

**BLACK FOREST FIRE / RESCUE
PROTECTION DISTRICT
El Paso, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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Independent Auditor's Report

Board of Directors
Black Forest Fire Rescue/Protection District
El Paso County, Colorado

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 that the Management's Discussion and Analysis and the Schedule of the Proportionate Share of the Net Pension Liability/(Asset) – Fire and Police Pension Association – Statewide Defined Benefit Plan, the Schedule of District Contributions – Fire and Police Pension Association – Statewide Defined Benefit Plan, the Schedule of Changes in Net Pension Liability/(Asset) – FPPA - Volunteer Firefighters' Pension Plan, the Schedule of District Contributions – FPPA - Volunteer Firefighters' Pension Plan and the Schedule of the Net Pension Liability/(Asset) – FPPA –

Volunteer Firefighters' Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 20, 2023

**BLACK FOREST FIRE RESCUE/PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2022**

Our discussion and analysis of Black Forest Fire Rescue/Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the District's basic financial statements which begin on page 1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplemental information and 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-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, 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 government'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 (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities) and charges for services. The governmental activity of the District is Public safety – Fire/EMS.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is 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. The District reports a governmental fund.

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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 3 through 6 of this report.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is located on page 7 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 8-27 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which can be found on pages 28-32 of this report. Also included is supplementary information consisting of the schedules of expenditures – budget to actual – General Fund on pages 33-35 and other information which is the summary of assessed valuation, mill levy and property taxes collected which can be found on page 36 of this report.

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NET POSITION

	December 31,	
	2022	2021
ASSETS		
Current assets	\$ 6,102,588	\$ 5,735,628
Capital assets	4,392,514	3,610,271
Other	1,668,081	966,051
Total assets	12,163,183	10,311,950
DEFERRED OUTFLOWS OF RESOURCES	606,104	661,374
LIABILITIES		
Current liabilities	529,532	185,815
Long-term liabilities	326,345	-
Total liabilities	855,877	185,815
DEFERRED INFLOWS OF RESOURCES	4,664,197	4,358,105
NET POSITION		
Net investment in capital assets	4,035,783	3,610,271
Restricted	136,896	119,300
Unrestricted	3,076,534	2,699,833
Total net position	\$ 7,249,213	\$ 6,429,404

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,249,213 at the close of the most recent fiscal year.

The District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, equipment and vehicles, office equipment, website and lease fees) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net 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, since the capital assets themselves cannot be used to liquidate these liabilities.

From 2020 to 2021, the District's current assets increased by \$366,960 primarily due to an increase in accounts receivable from deployments of \$780,387 and in property taxes receivable of \$52,419 offset by a decrease in cash deposits of \$441,514 due to significant capital asset purchases. Other assets increased by \$702,030 due to the increases in the net pension assets for the Statewide Defined Benefit Pension Plan and the Volunteer Firefighters' Pension. The decrease in deferred outflows of resources and increase in deferred inflows of resources from 2021 and 2022 are the result of changes in the Statewide Defined Benefit Pension Plan and Volunteer Firefighters' Pension Plan related balances. Statement No. 68. Current liabilities increased primarily due to deployment wages paid to employees in 2023 for 2022 deployments. Increase in long-term liabilities is due to a capital lease the District entered into during 2022 of \$356,731.

CHANGES IN NET POSITION

	Years Ended December 31,	
	2022	2021
REVENUES		
Program revenues:		
Charges for services	\$ 196,098	\$ 227,167
Operating grants and contributions	1,040,838	168,636
Capital grants and contributions	48,446	2,258
General revenues:		
Property taxes	3,671,947	3,272,193
Specific ownership taxes	382,245	390,016
Investment earnings	1,703	793
Other	13,638	2,158
Gain on disposition of assets	-	82,325
Total revenues	5,354,915	4,145,546
EXPENSES		
Public safety - fire/EMS	4,528,438	3,224,376
Interest and fiscal charges	6,668	2,979
Total operating and debt service	4,535,106	3,227,355
CHANGE IN NET POSITION	819,809	918,191
NET POSITION - BEGINNING OF YEAR	6,429,404	5,511,213
NET POSITION - END OF YEAR	\$ 7,249,213	\$ 6,429,404

The District's overall financial position, as measured by net position, increased \$819,809 during 2022. Total revenue increased by \$1,209,369 or 29.2%. Property and specific ownership taxes collected in 2022 were \$391,983 more than 2021 collections as the District had an increase in the assessed valuation. The District also had deployment revenue of \$1,040,838 in 2022 which fluctuates from year to year depending on the resources needed. Public safety – Fire/EMS expenses increased \$1,304,062 or 40.4% from 2021 and 2022 due to the District hiring employees, pay increases as well as deployment expenses.

