NEDERLAND FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION

JOHN CUTLER
& ASSOCIATES

Board of Directors
Nederland Fire Protection District
Boulder County, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of the Nederland Fire Protection District (the "District") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nederland Fire Protection District and to meet our 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 the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required budgetary and pension information on pages 29-33 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 (GASB) 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 not presented 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 is not affected by this missing information.

John Cutler & Associates, LLC

September 29, 2023

BASIC FINANCIAL STATEMENTS

NEDERLAND FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
As of December 31, 2022

	Governmental Activities	
	2022	2021
ASSETS		
Cash	$ 556,954	$ 432,528
Receivables		
Property Taxes	1,201,187	1,065,857
Accounts	22,028	66,668
Net Pension Asset - Volunteer Pension	263,816	148,374
Net Pension Asset - SWDB Pension	161,787	68,296
Capital Assets, not depreciated	7,000	7,000
Capital Assets, depreciated, net of accumulated depreciation	1,624,204	1,718,685
TOTAL ASSETS	3,836,976	3,507,408
DEFERRED OUTFLOWS OF RESOURCES		
Related to Volunteer Pension	11,507	56,085
Related to SWDB Pension	118,150	106,742
TOTAL DEFERRED OUTFLOWS OF RESOURCES	129,657	162,827
LIABILITIES		
Accounts Payable	1,953	53,396
Accrued Expenses	-	10,029
Due in More Than One Year	37,101	37,300
TOTAL LIABILITIES	39,054	100,725
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	1,201,187	1,065,857
Related to Volunteer Pension	111,910	94,605
Related to SWDB Pension	121,640	81,610
TOTAL DEFERRED INFLOWS OF RESOURCES	1,434,737	1,242,072
NET POSITION		
Net Investment in Capital Assets	1,631,204	1,725,685
Restricted for Emergencies	34,750	38,750
Unrestricted	826,888	563,003
TOTAL NET POSITION	$ 2,492,842	$ 2,327,438
	-	-

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

NEDERLAND FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

		Program Revenues		Net (Expense) Revenues and Changes in Net Assets	
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses			2022	2021
PRIMARY GOVERNMENT					
Governmental Activities					
Fire Administration	$ 987,827	$ -	$ -	$ (987,827)	$ (881,578)
Fire Fighting and Prevention	181,025	60,799	-	(120,226)	(149,763)
Emergency Medical Services	19,197	-	-	(19,197)	(20,249)
Communications	318	-	-	(318)	(2,276)
Volunteer Support	27,858	-	-	(27,858)	(51,885)
Total Governmental Activities	$ 1,216,225	$ 60,799	$ -	(1,155,426)	(1,105,751)
	GENERAL REVENUES				
	Property Taxes			1,113,551	931,449
	Specific Ownership Taxes			51,869	48,579
	Interest			7,817	61
	Other			147,593	135,057
	TOTAL GENERAL REVENUES			1,320,830	1,115,146
	CHANGE IN NET POSITION			165,404	9,395
	NET POSITION, Beginning			2,327,438	2,318,043
	NET POSITION, Ending			$ 2,492,842	$ 2,327,438

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

NEDERLAND FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	GENERAL FUND	
	2022	2021
ASSETS		
Cash	$ 556,954	$ 432,528
Property Taxes Receivable	1,201,187	1,065,857
Accounts Receivable	22,028	66,668
Prepaid Expenses	-	-
TOTAL ASSETS	$ 1,780,169	$ 1,565,053
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 1,953	$ 53,396
Accrued Expenses	-	10,029
TOTAL LIABILITIES	1,953	63,425
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	1,201,187	1,065,857
FUND BALANCE		
Fund Balance		
Restricted for Emergencies	34,750	38,750
Unassigned	542,279	397,021
TOTAL FUND BALANCE	577,029	435,771
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	1,631,204	1,725,685
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. These include compensated absences of ($37,101) net pension assets of $425,603, deferred outflows related to pensions of $129,657, and deferred inflows related to pensions of ($233,550).	284,609	165,982
Net position of governmental activities	$ 2,492,842	$ 2,327,438

