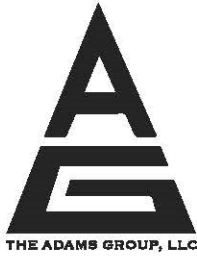


FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Frederick-Firestone Fire Protection District
Frederick, Colorado

Opinions

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

In our opinion, the 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, 2022, 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, 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

Denver, Colorado
May 26, 2023

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the annual financial report offers readers of the Frederick-Firestone Fire Protection District (the “District”) financial statements the District’s discussion and analysis of its financial performance during the year ended December 31, 2022. 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 was created in December 1975 by a number of concerned citizens about fire protection for their homes and businesses. The predominate fund approach for the District was comprised of the General Fund.

In 1980, the District’s constituency approved a mill levy increase giving the District 7.750 mills to purchase Fire Station 1 and purchase equipment. On May 5, 1998, the taxpayers approved a ballot question to exempt the District from the revenue and spending limits imposed by the 1992 Colorado Constitutional Amendment, called the Taxpayers Bill of Rights (TABOR) which had reduced the District’s general operations mill levy to 7.560. In November 2002, the District Board of Directors asked the taxpayers to support a \$4,045,000 bond to remodel existing stations, build a new fire station, update equipment, and purchase new fire apparatus. The voters approved the bond by an approval rate of over 65%. In May 2006, voters approved an increase in the general operations mill levy to 11.360 mills in order to provide emergency medical transport services acquired in the dissolution of Tri-Area Ambulance District on January 1, 2006, dissolving the 6.5 mill levy of the Tri-Area Ambulance District. In November of 2019, voters approved a mill levy increase to 13.900 mills to provide for the acquisition of needed firefighters and paramedics. The mill levy rate of 13.900 mills was in effect for taxes received in 2022.

In an effort to take advantage of historically low interest rates and pass on savings to our taxpayers, the District refinanced its 2002 General Obligation Bonds in 2011. This refinance reduced the interest rate by 50%, translating to direct savings to taxpayers of more than \$235,000. The General Obligation Refunding Bonds, Series 2011 were issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Bonds initially were registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) securities depository for the Bonds. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. Interest on the Bonds is payable semiannually on June 1 and December 1, commencing December 1, 2011. The principal on the bonds will be payable upon surrender of the Bonds at the principal office of UMB Bank, n.a., Denver, Colorado, as Registrar and Paying Agent.

2022 Financial Highlights

- The District’s financial status reflected an increase in net position during the 2022 fiscal year. The increase was \$3,186,797, a 14.8% increase when compared to beginning net position. Ending net position as of December 31, 2022 was \$24,747,192.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

- Property, tax increment financing, and specific ownership tax revenues accounted for \$10,681,676 or 82.9% of all revenues. The District had revenue of \$889,238 from charges for services, and \$1,314,334 from intergovernmental, interest earnings and other revenues.
- During the year ended December 31, 2022, total governmental activities expenditures were \$9,698,451, of which, \$9,197,642 is related to fire protection and emergency services. The largest component is salaries and benefits which represents approximately 72.6% of total expenditures in 2022.
- At December 31, 2022, the District's general fund balance sheet reported an ending fund balance of \$31,633,071, an increase of \$19,689,614 from the prior year. The dramatic increase was driven virtually exclusively by proceeds from a general obligation loan obtained in 2022 in the amount of \$19,680,000.
- The District's 2011 general obligation bond debt (2011 bonds) was eliminated in fiscal year 2022. The final payment was made in December of 2022. In May 2022, additional long-term debt in the form of a general obligation loan was approved by the voters for capital infrastructure in the net amount of \$19,680,000 was undertaken.

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).

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 Statutes. 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 7-29 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 \$24,747,192 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$3,186,797.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

One of the largest portions of the District's net position in 2022 (76.9%) is the "Current and other assets" asset category. This is due to the \$19,680,000 general obligation loan procured in 2022. In most years, the *Current and other assets* category is the largest category of assets. However, the "Capital assets" category normally occupies a larger percentage of the total assets than is demonstrated in 2022, again due to the acquisition of the general obligation loan in 2022. 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.

