PEYTON FIRE PROTECTION DISTRICT
El Paso County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2020

Table of Contents

SCHILLING & COMPANY, INC.
Certified Public Accountants

P.O. Box 631579
Highlands Ranch, CO 80163
Phone: 720.348.1086
Fax: 720.348.2920

Independent Auditor's Report

Board of Directors
Peyton Fire Protection District
El Paso County, Colorado

Report for the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Peyton Fire Protection District (District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Peyton Fire Protection District, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability/(asset) – Fire and Police Pension Administration – Statewide Defined Benefit Plan on page 26, the schedule of District contributions – Fire and Police Pension Association – Statewide Defined Benefit Plan on page 27, the schedule of changes in net pension liability/(asset) – Volunteer Firefighters' Pension Plan on page 28, the schedule of District contributions – Volunteer Firefighters' Pension Plan on page 29, and the Schedule of the Net Pension Liability/(Asset) – Volunteer Firefighters' Pension Plan on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

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

Schilling & Company, Inc.

Highlands Ranch, Colorado
September 22, 2021

BASIC FINANCIAL STATEMENTS

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2020

ASSETS	
Cash deposits	$ 111,170
Due from other government	10,041
Accounts receivable	4,061
Prepaid insurance	4,210
Property tax receivable	263,105
Net pension asset - SWDBP	2,213
Net pension asset - VFPP	38,335
Capital assets, being depreciated, net	362,302
Total assets	795,437
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension - SWDBP	14,402
Deferred outflows related to pension - VFPP	13,773
Total deferred outflows of resources	28,175
LIABILITIES	
Accounts and wages payable	11,650
Long-term obligations:	
Due within one year	3,542
Due within more than one year	16,932
Total liabilities	32,124
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	263,105
Deferred inflows related to pension - SWDBP	9,984
Deferred inflows related to pension - VFPP	8,670
Total deferred inflows of resources	281,759
NET POSITION	
Investment in capital assets	343,648
Restricted	8,467
Unrestricted	157,614
Total net position	$ 509,729

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

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
Public safety	$ 288,028	$ -	$ 3,998	$ -	$ (284,030)
Interest	1,141	-	-	-	(1,141)
	$ 289,169	$ -	$ 3,998	$ -	(285,171)
General revenues:					
Taxes:					
Property taxes					266,796
Specific ownership taxes					20,862
Net investment earnings					621
Total general revenues					288,279
Change in net position					3,108
Net position - Beginning of year					506,621
Net position - End of year					$ 509,729

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

PEYTON FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	General	Capital Projects	Total
ASSETS			
Cash deposits	$ 92,277	$ 18,893	$ 111,170
Due from other government	10,041	-	10,041
Accounts receivable	4,061	-	4,061
Prepaid expenditures	4,210	-	4,210
Property taxes receivable	263,105	-	263,105
TOTAL ASSETS	$ 373,694	$ 18,893	$ 392,587
LIABILITIES			
Accounts payable	$ 11,650	$ -	$ 11,650
TOTAL LIABILITIES	11,650	-	11,650
DEFERRED INFLOWS OF RESOURCES			
Deferred unavailable property taxes	10,041	-	10,041
Deferred property taxes	263,105	-	263,105
TOTAL DEFERRED INFLOWS OF RESOURCES	273,146	-	273,146
FUND BALANCE			
Fund balances:			
Nonspendable:			
Prepaid expenditures	4,210	-	4,210
Spendable:			
Restricted for emergencies	8,467	-	8,467
Assigned for capital asset additions/improvements	-	18,893	18,893
Assigned to subsequent year's expenditures	37,367	-	37,367
Unassigned	38,854	-	38,854
Total fund balance	88,898	18,893	107,791
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 373,694	$ 18,893	$ 392,587

Total fund balance above	$ 107,791
Adjustments to reconcile the governmental fund balance sheet to the statement of are as follows:	
Capital assets used in governmental activities are not financial resources and, therefore, net position are not reported in the fund balance sheet:	
Capital assets, net	362,302
Certain amounts deferred in the governmental fund balance sheet are not deferred on the statement of net position:	
Deferred unavailable property taxes	10,041
Certain amounts related to the District's long term obligations and pension plans reported on the statement of net position are not reported in the funds balance sheet:	
Capital lease payable	(20,474)
Net pension asset - SWDBP	2,213
Deferred outflows of resources - SWDBP	14,402
Deferred inflows of resources - SWDBP	(9,984)
Net pension asset - VFPP	38,335
Deferred outflows of resources - VFPP	13,773
Deferred inflows of resources - VFPP	(8,670)
Net position of governmental activities	$ 509,729

