

ELK CREEK FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Elk Creek Fire Protection District  
Conifer, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Elk Creek 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 11, 2024

## MANAGEMENT'S DISCUSSION & ANALYSIS

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report offers readers of the Elk Creek Fire Protection District (the "District") financial statements the District's discussion and analysis of its financial performance during the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Background Information

The District encompasses 90 square miles and is located primarily in the Conifer area of Jefferson County, Colorado, with a small section in Park County, Colorado. The District was organized in 1948. In 1981, the Department was reorganized as a special district under the provisions of the Colorado Special District Act.

Governed by a five-member elected Board, the mission of the District is to provide fire suppression, emergency medical services, technical rescue, hazardous materials, and fire prevention education to the community. District career and volunteer personnel respond to an average of 1,200 calls per year, about 60% of which deal with medical emergencies, including those arising out of motor vehicle accidents. The District provides these services through a combination department under the direction of a full-time Fire Chief with over fifty volunteer firefighter/medics and eleven career firefighters/medics, supported by a small career technical and administrative staff.

The District charges fees for emergency medical services, ambulance transport, fire prevention permit and inspection fees to offset costs incurred by these services. The District's fire suppression and other emergency response services are funded primarily through real property taxes collected in Jefferson and Park Counties, supplemented by acquired grant funding and service charges to other entities.

In addition to property tax and service fee revenues, the District continues to participate in the CRRF Agreement administered by the Colorado State Forest Service. Under this State - Federal Interagency Agreement, the District will be reimbursed for the use of personnel and equipment provided for firefighting services beyond the District's geographical boundaries.

2023 Financial Highlights

- The District's financial status reflected an increase in net position during the 2023 fiscal year. The increase was \$1,087,533, an 11.0% increase when compared to beginning net position. Ending net position as of December 31, 2023 was \$10,983,960.
- Property and specific ownership tax revenues accounted for \$3,877,608 or 61.7% of all revenues. The District had revenue of \$396,471 from charges for services, and \$2,007,565 from intergovernmental, investment earnings and other revenues.
- During the year ended December 31, 2023, total governmental activities expenditures were \$5,194,111. The largest component is salaries and benefits which represents approximately 68% of total expenditures in 2023.

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

- At December 31, 2023, the District's general fund balance sheet reported an ending fund balance of \$6,273,817, an increase of \$941,940 from the prior year. The increase was driven by an increase in other revenue and investment earnings during fiscal year 2023.
- As of December 31, 2023, the District's long-term liabilities are related to a net pension liability and subscription-based technology liability as of December 31, 2023.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

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

The District's main governmental activity is fire protection and emergency medical services. The basic government-wide financial statements can be found on pages 1-2 of this report.

*Fund financial statements.* A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has one governmental fund, a general fund.

The District adopts an annual appropriated budget for the general fund, as required by State Statues. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 3 - 6 of this report.

*Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-31 of this report.

*Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$10,983,960 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$1,087,533.

Government-wide Financial Analysis

One of the largest portions of the District's net position (29.3%) reflects its net investment in capital assets (for example, land, construction in progress, buildings, machinery and equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.



ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 11,875,236	\$ 10,154,103
Capital assets	3,196,786	3,360,394
Net pension asset	798,800	1,694,099
Right to use subscription asset, net of amortization	78,248	-
Total assets	15,949,070	15,208,596
Deferred outflows of resources	1,031,704	457,986
Liabilities		
Current liabilities	281,128	360,787
Long-term liabilities	220,817	94,320
Total liabilities	501,945	455,107
Deferred inflows of resources	5,494,869	5,315,048
Net position:		
Net investment in capital assets	3,216,475	3,360,394
Restricted	987,800	1,869,099
Unrestricted	6,779,685	4,666,934
Total net position	\$ 10,983,960	\$ 9,896,427

An additional portion of the District's net position (9.0%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 61.7% of total net position (\$6,779,685), represents unrestricted net position that may be used to meet the District's ongoing obligations.