District's Statement of Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$ 46,937,226	\$ 22,011,557
Capital assets	10,392,298	8,222,383
Net pension asset	3,694,385	1,250,334
Total assets	61,023,909	31,484,274
Deferred outflows of resources		
Deferred charge on refunding	-	3,958
Related to pension	2,164,565	2,115,184
Total deferred outflows of resources	2,164,565	2,119,142
Liabilities		
Current liabilities	1,142,167	547,590
Long-term liabilities	19,918,251	489,125
Total liabilities	21,060,418	1,036,715
Deferred inflows of resources		
Deferred property taxes	14,385,445	9,511,104
Related to pension	2,995,419	1,495,202
Total deferred inflows of resources	17,380,864	11,006,306
Net position:		
Net investment in capital assets	9,124,025	7,920,438
Restricted	4,070,285	1,608,409
Unrestricted	11,552,882	12,031,548
Total net position	\$ 24,747,192	\$ 21,560,395

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the District's net position (16.5%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 46.7% of total net position (\$11,552,882), represents unrestricted net position that may be used to meet the District's ongoing obligations.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management. The changes in net position displayed subsequently shows 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.

District's Change in Net Position

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 889,238	\$ 754,869
Operating grants and contributions	667,458	623,906
General revenues:		
Property taxes and specific ownership taxes	10,681,676	10,803,524
Investment earnings	522,148	27,333
Other revenue	124,728	44,877
Total revenues	<u>12,885,248</u>	<u>12,254,509</u>
Expenses:		
Personnel services	7,039,741	7,560,820
Professional services	878,516	790,420
Commodities and supplies	321,875	307,388
Education and travel	80,479	75,616
Equipment maintenance	337,477	301,281
Loss on disposal	-	62,944
Depreciation	539,554	476,474
Interest on long-term debt	500,809	23,514
Total expenses	<u>9,698,451</u>	<u>9,598,457</u>
Change in net position	3,186,797	2,656,052
Net position - beginning	<u>21,560,395</u>	<u>18,904,343</u>
Net position - ending	<u>\$ 24,747,192</u>	<u>\$ 21,560,395</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Property tax, tax increment financing, and specific ownership taxes account for a large portion of the District's revenue, contributing about 82.9% of total revenues as compared to 88.2% of revenues in 2021. During 2022 the District received approximately 12.1% from program revenues; in comparison to approximately 11.3% in 2021. During 2022, investment earnings constituted approximately 4.1% as compared to 0.2% in 2021. Intergovernmental revenues were 5.2% of total revenues in 2022 versus 5.1% in the prior year. The District's expenditures are 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.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the District's activities for fiscal year 2022 and 2021.

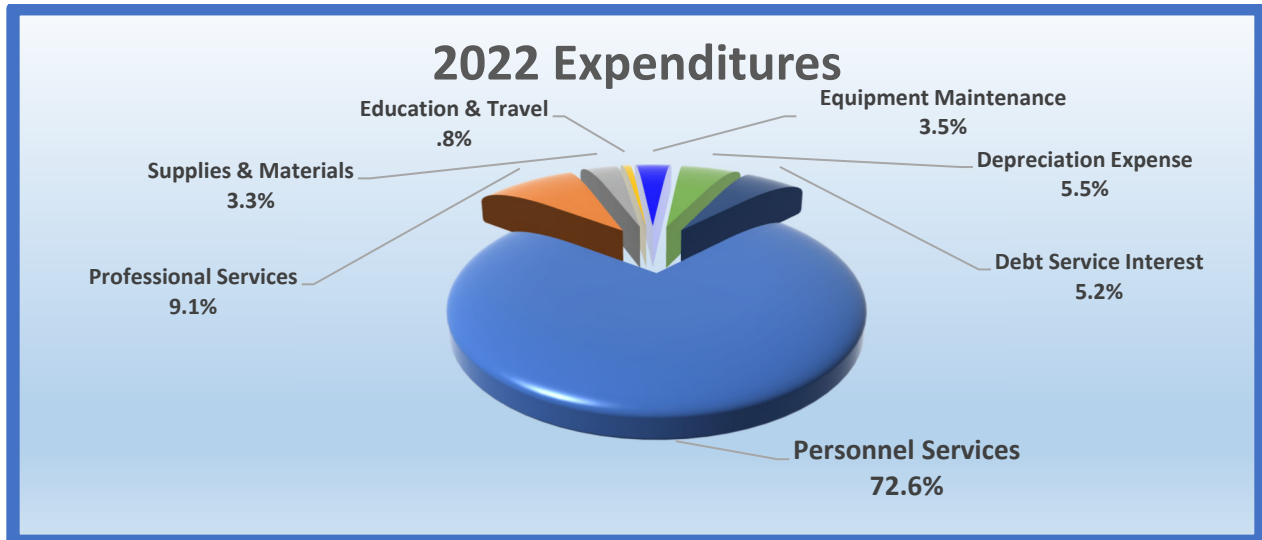


As portrayed above and discussed earlier, the District is heavily reliant on property and specific ownership taxes. These tax revenues account for 82.9% of total revenues.