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

NEDERLAND FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	
	2022	2021
REVENUES		
Taxes	$ 1,165,420	$ 980,028
Intergovernmental	58,299	52,191
Cistern Fees	2,500	2,500
Interest	7,817	61
Miscellaneous	147,593	135,057
TOTAL REVENUES	1,381,629	1,169,837
EXPENDITURES		
Current		
Fire Administration	1,027,860	836,611
Fire Fighting and Prevention	109,767	142,415
Emergency Medical Services	15,401	16,453
Communications	318	2,276
Volunteer Support	27,858	51,885
Capital Outlay	59,167	151,883
TOTAL EXPENDITURES	1,240,371	1,201,523
NET CHANGE IN FUND BALANCES	141,258	(31,686)
FUND BALANCES, Beginning	435,771	467,457
FUND BALANCES, Ending	$ 577,029	$ 435,771

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

NEDERLAND FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	141,258
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. This is the amount depreciation expense ($140,574), exceeded capital outlay $46,093 for the period.		(94,481)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in compensated absences.		199
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide statements that amount is capitalized and amortized.		118,428
Change in Net Position of Governmental Activities	$	165,404

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The Nederland Fire Protection District was formed to provide fire protection and emergency medical services to the Town of Nederland and surrounding area within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Nederland Fire Protection District (the "District") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

In accordance with governmental accounting standards, the Nederland Fire Protection District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its 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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the 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.*

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest 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.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

In the fund financial statements, 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 District, except those required to be accounted for in another fund.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Capital Assets

Capital assets, which include property and equipment, 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Machinery and Equipment	10 - 20 years
Vehicles	15 years

Long-Term Obligations

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

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* (Continued)

Net Position (Continued)

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of December 31, 2022.

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment with the District, an employee is compensated for all accrued vacation time at the current rate of pay. Accrued sick time is paid at a rate of 50% upon retirement from the District at the employee's current rate of pay.

These compensated absences are recognized when due in the governmental funds types. A liability has been recorded in the government-wide financial statements for accrued compensated absences.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and 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 and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Property Taxes (Continued)

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

- In September, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*** (Continued)

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

Legal Compliance

The actual expenditures of the General Fund exceeded the budgeted amounts by $46,076. This may be a violation of State statute.

NOTE 3: ***CASH DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2022 follows:

Cash Deposits	$ 60,038
Investments	496,916
Total	**$ 556,954**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2022, the District had deposits with financial institutions with a carrying amount of $60,038. The bank balances with the financial institutions were $70,742. All of the deposit balances with the financial institutions were covered by federal depository insurance.

NOTE 3: *CASH DEPOSITS AND INVESTMENTS* (Continued)

Investments

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado local governments.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. The District had no investments requiring categorization as of December 31, 2022.

Local Government Investment Pools

The District had invested $496,916 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

NOTE 3: ***CASH DEPOSITS AND INVESTMENTS*** (Continued)

Local Government Investment Pools (Continued)

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

NOTE 4: ***CAPITAL ASSETS***

Capital assets activity for the year ended December 31, 2022, is summarized below:

	Balances 12/31/21	Additions	Deletions	Balances 12/31/22
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 7,000	$ -	$ -	$ 7,000
Capital Assets, depreciated				
Buildings	2,442,424	-	-	2,442,424
Infrastructure	129,838	-	-	129,838
Machinery and Equipment	662,665	29,000	-	691,665
Vehicles	1,591,932	17,093	-	1,609,025
Total Capital Assets, depreciated	4,826,859	46,093	-	4,872,952
Less Accumulated Depreciation				
Buildings	1,177,006	60,860	-	1,237,866
Infrastructure	66,684	4,327	-	71,011
Machinery and Equipment	496,473	33,413	-	529,886
Vehicles	1,368,011	41,974	-	1,409,985
Total Accumulated Depreciation	3,108,174	140,574	-	3,248,748
Total Capital Assets, depreciated, Net	1,718,685	(94,481)	-	1,624,204
Governmental Activities, Capital Assets, Net	**$ 1,725,685**	**$ (94,481)**	**$ -**	**$ 1,631,204**

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities	
Fire Administration	$ 65,520
Fire Fighting and Prevention	71,258
Emergency Medical Services	3,796
Total	**$ 140,574**

NOTE 5: ***LONG-TERM DEBT***

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance 12/31/21	Additions	Payments	Balance 12/31/22	Due In One Year
Compensated Absences	37,300	35,476	35,675	37,101	-
Total	**$ 37,300**	**$ 35,476**	**$ 35,675**	**$ 37,101**	**$ -**

Accrued Compensated Absences are being paid from resources generated by the General Fund.