For the year ended December 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* which revised how subscription-based arrangements were accounted for by the District. See Note 7 for more information.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management. The changes in net position displayed subsequently show the governmental activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 396,471	\$ 439,606
Operating grants and contributions	1,145,876	1,271,781
General revenues:		
Property taxes and specific ownership taxes	3,877,608	3,964,934
Investment earnings	323,080	102,996
Other revenue	538,609	143,354
Total revenues	6,281,644	5,922,671
Expenses:		
Administration	1,436,047	955,113
Fire operations	1,553,420	1,280,744
Emergency medical services	897,420	1,033,051
Grant expenditures	837,779	593,968
Depreciation	469,445	466,349
Total expenses	5,194,111	4,329,225
Changes in net position	1,087,533	1,593,446
Net position - beginning	9,896,427	8,302,981
Net position - ending	\$ 10,983,960	\$ 9,896,427

Property and specific ownership taxes account for a large portion of the District's revenue, contributing about 61.7% of total revenues as compared to 66.9% of revenues in 2022. During 2023 the District received approximately 24.6% from program revenues; in comparison to approximately 36.3% in 2022. During 2023, investment earnings constituted approximately 5.1% which was an increase of 3.4% from 2022. Intergovernmental revenues in 2023 were 18.2% of total revenues in 2023 as compared to 29.0% in the prior year. The District expenses predominantly related to all-hazard emergency services, which includes administration, fire protection, emergency medical transport, community risk reduction, communications and vehicle and facility maintenance. Given the District is a public service organization providing full-time emergency services, the majority of the expenses are for salaries and benefits, insurance, building utilities and repairs, vehicle and equipment maintenance, training, and supplies.

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Total expenses for governmental activities were \$5,194,111 in 2023 when compared to the 2022 balance of \$4,329,225. The largest increase was related to the administration function which had an increase of \$480,934 from 2022 to 2023.

Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, wildland fire suppression, emergency medical services, fire prevention, training, vehicle maintenance, and facility maintenance. The general fund also provides for such other items as insurance, utilities, fees, and other operating costs the District incurs. The primary funding source for the general fund is taxation of real property and intergovernmental revenues. Other sources of income for the general fund include emergency medical transport services, interest income, and other income.

As of December 31, 2023, the District's general fund reported an ending fund balance of \$6,273,817, an increase of \$941,940 from the prior year. The District has \$2,395,441 of unassigned fund balance, which is available for spending at the District's discretion. In addition, the District has \$189,000 restricted as of December 31, 2023 under the TABOR amendment and has assigned \$3,550,000 for specific purposes as of December 31, 2023.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$1,008,217, which includes other financing sources. Expenditures for the District were over budget by \$73,549 which may be a violation of Colorado Budget Law.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2023, the District's TABOR reserve amounted to \$189,000.

Capital Assets and Debt Administration

*Capital Assets*

At the end of 2023, the District had capital assets including land, fire stations and equipment, and vehicles and subscription assets of \$3,275,034 (net of accumulated depreciation and amortization). As outlined below, capital assets decreased \$85,360 in 2023 as a result of current year depreciation and amortization. Additional information on the District's capital assets can be found in Note 3 to the financial statements. Total depreciation and amortization expense for the year was \$469,445.

ELK CREEK FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets (Net of Accumulated Depreciation and Amortization)

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Land	\$ 48,031	\$ 48,031
Fire stations and equipment	1,467,388	1,533,104
Vehicles	1,681,367	1,779,259
Subscription-based IT	<u>78,248</u>	<u>-</u>
	<u>\$ 3,275,034</u>	<u>\$ 3,360,394</u>

*Long-Term Debt*

As of December 31, 2023, the District's long-term debt is related to compensated absences, net pension liability, and subscription-based information technology obligations. See Notes 4, 7, and 9 for balances as of December 31, 2023.

*Factors Bearing on the District's Future*

The District showed significant recovery during the year in the economy and expects a brighter outlook in the upcoming years. Tax revenues showed continuous improvement and the District continues to participate in several CRRF events annually.

*Contacting the District's Financial Management Team*

This Financial Report is designed to provide District citizens, our customers and creditors, and the State of Colorado with a general overview of the District's finances and to demonstrate the District's accountability for the revenues it receives. If you have questions regarding this report or need additional publicly available financial information, please contact the District's Administrative Office at (303) 816-9385, or mail your requests to:

Elk Creek Fire Protection District  
P.O. Box 607  
Conifer, Colorado 80433

## BASIC FINANCIAL STATEMENTS

ELK CREEK FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Governmental Activities
<u>Assets</u>	
Cash and investments	\$ 5,987,822
Property tax receivable	4,545,485
Prepaid items	139,376
Intergovernmental receivable	309,476
Lease receivable	747,905
Other current assets	2,067
EMS accounts receivable, net of allowance for uncollectible of \$61,331	143,105
Capital assets, not being depreciated	48,031
Capital assets, being depreciated (net of accumulated depreciation)	3,148,755
Net pension asset	798,800
Right to use subscription asset, net of amortization	78,248
Total Assets	15,949,070
 <u>Deferred Outflows of Resources</u>	
Related to pension	1,031,704
Total Deferred Outflows of Resources	1,031,704
 <u>Liabilities</u>	
Accounts payable	202,960
Accrued wages and benefits	46,168
Unearned revenue	32,000
Noncurrent liabilities:	
Compensated absences, due in one year	43,684
Net pension liability	118,574
Subscription-based technology obligations	58,559
Total Liabilities	501,945
 <u>Deferred Inflows of Resources</u>	
Related to pension	236,541
Unavailable property taxes	4,545,485
Unavailable lease revenue	712,843
Total Deferred Outflows of Resources	5,494,869
 <u>Net Position</u>	
Net investment in capital assets	3,216,475
Restricted	
Emergencies	189,000
Net pension asset	798,800
Unrestricted	6,779,685
Total Net Position	\$ 10,983,960

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

ELK CREEK FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
Fire protection and emergency services	\$ 5,194,111	\$ 396,471	\$ 1,145,876	\$ -	\$ (3,651,764)
Total Governmental Activities	\$ 5,194,111	\$ 396,471	\$ 1,145,876	\$ -	(3,651,764)

GENERAL REVENUES:

Property taxes	3,600,588
Specific ownership taxes	277,020
Interest income	323,080
Lease revenue	80,604
Other revenue	458,005
Total General revenues	4,739,297
Changes in net position	1,087,533
Net Position, Beginning	9,896,427
Net Position, Ending	\$ 10,983,960

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

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

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 5,987,822
Property tax receivable	4,545,485
Prepaid items	139,376
Accounts receivables	309,476
Lease receivable	747,905
EMS accounts receivable, net of allowance for uncollectible of \$61,331	143,105
Other current assets	2,067
Total Assets	\$ 11,875,236
 <u>Liabilities, deferred inflows of resources and fund balance</u>	
Liabilities:	
Accounts payable	\$ 202,960
Accrued wages and benefits	46,168
Unearned revenue	32,000
Total Liabilities	281,128
 <u>Deferred inflows of resources</u>	
Unavailable property taxes	4,545,485
Unavailable lease revenue	712,843
Unavailable EMS revenue	61,963
Total Deferred Inflows of Resources	5,320,291
 Fund balance:	
Nonspendable	
Prepaid items	139,376
Restricted	
Emergencies	189,000
Assigned	
Capital reserve	3,550,000
Unassigned	2,395,441
Total Fund Balances	6,273,817
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,875,236

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



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

Total fund balance - governmental fund	\$ 6,273,817
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>	3,196,786
<p>Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:</p>	
Emergency medical service fees	61,963
<p>Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>	
Subscription-based information technology assets, net	78,248
Net pension asset	798,800
<p>Certain liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>	
Compensated absences	(43,684)
Net pension liability	(118,574)
Subscription-based information technology liability	(58,559)
<p>Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:</p>	
Related to pension	1,031,704
<p>Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:</p>	
Related to pension	(236,541)
Total net position of governmental activities	\$ 10,983,960

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

ELK CREEK FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 3,600,588
Specific ownership taxes	277,020
Intergovernmental revenues	1,145,876
Charges for services	427,874
Interest income	323,080
Lease revenue	80,604
Other revenue	458,005
Total revenues	6,313,047
 <u>Expenditures</u>	
Current:	
Administration	1,756,962
Emergency medical supplies	897,420
Wildland fire suppression	616,540
Fire and prevention	252,169
Training	349,582
Maintenance and facilities	264,923
Grant expenditures	837,779
Capital outlay	454,291
Debt service:	
Principal	24,292
Total expenditures	5,453,958
Excess revenues over expenditures	859,089
 <u>Other Financing Sources</u>	
Subscription-based technology agreement financing	82,851
Total other financing sources	82,851
Net changes in fund balance	941,940
Fund balance - beginning	5,331,877
Fund balance - ending	\$ 6,273,817

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

ELK CREEK FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

Net changes in fund balance - total governmental fund: \$ 941,940

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

Governmental funds report capital outlay as expenditures, However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay was greater than depreciation and amortization.