Financial Analysis of the District's Fund

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental fund follows.

Governmental fund: The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported an ending fund balance of \$1,970,914. Of this fund balance, \$25,134 is nonspendable, meaning it is not in spendable form. \$136,896 is restricted for emergencies under Taxpayers' Bill of Rights (TABOR). \$235,697 of the fund balance has been committed by the Board of Directors for District emergencies, \$550,000 of the fund balance is committed for operating reserves, and \$546,721 is assigned for capital improvements.

General Fund Budgetary Highlights

Budget Variances. The budget to actual comparison details for the General Fund can be seen on page 7 of the financial statements. Actual District revenues were more than budgeted District revenues by \$1,167,667. Actual District expenditures were less than budgeted expenditures by \$148,353.

Capital Asset and Debt Administration

Capital Assets. The District’s investment in capital assets at December 31, 2022 amounted to \$4,392,514 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

	CAPITAL ASSETS (net of depreciation)		
	<u>2021</u>	<u>Change</u>	<u>2022</u>
Land and projects in process	\$ 62,958	\$ -	\$ 62,958
Buildings and improvements	2,600,256	(18,119)	2,582,137
Vehicles and equipment	947,057	189,679	1,136,736
Vehicles - leased	-	610,683	610,683
Total	<u>\$ 3,610,271</u>	<u>\$ 782,243</u>	<u>\$ 4,392,514</u>

During 2022, the District purchased a used ladder truck for \$328,883, a pumper truck for \$631,741 and equipment of \$155,500. Additional information on the District’s capital assets can be found in Note 4 of this report.

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding leases and compensated absences of \$446,185. The analysis of changes in bonds payable and compensated absences is as follows:

	LONG-TERM OBLIGATIONS		
	<u>2021</u>	<u>Change</u>	<u>2022</u>
Lease	\$ -	\$ 356,731	\$ 356,731
Compensated absences	96,381	(6,927)	89,454
	<u>\$ 96,381</u>	<u>\$ 349,804</u>	<u>\$ 446,185</u>

During 2022, the District entered into a lease to pay for a portion of the pumper truck purchased. Additional information on the District’s long-term obligations can be found in Note 5 of this report.

Economic Factors and Next Year’s Budgets and Rates

The District’s assessed valuation for operations decreased from 2022 to 2023 by \$4,141,850 or 1.6%. The District levied 14.951 mills for operations. The District will continue its efforts to recruit and retain employees, including hiring full-time positions and further solidifying the staffing at both Station 1 and Station 2.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Black Forest Fire Rescue/Protection District, 11445 Teachout Road, Colorado Springs, CO 80908.

BASIC FINANCIAL STATEMENTS

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2022

ASSETS

Cash deposits	\$ 1,468,493
Cash with County Treasurer	31,270
Property taxes receivable	3,728,650
Accounts receivable - Emergency charges (net of allowance of \$22,000)	49,151
Accounts receivable - deployments	799,890
Prepaid expenses	25,134
Net pension asset - FPPA Volunteer Firefighters' Pension	728,338
Net pension asset - FPPA Statewide Defined Benefit Plan	939,743
Capital assets, not being depreciated	62,958
Capital assets, being depreciated, net of accumulated depreciation	<u>4,329,556</u>
Total assets	<u>12,163,183</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	28,592
Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	<u>577,512</u>
Total deferred outflows of resources	<u>606,104</u>

LIABILITIES

Accounts payable and accrued payroll expenses	403,024
Accrued interest payable	6,668
Compensated absences	89,454
Noncurrent liabilities:	
Lease payable - due within one year	30,386
Lease payable - due in more than one year	<u>326,345</u>
Total liabilities	<u>855,877</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	3,728,650
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	165,010
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	<u>770,537</u>
Total deferred property taxes	<u>4,664,197</u>

NET POSITION

Net investment in capital assets	4,035,783
Restricted for:	
Emergencies	136,896
Unrestricted	<u>3,076,534</u>
Total net position	<u><u>\$ 7,249,213</u></u>

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

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2022

Functions/Programs	Expenses	Charges for Services	Program Revenues	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Public safety - Fire/EMS	\$ 4,528,438	\$ 196,098	\$ 1,040,838	\$ 48,446	\$ (3,243,056)
Interest on long-term debt	6,668	-	-	-	(6,668)
	\$ 4,535,106	\$ 196,098	\$ 1,040,838	\$ 48,446	\$ (3,249,724)

General revenues:

Taxes:	
Property taxes	3,671,947
Specific ownership taxes	382,245
Investment earnings	1,703
Other	13,638
Total general revenues	4,069,533

