TIMBERLINE
FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2023

CONTENTS

THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Timberline Fire Protection District
Black Hawk, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Timberline Fire Protection District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2023, and the respective changes in financial position 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 Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison schedule, and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Adams Group, LLC

Greenwood Village, Colorado
July 24, 2024

TIMBERLINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section is the Timberline Fire Protection District's (the District) annual financial report's discussion and analysis of the District's financial performance from January 1, 2023, through December 31, 2023. Please read it in conjunction with the District's financial statements that follow this section.

The District was incorporated in April 1972 as a special district under the provisions of the Colorado Special District Act. Its function is to provide fire suppression, fire prevention, and emergency rescue services to property and citizens within the District's juris located in rural Gilpin and Boulder Counties, Colorado.

FINANCIAL HIGHLIGHTS

An Amended Budget was adopted on July 24, 2024. The amendment was necessary due to delays in wildland deployment reimbursements and the new GASB 87 lease standard that requires the district to capture the total expenditure of the lease-purchase incurred for fire apparatus.

Timberline began implementing Impact Fees within Gilpin County in June 2020. Impact fees for new construction are as follows: residential homes: $2,327, commercial structures: $2.82/sq ft., the fee has been quite successful as there has been considerable new construction within Gilpin County since the implementation of the fee.

In May 2022, the District obtained the Fritz Peak Observatory at no cost to our taxpayers. The buildings and surrounding land were acquired via the federal disposal process. We plan to work towards updating the building throughout 2024 and plan to add fire apparatus bays to the south end of the property.

In October 2023, Timberline Station 9 was completed on the south end of the district. Half of the project was funded by a State of Colorado Energy and Minerals (EIAF) Grant, the remainder was funded with district funds. The station is currently open and operational.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts - management's discussion and analysis and the basic financial statements (General Fund).

The General Fund is a governmental fund. The basic financial statements include footnotes that are an integral part of the financial statements that provide detailed additional information.

The governmental fund (General Fund) provides short-term information about the District's overall operating financial status. These statements explain how expenditures are financed and what remains for future spending. The governmental fund statements report information about the District as a whole using the modified accrual basis of accounting. The statement of net position includes all of the government's assets and liabilities.

The District's services are funded primarily through property taxes levied by the District and collected by Gilpin and Boulder Counties. Property tax revenues increased slightly in 2023.

Under GASB 34, the District must report depreciation on capital assets; however, this does not require the outlay of funds. Administration expenses increased slightly, primarily in salaries, wages, and benefits, due to department staffing changes and small changes to keep up with inflation. All other expenditures were generally routine in Fire Fighting Equipment, Fire Prevention, Training, Communications, Medical, and Stations and Buildings.

CONTACTING THE DISTRICT'S ADMINISTRATIVE OFFICE

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Administrative Office at 303-582-5768, located at Station 3, 19126 Highway 119, Gilpin County. The District's mailing address is Timberline Fire Protection District, 660 Hwy 46, Black Hawk, CO 80422. You will be put in contact with the appropriate official.

Summary of Governmental Net Position for 2023 and 2022

	2023	2022
Assets		
Current and other assets	$ 2,546,850	$ 2,233,116
Capital assets	1,599,458	1,911,177
Total assets	4,146,308	4,144,293
Deferred Outflows of Resources		
Pension related deferred outflows	578,200	171,043
Liabilities		
Accounts payable	30,212	35,251
Net pension liability	287,585	164,794
Long-term liabilities	35,054	28,566
Total liabilities	352,851	228,611
Deferred Inflows of Resources		
Related to pension	233,451	250,791
Unavailable revenue - property taxes	1,652,862	1,216,122
Net Position	$ 2,485,344	$ 2,619,812
Net Position		
Invested in capital assets	1,599,458	1,911,177
Restricted	287,801	164,916
Unrestricted	2,447,164	543,719
Net Position	$ 4,334,423	$ 2,619,812