Capital outlay	384,085
Depreciation expense	(464,842)
Amortization expense - SBITAs	(4,603)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the scheduled principal payments on existing debt.

Subscription-based information technology financing	(82,851)
Principal payments	24,292

Some expenses in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental fund.

Change in compensated absences	50,636
Pension income	270,279

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.

Emergency medical services	(31,403)
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Changes in net position of governmental activities	\$ 1,087,533
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ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Elk Creek Fire Protection District (the District) was organized in 1981 as a special district under the provisions of the Colorado Special District Act. The function of the District is to provide fire protection and rescue services to residents in the area through its combination fire department located in Conifer, Colorado. In addition to the volunteer fire fighters, the District employs paid firefighters, including a Fire Chief and Fire Marshal.

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

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental entity.

Significant accounting policies of the District are described as follows:

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 and emergency medical service revenue.

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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation and amortization 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.

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. For the purpose of Wildland grant reimbursements, the District considers revenue if it is collectible within 360 days due to delays in reimbursements. The major sources of revenue susceptible to accrual are property tax, CRRF and intergovernmental revenues, and emergency medical service fees. 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 District's policies.

Budgets

In accordance with the Colorado Budget Law, the Board holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. For the year ended December 31, 2023, the general fund had actual expenditures of \$73,549 over budget which may be a violation of Colorado Budget Law.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at net asset value.

Property Taxes

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

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

Lease Receivable

The District measured lease activity under GASB No. 87, *Leases*. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use-lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has recorded a lease receivable and deferred inflow of resources related to leases in place for the year ended December 31, 2023. See Note 6 for additional information.

Other Receivables

All service fee related receivables at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2023, management has recorded an allowance of \$61,331 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items and will be reported as expenditures in future periods. Prepayments are recorded using the consumption method.

Capital Assets

Capital assets, which include land, construction in progress, fire stations and equipment, and vehicles are reported 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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Fire stations and equipment	5 - 40 years
Vehicles	5 - 20 years

Subscription-Based IT Arrangements (SBITAs)

The District obtained the right to use vendor's information technology software through various long-term contracts. The District recognizes a subscription liability and an intangible right-to-use subscription asset with governmental activities. At the commencement of a subscription, the District initially measures the subscription liability at present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use asset is initially measured as the initial amount of the subscription liability adjusted for subscription payments made at or before the subscription commencement date, plus certain initial implementation costs as needed. Right-to-use subscription assets useful lives are determined by the length of the subscription period and are amortized using the straight-line method. Key estimates and judgments include how the District determines the discount rate and subscription term it uses to discount the expected subscription payments to present value. The District uses the market rate of interest at the subscription's inception as the discount rate.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based IT Arrangements (SBITAs) (continued)

The subscription term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments as outlined in subscription.

Compensated Absences

Employees of the District are granted personal time off (PTO) in varying amounts. The District's policy is such that a maximum amount (generally 360 hours) of time accrued may be carried forward. In the event of termination, an employee is paid for the accumulated time off. Time is accrued in the government-wide statement of net position. A liability for these amounts is reported in the governmental fund only if they have matured as a result of employee terminations. The District's general fund is used to liquidate compensated absences of the governmental activities.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 current expenditures.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are recorded for amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

In addition to liabilities, 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.



ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources (continued)

Deferred inflows of resources include property taxes earned but levied for a subsequent period, lease revenue and EMS revenue not collected within the period of availability, and certain amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District reports fund balances in the governmental fund in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defined the different types of fund balances that a governmental entity must use for financial reporting. As of December 31, 2023, fund balance of the governmental fund is classified as follows:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2023, the District had \$139,376 classified as nonspendable fund balance related to prepaid items.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2023, the District has \$189,000 restricted for emergencies.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the District's Board of Directors (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 had no amounts classified as committed fund balance.

*Assigned* – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2023, the District has \$3,550,000 shown as assigned related to capital reserves.

*Unassigned* – Represents the residual classification for the District's general fund and could report a surplus or deficit.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

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.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributed to the acquisition, construction, or improvement of those assets and increased by balances of 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 those assets.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two 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.

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. Actual results could differ from those estimates.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax, Spending, and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, (TABOR) which has several limitations, including revenue increases, spending abilities, and other specific requirements of state and local government.

In 1998, the District’s voters exempted the District from the revenue and spending limits imposed by TABOR. As a result, the District is permitted to retain and expend all revenues from all sources including ad valorem property taxes. The District’s mill levy shall not be increased without voter approval. 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. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). For the year ending December 31, 2023, the District has restricted \$189,000 for this purpose.