Change in net position

819,809

Net position - Beginning of year

6,429,404

Net position - End of year

\$ 7,249,213

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2022**

	General
ASSETS	
Current assets	
Cash deposits	\$ 1,468,493
Cash with County Treasurer	31,270
Property taxes receivable	3,728,650
Accounts receivable - service fees (net of allowance of \$22,000)	49,151
Accounts receivable - deployments	799,890
Prepaid expenses	25,134
TOTAL ASSETS	\$ 6,102,588
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Current liabilities	
Accounts payable	\$ 202,308
Accrued payroll and expenses	200,716
Total liabilities	403,024
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	3,728,650
Total deferred property taxes	3,728,650
FUND BALANCES	
Fund balances	
Nonspendable	25,134
Restricted for emergencies - TABOR	136,896
Committed for District emergencies	235,697
Committed for operating reserves	550,000
Assigned for capital improvements	546,721
Unassigned	476,466
Total fund balances	1,970,914
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,102,588

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2022**

Total Governmental Fund Balances	<u>\$ 1,970,914</u>
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements. However, in the Statement of Net Position, the cost of these items are capitalized and expensed over their estimated lives through annual depreciation expense.</p>	
Cost of capital assets	8,028,822
Less: accumulated depreciation	<u>(3,636,308)</u>
	<u>4,392,514</u>
<p>Pension-related assets/liabilities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Net pension asset - FPPA Statewide Defined Benefit Plan	939,743
Net pension asset - FPPA Volunteer Firefighters' Pension	728,338
	<u>1,668,081</u>
<p>Liabilities, including leases and net pension liabilities are not due in the current period and therefore are not reported in the governmental funds</p>	
Lease payable - due in one year	(30,386)
Lease payable - due in more than one year	(326,345)
Accrued interest payable	(6,668)
Compensated absences	(89,454)
	<u>(452,853)</u>
<p>Pension-related deferred inflows and outflows of resources are not financial resources or uses and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Deferred inflows related to pension - FPPA Statewide Defined Benefit Plan	(770,537)
Deferred inflows related to pension - FPPA Volunteer Firefighters' Pension	(165,010)
Deferred outflows related to pension - FPPA Statewide Defined Benefit Plan	577,512
Deferred outflows related to pension - FPPA Volunteer Firefighters' Pension	28,592
	<u>(329,443)</u>
Net position - governmental activities	<u><u>\$ 7,249,213</u></u>

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2022**

	General
REVENUES	
Property taxes	\$ 3,671,947
Specific ownership taxes	382,245
Charges for services - EMS	186,998
Training Fees	9,100
Deployments	1,040,838
Grants	48,446
Net investment income	1,703
Capital lease proceeds	356,731
Other	13,638
Total revenues	5,711,646
EXPENDITURES	
Governmental activities	
General Finance	265,931
Administrative	47,338
Wages	2,177,843
Benefits	562,714
General Logistics	35,876
Information Technology	47,296
Communications	89,919
Fleet Services	114,552
Facilities	94,546
Personal Protective Equipment	34,869
Operations	96,149
Training	167,746
Wildland Deployment	789,773
Community Risk	11,031
Capital Improvements	1,125,328
Command Section	49,784
Total expenditures	5,710,695
CHANGE IN FUND BALANCES	951
FUND BALANCE - BEGINNING OF YEAR	1,969,963
FUND BALANCE - END OF YEAR	\$ 1,970,914

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

A reconciliation reflecting the differences between the governmental fund net change in fund balances and change in net position reported for governmental activities in the Statement of Activities is as follows:

Net change in fund balance - Total governmental fund	<u>\$ 951</u>
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization	(333,881)
Capital outlay	<u>1,116,124</u>
	<u>782,243</u>
Long-term debt (e.g. bonds, capital leases, compensated absences) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of differences in the treatment of long-term debt and related items.	
Capital lease proceeds	(356,731)
Change in compensated absences	<u>6,927</u>
	<u>(349,804)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in accrued interest on long-term obligations	(6,668)
Pension income - FPPA Statewide Defined Benefit Plan	297,256
Pension income - FPPA Volunteer Firefighters' Pension	<u>95,831</u>
	<u>386,419</u>
Change in net position - Governmental activities	<u><u>\$ 819,809</u></u>

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

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
Year Ended December 31, 2022