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

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	General	Capital Projects	Total
REVENUES			
Property taxes	$ 256,755	$ -	$ 256,755
Specific ownership taxes	20,862	-	20,862
Grants	3,998	-	3,998
Net investment earnings	621	-	621
Total general revenues	282,236	-	282,236
EXPENDITURES			
Administration	131,720	-	131,720
Operations	108,397	491	108,888
Other	9,200	-	9,200
Debt Service:			
Capital lease - principal	-	4,526	4,526
Capital lease - interest	-	1,141	1,141
Capital outlay	7,749	25,000	32,749
Total expenditures	257,066	31,158	288,224
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,170	(31,158)	(5,988)
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	7,577	-	7,577
Capital lease issuance	-	25,000	25,000
Transfers in (out)	(4,250)	4,250	-
Total other financing sources (uses)	3,327	29,250	32,577
NET CHANGE IN FUND BALANCE	28,497	(1,908)	26,589
FUND BALANCE - BEGINNING OF YEAR	60,401	20,801	81,202
FUND BALANCE - END OF YEAR	$ 88,898	$ 18,893	$ 107,791

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

PEYTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020

A reconciliation reflecting the differences between the general fund net change in fund balance and changes in net position reported for governmental activities in the statement of activities is as follows:

Net change in fund balance - Governmental Funds	$ 26,589
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	32,749
Depreciation	(54,026)
	(21,277)
Some expenditures reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses in the subsequent fiscal year.	
District contributions subsequent to the measurement date - SWDBP	2,711
District contributions subsequent to the measurement date - VFPP	9,200
	11,911
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	
Net change in deferred inflows and outflows of resources related to pensions and in net pension assets and liabilities:	
Pension expense - SWDBP	(1,096)
Pension expense - VFPP	(2,586)
	(3,682)
Governmental funds report capital lease proceeds as an other financing source, while repayment of lease principal is reported as an expenditure. However, in the statement of net position issuing debt increases long-term liabilities and does not effect the statement of activities; and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. However, in the statement of activities it is recognized as it accrues:	
Capital lease proceeds	(25,000)
Capital lease principal paid	4,526
	(20,474)
Governmental funds report certain revenues as deferred because they are either not measurable, not available within 60 days of yearend, or both. However in the statement of activities, these revenues are recognized as revenue in the current year.	
Deferred unavailable property taxes	10,041
	10,041
Change in net position	$ 3,108

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

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2020

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	$ 260,039	$ 256,755	$ (3,284)
Specific ownership taxes	20,000	20,862	862
Grants	2,000	3,998	1,998
Net investment earnings	2,500	621	(1,879)
Donations	1,900	-	(1,900)
Total revenues	286,439	282,236	(4,203)
EXPENDITURES			
Administrative:			
Accounting	20,000	24,472	(4,472)
Audit	160	826	(666)
Election	10,000	3,676	6,324
Insurance - SDA, liability, auto	13,000	4,717	8,283
Insurance - auto	2,500	5,128	(2,628)
Insurance - workers compensation	4,500	6,547	(2,047)
Legal	24,000	17,808	6,192
County Treasurer's fees	3,901	3,855	46
Management	30,000	20,221	9,779
Computer maintenance	2,500	-	2,500
Office supplies	1,000	338	662
Miscellaneous	4,000	2,395	1,605
Bank charges	-	82	(82)
Workshops	3,250	-	3,250
Professional associations	1,000	552	448
Trade publications	-	2,076	(2,076)
Community outreach	2,500	-	2,500
Wages	31,500	33,456	(1,956)
Payroll taxes	3,100	1,532	1,568
Pension contributions	2,000	2,733	(733)
Payroll processing	500	1,306	(806)
Operations:			
PPE - structural fire equipment	6,000	937	5,063
PPE - wildland fire equipment	5,000	-	5,000
PPE - medical	2,000	-	2,000
Firefighting equipment	10,000	2,260	7,740
Medical supplies	4,000	5,740	(1,740)
Medical supplies - COVID	-	5,222	(5,222)
Station supplies	1,000	696	304
Office supplies	1,000	915	85