NOTE 6: ***RISK MANAGEMENT***

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. No claims have exceeded insured amounts in the last three years.

NOTE 7: ***COMMITMENTS AND CONTINGENCIES***

Claims and Judgments

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

Vehicle Lease

The District entered into an operating truck lease with Republic First National Corporation. The lease requires yearly payments of $13,073 for five years. The first payment was made on August 1, 2022 and the final payment will be on August 1, 2026. This lease is required to be renewed annually.

NOTE 7: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

Vehicle Lease (Continued)

The future minimum lease payments for the next five years are as follows:

Year Ended September 30,		
2023	$	13,074
2024		13,074
2025		13,074
2026		13,074
Total	$	**52,296**

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2022, the emergency reserve of $34,750 was recorded as a restriction of fund balance in the General Fund.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan

Summary of Significant Accounting Policies

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plan 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board.

The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at http://www.fppaco.org.

Funding Policy. An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the District's monthly benefit amount is over $400, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District makes an additional contribution to support the plan.

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

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

At December 31, 2022 the District reported a net pension asset of $263,816. The net pension asset was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2022 the District recognized pension income of $53,559. At December 31, 2022, 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	N/A	N/A
Net difference between projected and actual earnings on pension plan investments	$11,507	$111,910
Change in assumptions and other inputs	N/A	N/A
Contributions subsequent to the measurement date	$50,640	N/A
Total	$62,147	$111,910

$50,640 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2023	($24,603)
2024	($36,111)
2025	($25,001)
2026	($14,688)

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

Actuarial assumptions: Method, and Assumptions Used to Determine Contribution Rates:

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

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

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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	2.32%
Fixed Income – Rates	10.00%	4.00%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Equity Long/Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	100.0%	

Sensitivity of the District's net pension asset to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 7.00 percent, as well as the net pension 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% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	($176,807)	($263,816)	($336,873)

FPPA System Description. The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at http://www.fppaco.org

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u>

Summary of Significant Accounting Policies

Pensions. The District contributes to the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting.

The Plan 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).

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at http://www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2022, 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' pensionable earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually 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 (CPI-W).

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

Summary of Significant Accounting Policies (Continued)

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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2022, 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 are 8 percent in 2021 and 2022. Employer contributions will increase 0.5 percent annually beginning in 2022 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 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 19 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 percent and 23.5 percent of pensionable earnings in 2021 and 2022, respectively. 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, 2022, 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies (Continued)

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 9.5 percent in 2021 and 9.75 percent in 2022. 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 percent and 4.25 percent in 2021 and 2022, respectively. Employer contributions will increase 0.25 percent annually beginning in 2022 through 2030 to a total of 6.5 percent of pensionable earnings.

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

At December 31, 2022, the District reported an asset in the amount of $161,787 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The District's proportion of the net pension asset was based on the District's contributions to the SWDB Plan for the calendar year 2021 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2021 the District's proportion was 0.03623%, which was an increase of 0.0138% from its proportion measured as of December 31, 2020.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

Summary of Significant Accounting Policies (Continued)

For the year ended December 31, 2022 the District recognized a pension income of $19,991. At December 31, 2022, 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	$46,328	$3,773
Net difference between projected and actual earnings on pension plan investments	N/A	$108,277
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$3,872	$9,590
Change in assumptions and other inputs	$23,072	N/A
Contributions subsequent to the measurement date	$44,878	N/A
Total	**$118,150**	**$121,640**

$44,878 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2022	($15,754)
2023	($26,954)
2024	($15,628)
2025	($5,214)
2026	$8,497
Thereafter	$6,685

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumptions and other inputs:

<u>Total Pension Liability:</u>

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

<u>Actuarially Determined Contributions:</u>

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 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 Fire & Police Pension Association'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.