	Original and Final Budget	Actuals	Variance with Final Budget Positive (Negative)
REVENUE			
Property taxes	\$ 3,731,374	\$ 3,671,947	\$ (59,427)
Specific ownership taxes	250,000	382,245	132,245
Charges for services - EMS	185,000	186,998	1,998
Training fees	-	9,100	9,100
Deployments	376,105	1,040,838	664,733
Grants and donations	500	48,446	47,946
Net investment income	500	1,703	1,203
Capital lease proceeds	-	356,731	356,731
Other	500	13,638	13,138
TOTAL REVENUE	4,543,979	5,711,646	1,167,667
EXPENDITURES			
Governmental activities:			
General Finance	292,328	265,931	26,397
Administrative	51,183	47,338	3,845
Wages	2,350,236	2,177,843	172,393
Benefits	568,288	562,714	5,574
General Logistics	39,559	35,876	3,683
Information Technology	37,812	47,296	(9,484)
Communications	99,522	89,919	9,603
Fleet Services	103,040	114,552	(11,512)
Facilities	95,821	94,546	1,275
Personal Protective Equipment	51,462	34,869	16,593
Operations	127,693	96,149	31,544
Training	157,865	167,746	(9,881)
Wildland Deployment	376,103	789,773	(413,670)
Community Risk	5,975	11,031	(5,056)
Capital Improvements	1,408,399	1,125,328	283,071
Command Section	93,762	49,784	43,978
Total expenditures	5,859,048	5,710,695	148,353
CHANGE IN FUND BALANCE	(1,315,069)	951	1,316,020
FUND BALANCE - BEGINNING OF YEAR	1,315,069	1,969,963	654,894
FUND BALANCE - END OF YEAR	\$ -	\$ 1,970,914	\$ 1,970,914

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Black Forest Fire Rescue/Protection District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado. The District was established to provide fire suppression, fire protection and education, rescue, hazardous materials, emergency medical, and ambulance services (collectively, "Emergency Services") to the citizens within its jurisdiction and to individuals passing through its jurisdiction.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental fund:

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

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds a public hearing in the fall each year to obtain taxpayer comments regarding the proposed budget for the ensuing year. Prior to December 15, the District's Board of Directors approves the budget and appropriates the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can subsequently modify budgeted line item amounts so long as such modifications do not affect the total appropriation of expenditures within the fund. However, any modifications that affect the total appropriation of expenditures within a fund can only be made upon notice to the public and holding of a new public hearing. The budget includes each fund on its basis of accounting unless otherwise indicated.

Property Taxes

Property taxes are levied by the District's Board of Directors. The estimated revenue to be collected is based on the District's mill levy multiplied by the total assessed valuations determined by the County Assessor generally as of January 1 of each year. The District's Board of Directors certifies the mill levy by December 15 to the Board of County Commissioners and the property taxes attach as an enforceable lien on property as of January 1 of that year.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remit the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include land, buildings and improvements, equipment and vehicles are reported in the governmental activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings and improvements	15-40 years
Vehicles and equipment	5-10 years
Office equipment	3-5 years

Compensated Absences

Compensated absences are recorded as current salary when paid. It is the District's policy that employees may carry over once the yearly vacation accrual amount plus the current year amount. Unused vacation is paid out at time of termination and therefore a liability has been recorded in the government-wide financial statements.

Emergency Response Charges

The District provides emergency medical services within the District's boundaries and service area. Emergency response related receivables are shown net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical collection trends.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Deferred Outflows/Inflows of Resources

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

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

Fund Balances – Governmental Funds

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

NOTE 3 - CASH DEPOSITS

Cash deposits as of December 31, 2022 consist of the following:

Cash deposits - Unrestricted	<u>\$ 1,468,493</u>
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Cash Deposits

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

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

At December 31, 2022, the District's cash deposits had a bank balance of \$1,499,311 and a carrying balance of \$1,468,493.

Investments

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, 2022, the District had no investments.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	<u>Balance at January 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2022</u>
Capital assets, not being depreciated				
Land	\$ 62,958	\$ -	\$ -	\$ 62,958
	<u>62,958</u>	<u>-</u>	<u>-</u>	<u>62,958</u>
Capital assets, being depreciated:				
Buildings and improvements	4,528,707	108,008	-	4,636,715
Vehicles and equipment	2,510,354	376,375	214,064	2,672,665
Vehicles - leased	-	631,741	-	631,741
Office equipment	24,743	-	-	24,743
	<u>7,063,804</u>	<u>1,116,124</u>	<u>214,064</u>	<u>7,965,864</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings and improvements	(1,928,451)	(126,125)	-	(2,054,576)
Vehicles and equipment	(1,570,697)	(184,990)	(214,064)	(1,541,623)
Vehicles - leased	-	(21,058)	-	(21,058)
Office equipment	(17,343)	(1,708)	-	(19,051)
	<u>(3,516,491)</u>	<u>(333,881)</u>	<u>(214,064)</u>	<u>(3,636,308)</u>
Total accumulated depreciation				
Total capital assets, being depreciated	<u>3,547,313</u>	<u>782,243</u>	<u>-</u>	<u>4,329,556</u>
Capital assets, net	<u>\$ 3,610,271</u>	<u>\$ 782,243</u>	<u>\$ -</u>	<u>\$ 4,392,514</u>

Depreciation expense has been reported in the Public Safety – Fire/EMS function on the Statement of Activities.