Summary of Governmental Revenues and Expenditures for 2023 and 2022

	2023	2022
Property taxes	$ 1,229,513	$ 1,057,907
Specific ownership taxes	77,874	76,818
Impact fees	58,175	62,829
Investment earnings	29,546	3,062
Contributions and grants	467,172	121,919
Miscellaneous	455,461	474,388
Total Revenues	2,317,741	1,796,923
Administration	274,563	301,572
Depreciation	199,168	317,210
Fire Fighting	137,837	720,930
Training	130,551	76,086
Communications	8,381	23,004
Repair service	114,760	252,909
Stations and buildings	90,014	73,096
Pension fund contribution	84,728	77,653
Interest	0	7,710
Total Expenditures	1,040,002	1,850,170
Net Change in Net Position	1,277,739	(53,247)
Net Position - beginning of year	2,619,812	2,673,059
Net Position - end of year	$ 3,897,551	$ 2,619,812

BASIC FINANCIAL STATEMENTS

TIMBERLINE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets	
Cash and investments	$ 840,068
Property tax receivable	1,652,862
Accounts receivable	53,920
Leases receivable	131,099
Interest receivable	412
Right-to-use leased vehicles, net of amortization	1,487,765
Capital assets, not being depreciated	168,168
Capital assets, net of depreciation	1,974,513
Total Assets	6,308,807
Deferred Outflows of Resources	
Related to pension	443,422
Total Deferred Outflows of Resources	443,422
Liabilities	
Accounts payable	344
Accrued wages and benefits	29,868
Accrued interest	11,086
Compensated absences	31,697
Lease liability	1,012,396
Net pension liability	287,585
Total Liabilities	1,372,976
Deferred Inflows of Resources	
Related to pension	98,673
Unavailable property taxes	1,652,862
Related to leases	131,099
Total Deferred Inflows of Resources	1,882,634
Net Position	
Net investment in capital assets	2,618,050
Restricted	
Emergencies	60,961
Water storage projects	26,849
Unrestricted	790,759
Total Net Position	$ 3,496,619

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

TIMBERLINE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General administration	$ 271,208	$ -	$ -	$ (271,208)
Fire and emergency medical services	1,698,365	106,268	446,172	(1,145,925)
Total Governmental Activities	$ 1,969,573	$ 106,268	$ 446,172	(1,417,133)

GENERAL REVENUES:	
Property taxes	1,229,513
Specific ownership taxes	77,874
Investment earnings	29,546
Other revenue	467,074
Total general revenues	1,804,007
Changes in net position	386,874
Net position, beginning	3,109,745
Net position, ending	$ 3,496,619

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

TIMBERLINE FIRE PROTECTION DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2023

		General Fund
Assets		
Cash and investments	$	840,068
Property tax receivable		1,652,862
Leases receivable		131,099
Interest receivable		412
Accounts receivable		53,920
Total Assets	$	2,678,361
Liabilities, deferred inflows of resources and fund balances		
Liabilities:		
Accounts payable	$	344
Accrued salaries and benefits		29,868
Total Liabilities		30,212
Deferred inflow of resources		
Unavailable property tax revenue		1,652,862
Related to leases		131,099
Total Deferred Inflow of Resources		1,783,961
Fund balances:		
Restricted		
Emergencies		60,961
Water storage projects		26,849
Unassigned		776,378
Total Fund Balance		864,188
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$	2,678,361

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

TIMBERLINE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balance, governmental fund	$	864,188
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and leases used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Capital assets		2,142,681
Right-to-use leased vehicles, net		1,487,765
Pension assets (liabilities) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		(287,585)
Long-term liabilities, are not due and payable in the current period, and therefore, are not reported in governmental funds:		
Compensated absences		(31,697)
Accrued interest		(11,086)
Lease liability		(1,012,396)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Related to pension		443,422
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Related to pension		(98,673)
Total net position of governmental activities	$	3,496,619

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

TIMBERLINE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
DECEMBER 31, 2023

	General Fund
Revenues	
Property taxes	$ 1,229,513
Specific ownership taxes	77,874
Charges for services	203,538
Impact fees	58,175
Rental income	51,095
Investment earnings	29,546
Contributions and grants	446,172
Other revenue	3,047
Total revenues	2,098,960
Expenditures	
Current:	
Administration	274,565
Fire fighting	1,022,512
Pension fund contributions	84,728
Training	130,326
Communications	8,381
Repair service	114,760
Stations and buildings	105,645
Water fund expenses	5,000
Lease payments	139,336
Capital outlay	1,894,123
Total expenditures	3,779,376
Excess revenue over (under) expenditures	(1,680,416)
Other financing sources	
Proceeds from sale of capital assets	280,000
Leases	1,151,732
Insurance proceeds	74,757
Total other financing sources	1,506,489
Net changes in fund balance	(173,927)
Fund balances - beginning	1,038,115
Fund balances - ending	$ 864,188