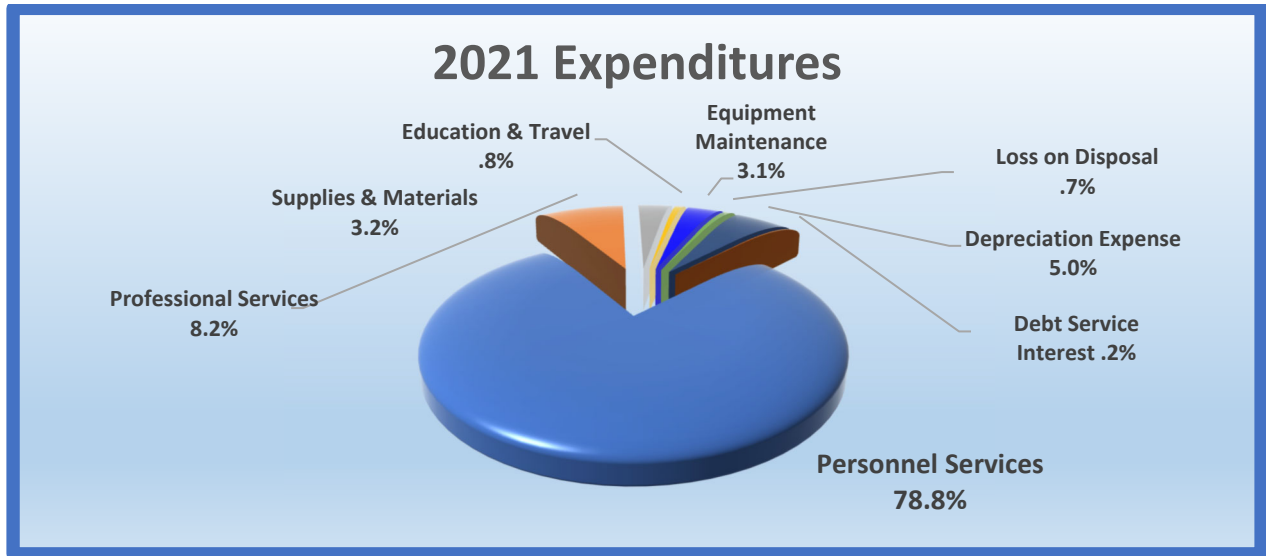
FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS



Total expenditures for governmental activities were \$9,698,451 in 2022 when compared to the 2021 level of \$9,598,457. Except for Personnel Services expenditures, all categories of accrual basis expenditure increased in 2022. On a cash basis, Personnel Service expenditures also increased in 2022. However, accrual basis adjustments of \$934,228, primarily due to fortunate pension income realities in 2022, decreased 2022's accrual basis Personnel Expenditure to below that equivalent statistic for 2021 by \$521,079.



FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS



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 functional areas of the organization including administration, firefighting, emergency medical ambulance transport, fire prevention, training, communications, 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. Other sources of income for the general fund include emergency medical transport services and code enforcement fees, interest income, and other income.

As of December 31, 2022, the District's general fund reported an ending fund balance of \$31,633,071, an increase of \$19,689,614 from the prior year. This spectacular increase was due, almost exclusively, to a general obligation loan procured in 2022 in the net amount of \$19,680,000. There is \$1,345,076 of unassigned fund balance, which is available for spending at the District's discretion. In addition, the District has assigned \$29,912,095 for specific purposes as of December 31, 2022, which includes \$18,693,791 assigned for the subsequent year's capital construction.

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 \$1,398,647. Expenditures for the District were under budget by a total of \$2,026,412 due mostly to less actual capital outlay in 2022 than originally budgeted.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). On December 31, 2022, the District's TABOR reserve amounted to \$375,900.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the District had capital assets of \$10,392,298 (net of depreciation) in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. As outlined below, net capital assets increased \$2,169,915 in 2022 as a result of capital asset additions, primarily related to apparatus under construction (\$964,764) and a land purchase (\$1,059,198). Additional information on the District's capital assets can be found in Note 3 of the financial statements. Total depreciation expense for the year was \$539,554.