New Accounting Standard Implementation

For the year ended December 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides guidance on the accounting and financial reporting for SBITAs for governments. See Note 7 for additional information.

NOTE 2 – CASH AND INVESTMENTS

A summary of deposits and investments at December 31, 2023, follows:

Cash Deposits	\$ 570,824
Cash with County Treasurer	20,649
Investments	5,396,349
Total cash and investments	<u><u>\$ 5,987,822</u></u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local governments 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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

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

At December 31, 2023, the bank balance and carrying amount of the District's deposits were \$715,966 and \$570,824, respectively. All cash deposits were covered by either the FDIC or PDPA.

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, where 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

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Guaranteed investment contracts
- \* Local government investment pools

ColoTrust and Fair Value

As of December 31, 2023, the District had invested \$5,396,349 in Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios – ColoTrust Prime, ColoTrust Plus+, and ColoTrust EDGE. The District's investments are held in ColoTrust Plus+. ColoTrust Prime and ColoTrust Plus+ operate similarly to a money market fund and each share is equal in value to \$1.00 and offers daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios 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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in the District’s capital assets during the year ended December 31, 2023:

	Balances December, 31 2022	Additions	Deletions	Balances December, 31 2023
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 48,031	\$ -	\$ -	\$ 48,031
Total capital assets, not being depreciated	<u>48,031</u>	<u>-</u>	<u>-</u>	<u>48,031</u>
Capital Assets, being depreciated or amortized				
Fire stations and equipment	3,390,151	115,246	-	3,505,397
Vehicles	4,608,970	185,988	130,594	4,664,364
Right-to-use assets, subscriptions	-	82,851	-	82,851
Total capital assets, being depreciated or amortized	<u>7,999,121</u>	<u>384,085</u>	<u>130,594</u>	<u>8,252,612</u>
Accumulated depreciation				
Fire stations and equipment	(1,857,047)	(180,962)	-	(2,038,009)
Vehicles	(2,829,711)	(283,880)	(130,594)	(2,982,997)
Right-to-use assets, subscriptions	-	(4,603)	-	(4,603)
Total accumulated depreciation and amortization	<u>(4,686,758)</u>	<u>(469,445)</u>	<u>(130,594)</u>	<u>(5,025,609)</u>
Total capital assets being depreciated or amortized, net	<u>3,312,363</u>	<u>(85,360)</u>	<u>-</u>	<u>3,227,003</u>
Total capital assets, net	<u>\$ 3,360,394</u>	<u>\$ (85,360)</u>	<u>\$ -</u>	<u>\$ 3,275,034</u>

Depreciation and amortization expense of \$469,445 was charged to fire protection and emergency services for the year ended December 31, 2023.

NOTE 4 – LONG-TERM DEBT

The following is a summary of long-term debt transactions for the governmental activities of the District for the year ended December 31, 2023:

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023	Due In One Year
Compensated absences	\$ 94,320	\$ 17,988	\$ 68,624	\$ 43,684	\$ 43,684
Total	<u>\$ 94,320</u>	<u>\$ 17,988</u>	<u>\$ 68,624</u>	<u>\$ 43,684</u>	<u>\$ 43,684</u>

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – 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. Settled claims have not exceeded insured amounts in the last three years.

NOTE 6 – LEASES

The District has entered into a lease agreement with T-Mobile West Towner, LLC under a site lease agreement. In 2020, an amendment to the lease agreement was entered into for 6 renewal periods with the final renewal term expiring in 2051. The agreement calls for annual payments of \$21,218 in 2023 with 3 percent increases annually from 2024 to 2030 and 4 percent increases annually from 2031 to 2051. At December 31, 2023, the District recognizes a lease receivable of \$747,905 and deferred inflows of resources of \$712,843. During the year ended December 31, 2023, the District recognized amortization of the deferred inflow of \$25,765. The District recognized interest income of \$15,155 based on the estimate borrowing rate of 2.01 percent. The schedule below is a summary of expected lease receipts for future years under the lease agreement:

Year	Principal	Interest	Total
2024	\$ 6,781	\$ 15,074	\$ 21,855
2025	7,613	14,897	22,510
2026	8,441	14,744	23,185
2027	9,307	14,574	23,881
2028	10,170	14,427	24,597
2029 - 2033	67,663	68,485	136,148
2034 - 2038	105,086	60,263	165,349
2039 - 2043	153,322	47,852	201,174
2044 - 2048	214,658	30,099	244,757
2048 - 2051	164,864	6,761	171,625
Total	<u>\$ 747,905</u>	<u>\$ 287,176</u>	<u>\$ 1,035,081</u>

NOTE 7 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District is involved in subscription-based information technology arrangements (SBITAs) for software and underlying subscription assets which are subscribed mainly from commercial software vendors. In accordance with GASB Statement No. 96, effective for the fiscal year ended December 31, 2023, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs. With this implementation, a subscription liability is recognized.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 7 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
(CONTINUED)

The District entered into one qualified SBITA agreement as the subscriber for software.

	Balances December 31, 2022	Additions	Deletions	Balances December 31, 2023	Due In One Year
Subscription-based					
IT software	\$ -	\$ 82,851	\$ 24,292	\$ 58,559	\$ 28,866
Total	<u>\$ -</u>	<u>\$ 82,851</u>	<u>\$ 24,292</u>	<u>\$ 58,559</u>	<u>\$ 28,866</u>

Cloud-Based Computing

The subscription liability for software used in conjunction with cloud-based computing was entered into on November 30, 2023 and includes a 36-month term due in 2026. The total liability is \$82,815 which includes a one-time service fee of \$39,937 and annual licensed costs of \$15,856. The interest rate under the agreement is the estimated borrowing rate on the date the agreement was entered into or 4.5%. The payments can be revised based on the agreement and the services utilized by the District. Future payments under the agreement are as follows:

Year	Principal	Interest	Total
2024	\$ 28,866	\$ 2,635	\$ 31,501
2025	14,520	1,336	15,856
2026	15,173	683	15,856
Total	<u>\$ 58,559</u>	<u>\$ 4,654</u>	<u>\$ 63,213</u>

NOTE 8 – 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 are commingled for investment purposes in the Fire and Police member’s Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA. The 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.



ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 8 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Plan Description (continued)

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% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

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

Retirees and Beneficiaries	58
Inactive, nonretired members	4
Active members	4
Total	<u>66</u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefits for a member is \$440 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$22 per month for every year of services. Survivor’s death benefits range from \$220 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$100.

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 \$15,000, not including contributions from the State.

Pension Liability (Asset), 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 asset of \$798,800. The net pension asset 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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 8 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended December 31, 2023, the District recognized pension income of \$187,229. 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	\$ -	\$ 116,840
Change in assumptions	4,597	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	148,231	-
Contributions Subsequent to the Measurement Date	15,000	-
Total	<u>\$ 167,828</u>	<u>\$ 116,840</u>

\$15,000 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ (131,509)
2025	18,941
2026	50,973
2027	97,583
Total	<u>\$ 35,988</u>

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:

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 8 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

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 rates were based on the following:

- **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.

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 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 discount rate is 7.00%.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 8 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
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	<u>100.00%</u>	

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 8 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability (Asset) [a] - [b]
Balance, December 31, 2022	\$ 2,337,231	\$ 3,304,022	\$ (966,791)
Changes for the year:			
Service cost	12,282	-	12,282
Interest	157,231	-	157,231
Net investment income	-	(263,173)	263,173
Contributions - employer	-	15,000	(15,000)
Benefit payments including refunds of employee contributions	(197,572)	(197,572)	-
Difference between expected and actual experience of Total Pension Liability	(267,602)	-	(267,602)
Changes in assumptions	10,529	-	10,529
Administrative expense	-	(18,618)	18,618
State of Colorado supplemental discretionary payment	-	11,240	(11,240)
Net changes	(285,132)	(453,123)	167,991
Balance, December 31, 2023	\$ 2,052,099	\$ 2,850,899	\$ (798,800)

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

The following presents the net pension liability (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%)
Proportionate Share of the Net Pension Liability (Asset)	\$ (623,329)	\$ (798,800)	\$ (949,815)

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>.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN

Plan Description

The District contributes to the Statewide Defined Benefit Plan (SWDB), 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 firefighters of the District are members of the SWDB.

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](http://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 the 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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Benefits Provided (continued)

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 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 will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 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 \$149,913, equal to the required contributions.