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2022:

	<u>Balance at January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2022</u>	<u>Due Within One Year</u>
Lease - FNB	\$ -	\$ 356,731	\$ -	\$ 356,731	\$ 30,386
Compensated absences	96,381	164,319	171,246	89,454	89,454
	<u>\$ 96,381</u>	<u>\$ 521,050</u>	<u>\$ 171,246</u>	<u>\$ 446,185</u>	<u>\$ 119,840</u>

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

\$356,731 Lease

On July 13, 2022, the District entered into a \$356,731 Lease Purchase Agreement with First National Bank of Las Animas (Lessor) to finance the purchase of a 2022 Pierce Enforcer Pumper Fire Truck (Lease Agreement). The Lease Agreement commencement date is July 13, 2022 with a final expiration date of July 15, 2032. Interest on the lease is 3.990% per annum with annual payments of \$43,878.54 due on July 15th of each year beginning July 15, 2023. The District has the option, on any payment date, to purchase the equipment that is subject to this Lease Agreement upon payment of the Option Purchase Price. The Option Purchase Price varies based on the payment date the District chooses to exercise the purchase option.

An Event of Default will be considered to have occurred if 1) failure by the District to pay any annual rental payment; or 2) failure by the District to comply with any covenant, condition or agreement for a period of 30 days after written notice; or 3) any representation made by the District is untrue as of the date of the Lease Agreement; or 4) any breach by the District of its warranties or; 5) the District attempts to or does assign, transfer, or otherwise dispose or abandons the equipment or any part of the equipment or; 6) the District becomes insolvent, or admits in writing its inability to pay its debts as they mature or; 7) a trustee or receiver is appointed for lessee or a substantial part of its property, or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under and bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Lessee. In the Event of Default, the Lessor may, at it's option, take one or any combination of the following remedial steps: 1) accelerate the periodic rental payment schedule and demand immediate payment in full of all amounts due under this Lease Agreement, 2) enforce the Lease Agreement by appropriate action to collect amounts due or to become due, 3) five days following written notice, take possession of the property without court order or any process of law, 4) terminate the Lease Agreement take possession of the equipment and relet it; 3) terminate the Lease Agreement and repossess the equipment; 4) sell the equipment at a public or private sale; 5) pursue and exercise any other remedy available at law or in equity.

The detail of the District's long-term obligations is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,386	\$ 13,493	\$ 43,879
2024	30,822	13,057	43,879
2025	32,087	11,791	43,878
2026	33,367	10,511	43,878
2027	34,699	9,180	43,879
2028	36,062	7,817	43,879
2029	37,522	6,356	43,878
2030	39,019	4,859	43,878
2031	40,576	3,302	43,878
2032	42,191	1,688	43,879
	<u>\$ 356,731</u>	<u>\$ 82,054</u>	<u>\$ 438,785</u>

At December 31, 2022, the District had no authorized but unissued debt.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 - FUND EQUITY

At December 31, 2022, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$25,134 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$136,896 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

Committed Fund Balance

The committed fund balance in the General Fund of \$235,697 represents the amount committed for District's emergencies in addition to the District's TABOR reserves.

The committed fund balance in the General Fund of \$550,000 represents the amount assigned by the Board for operating reserves.

Assigned Fund Balance

The assigned fund balance in the General Fund of \$546,721 is assigned for capital improvements.

NOTE 7 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, net investment in capital assets was \$4,035,783.

Restricted net position includes items that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$136,896 as of December 31, 2022 as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

The District continues to carry commercial insurance coverage for other risks of loss including liability, property and public officials' coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the SWDBP

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

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

The following types of retirement are available under the SWDBP:

- Normal: 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Early: 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.
- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

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

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

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

Contributions. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statutes or election of the membership.

Employer contribution rates were 8.5% and 9.0% in 2021 and 2022, respectively, of the employee's base salary. Employer contribution rates are to increase 0.5% annually beginning through 2030 to a total of 13.0% of pensionable earnings. Member contribution rates can be amended by statute or by election of the membership. In 2021 and 2022, eligible members were required to contribute 11.5% and 12%, respectively, of their FPPA base salary. As approved by the 2014 Member Contributions Election, the plan member contribution rate will increase by 0.5% of covered salary each year through 2022, to a total of 12.0%. Contributions to the SWDBP from the District were \$174,400 for the year ended December 31, 2022.

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

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

As of December 31, 2022, the District reported a net pension asset of \$939,743 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The District's proportion of the net pension asset was based on District contributions to the SWDBP for the calendar year 2021 relative to the total contributions of participating employers to the SWDBP.