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

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

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.

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).

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	($22,311)	($161,787)	($277,335)

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

NOTE 9: <u>PAID FIREFIGHTER PENSION PLAN</u>

<u>Statewide Money Purchase Pension Plan</u>

Plan Description - Beginning in 2000, the District contributes to the Statewide Money Purchase Pension Plan (Plan), a cost-sharing multiple-employer defined contribution pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. This is a non-contributory plan. All full time, paid firefighters of the District are members of the Plan and the Statewide Death and Disability Plan. The Plan was established by the State Legislature under Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended.

NOTE 9: PAID FIREFIGHTER PENSION PLAN (Continued)

Statewide Money Purchase Pension Plan (Continued)

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Plan and the Statewide Death and Disability Plan. That report may be obtained by contacting FPPA.

Funding Policy - The contribution requirements of plan members and the District are established and may be amended by the State legislature. Both the District and the employee contribute 8.0% of the employee's covered salary. The District contributions to the Plan for the year ending December 31, 2022, were $11,340 equal to the required contribution.

NOTE 10: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through September 29, 2023. It was determined that no events are required to be disclosed through this date.

REQUIRED SUPPLEMENTAL INFORMATION

NEDERLAND FIRE PROTECTION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

	2022 ORIGINAL AND FINAL BUDGET	2022 ACTUAL	2022 VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Property Taxes	$ 1,115,352	$ 1,113,551	$ (1,801)	$ 931,449
Specific Ownership Taxes	53,293	51,869	(1,424)	48,579
Grants and Donations	500	58,299	57,799	52,191
Cistern Fees	-	2,500	2,500	2,500
Interest	150	7,817	7,667	61
Miscellaneous	25,000	147,593	122,593	135,057
TOTAL REVENUES	1,194,295	1,381,629	187,334	1,169,837
EXPENDITURES				
Fire Administration				
Salaries and Benefits	780,870	781,555	(685)	656,676
Professional Fees	26,000	45,545	(19,545)	37,834
Insurance	45,250	46,184	(934)	42,938
Office Supplies and Expense	17,300	12,827	4,473	14,995
Building	15,900	41,967	(26,067)	14,580
Utlities	19,936	20,460	(524)	42,274
Other	32,720	62,589	(29,869)	13,788
Treasurer's Fees	19,066	16,733	2,333	13,526
Fire Fighting and Prevention				
Vehicle Maintenance and Supplies	47,800	61,749	(13,949)	46,987
Training	16,550	26,890	(10,340)	9,723
Equipment	63,600	20,283	43,317	79,107
Other	-	845	(845)	6,598
Emergency Medical Services				
Supplies	9,800	8,231	1,569	14,408
Other	20,751	7,170	13,581	2,045
Communications	6,000	318	5,682	2,276
Capital Outlay	-	59,167	(59,167)	151,883
Volunteer Support				
Awards and Incentives	9,000	13,685	(4,685)	13,020
Volunteers' Pension Contribution	39,167	5,000	34,167	33,072
Other	4,500	9,173	(4,673)	5,793
Reserves	20,085	-	20,085	-
TOTAL EXPENDITURES	1,194,295	1,240,371	(46,076)	1,201,523
CHANGE IN FUND BALANCE	$ -	141,258	$ 141,258	(31,686)
FUND BALANCE, Beginning		435,771		467,457
FUND BALANCE, Ending		$ 577,029		$ 435,771

See the accompanying independent auditors' report.

NEDERLAND FIRE PROTECTION DISTRICT

SCHEDULE OF CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
December 31,

FY Ending December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	31,953	32,296	(343)	N/A	N/A
2013	31,953	29,922	2,031	N/A	N/A
2014	22,325	30,050	(7,725)	N/A	N/A
2015	26,548	31,048	(4,500)	N/A	N/A
2016	26,540	31,040	(4,500)	N/A	N/A
2017	22,325	31,040	(8,715)	N/A	N/A
2018	8,226	32,621	(24,395)	N/A	N/A
2019	8,226	29,091	(20,865)	N/A	N/A
2020	11,512	37,867	(26,355)	N/A	N/A
2021	11,512	42,072	(30,560)	N/A	N/A

*Includes both employer and State of Colorado Supplementary Discretionary Payment

See the accompanying independent auditors' report.