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

TIMBERLINE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

Net changes in fund balance - total governmental fund:	$	(173,927)
Amounts reported for governmental activities in the statement of activities are different because:		
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		742,391
Lease payments		139,336
Depreciation expense		(199,168)
Amortization expense		(78,303)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Deployment revenues		(97,270)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:		
Compensated absences		3,357
Change in accrued interest		(11,086)
Pension income (expense)		61,544
Changes in net position of governmental activities	$	386,874

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Timberline Fire Protection District (the District) is an independent local governmental unit incorporated under the laws of the State of Colorado and organized under a charter and governed by an elected Board of Directors to provide volunteer fire protection and emergency services within the boundaries of the District in Boulder and Gilpin counties in Colorado. High Country Fire Protection District changed its name to Timberline Fire Protection District on April 1, 2011. Pursuant to an election and intergovernmental agreement, the Colorado Sierra Fire Protection District (Sierra) and the Timberline Fire Authority (Authority) merged into the Timberline Fire Protection District. This also occurred on April 1, 2011.

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

Summary of Significant Accounting Policies

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 exercise of oversight responsibility by a governmental unit's elected officials as the basic criterion for including a possible component governmental agency in a governmental unit's reporting entity. Oversight responsibility includes, but is not limited to, selection of governing authority, ability to significantly influence operations, financial interdependency and accountability for fiscal matters.

The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., 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.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligations is 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 fund:

General Fund – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Revenues – Exchange and non-exchange transactions
Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, interest income is considered to be susceptible to accrual.

Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense/expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budgets

In accordance with the Colorado 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 District's Board of Directors can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Budgets for the governmental fund types are adopted on a basis consistent with U.S. generally accepted accounting principles.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are recorded at cost or estimated acquisition cost. The District maintains a capitalization threshold of $5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation is provided over the estimated useful lives using the straight-line method.

Property taxes

Property taxes are levied by December 15, on assessed valuation as of August 25 of each year and attach as an enforceable lien on January 1 of the following year. These taxes are due in full by April 30; however, they are not delinquent if paid in installments by February 28, and June 15. Taxes become delinquent after those dates and are subject to interest charges.

Property taxes receivable of $1,652,862 are reflected as deferred inflows of resources for amounts earned in 2023 but levied for a subsequent period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The District follows Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financing the right to use an underlying asset. Under this standard, the lessee is required to recognized a lease liability and an intangible right-to-use asset, and a lessor is required to recognized a lease receivable and a deferred inflow of resources.

Compensated Absences

Employees of the District may accumulate unused vacation time. Upon separation of employment with the District, an employee will be compensated for accrued vacation time at their current rate of pay. Accumulated unpaid vacation pay is accrued when earned in the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, *unavailable revenue*, is reported for taxes levied in the current year but collected or remitted to the District in the next fiscal period.

Net Position

Net position presents the difference between assets and deferred outflows of resources and liabilities and deferred inflows or resources in the statement of net position. The District has net position consisting of the following components:

Net Investment in Capital Assets – consists of net capital assets and right-of-use lease assets, reduced by any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by deferred outflows of resources related to those assets.

Restricted Net Position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted Net Position – consists of all other net position that does not meet the definition of the above components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance

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

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed – Amounts that can be used only for specific purposes determined by a formal action of District's Board. The Board is the highest level of decision-making body for the district. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2023, the District has no committed funds.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. At December 31, 2023, the District has no assigned funds.

Unassigned – All other spendable amounts.

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 Board has provided otherwise in its commitment or assignment actions.

Tax, spending, and debt limitations

TABOR establishes revenue and spending limits, and imposes other specific requirements on state and local governments. In May 1998, the District's voters approved changes that reduced certain limits imposed by TABOR. As a result, the District is permitted to retain all revenues from all resources. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 volunteers and natural disasters. It carries commercial insurance coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

The Board of Directors and the Volunteer Firefighters volunteer their time and perform a variety of tasks that assist the District in its operations. No amounts have been reflected in the financial statements for such services.