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities, net	
	2022	2021
Land	\$ 1,209,820	\$ 634,262
Construction in progress	1,376,442	166,307
Buildings	5,562,209	5,180,093
Machinery and equipment	1,240,060	1,100,087
Vehicles	1,003,767	1,141,634
	<u>\$ 10,392,298</u>	<u>\$ 8,222,383</u>

Long-Term Debt

On December 31, 2022, the District had \$19,680,000 in a general obligation loan, as shown below. More detailed information about the District's long-term liabilities is presented in Note 4 to the financial statements. In 2022, the District liquidated its 2011 Refunding Bond issue and then procured a general obligation loan in the net amount of \$19,680. Colorado Revised Statute 32-1-1101(6)(a) states that a Fire District shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

Outstanding Long-Term Debt

	Governmental Activities	
	2022	2021
Bonds and loans payable	<u>\$ 19,680,000</u>	<u>\$ 300,000</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances relating to the 2022 budget year and other factors that could affect the District's financial situation:

- The gross assessed value for the 2023 budget year (all property in the District's boundaries) increased to \$934,483,913 when compared to budget year 2022 figure of \$747,479,850. Estimated general operating property tax revenue for 2023 is \$12,989,326.
- The District continues to experience significant growth in residential development within District boundaries.
- The District continues to be faced with challenges in the form of state level legislative action that lowers residential and commercial assessment rates, and thus, negatively affects the District's potential property tax revenues now and in the future within a growing community.
- The District continues to hire new personnel and has a projected budget for wages and salaries in 2023 of \$8,017,999 compared to a 2022 budgeted amount of \$6,483,966.

The District is not aware of any other facts, decisions, or conditions that are expected to have a significant effect on the District's financial position or results of operations.

Contacting the District's Financial Management Team

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the *Frederick-Firestone Fire Protection District* at 8426 Kosmerl Place, Frederick, Colorado 80504-5444, telephone 303-833-2742 or fax 303-833-3736. Please direct all questions or requests to Finance Director Mike Cummins or Fire Chief Jeremy A. Young.

BASIC FINANCIAL STATEMENTS

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
<u>Assets</u>	
Cash and investments	\$ 32,408,839
Property tax receivable	14,385,445
EMS accounts receivable, net of allowance for uncollectible of \$169,489	138,673
Other accounts receivables	4,269
Capital assets, not being depreciated	2,586,262
Capital assets, being depreciated (net of accumulated depreciation)	7,806,036
Net pension asset	3,694,385
Total Assets	61,023,909
 <u>Deferred Outflows of Resources</u>	
Related to pension	2,164,565
Total Deferred Outflows of Resources	2,164,565
 <u>Liabilities</u>	
Accounts payable	276,955
Accrued wages and benefits	584,745
Accrued interest	280,467
Noncurrent liabilities:	
Due within one year	692,273
Due in more than one year	19,145,000
Net pension liability	80,978
Total Liabilities	21,060,418
 <u>Deferred Inflows of Resources</u>	
Related to pension	2,995,419
Unavailable property taxes	14,385,445
Total Deferred Outflows of Resources	17,380,864
 <u>Net Position</u>	
Net investment in capital assets	9,124,025
Restricted	
Emergencies	375,900
Net pension asset	3,694,385
Unrestricted	11,552,882
Total Net Position	\$ 24,747,192

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>				Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
Governmental Activities:					Governmental
Fire protection and emergency services	\$ 9,197,642	\$ 889,238	\$ 667,458	\$ -	\$ (7,640,946)
Interest and fiscal charges	500,809	-	-	-	(500,809)
Total Governmental Activities	<u>\$ 9,698,451</u>	<u>\$ 889,238</u>	<u>\$ 667,458</u>	<u>\$ -</u>	<u>(8,141,755)</u>

GENERAL REVENUES:

Property taxes	9,492,783
Property taxes - tax increment financing	555,004
Specific ownership taxes	633,889
Investment earnings	522,148
Other revenue	124,728
Total General revenues	<u>11,328,552</u>
Change in net position	3,186,797
Net Position, Beginning	<u>21,560,395</u>
Net Position, Ending	<u>\$ 24,747,192</u>

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND – BALANCE SHEET
DECEMBER 31, 2022

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 32,408,839
Property tax receivable	14,385,445
EMS accounts receivable, net of allowance for uncollectible of \$169,489	138,673
Other accounts receivables	4,269
Total Assets	\$ 46,937,226
 <u>Liabilities, deferred inflows of resources and fund balance</u>	
Liabilities:	
Accounts payable	\$ 276,955
Accrued wages and benefits	584,745
Total Liabilities	861,700
 <u>Deferred inflows of resources</u>	
Unavailable property taxes	14,385,445
Unavailable EMS revenue	57,010
Total Deferred Inflows of Resources	14,442,455
 Fund balance:	
Restricted	
Emergencies	375,900
Assigned	
Capital projects	18,693,791
Contingency reserve	1,430,981
Debt service	325,926
Subsequent year's budget	9,461,397
Unassigned	
Total Fund Balances	31,633,071
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 46,937,226

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balance - governmental fund	\$ 31,633,071
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	10,392,298
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.	
Emergency medical service fees	57,010
Certain assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Net pension asset	3,694,385
Net pension liability	(80,978)
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.	
Bonds payable	(19,680,000)
Accrued interest	(280,467)
Compensated absences	(157,273)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	2,164,565
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Related to pension	(2,995,419)
Total net position of governmental activities	\$ 24,747,192