As of December 31, 2022, the District's proportion was 0.1734055 percent, which was an increase of 0.0058381 percent from its proportion as of December 31, 2021.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

For the year ended December 31, 2022, the District recognized pension income of \$297,256. As of December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 269,098	\$ 21,917
Net difference between projected and actual earnings on pension plan investments	-	628,929
Changes in assumptions or other inputs	134,014	-
Change in proportion and differences between contributions recognized and proportionate share of contributions	-	119,691
Contributions subsequent to the measurement date	174,400	-
Total	\$ 577,512	\$ 770,537

The \$174,400 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending 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 Ending December 31</u>		
2023	\$	(102,028)
2024		(167,084)
2025		(101,736)
2026		(41,288)
2027		38,680
2028		16,127
2029		(7,481)
2030		(2,609)
2031		(6)
	\$	(367,425)

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	<u>Actuarial Determined Contributions</u>
Actuarial Method	
Amortization Method	Entry Age Normal
Amortization Period	Level % of Payroll, Open
Asset Valuation Method	30 years
Long-term Investment Rate of Return *	5-Year Smoothed Fair Value
Projected Salary Increases	7.0%
Cost of Living Adjustments (COLA)	4.25%-11.25%
* Includes Inflation at	0.0%
	2.5%

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.0 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 established the contractually required rates under Colorado Statutes. Based on those assumptions, the SWDBP's fiduciary net position was projected to be available to make all 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.

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

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

Sensitivity of the District’s proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	6.00%	7.00%	8.00%
Proportionate share of the net pension (asset)/liability	<u>\$ (129,596)</u>	<u>\$ (939,743)</u>	<u>\$ (1,610,904)</u>

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

Subsequent event

Statewide Retirement Plan

During 2022, the House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and the Statewide Hybrid Plan to form the Statewide Retirement Plan, effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study

During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of this study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

NOTE 10 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees.

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Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1998 pursuant to Colorado Revised Statutes. FPPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.2% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.2% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 3.2% contribution on behalf of the members. For the year ending December 31, 2022, the District's contributions to the SWD&DP were \$59,097, equal to the required contributions for the year.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

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

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

NOTE 12 – VOLUNTEER FIGHTERS' PENSION FUND - FPPA ADMINISTERED

Volunteer Firefighters' Pension Plan

General Information about the Volunteer Firefighters' Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters' Pension Plan (VFPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the VFPP have been determined using the

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
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DECEMBER 31, 2022**

economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighters' Pension Plan Board of Trustees is comprised of the five Directors of the District and two District volunteer, retired volunteer, or active retiree firefighters. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes.

The Board of Trustees has adopted the following schedule of monthly benefits, which was in effect at December 31, 2022:

Normal Retirement Benefit	\$ 500
Vested Retirement Benefit	
With 10 to 20 years of service, amount	
per year of service per minimum vesting years	\$ 25
Minimum vesting years	10
Disability Retirement Benefit	\$ 500
Survivor benefit	
Death before normal retirement due to death in line of duty	\$ 250
Death after normal retirement	\$ 250
Death after vested retirement with 10 to 20 years	
of service - amount per year of service per minimum	
vesting years	\$ 12.50
Death after disability retirement	\$ 250
Funeral Benefits (lump sum)	\$ 1,000

At December 31, 2022, there are 20 retired volunteers receiving benefits, 0 active volunteers and 1 inactive, nonretired volunteers.

Contributions. The District makes contributions based upon District established benefits; the needs and best interest of the District, the VFPP, and the VFPP beneficiaries; and the funding that would be required in order to maintain the actuarial soundness of the plan, based upon a biennial actuarial study. VFPP members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District contributed \$10,000 for the year ended December 31, 2022, equal to the actuarially calculated contribution.

Net Pension Liability/(Asset)

Actuarial assumptions. The District's net pension asset was based on an actuarial valuation performed as of January 1, 2022 and a measurement date of December 31, 2021. The total

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
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pension asset for the December 31, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Notes to Schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar - open *
Remaining amortization period	20 years *
Asset valuation method	5 - year smoothed fair value
Inflation	2.5%
Projected salary increases	N/A
Investment rate of return	7.5% per annum
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement mortality was based on the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Post-retirement mortality for ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected 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>	

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.0%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Changes in the Net Pension Liability/(Asset)

Changes in the District's net pension asset for the year ended December 31, 2022 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 12/31/21	\$ 826,208	\$ 1,403,121	\$ (576,913)
Changes for the year:			
Interest on the total pension liability	55,036	-	55,036
Benefit payments	(81,324)	(81,324)	-
District contributions	-	10,000	(10,000)
Pension plan net investment income	-	202,667	(202,667)
Administrative expense	-	(6,206)	6,206
Net Changes	<u>(26,288)</u>	<u>125,137</u>	<u>(151,425)</u>
Balances at 12/31/22	<u>\$ 799,920</u>	<u>\$ 1,528,258</u>	<u>\$ (728,338)</u>