(Continued)

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

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2020
(Continued)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Fire prevention	500	-	500
EMS training	10,000	360	9,640
Structural fire training	2,000	-	2,000
Wildland fire training	3,000	-	3,000
Uniforms	2,500	482	2,018
Firefighter health and welfare	500	878	(378)
Equipment maintenance	3,250	6,931	(3,681)
Vehicle repair and maintenance	15,000	31,652	(16,652)
Fuel	10,000	10,347	(347)
Colorado Springs - radio fees	6,000	6,720	(720)
Cell phones and tablets	6,000	6,670	(670)
Radio equipment	5,000	2,790	2,210
ERS reporting service	3,000	2,642	358
Building and grounds - maintenance	3,000	1,898	1,102
Building and grounds - equipment	250	10	240
Auxiliary	1,000	127	873
Rehabilitation	1,000	488	512
Member recognition	2,500	1,497	1,003
Utilities	19,000	17,517	1,483
T-shirts	-	1,360	(1,360)
Firefighter donations	-	258	(258)
Capital outlay:			
Buildings and grounds equipment	-	7,749	(7,749)
Other:			
Volunteer pension plan contribution	3,200	9,200	(6,000)
Contingency	20,000	-	20,000
Emergency reserve	8,593	-	8,593
Total expenditures	313,704	257,066	56,638
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,265)	25,170	52,435
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	-	7,577	7,577
Transfers in (out)	-	(4,250)	(4,250)
Total other financing sources (uses)	-	3,327	3,327
NET CHANGE IN FUND BALANCE	(27,265)	28,497	55,762
FUND BALANCE - BEGINNING OF YEAR	35,896	60,401	24,505
FUND BALANCE - END OF YEAR	$ 8,631	$ 88,898	$ 80,267

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

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Peyton Fire Protection District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized be order and decree of the District Court for El Paso County on October 12, 1988, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by El Paso County in March 1988. The District provides fire protection, ambulance, emergency medical and rescue services, using volunteer firefighters, to its residents in the northeast portion of El Paso County, Colorado.

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

The District is not a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

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

Budgets

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

For the year ended December 31, 2020, the District amended the budget of the Capital Projects Fund, increasing the appropriated expenditures from $0 to $45,000.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include land, buildings and improvements, fire trucks and accessories, equipment, and furniture and fixtures are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 assets lives are not capitalized.

Buildings, equipment and vehicles of the District are depreciated using the straight-line method over the following estimated useful lives:

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

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

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

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

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

Unassigned fund balance—amounts that are available for any purpose.

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

NOTE 3 - CASH DEPOSITS

Cash deposits as of December 31, 2020 consist of the following:

Deposits with financial institutions	$ 111,170
Total cash deposits	$ 111,170

Cash Deposits

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

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

At December 31, 2020, the District's cash deposits had both a bank balance and carrying balance of $111,170.

Investments

Credit Risk

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

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

As of and for the year ended December 31, 2020, the District did not have any investments.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Additions	Deletions	Balance December 31, 2020
Governmental activities:				
Capital assets, being depreciated:				
Building	$ 189,127	$ -	$ -	$ 189,127
Equipment	629,111	7,749	-	636,860
Vehicles	476,532	25,000	-	501,532
Total capital assets, being depreciated	1,294,770	32,749	-	1,327,519
Less accumulated depreciation for:				
Building	(153,499)	(5,090)	-	(158,589)
Equipment	(472,042)	(13,223)	-	(485,265)
Vehicles	(285,650)	(35,713)	-	(321,363)
Total accumulated depreciation	(911,191)	(54,026)	-	(965,217)
Governmental capital assets, net	$ 383,579	$ (21,277)	$ -	$ 362,302

Depreciation of $54,026 was charged to the public safety function in the statement of activities.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Capital Leases:					
1997 HME Pumper	$ -	$ 25,000	$ 4,526	$ 20,474	$ 3,542