NOTE 2 - CASH AND INVESTMENTS

The District has adopted Governmental Accounting Standards Board Statement No. 40, Deposits and Investment Risk Disclosure (GASB 40). GASB 40 established and modifies disclosure requirements related to investment risks including credit risk (custodial credit risk and concentrations of credit risk), interest rate risk and foreign currency risk.

The District maintains its investments and deposits with financial institutions in accordance with state statutes for the investment of public funds. Deposits are stated at cost, which approximates market value. A summary of deposits and investments at December 31, 2023 follows:

Cash deposits		372,115
Investments		467,953
Total cash and investments	$	840,068

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 regulations. 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. At December 31, 2023, the carrying amount and bank balance of the District’s deposits were $366,134 and $409,789. Of the bank balances, $250,000 was covered by FDIC insurance. Any balance in excess of FDIC during the year was covered by the PDPA.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States, 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 December 31, 2023, the District had investments of $467,953 held with Colorado Local Government Liquid Asset Trust (ColoTrust). The Districts investments are in ColoTrust Prime, which operates similar to a money market fund and each share is equal in value to $1.00 and offers daily liquidity. It may invest in U.S. Treasury securities and repurchase agreement collateralized by U.S. Treasury securities. A designated custodial bank serves as custodian for the portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. ColoTrust is rated AAAm by Standard & Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 3 - CAPITAL ASSETS

The following is a summary of governmental activities capital assets during the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Transfers	Balance December 31, 2023
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 168,168	$ -	$ -	$ -	$ 168,168
Construction in progress	112,428	-	-	(112,428)	-
Total capital assets, not being depreciated	280,596	-	-	(112,428)	168,168
Capital Assets, Being Depreciated					
Buildings	1,545,561	303,016	-	112,428	1,961,005
Equipment	2,877,340	439,375	(752,832)	-	2,563,883
Water storage	152,737	-	-	-	152,737
Total capital assets, being depreciated	4,575,638	742,391	(752,832)	112,428	4,677,625
Accumulated depreciation					
Buildings	(732,765)	(38,671)	-	-	(771,436)
Equipment	(2,409,037)	(154,387)	752,832	-	(1,810,592)
Water storage	(114,974)	(6,110)	-	-	(121,084)
Total accumulated depreciation	(3,256,776)	(199,168)	752,832	-	(2,703,112)
Net capital assets, depreciated	1,318,862	543,223	-	112,428	1,974,513
Net capital assets	$ 1,599,458	$ 543,223	$ -	$ -	$ 2,142,681

Depreciation expense was $199,168 and was charged to the fire and emergency medical services function for the year ended December 31, 2023.

The following is a summary of governmental activities right-to-use leased assets during the year ended December 31, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Governmental Activities:				
Right-to-use leased assets being amortized:				
Right-to-use leased vehicles	$ -	$ 1,566,068	$ -	$ 1,566,068
Less: Accumulcated amortization	-	(78,303)	-	(78,303)
Right-to-use leased vehicles, net	$ -	$ 1,487,765	$ -	$ 1,487,765

Amortization expense was $78,303 and was charged to the fire and emergency medical services function for the year ended December 31, 2023.

NOTE 4 - LEASES RECEIVABLE

The District, acting as lessor, leases portions of its land and building space to other parties under long-term, noncancelable lease agreements. The leases may provide for renewal options, but it is uncertain whether the tenants will exercise the options and have therefore been excluded from the lease term. During the year ended December 31, 2023, the District recognized lease revenue and interest revenue from leasing activities of $51,095 and $4,281, respectively.

The leases provide for fixed rent payments over the lease term. Future minimum lease payments are as follows for the years ended December 31:

2024	$	68,383
2025		49,943
2026		12,773
Total	$	131,099

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, 2023:

	Balance December 31, 2022	Additions	Deletions	Balance December, 31 2023	Due In One Year
Lease liability	$ -	$ 1,151,732	$ 139,336	$ 1,012,396	$ 117,165
Compsensated absences	35,054	50,802	54,159	31,697	28,200
Total	$ 35,054	$ 1,202,534	$ 193,495	$ 1,044,093	$ 145,365

On July 31, 2021, the District entered into a lease agreement for 3 Maxi Contender Fire Apparatus and 2 Skeeter Brush Trucks. The agreement includes a trade in of certain trucks previously owned by the District, an initial deposit of $275,000, and $280,000 paid upon delivery. In addition, annual payments of $139,336 are due on September 1 beginning September 1, 2022 and ending September 1, 2031. Annual payments include interest of 2.19%.