NEDERLAND FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
Year Ended December 31,

Measurement Period Ending December 31	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	$ 18,792	$ 14,433	$ 14,433	$ 7,648	$ 7,648	$ 7,861	$ 7,861	$ 5,889
Interest on the Total Pension Liability	53,413	53,712	56,407	53,264	55,138	55,349	56,707	54,988
Benefit Changes	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experiences	(34,162)	-	(92,327)	-	(5,176)	-	(38,785)	-
Assumption Changes	-	-	16,498	-	36,205	-	-	-
Benefit Payments	(31,920)	(31,920)	(32,520)	(34,688)	(37,200)	(39,596)	(48,155)	(50,640)
Net Change in Total Pension Liability	6,123	36,225	(37,509)	26,224	56,615	23,614	(22,372)	10,237
Total Pension Liability - Beginning	718,621	724,744	760,969	723,460	749,684	806,299	829,913	807,541
Total Pension Liability - Ending	$ 724,744	$ 760,969	$ 723,460	$ 749,684	$ 806,299	$ 829,913	$ 807,541	$ 817,778
Plan Fiduciary Net Position								
Employer Contribution	$ 23,154	$ 23,282	$ 26,548	$ 26,540	$ 28,121	$ 29,091	$ 33,367	$ 33,072
Pension Plan Net Investment Income	40,832	11,476	34,784	99,496	325	108,661	111,209	139,866
Benefit Payments	(31,920)	(31,920)	(32,520)	(34,688)	(37,200)	(39,596)	(48,155)	(50,640)
Pension Plan Administrative Expenses	(1,321)	(2,152)	(1,304)	(4,961)	(5,163)	(5,765)	(4,178)	(5,619)
State of Colorado Supplemental Discretionary Payment	6,768	6,768	4,500	4,500	4,500	-	4,500	9,000
Net Change in Plan Fiduciary Net Position	37,513	7,454	32,008	90,887	(9,417)	92,391	96,743	125,679
Plan Fiduciary Net Position - Beginning	608,336	645,849	653,303	685,311	776,198	766,781	859,172	955,915
Plan Fiduciary Net Position - Ending	$ 645,849	$ 653,303	$ 685,311	$ 776,198	$ 766,781	$ 859,172	$ 955,915	$1,081,594
Net Pension Liability/(Asset)	$ 78,895	$ 107,666	$ 38,149	$ (26,514)	$ 39,518	$ (29,259)	$(148,374)	$ (263,816)
Plan Fidiciary Net Position as a Percentage of Total Pension Liability	89.11%	85.85%	94.73%	103.54%	95.10%	103.53%	118.37%	132.26%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

NEDERLAND FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021
District's proportionate share of the Net Pension Liability (Asset)	0.029%	0.026%	0.026%	0.027%	0.026%	0.026%	0.029%	0.032%	0.036%
District's proportionate share of the Net Pension Liability (Asset)	$ (26,021)	$ (29,561)	$ (465)	$ 9,857	$ 37,855	$ 32,852	$ (16,404)	$ (68,296)	$ (161,787)
District's employee payroll	$ 126,392	$ 117,791	$ 127,763	$ 140,363	$ 154,793	$ 213,779	$ 213,779	$ 247,162	$ 560,975
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its employee payroll	-20.6%	-25.1%	-0.4%	7.0%	24.5%	15.4%	-7.7%	-27.6%	-28.8%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%	116.2%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

NEDERLAND FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contributions	$ 10,111	$ 9,423	$ 10,221	$ 11,229	$ 12,383	$ 12,922	$ 17,102	$ 20,386	$ 19,773	$ 44,878
Contributions in relation to the Statutorily required contributions	10,111	9,423	10,221	11,229	12,383	12,922	17,102	20,386	19,773	44,878
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's employee payroll	$ 126,392	$ 117,791	$ 127,763	$ 140,363	$ 154,793	$ 161,525	$ 213,779	$ 254,825	$ 247,162	$ 560,975
Contributions as a percentage of employee payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.