Capital Lease

As of January 1, 2020, the District entered into an Equipment Lease Purchase Agreement (Agreement) with the Community First National Bank for the purchase of a 1997 HME Custom Pumper in the amount of $25,000. The Agreement requires quarterly principal and interest payments of $1,416.76, beginning on April 14, 2020 and continuing until January 16, 2025. The interest rate on the Agreement is 4.89%. The quarterly payments are subject to an annual appropriation clause. The Agreement is secured by the 1997 HME Custom Pumper, with a cost of $25,000, and accumulated depreciation as of December 31, 2020 of $1,667. For the year ended December 31, 2020, the District paid interest on the Agreement in the amount of $1,141 and recognized interest expense of $1,141.

The future minimum lease payments on this capital lease as of December 31, 2020 are as follows:

Year Ending		
2021	$	4,250
2022		5,667
2023		5,667
2024		5,667
2025		1,417
Total minimum lease payments		22,668
Less amount representing interest		(2,194)
Present value of minimum lease payments	$	20,474

As of December 31, 2020, the District did not have any authorized, but unissued debt.

NOTE 6 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The SWDBP became effective January 1, 1980. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

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

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).

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

- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).

- Deferred: Members who quality for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

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

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

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

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

Contributions. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute and are 8% of the employee's base salary. Member contribution rates can be amended by statute or by election of the membership. In 2020, eligible employees were required to contribute 11.0% of their FPPA base salary, and as a result of the 2014 Member Contributions Election, the plan member contribution rate will increase by 0.5% of covered salary each year through 2022. Contributions to the SWDBP from the District were $2,711 for the year ended December 31, 2020.

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

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

As of December 31, 2020, the District reported net pension asset of $2,213 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The District's proportion of the net pension asset was based on District contributions to the SWDBP for the calendar year 2019 relative to the total contributions of participating employers to the SWDBP.

As of December 31, 2020, the District's proportion was 0.00391265 percent, which was a decrease of 0.00056592 percent from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of $1,096. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,489	$ 43
Change of assumptions or other inputs	4,202	-
Net difference between projected and actual earnings on pension plan investments	-	6,462
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	3,479
Contributions subsequent to the measurement date	2,711	-
Total	$ 14,402	$ 9,984

The $2,711 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 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 Ending December 31	
2021	$ (91)
2022	(392)
2023	739
2024	(729)
2025	756
Thereafter	1,424
	$ 1,707

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Not Applicable
Amortization Period	Not Applicable
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases *	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

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

The SWDBP's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Markets	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	2%	2.52%
Total	100%	

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

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension (asset) liability	$ 13,417	$ (2,213)	$ (15,176)

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

Subsequent event. House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of the change was not included in the total pension liability or the collective pension expense as of the December 31, 2019 measurement period. This will be reflected in the December 31, 2020 measurement period. The impact of the benefit adjustment is approximately $53 million.

NOTE 7 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1098 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 2.8% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.8% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 2.8% contribution on behalf of the members. For the year ending December 31, 2020, the District's contributions to the SWD&DP on behalf of the employees was $949 equal to the required contributions for each year.

NOTE 8 – DEFERRED COMPENSATION PLAN

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

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits. For the year ended December 31, 2020, the plan members made no contributions.

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

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

NOTE 9 – VOLUNTEER FIREFIGHTERS' PENSION PLAN

Volunteer Firefighters' Pension Plan

General Information about the Pension Plan

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

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes. As of December 31, 2020, the plan provides for a monthly pension benefit as follows:

Normal Retirement Benefit (Monthly)		
Regular	$	100
Vested Retirement Benefit (Monthly)		
With 10 to 20 years of service, amount per year of service per minimum vesting years (20 minimum)	$	5
Disability Retirement Benefit (Monthly)		
Short term disability for line of duty injury, amount payable for not more than 1 year	$	50
Long term disability for line of duty injury, lifetime benefit	$	100
Funeral benefit (Required Benefit)		
Funeral benefit lump sum, one time only	$	100

As of December 31, 2020, there is 1 retired volunteers receiving benefits, 20 active volunteers, and 1 terminated member vested in the plan.

Contributions. The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. Plan members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District did not make any contributions to the plan for the year ended December 31, 2020, equal to the actuarial calculated contribution.