The equipment was not delivered until 2023. In accordance with GASB Statement No. 87, the lease commencement date occurs when the lessee has a noncancellable right to use the underlying asset. Prior to delivery of the assets, the District made total payments of $414,336 through December 31, 2022 in connection with this agreement.

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Annual requirements to amortize long-term obligation and related interest are as follows for the year ended December 31:

	Principal	Interest	Total Payment
2024	$ 117,165	$ 22,171	$ 139,336
2025	119,730	19,606	139,336
2026	122,353	16,983	139,336
2027	125,032	14,304	139,336
2028	127,770	11,566	139,336
Thereafter	400,346	17,662	418,008
	$ 1,012,396	$ 102,292	$ 1,114,688

NOTE 5 - VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan area 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 plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50 percent benefit.

At December 31, 2023, the following members were covered by the benefit terms:

Retirees and Beneficiaries	57
Inactive, Nonretired Members	1
Active Members	3
Total	61

NOTE 5 - VOLUNTEERS' PENSION FUND (CONTINUED)

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is $340 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive $17 per month for every year of services.

Disability retirement benefit is $170 per month for short term disability for line of duty injury payable for not more than one year. Long term disability for line of duty injury has a lifetime benefit of $340 per month. Survivor benefits range from $170 to $225 monthly benefit depending of retirement eligibility, in life of duty, and other variables. Funeral benefit to the family members is a one-time payment of $680.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2023, the District's contributions were $27,910.

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

At December 31, 2023, the District reported a net pension liability of $237,418. The net pension liability was measured at December 31, 2022 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

For the year ended December 31, 2023, the District recognized pension income of $20,655 for the volunteer plan. At December 31, 2023, 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	$ -	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	75,166	-
Contributions subsequent to the measurement date	27,910	-
Total	$ 103,076	$ -

NOTE 5 - VOLUNTEERS' PENSION FUND (CONTINUED)

Volunteer Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
$27,910 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ended December 31:

Year Ended December 31,	Amount
2024	$ (13,452)
2025	8,984
2026	27,148
2027	52,486
Total	$ 75,166

Actuarial Assumptions
The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	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.

NOTE 5 - VOLUNTEERS' PENSION FUND (CONTINUED)

Volunteer Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
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 this purpose of the valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (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 discount rate is 7.00%.

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 4.05% (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%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	1.00%	3.92%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Long Short	6.00%	7.47%
Global Equity	35.00%	8.93%
Private Markets	34.00%	10.31%
Total	100.00%	

NOTE 5 - VOLUNTEERS' PENSION FUND (CONTINUED)

Changes in the Net Pension Liability

	Total Pension Liability (Asset) [a]	Plan Fiduciary Net Position [b]	Net Pension Liability (Asset) [a] - [b]
Balance, December 31, 2022	$ 1,799,633	$ 1,793,214	$ 6,419
Changes for the year:			
Service cost	4,178	-	4,178
Interest	120,316	-	120,316
Net investment income	-	(141,924)	141,924
Contributions - employer	-	19,000	(19,000)
Benefit payments including refunds of employee contributions	(168,635)	(168,635)	-
Difference between expected and actual experience of total pension liability	(18,525)	-	(18,525)
Changes in assumptions	5,881	-	5,881
Administrative expense	-	(16,315)	16,315
State of Colorado supplemental discretionary payment	-	20,090	(20,090)
Net changes	(56,785)	(287,784)	230,999
Balance, December 31, 2023	$ 1,742,848	$ 1,505,430	$ 237,418

Sensitivity of the Net Pension 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 Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 380,623	$ 237,418	$ 113,230

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 6 - STATEWIDE DEFINED BENEFIT PLAN

Plan Description

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided

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

The annual normal retirement benefit is 2 percent of the average of the member’s highest three years’ 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).

A member is eligible for 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.