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Proportionate share of the net pension (asset)/liability	<u>\$ (659,982)</u>	<u>\$ (728,338)</u>	<u>\$ (787,378)</u>

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

For the year ended December 31, 2022, the District recognized pension income of \$95,831.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investmt. earnings	\$ 18,592	\$ 165,010
Contributions subsequent to the measurement date	10,000	-
Total	\$ 28,592	\$ 165,010

The \$10,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ending 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 Ending December 31</u>	
2023	\$ (35,064)
2024	(53,657)
2025	(36,273)
2026	(21,424)
	\$ (146,418)

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

The District voters approved and authorized the District to collect, retain and spend for fire protection purposes all revenue from tax levies and all other District revenue as a voter approved revenue change and an exception to the limits which otherwise apply. This vote effectively removed the District from some provisions of TABOR.

On November 6, 2018, the District's voters approved the following measure:

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Shall Black Forest Fire-Rescue Protection District taxes be increased \$550,000 in 2019, and by such amount as may be collected annually thereafter by the imposition of an additional mill levy of up to 5.285 mills, for general operating purposes including but not limited to:

1. Maintaining timely emergency services and 911 response times;
2. Attracting and retaining experienced first responders, and mitigating costly turnover rates;
3. Fully staffing Fire Station 2 with an emergency response duty crew and;
4. Funding a long-term apparatus replacement schedule to allow for timely replacement of fire apparatus;

and shall the District's total mill levy of up to 14.5 mills be subject to adjustment annually thereafter to offset revenue losses from refunds, abatements and any change to the percentage of actual valuation used to determine assessed valuation, so that tax revenues collected are not less than what would have been collected had such change not occurred?

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST NINE FISCAL YEARS (1)**

Measurement date December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability/(Asset)	0.1734055%	0.1792436%	0.1327994%	0.1124344%	0.1128982%	0.1258567%	0.1245883%	0.1189800%	0.1304471%
District's Proportionate Share of the Net Pension Liability/(Asset)	\$ (939,743)	\$ (389,138)	\$ (75,106)	\$ 142,148	\$ (162,422)	\$ 45,477	\$ (2,196)	\$ (134,278)	\$ (116,644)
District's Covered Payroll	\$ 1,406,274	\$ 1,384,435	\$ 927,478	\$ 712,619	\$ 625,338	\$ 597,232	\$ 603,966	\$ 535,057	\$ 566,584
Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	-66.83%	-28.11%	-8.10%	19.95%	-25.97%	7.61%	-0.36%	-25.10%	-20.59%
Calculation of Collective Net Pension Liability/(Asset):									
Total Pension Liability	\$ 3,352,605,624	\$ 3,230,485,701	\$ 2,919,378,738	\$ 2,653,120,261	\$ 2,269,410,684	\$ 2,021,526,883	\$ 1,846,961,999	\$ 1,652,901,084	\$ 1,533,631,141
Plan Fiduciary Net Position	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,965,393,043	1,848,724,853	1,765,758,630	1,623,049,809
Net Pension Liability/(Asset)	<u>\$ (541,933,763)</u>	<u>\$ (217,100,397)</u>	<u>\$ (56,556,341)</u>	<u>\$ (126,427,453)</u>	<u>\$ (143,865,763)</u>	<u>\$ (36,133,840)</u>	<u>\$ (1,762,854)</u>	<u>\$ (112,857,946)</u>	<u>\$ (89,418,668)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	116.16%	106.72%	101.94%	95.23%	106.34%	98.21%	100.10%	106.83%	105.83%

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

NOTE: Information for 2012 was not available to report.

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 174,400	\$ 118,656	\$ 110,754	\$ 74,198	\$ 56,222	\$ 49,018	\$ 47,778	\$ 48,317	\$ 42,804	\$ 45,327
Contributions in Relation to the Contractually Required Contribution	(174,400)	(118,656)	(110,754)	(74,198)	(56,222)	(49,018)	(47,778)	(48,317)	(42,804)	(45,327)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,990,811	\$ 1,406,274	\$ 1,384,435	\$ 927,478	\$ 712,619	\$ 625,338	\$ 597,232	\$ 603,966	\$ 535,057	\$ 566,584
Contributions as a Percentage of Covered Payroll	8.76%	8.44%	8.00%	8.00%	7.89%	7.84%	8.00%	8.00%	8.00%	8.00%