Pension Liability (Asset), Pension Expense (Income), 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 \$118,574, 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 asset 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 0.1336% which was a decrease of 0.0006% from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the District recognized pension income of \$37,739. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Pension Liability (Asset), Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 256,672	\$ 14,554
Changes of Assumptions or other Inputs	151,909	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	268,329	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	37,053	105,147
Contributions Subsequent to the Measurement Date	<u>149,913</u>	<u>-</u>
Total	<u>\$ 863,876</u>	<u>\$ 119,701</u>

\$149,913 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 51,161
2025	102,715
2026	149,845
2027	213,363
2028	38,031
Thereafter	<u>39,147</u>
Total	<u>\$ 594,262</u>

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:



ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (continued)

	Total <u>Pension Liability</u>	<u>Actuarial Determined Contributions</u>
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%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses 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 RP-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-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the Mp-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years.

The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (continued)

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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	

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).

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 9 – STATEWIDE FIRE AND POLICE DEFINED BENEFIT PLAN (CONTINUED)

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

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 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.

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

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Proportionate Share of the			
Net Pension Liability (Asset)	<u>\$ 817,433</u>	<u>\$ 118,574</u>	<u>\$ (460,308)</u>

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](http://www.fppaco.org).

NOTE 10 – OTHER RETIREMENT PLANS

IRS Section 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 50% of the employee contribution, up to a maximum of 2% 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 \$25,400 to 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.

ELK CREEK FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 10 – OTHER RETIREMENT PLANS

Statewide Death and Disability Plan (continued)

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 \$50,497 to the plan.

NOTE 11 – TAXPAYER BILL OF RIGHTS (TABOR)

Article X, Section 20 of the Colorado Constitution, the Taxpayer’s Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District had an emergency reserve of \$189,000 as of December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

ELK CREEK FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 3,629,336	\$ 3,600,588	\$ (28,748)
Specific ownership taxes	217,845	277,020	59,175
Intergovernmental revenues	925,000	1,145,876	220,876
Charges for services	380,000	427,874	47,874
Interest income	30,500	323,080	292,580
Lease revenue	50,000	80,604	30,604
Other revenue	155,000	458,005	303,005
Total revenues	5,387,681	6,313,047	925,366
<u>Expenditures</u>			
Current:			
Administration	1,068,300	1,756,962	(688,662)
Emergency medical supplies	881,106	897,420	(16,314)
Wildland fire suppression	583,445	616,540	(33,095)
Fire and prevention	807,624	252,169	555,455
Training	267,494	349,582	(82,088)
Maintenance and facilities	437,298	264,923	172,375
Grant expenditures	765,142	837,779	(72,637)
Capital outlay	570,000	454,291	115,709
Debt service:			
Principal	-	24,292	(24,292)
Total expenditures	5,380,409	5,453,958	(73,549)
<u>Other Financing Sources</u>			
Subscription-based technology agreement financing	-	82,851	82,851
Total other financing sources	-	82,851	82,851
Net changes in fund balance	\$ 7,272	941,940	\$ 934,668
Fund balance - beginning		5,331,877	
Fund balance - ending		\$ 6,273,817	

**ELK CREEK FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND**  
**RELATED RATIOS – VOLUNTEER PENSION PLAN**  
**LAST 10 FISCAL YEARS\***