NOTE 6 - STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Contributions

The District and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

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 increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers contributed at a rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent. In 2023, members of the SWDB plan and their employers contributed at a rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. The District's contributions to the plan of the year ended December 31, 2023, were $45,885, equal to the required contributions.

Statewide Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2023, the District reported a net pension liability of $50,167, representing its proportionate share of the net pension asset of the plan. The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the District's proportion was 0.0565% which was an increase of 0.01646% from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the District recognized pension income of $30,349.

NOTE 6 - STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Statewide Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

At December 31, 2023, 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	$ 108,594	$ 6,158
Changes of Assumptions or other Inputs	64,270	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	113,526	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	8,071	92,515
Contributions Subsequent to the Measurement Date	45,885	-
Total	$ 340,346	$ 98,673

$45,885 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows for the years ended December 31:

2024	$ 15,500
2025	35,793
2026	54,728
2027	80,345
2028	7,852
Thereafter	1,570
Total	$ 195,788

Actuarial Assumptions

The actuarial valuations as of January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

NOTE 6 - STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

For determining the total pension liability, the post-retirement mortality tables for non-disabled retires uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60 percent of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disable 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.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. 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).

NOTE 6 - STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
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 purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on weekly rate closet 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.

NOTE 6 - STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

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

The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 7.0%, as well as the District's proportionate share of the net pension liability (asset) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	$ 345,843	$ 50,167	$ (194,749)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

NOTE 7 - OTHER RETIREMENT PLANS

457 Plan

The District has adopted a deferred compensation plan (457 Plan) as defined under Internal Revenue Code Section 457. The 457 plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 plan. The District matches a portion of total wages as established by Colorado State Statute. The 457 plan is a multi-employer plan administered by FPPA. The 457 plan trustee may amend the 457 plan. For the year ended December 31, 2023, the District made contributions of $13,725to the 457 plan.

Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established by FPPA, and may be amended by Colorado State Statute. The plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. The percentage contribution amount varies depending on actuarial experience. The plan solely provides death and disability payments to eligible participants. In 2023, the District contributed $19,473 to the plan.

REQUIRED SUPPLEMENTARY INFORMATION

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 1,228,895	$ 1,229,513	$ 1,229,513	$ -
Specific ownership taxes	71,000	77,874	77,874	-
Charges for services	110,000	199,038	203,538	4,500
Impact fees	46,540	58,175	58,175	-
Rental income	57,600	51,095	51,095	-
Investment earnings	5,000	29,546	29,546	-
Contributions and grants	275,883	446,172	446,172	-
Other revenue	300,000	7,547	3,047	(4,500)
Total Revenues	2,094,918	2,098,960	2,098,960	-
Expenditures				
Current:				
Administration	337,149	322,878	274,565	48,313
Fire fighting	835,034	929,864	1,022,512	(92,648)
Pension fund contributions	112,085	114,543	84,728	29,815
Training	94,126	70,006	130,326	(60,320)
Communications	1,000	8,380	8,381	(1)
Repair service	451,795	170,488	114,760	55,728
Stations and buildings	112,291	125,230	105,645	19,585
Water fund expenses	5,000	10,000	5,000	5,000
Lease payments	139,336	139,336	139,336	-
Capital outlay	565,050	1,899,124	1,894,123	5,001
Total Expenditures	2,652,866	3,789,849	3,779,376	10,473
Excess revenue over (under) expenditures	(557,948)	(1,690,889)	(1,680,416)	10,473
Other financing sources				
Proceeds from sale of capital assets	280,000	280,000	280,000	-
Leases	-	1,151,732	1,151,732	-
Insurance proceeds	272,948	74,757	74,757	-
Total other financing sources	552,948	1,506,489	1,506,489	-
Net change in fund balances	(5,000)	(184,400)	(173,927)	10,473
Fund balances - beginning			1,038,115	
Fund balances - ending			$ 864,188	