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 9,492,783
Property taxes - tax increment financing	555,004
Specific ownership taxes	633,889
Intergovernmental revenues	569,062
Charges for services	842,509
Earnings on investments	522,148
Contributions and donations	98,396
Other revenue	124,728
Total revenues	12,838,519
 <u>Expenditures</u>	
Current:	
Salaries and benefits	7,973,969
Professional services	878,516
Commodities and supplies	321,875
Education and travel	80,479
Equipment maintenance	194,786
Capital outlay	2,852,160
Debt service:	
Principal	300,000
Interest and fiscal charges	10,700
Debt issuance costs	216,420
Total expenditures	12,828,905
 <u>Other Financing Sources</u>	
Loan proceeds	19,680,000
Total other financing sources	19,680,000
Net change in fund balance	19,689,614
Fund balance - beginning	11,943,457
Fund balance - ending	\$ 31,633,071

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balance - total governmental fund: \$ 19,689,614

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

Capital outlays to purchase or construct capital assets are reported in governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlay	2,709,469
Depreciation expense	(539,554)

The issuance of long-term debt provides current financial resources to fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position.

Bond proceeds	(19,680,000)
Principal payments	300,000

Governmental fund report the effect of premiums, discounts, and similar items when debt is first issued, were as these amounts are deferred and amortized in the statement of activities.

Amortization of bond premium	1,945
Amortization of loss on refunding	3,958

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 accrued interest	(279,592)
Change in compensated absences	(67,005)

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	46,729
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. The (increases) decreases in these activities consist of:

Pension income	1,001,233
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Change in net position of governmental activities	\$ 3,186,797
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The accompanying notes are an integral part of the financial statements.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Frederick-Firestone Fire Protection District (District) is an independent local governmental unit organized under the laws of the State of Colorado and governed by an elected five-member Board of Directors (Board) to provide fire protection and emergency medical services within the boundaries of the District in Weld County, Colorado. The Department was formed in 1915 and the District was formed in 1976.

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

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units. The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position and the statement of activities). These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes 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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances

Cash and Investments

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2022, management has recorded an allowance of \$169,489 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, machinery 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. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings and improvements	10 - 50 years
Machinery and equipment	5 - 15 years
Vehicles	7 - 20 years

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon separation from employment with the District, an employee will be compensated for accrued vacation time, up to the employee's maximum, at their current rate of pay. Accrued sick time is not paid to the employee upon separation. Accumulated unpaid vacation pay is accrued when earned in the government-wide financial statements. A liability is reported in the governmental fund financial statements when payment is due. 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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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. Deferred inflows of resources include property taxes earned but levied for a subsequent period 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, 2022, 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, 2022, the District had no amounts classified as nonspendable fund balance.

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, 2022, the District has \$375,900 restricted for emergencies.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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, 2022, 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, 2022, the District has assigned funds for capital projects of \$18,693,791, operational contingency of \$1,430,981, debt service of \$325,926, and subsequent year’s budget of \$9,461,397. The District’s goal is to have a combination of 25% of the operating budget in the reserve for emergencies and the operational contingency.

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

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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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.

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 if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County 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.

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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Board can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. A budget is legally adopted for the General Fund on a basis consistent with U.S. generally accepted accounting principles. Prior to December 15, the budget is legally enacted through passage of a resolution.

District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of the general fund must be approved by the Board.

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 and 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, 2022, the District has restricted \$375,900 for this purpose.

NOTE 2 – CASH AND INVESTMENTS

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

Cash Deposits	\$	806,870
Cash with County Treasurer		93,582
Investments		31,508,387
Total cash and investments	\$	<u>32,408,839</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

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

At December 31, 2022, the bank balance and carrying amount of the District's deposits were \$871,356 and \$806,870, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The District's investment policy 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.

The District limits investment maturities to five years or less unless formally approved by the Board of Directors. Colorado statutes specify investment instruments meeting a defined rating and risk criteria in which local governments may invest, which include:

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

ColoTrust and Fair Value

As of December 31, 2022, the District had invested \$31,508,387 in the 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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. 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 services as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolio 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 AAA 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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2022:

	Balances December, 31 2021	Additions	Deletions	Balances December, 31 2022
<i>Governmental Activities:</i>				
Capital Assets, not being depreciated				
Land	\$ 634,262	\$ 575,558	\$ -	\$ 1,209,820
Construction in progress	166,307	1,210,135	-	1,376,442
Total capital assets, not being depreciated	<u>800,569</u>	<u>1,785,693</u>	<u>-</u>	<u>2,586,262</u>
Capital Assets, being depreciated				
Buildings	6,827,355	534,116	-	7,361,471
Machinery and equipment	1,604,453	286,965	-	1,891,418
Vehicles	4,900,586	102,695	-	5,003,281
Total capital assets, being depreciated	<u>13,332,394</u>	<u>923,776</u>	<u>-</u>	<u>14,256,170</u>
Accumulated depreciation				
Buildings	(1,647,262)	(152,000)	-	(1,799,262)
Machinery and equipment	(504,366)	(146,992)	-	(651,358)
Vehicles	(3,758,952)	(240,562)	-	(3,999,514)
Total accumulated depreciation	<u>(5,910,580)</u>	<u>(539,554)</u>	<u>-</u>	<u>(6,450,134)</u>
Total capital assets, being depreciated, net	<u>7,421,814</u>	<u>384,222</u>	<u>-</u>	<u>7,806,036</u>
Government Capital Assets	<u>\$ 8,222,383</u>	<u>\$ 2,169,915</u>	<u>\$ -</u>	<u>\$ 10,392,298</u>

Depreciation expense of \$539,554 was charged to fire protection and emergency services for the year ended December 31, 2022.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022:

	Balances			Balances		Due In One Year
	December 31, 2021	Additions	Deletions	December 31, 2022		
2011 Refunding bonds	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	
2011 Bond premium	1,945	-	1,945	-	-	
General obligation loan, Series 2022	-	19,680,000	-	19,680,000	535,000	
Compensated absences	90,268	134,301	67,296	157,273	157,273	
Total	<u>\$ 392,213</u>	<u>\$ 19,814,301</u>	<u>\$ 369,241</u>	<u>\$ 19,837,273</u>	<u>\$ 692,273</u>	

2011 Refunding Bonds

The District issued 2011 Refunding Bonds (the 2011 Bonds), dated October 20, 2011. The net proceeds of \$2,960,000, along with funds from the District, were used to: (i) refund, on an advance refunding basis, all of the District’s outstanding General Obligation Bonds, Series 2002, outstanding in an amount of \$3,055,000 (the refunded bonds); and (ii) pay the costs of issuance of the bonds (collectively, the “Refunding Project”). The proceeds were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds. As a result, the refundable bonds are considered defeased, and the related liability for the bonds has been removed from the District’s liabilities.

As of December 31, 2022, the 2011 Bonds have been paid in full.

2022 General Obligation Loan, Series 2022

The District issued a 2022 General Obligation Loan, Series 2022 (the Loan) dated June 30, 2022. The net proceeds of \$19,680,000, along with funds from the District, were used to: (i) pay the costs of issuance of the Loan; and (ii) proceeds were deposited into the Project Fund and will be used (a) acquiring, constructing, and equipping two new fire stations; (b) acquiring fire trucks, ambulances, and general emergency services equipment required for fire suppression; and (c) renovating, remodeling, and enhancing older fire stations and administrative facilities within the District to meet the service needs of firefighters, paramedics, and community infrastructure.

For the 2022 Loan, principal and interest payments are due semiannually on June 1 and December 1, through 2041. Interest accrues at a rate of 3.10%. The Loan shall be subject to redemption prior to its maturity, at the option of the District and as provided for in the Final Terms Certificate, in whole, from any legally available funds, without a redemption premium, subject to the parameters and restrictions of the Resolution.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 – LONG-TERM DEBT (CONTINUED)

2022 General Obligation Loan, Series 2022 (continued)

Debt service requirements through maturity are as follows:

Year ended December 31,	Principal	Interest	Total
2023	\$ 535,000	\$ 861,789	\$ 1,396,789
2024	810,000	587,141	1,397,141
2025	835,000	561,876	1,396,876
2026	860,000	535,835	1,395,835
2027	885,000	508,943	1,393,943
2028 - 2032	4,870,000	2,111,490	6,981,490
2033 - 2037	5,675,000	1,302,079	6,977,079
2038 - 2041	5,210,000	369,523	5,579,523
Total	<u>\$ 19,680,000</u>	<u>\$ 6,838,676</u>	<u>\$ 26,518,676</u>

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 – 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.

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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Plan Description (continued)

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, 2022, the following members were covered by the benefit terms:

Retirees and Beneficiaries	<u>12</u>
Total	<u><u>12</u></u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is \$200 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$10 per month for every year of services.

Survivor’s death benefits range from \$100 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, 2021. 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, 2022, the District’s contributions were \$10,003.