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Total Pension Liability</u></b>									
Service cost	\$ 12,282	\$ 12,282	\$ 19,970	\$ 19,970	\$ 34,702	\$ 34,702	\$ 34,219	\$ 34,219	\$ 35,224
Interest	157,231	159,189	147,243	148,946	164,517	163,430	156,938	156,306	156,445
Benefit changes	-	-	220,402	-	-	-	-	-	-
Differences between actual and expected experience	(267,602)	-	(8,532)	-	(163,344)	-	659	-	(7,728)
Changes in assumptions	10,529	-	-	-	86,286	-	77,535	-	-
Benefit payments	(197,572)	(201,256)	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Net change in total pension liability	(285,132)	(29,785)	171,148	(10,124)	(59,939)	13,012	88,351	7,365	(3,419)
Total pension liability - beginning	2,337,231	2,367,016	2,195,868	2,205,992	2,265,931	2,252,919	2,164,568	2,157,203	2,160,622
Total pension liability - ending	<u>\$ 2,052,099</u>	<u>\$ 2,337,231</u>	<u>\$ 2,367,016</u>	<u>\$ 2,195,868</u>	<u>\$ 2,205,992</u>	<u>\$ 2,265,931</u>	<u>\$ 2,252,919</u>	<u>\$ 2,164,568</u>	<u>\$ 2,157,203</u>
<b><u>Plan Fiduciary Net Position</u></b>									
Net investment income	\$ (263,173)	\$ 439,247	\$ 354,918	\$ 372,867	\$ 1,482	\$ 371,441	\$ 135,607	\$ 49,032	\$ 178,186
Employer contributions	15,000	24,978	-	26,670	26,670	53,340	-	26,670	26,670
Benefit payments including refunds of employee contributions	(197,572)	(201,256)	(207,935)	(179,040)	(182,100)	(185,120)	(181,000)	(183,160)	(187,360)
Pension plan administrative expense	(18,618)	(17,914)	(15,305)	(25,616)	(25,574)	(30,059)	(12,727)	(11,791)	(27,623)
State of Colorado discretionary payment	11,240	35,240	-	24,000	24,000	24,000	24,000	24,000	24,000
Net change in plan fiduciary net position	(453,123)	280,295	131,678	218,881	(155,522)	233,602	(34,120)	(95,249)	13,873
Plan Fiduciary net position - beginning	3,304,022	3,023,727	2,892,049	2,673,168	2,828,690	2,595,088	2,629,208	2,724,457	2,710,584
Plan Fiduciary net position - ending	<u>\$ 2,850,899</u>	<u>\$ 3,304,022</u>	<u>\$ 3,023,727</u>	<u>\$ 2,892,049</u>	<u>\$ 2,673,168</u>	<u>\$ 2,828,690</u>	<u>\$ 2,595,088</u>	<u>\$ 2,629,208</u>	<u>\$ 2,724,457</u>
Net pension liability (asset) - ending	\$ (798,800)	\$ (966,791)	\$ (656,711)	\$ (696,181)	\$ (467,176)	\$ (562,759)	\$ (342,169)	\$ (464,640)	\$ (567,254)
Plan fiduciary net position as a percentage of total pension liability	138.93%	141.36%	127.74%	131.70%	121.18%	124.84%	115.19%	121.47%	126.30%
Covered payroll	N/A	N/A	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	N/A	N/A

\*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

**ELK CREEK FIRE PROTECTION DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS – VOLUNTEER PENSION PLAN**  
**LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -	\$ 12,489	\$ 12,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual contribution	15,000	15,000	60,218	14,210	50,670	50,670	77,340	24,000	50,670
Contribution deficiency (excess)	\$ (15,000)	\$ (2,511)	\$ (47,729)	\$ (14,210)	\$ (50,670)	\$ (50,670)	\$ (77,340)	\$ (24,000)	\$ (50,670)
Covered payroll	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

\*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

**Notes to Schedule:**

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determines the contribution amounts for 2022 and 2023.

Methods 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	<b>Pre-retirement:</b> 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. <b>Post-retirement:</b> 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. <b>Disabled:</b> 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.



ELK CREEK FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET) – STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

Fiscal year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.1336%	0.1342%	0.0981%	0.0888%	0.1084%	0.1102%	0.1078%	0.0844%
District's proportionate share of the net pension liability (asset)	\$ 118,574	\$ (727,308)	\$ (213,081)	\$ (50,197)	\$ 137,045	\$ (158,539)	\$ 38,970	\$ (1,487)
District's covered payroll	1,167,821	1,085,203	788,342	654,164	726,113	644,588	551,950	729,600
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.2%	(67.0%)	(27.0%)	(7.7%)	18.9%	(24.6%)	7.1%	(0.2%)
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%

\*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan. The District implemented GASB Statement No. 68 in 2015; therefore, 10 years of data is not available.

ELK CREEK FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS –  
STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 149,913	\$ 104,601	\$ 91,833	\$ 63,067	\$ 52,333	\$ 58,089	\$ 51,566	\$ 44,156	\$ 58,369
Contributions in relation to the statutorily required contributions	<u>149,913</u>	<u>104,601</u>	<u>91,833</u>	<u>63,067</u>	<u>52,333</u>	<u>58,089</u>	<u>51,566</u>	<u>44,156</u>	<u>58,369</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,578,034	\$ 1,167,821	\$ 1,085,203	\$ 788,342	\$ 654,164	\$ 726,113	\$ 644,588	\$ 551,950	\$ 729,600
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%

\*The amounts presented for each fiscal year were determined as of December 31. The District implemented GASB Statement No. 68 in 2015, therefore, 10 years of data is not available.