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service Cost	$ 4,178	$ 4,178	$ 5,872	$ 5,872	$ 9,048	$ 9,048	$ 16,736
Interest	120,316	123,208	126,890	129,458	137,847	139,440	119,977
Benefit changes	-		-	-	-	-	222,964
Differences between actual and expected experience	(18,525)	-	(14,448)	-	(30,341)	-	2,491
Changes in assumptions	5,881	-	-	-	68,613	-	65,641
Benefit payments	(168,635)	(168,786)	(171,309)	(172,711)	(171,443)	(168,096)	(161,072)
Net change in total pension liability	(56,785)	(41,400)	(52,995)	(37,381)	13,724	(19,608)	266,737
Total pension liability - beginning	1,799,633	1,841,033	1,894,028	1,931,409	1,917,685	1,937,293	1,670,556
Total pension liability - ending	$ 1,742,848	$ 1,799,633	$ 1,841,033	$ 1,894,028	$ 1,931,409	$ 1,917,685	$ 1,937,293
Plan Fiduciary Net Position							
Contributions - employer	$ 19,000	$ 29,000	$ 26,500	$ 15,000	$ 2,145	$ 15,300	$ 15,300
Net investment income	(141,924)	239,801	199,210	215,956	20,000	230,521	86,515
Benefit payments including refunds of employee contributions	(168,635)	(168,786)	(171,309)	(172,711)	(171,443)	(168,096)	(161,072)
Pension plan administrative expense	(16,315)	(16,630)	(13,397)	(16,230)	(14,627)	(15,078)	(2,872)
State of Colorado discretionary payment	20,090	33,590	18,000	13,770	-	13,770	16,053
Net change in plan fiduciary net position	(287,784)	116,975	59,004	55,785	(163,925)	76,417	(46,076)
Plan Fiduciary net position - beginning	1,793,214	1,676,239	1,617,235	1,561,450	1,725,375	1,648,958	1,695,034
Plan Fiduciary net position - ending	$ 1,505,430	$ 1,793,214	$ 1,676,239	$ 1,617,235	$ 1,561,450	$ 1,725,375	$ 1,648,958
Net pension liability (asset) - ending	$ 237,418	$ 6,419	$ 164,794	$ 276,793	$ 369,959	$ 192,310	$ 288,335
Plan fiduciary net position as a percentage of total pension liability	86.38%	99.64%	91.05%	85.39%	80.85%	89.97%	85.12%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*2015 was the first yaer of implementation, therefore, only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 41,915	$ 48,346	$ 48,346	$ 32,541	$ 32,541	$ 32,541	$ 6,032	$ 6,032	$ 15,179	$ 15,179
Actual contribution*	27,910	19,000	44,500	28,770	15,000	20,000	29,070	31,353	31,607	56,520
Contribution deficiency (excess)	$ 14,005	$ 29,346	$ 3,846	$ 3,771	$ 17,541	$ 12,541	$ (23,038)	$ (25,321)	$ (16,428)	$ (41,341)
Covered payroll	N/A	N/A	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	N/A	N/A

**Does not include the State of Colorado Supplemental Discretionary Payment*

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS

Fiscal year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan measurement date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's proportion of the net pension liability	0.0565%	0.0401%	0.0399%	0.0300%	0.0321%	0.0201%	0.0115%	0.0173%	0.0237%	0.0372%
District's proportionate share of the net pension liability (asset)	$ 50,167	$ (217,116)	$ (86,720)	$ (16,985)	$ 40,595	$ (28,980)	$ 4,140	$ (306)	$ (26,714)	$ (33,281)
District's covered payroll	$ 344,589	$ 200,789 0	$ 303,363 0	$ 153,250	$ 152,425	$ 152,425	$ 152,425	$ 84,025	$ 106,450	$ 161,663
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	14.6%	(108.1%)	(28.6%)	(11.1%)	26.6%	(19.0%)	2.7%	(0.4%)	(25.1%)	(20.6%)
Plan fiduciary net pension as a percentage of the total pension liability	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	$ 57,960	$ 31,013	$ 17,067	$ 24,269	$ 12,260	$ 12,194	$ 12,194	$ 12,194	$ 6,722	$ 8,516
Contributions in relation to the statutorily required contributions	45,885	31,013	17,067	24,269	12,260	12,194	12,194	12,194	6,722	8,516
Contribution deficiency (excess)	$ 12,075	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 483,007	$ 344,589	$ 200,789	$ 303,363	$ 153,250	$ 152,425	$ 152,425	$ 152,425	$ 84,025	$ 106,450
Contributions as a percentage of covered payroll	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%