Net Pension Liability/(Asset)

Actuarial assumptions. The District's net pension asset was based on an actuarial valuation performed as of January 1, 2019 and a measurement date of December 31, 2019. The total pension liability as of December 31, 2020 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 peri	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 65

Mortality	***Pre-retirement:*** RP-2014 Employee Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. ***Post-retirement:*** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	2%	2.52%
Fixed Income	15%	5.20%
Managed Futures	4%	5.00%
Absolute Return	8%	5.50%
Long Short	8%	6.00%
Global Equity	38%	7.00%
Private Markets	25%	9.20%
Total	100%	

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

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

Changes in the Net Pension Liability/(Asset)

Changes in the District's net pension liability/(asset) liability for the year ended December 31, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/2019	$ 30,988	$ 67,580	$ (36,592)
Changes for the year:			
Service cost	933	-	933
Interest on the total pension liability	2,160	-	2,160
Benefit payments	(1,200)	(1,200)	-
Pension plan net investment income	-	9,400	(9,400)
Administrative expense	-	(4,564)	4,564
Net Changes	1,893	3,636	(1,743)
Balances at 12/31/2020	$ 32,881	$ 71,216	$ (38,335)

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Proportionate share of the net pension (asset) liability	$ (34,173)	$ (38,335)	$ (41,738)

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

For the year ended December 31, 2020, the District recognized pension expense of $2,586.

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 3,114
Changes of assumptions and other inputs	1,288	-
Net difference between projected and actual earnings on pension plan investments	3,285	5,556
Contributions subsequent to the measurement date	9,200	-
Total	$ 13,773	$ 8,670

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

Year Ending December 31		
2021	$	(1,092)
2022		(1,322)
2023		(311)
2024		(1,248)
2025		(89)
Thereafter		(35)
	$	(4,097)

NOTE 10 - FUND EQUITY

At December 31, 2020, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of $4,210 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of $8,467 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 13).

Assigned Fund Balance

The assigned fund balance in the Capital Projects Fund in the amount of $18,893 is comprised of amounts assigned by the Board of Directors for capital asset additions and capital improvements.

The assigned fund balance in the General Fund in the amount of $37,367 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

NOTE 11 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted, and unrestricted.

The net investment in capital assets, net of accumulated depreciation is reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, investment in capital assets was $341,828.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position of $8,467 as of December 31, 2020 as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 13).

NOTE 12 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 13 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

On November 7, 2006, a majority of the District's electors authorized the District to increase taxes by $112,324 annually, and by such additional amounts raised annually thereafter, by increasing its existing property taxes by 4.000 mills, commencing with levy year 2006 for collection in calendar year 2007.

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

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

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

REQUIRED SUPPLEMENTAL INFORMATION

PEYTON FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST TWO FISCAL YEARS(1)
Year Ended December 31, 2020

Measurement period ending December 31,	**2019**	**2018**
District's Proportion of the Net Pension Liability/(Asset)	0.00391265%	0.00447857%
District's Proportionate Share of the Net Pension Liability/(Asset)	$ (2,213)	$ 5,662
District's Covered Payroll	$ 28,840	$ 20,765
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	7.7%	-27.3%
Calculation of Collective Net Pension Liability/(Asset):		
Total Pension Liability	$ 2,919,378,738	$ 2,653,120,261
Plan Fiduciary Net Position	2,975,935,079	2,526,692,808
Net Pension Liability/(Asset)	$ (56,556,341)	$ 126,427,453
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	101.9%	95.2%

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

NOTE: Information for the prior eight years was not applicable.

PEYTON FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST THREE FISCAL YEARS
Year Ended December 31, 2020

	2020	**2019**	**2018**
Contractually Required Contribution	$ 2,711	$ 2,307	$ 1,661
Contributions in Relation to the Contractually Required Contribution	(2,711)	(2,307)	(1,661)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 33,888	$ 28,840	$ 20,765
Contributions as a Percentage of Covered Payroll	8.0%	8.0%	8.0%

NOTE: Information for the prior seven years was not applicable.

