as a percentage of the total pension liability / (asset)	137.99%	130.06%	123.46%	138.86%	125.79%	129.44%	140.60%	139.00%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report.

Summit Fire & EMS Fire Protection District
Schedule of District Contributions
Cost-Sharing Defined Benefit Plans
Last Ten Years

Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
FPPA - Defined Benefit Plan								
Statutorily Required Contribution	\$ 384,744	\$ 351,913	\$ 330,968	\$ 324,089	\$ 250,572	\$ 244,863	\$ 226,698	\$ 212,519
Contributions in Relation to the Statutorily Required Contribution	384,744	351,913	330,968	324,089	250,572	244,863	226,698	212,519
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$4,527,868	\$4,401,458	\$4,136,992	\$4,053,025	\$3,132,453	\$3,059,893	\$2,833,564	\$2,657,485
Contributions as a Percentage of Covered Payroll	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
FPPA - Statewide Hybrid Plan								
Statutorily Required Contribution	\$ 32,955	\$ 32,948	\$ 30,963	\$ 31,178	\$ 29,378	\$ 28,224	\$ 31,894	\$ 35,728
Contributions in Relation to the Statutorily Required Contribution	\$ 32,955	\$ 32,948	\$ 30,963	\$ 31,178	\$ 29,378	\$ 28,224	\$ 31,894	\$ 35,728
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 411,956	\$ 411,850	\$ 387,041	\$ 389,731	\$ 367,232	\$ 352,895	\$ 398,787	\$ 446,613
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

See accompanying Independent Auditor's Report.

Other Supplementary Information

Summit Fire & EMS Fire Protection District
Schedule of Revenues, Expenses and Changes in Net Position
(Budget and Actual) - Snake River Fleet Services Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Charges for parts and services:				
Summit Fire & EMS Fire				
Protection District	\$ 187,990	\$ 187,990	\$ 218,837	\$ 30,847
Red, White & Blue Fire				
Protection District	153,337	153,337	152,326	(1,011)
Summit Fire Authority	11,888	11,888	11,189	(699)
Other	13,000	13,000	7,209	(5,791)
Total revenues	366,215	366,215	389,561	23,346
Operating expenses				
Salaries and administrative overhead	164,781	164,781	160,167	4,614
Benefits	36,124	36,124	34,779	1,345
Payroll taxes	2,337	2,337	2,189	148
Workers compensation	4,035	4,035	1,769	2,266
Pension	15,312	15,312	14,642	670
Vehicle parts	118,833	118,833	149,256	(30,423)
Service vehicle	2,700	2,700	3,326	(626)
Insurance	5,228	5,228	5,228	-
Supplies	3,500	3,500	3,569	(69)
Utilities	3,600	3,600	3,498	102
Tools and equipment	5,000	5,000	2,573	2,427
Training	2,000	2,000	3,265	(1,265)
Telephone	1,425	1,425	1,146	279
Dues and subscriptions	100	100	3,963	(3,863)
Capital outlay	8,500	8,500	-	8,500
Total operating expenses	373,475	373,475	389,370	(15,895)
Change in net position - budgetary basis	\$ (7,260)	\$ (7,260)	191	\$ 7,451
Reconciliation to GAAP basis				
Depreciation			(4,837)	
Change in net position - GAAP basis			(4,646)	
Net position at beginning of year			112,477	
Net position at end of year			\$ 107,831	

See accompanying Independent Auditor's Report.