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

At December 31, 2022, the District reported a net pension liability of \$80,978. The net pension liability was measured at December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

For the year ended December 31, 2022, the District recognized pension income of \$12,120. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	\$ -	\$ 9,433
Contributions Subsequent to the Measurement Date	10,003	-
Total	\$ 10,003	\$ 9,433

\$10,003 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (1,976)
2024	(3,698)
2025	(2,300)
2026	(1,459)
Total	\$ (9,433)

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	14 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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

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 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting discount rate is 7.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2020 are summarized in the following table:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2.00%	2.32%
Fixed Income - Rates	10.00%	4.00%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	<u>100.00%</u>	

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 Volunteer 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 payment) to determine the total pension liability.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a] - [b]
Balance, December 31, 2021	\$ 206,807	\$ 109,895	\$ 96,912
Changes for the year:			
Interest	13,568	-	13,568
Net investment income	-	14,588	(14,588)
Contributions - employer	-	10,003	(10,003)
Benefit payments including refunds of employee contributions	(26,400)	(26,400)	-
Administrative expense	-	(4,092)	4,092
State of Colorado supplemental discretionary payment	-	9,003	(9,003)
Net changes	(12,832)	3,102	(15,934)
Balance, December 31, 2022	\$ 193,975	\$ 112,997	\$ 80,978

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 94,101	\$ 80,978	\$ 69,409

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>.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE 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, paid 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.

Benefits Provided

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE 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 2021, members of the SWDB plan and their employers contributed at a rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent. In 2022, members of the SWDB plan and their employers contributed at a rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent. The District's contributions to the plan of the year ended December 31, 2022, were \$532,117, equal to the required contributions.

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

At December 31, 2022, the District reported a net pension asset of \$3,694,385, representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. 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, 2021, the District's proportion was 0.6817% which was an increase of 0.1058% from its proportion measured at December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of \$931,381. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Pension Asset, Pension Expense, 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	\$ 1,057,897	\$ 86,163
Changes of Assumptions or other Inputs	526,846	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	2,472,491
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	37,702	427,332
Contributions Subsequent to the Measurement Date	<u>532,117</u>	<u>-</u>
Total	<u>\$ 2,154,562</u>	<u>\$ 2,985,986</u>

\$532,117 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, 2023. 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>
2023	\$ (383,033)
2024	(638,782)
2025	(379,796)
2026	(142,881)
2027	170,643
Thereafter	<u>10,308</u>
Total	<u>\$ (1,363,541)</u>

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The actuarial valuations as of January 1, 2022, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2022	January 1, 2021
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 and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The 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 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
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).

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on 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.

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) 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>\$ (509,479)</u>	<u>\$ (3,694,385)</u>	<u>\$ (6,332,902)</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.

REQUIRED SUPPLEMENTARY INFORMATION

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 9,537,408	\$ 9,492,783	\$ (44,625)
Property taxes - tax increment financing	165,691	555,004	389,313
Specific ownership taxes	462,000	633,889	171,889
Intergovernmental revenues	466,528	569,062	102,534
Charges for services	680,250	842,509	162,259
Earnings on investments	13,300	522,148	508,848
Contributions and donations	98,395	98,396	1
Other revenue	16,300	124,728	108,428
Total revenues	11,439,872	12,838,519	1,398,647
<u>Expenditures</u>			
Current:			
Salaries and benefits	8,110,873	7,973,969	136,904
Professional services	1,031,012	878,516	152,496
Commodities and supplies	336,187	321,875	14,312
Education and travel	163,157	80,479	82,678
Equipment maintenance	218,688	194,786	23,902
Capital outlay	4,684,900	2,852,160	1,832,740
Debt service:			
Principal	300,000	300,000	-
Interest and fiscal charges	10,500	10,700	(200)
Debt issuance costs	-	216,420	(216,420)
Total expenditures	14,855,317	12,828,905	2,026,412
<u>Other Financing Sources</u>			
Loan proceeds	-	19,680,000	19,680,000
Total other financing sources	-	19,680,000	19,680,000
Net change in fund balance	\$ (3,415,445)	19,689,614	\$ 23,105,059
Fund balance - beginning		11,943,457	
Fund balance - ending		\$ 31,633,071	