PEYTON FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST SIX FISCAL YEARS
Year Ended December 31, 2020

Measurement period ending December 31,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	$ 933	$ 1,092	$ 1,092	$ 1,339	$ 1,339	$ 804
Interest on the total pension liability	2,160	2,212	2,065	2,063	1,909	1,885
Difference between expected and actual experience	-	(1,653)	-	(3,208)	-	(1,435)
Changes in assumptions or other inputs	-	995	-	1,159	-	-
Benefit payments	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Net Change in Total Pension Liability	1,893	1,446	1,957	153	2,048	54
Total Pension Liability - Beginning	30,988	29,542	27,585	27,432	25,384	25,330
Total Pension Liability - Ending (a)	$ 32,881	$ 30,988	$ 29,542	$ 27,585	$ 27,432	$ 25,384
Plan Fiduciary Net Position						
District contributions	$ -	$ -	$ 3,000	$ 3,000	$ 6,000	$ -
State of Colorado contributions	-	2,700	5,400	-	2,700	2,700
Pension plan net investment income	9,400	15	8,524	2,814	851	2,764
Benefit payments	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Administrative expense	(4,564)	(2,582)	(3,458)	(374)	(1,220)	(449)
Net Change in Plan Fiduciary Net Position	3,636	(1,067)	12,266	4,240	7,131	3,815
Plan Fiduciary Net Position - Beginning	67,580	68,647	56,381	52,141	45,010	41,195
Plan Fiduciary Net Position - Ending (b)	$ 71,216	$ 67,580	$ 68,647	$ 56,381	$ 52,141	$ 45,010
Net Pension Liability/(Asset) - Ending (a)-(b)	$ (38,335)	$ (36,592)	$ (39,105)	$ (28,796)	$ (24,709)	$ (19,626)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)	216.59%	218.08%	232.37%	204.39%	190.07%	177.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

PEYTON FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST EIGHT YEARS
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	$ 296	$ 296	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially required contribution:								
District contribution	(9,200)	-	-	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
State of Colorado contribution	-	-	(2,700)	(5,400)	-	(2,700)	(2,700)	(2,700)
Total contributions	$ (9,200)	$ -	$ (2,700)	$ (8,400)	$ (3,000)	$ (5,700)	$ (5,700)	$ (5,700)
Contribution deficiency (excess)	$ (8,904)	$ 296	$ (2,700)	$ (8,400)	$ (3,000)	$ (5,700)	$ (5,700)	$ (5,700)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Schedule

Methods and assumptions used to determine contribution rates (Year ending December 31, 2020):

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Investment rate of return	7.0%
Projected salary increases	N/A
Inflation	2.5%
Retirement age	50% per year of eligibility until 100% at age 50
Mortality	***Pre-retirement:*** RP-2014 Employee Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. ***Post-retirement:*** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

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

PEYTON FIRE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY/(ASSET)
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST SIX FISCAL YEARS(1)
Year Ended December 31, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability	$ 32,881	$ 30,988	$ 29,542	$ 27,585	$ 27,432	$ 25,384
Plan Fiduciary Net Position	(71,216)	(67,580)	(68,647)	(56,381)	(52,141)	(45,010)
Net Pension Liability/(Asset)	$ (38,335)	$ (36,592)	$ (39,105)	$ (28,796)	$ (24,709)	$ (19,626)
Plan Fiduciary Net Position as a % of Total Pension Liability/(Asset)	216.59%	218.08%	232.37%	204.39%	190.07%	177.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

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

SUPPLEMENTAL INFORMATION

PEYTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year Ended December 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Total revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Administrative:				
Miscellaneous	-	491	491	-
Capital outlay:				
1997 HMS Pumper	-	25,000	25,000	-
Debt Service:				
Capital lease	-	4,250	5,667	(1,417)
Contingency	-	15,259	-	15,259
Total expenditures	-	45,000	31,158	13,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(45,000)	(31,158)	13,842
OTHER FINANCING SOURCES (USES)				
Capital lease issuance	-	25,000	25,000	-
Transfers in (out)	-	1,417	4,250	2,833
Total other financing sources (uses)	-	26,417	29,250	2,833
NET CHANGE IN FUND BALANCE	-	(18,583)	(1,908)	16,675
FUND BALANCE - BEGINNING OF YEAR	20,801	20,801	20,801	-
FUND BALANCE - END OF YEAR	$ 20,801	$ 2,218	$ 18,893	$ 16,675