See accompanying Independent Auditors' Report

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

Measurement period ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>								
Interest	\$ 13,568	\$ 14,754	\$ 15,661	\$ 16,726	\$ 17,708	\$ 16,680	\$ 17,693	\$ 18,525
Differences between actual and expected experience	-	(4,690)	-	8,306	-	14,657	-	1,684
Changes in assumptions	-	-	-	5,713	-	13,571	-	-
Benefit payments	<u>(26,400)</u>	<u>(27,600)</u>	<u>(29,600)</u>	<u>(30,400)</u>	<u>(31,200)</u>	<u>(31,200)</u>	<u>(31,200)</u>	<u>(31,400)</u>
Net change in total pension liability	(12,832)	(17,536)	(13,939)	345	(13,492)	13,708	(13,507)	(11,191)
Total pension liability - beginning	<u>206,807</u>	<u>224,343</u>	<u>238,282</u>	<u>237,937</u>	<u>251,429</u>	<u>237,721</u>	<u>251,228</u>	<u>262,419</u>
Total pension liability - ending	<u>\$ 193,975</u>	<u>\$ 206,807</u>	<u>\$ 224,343</u>	<u>\$ 238,282</u>	<u>\$ 237,937</u>	<u>\$ 251,429</u>	<u>\$ 237,721</u>	<u>\$ 251,228</u>
<u>Plan Fiduciary Net Position</u>								
Net investment income	\$ 14,588	\$ 11,188	\$ 13,953	\$ 287	\$ 16,351	\$ 6,146	\$ 2,552	\$ 8,850
Employer contributions	10,003	20,006	-	10,003	10,003	10,003	10,003	10,003
Benefit payments including refunds of employee contributions	(26,400)	(27,600)	(29,600)	(30,400)	(31,200)	(31,200)	(31,200)	(31,400)
Pension plan administrative expense	(4,092)	(3,436)	(4,098)	(3,442)	(3,646)	(464)	(1,334)	(591)
State of Colorado discretionary payment	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>	<u>9,003</u>
Net change in plan fiduciary net position	3,102	9,161	(10,742)	(14,549)	511	(6,512)	(10,976)	(4,135)
Plan Fiduciary net position - beginning	<u>109,895</u>	<u>100,734</u>	<u>111,476</u>	<u>126,025</u>	<u>125,514</u>	<u>132,026</u>	<u>143,002</u>	<u>147,137</u>
Plan Fiduciary net position - ending	<u>\$ 112,997</u>	<u>\$ 109,895</u>	<u>\$ 100,734</u>	<u>\$ 111,476</u>	<u>\$ 126,025</u>	<u>\$ 125,514</u>	<u>\$ 132,026</u>	<u>\$ 143,002</u>
Net pension liability - ending	\$ 80,978	\$ 96,912	\$ 123,609	\$ 126,806	\$ 111,912	\$ 125,915	\$ 105,695	\$ 108,226
Plan fiduciary net position as a percentage of total pension liability	58.25%	53.14%	44.90%	46.78%	52.97%	49.92%	55.54%	56.92%
Covered payroll	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

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS – VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 16,373	\$ 19,005	\$ 20,006	\$ 6,874	\$ 10,003	\$ 10,003	\$ 10,003	\$ 10,003	\$ 10,003
Actual contribution	10,003	10,003	20,006	-	10,003	10,003	10,003	10,003	10,003
Contribution deficiency (excess)	\$ 6,370	\$ 9,002	-	\$ 6,874	-	-	-	-	-
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, 2019 determines the contribution amounts for 2020 and 2021.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	14 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

Fiscal year ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.6817%	0.5759%	0.5041%	0.4995%	0.5041%	0.5445%	0.5160%	0.5404%	0.5310%
District's proportionate share of the net pension liability (asset)	\$ (3,694,385)	\$ (1,250,334)	\$ (285,122)	\$ 631,444	\$ (725,232)	\$ 196,746	\$ (9,096)	\$ (609,928)	\$ (474,857)
District's covered payroll	5,487,871	4,624,261	3,715,688	3,345,613	3,005,373	2,786,617	2,501,351	2,430,600	2,306,563
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(67.3%)	(27.0%)	(7.7%)	18.9%	(24.1%)	7.1%	(0.4%)	(25.1%)	(20.6%)
Plan fiduciary net pension as a percentage of the total pension liability	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

*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.

See accompanying Independent Auditors' Report

FREDERICK-FIRESTONE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 532,117	\$ 466,469	\$ 369,941	\$ 297,255	\$ 267,649	\$ 240,430	\$ 222,929	\$ 200,108	\$ 194,448	\$ 184,525
Contributions in relation to the statutorily required contributions	<u>532,117</u>	<u>466,469</u>	<u>369,941</u>	<u>297,255</u>	<u>267,649</u>	<u>240,430</u>	<u>222,929</u>	<u>200,108</u>	<u>194,448</u>	<u>184,525</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,912,411	\$ 5,487,871	\$ 4,624,261	\$ 3,715,688	\$ 3,345,613	\$ 3,005,373	\$ 2,786,617	\$ 2,501,351	\$ 2,430,600	\$ 2,306,563
Contributions as a percentage of covered payroll	9.0%	8.5%	8.0%	8.0%	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.

See accompanying Independent Auditors' Report