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
Measurement period ending December 31,								
Total Pension Liability								
Service cost	\$ -	\$ 2,722	\$ 2,722	\$ 4,525	\$ 4,525	\$ 7,390	\$ 7,390	\$ 13,805
Interest on the total pension liability	55,036	59,167	60,479	63,520	64,478	62,929	63,626	61,820
Difference between expected and actual experience	-	(38,432)	-	517	-	8,307	-	27,418
Changes in assumptions or other inputs	-	-	-	32,202	-	24,369	-	-
Benefit payments	(81,324)	(80,928)	(82,928)	(82,653)	(80,928)	(80,928)	(79,716)	(72,060)
Net Change in Total Pension Liability	<u>(26,288)</u>	<u>(57,471)</u>	<u>(19,727)</u>	<u>18,111</u>	<u>(11,925)</u>	<u>22,067</u>	<u>(8,700)</u>	<u>30,983</u>
Total Pension Liability - Beginning	<u>826,208</u>	<u>883,679</u>	<u>903,406</u>	<u>885,295</u>	<u>897,220</u>	<u>875,153</u>	<u>883,853</u>	<u>852,870</u>
Total Pension Liability - Ending (a)	<u>\$ 799,920</u>	<u>\$ 826,208</u>	<u>\$ 883,679</u>	<u>\$ 903,406</u>	<u>\$ 885,295</u>	<u>\$ 897,220</u>	<u>\$ 875,153</u>	<u>\$ 883,853</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000
Pension plan net investment income	202,667	163,738	169,680	549	168,334	61,483	22,081	80,085
Benefit payments	(81,324)	(80,928)	(82,928)	(82,653)	(80,928)	(80,928)	(79,716)	(72,060)
Administrative expense	(6,206)	(15,026)	(5,974)	(5,808)	(5,712)	(2,113)	(2,866)	(2,214)
State of Colorado supplemental discretionary payment	-	9,000	9,000	18,000	-	9,000	9,000	9,000
Net Change in Plan Fiduciary Net Position	<u>125,137</u>	<u>86,784</u>	<u>99,778</u>	<u>(59,912)</u>	<u>91,694</u>	<u>(2,558)</u>	<u>(31,501)</u>	<u>24,811</u>
Plan Fiduciary Net Position - Beginning	<u>1,403,121</u>	<u>1,316,337</u>	<u>1,216,559</u>	<u>1,276,471</u>	<u>1,184,777</u>	<u>1,187,335</u>	<u>1,218,836</u>	<u>1,204,025</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,528,258</u>	<u>\$ 1,403,121</u>	<u>\$ 1,316,337</u>	<u>\$ 1,216,559</u>	<u>\$ 1,276,471</u>	<u>\$ 1,184,777</u>	<u>\$ 1,187,335</u>	<u>\$ 1,228,836</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ (728,338)</u>	<u>\$ (576,913)</u>	<u>\$ (432,658)</u>	<u>\$ (313,153)</u>	<u>\$ (391,176)</u>	<u>\$ (287,557)</u>	<u>\$ (312,182)</u>	<u>\$ (344,983)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	191.05%	169.83%	148.96%	134.66%	144.19%	132.05%	135.67%	139.03%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST EIGHT FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 10,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 28,000	\$ 10,000	\$ 19,000	\$ 29,000
Contributions in relation to the actuarially required contribution:								
District contribution	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(20,000)
State of Colorado contribution	-	(9,000)	(9,000)	(18,000)	-	(9,000)	(9,000)	(9,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (9,000)	\$ 18,000	\$ (9,000)	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age Normal
- Amortization method: Level dollar - open *
- Remaining amortization period: 20 years *
- Asset valuation method: 5 - year smoothed fair value
- Inflation: 2.5%
- Projected salary increases: N/A
- Investment rate of return: 7.0%
- 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.

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF THE NET PENSION LIABILITY/(ASSET)
FPPA - VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST EIGHT FISCAL YEARS (1)**

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 799,920	\$ 883,679	\$ 903,406	\$ 885,295	\$ 897,220	\$ 875,153	\$ 883,853
Plan Fiduciary Net Position	1,528,258	1,316,337	1,216,559	1,276,471	1,184,777	1,187,335	1,218,836
Net Pension (Asset) Liability	<u>\$ (728,338)</u>	<u>\$ (432,658)</u>	<u>\$ (313,153)</u>	<u>\$ (391,176)</u>	<u>\$ (287,557)</u>	<u>\$ (312,182)</u>	<u>\$ (334,983)</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	191.05%	148.96%	134.66%	144.19%	132.05%	135.67%	137.90%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

SUPPLEMENTARY INFORMATION

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL
GENERAL FUND
Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Finance			
County treasurer fees	\$ 55,143	\$ 55,125	\$ 18
Election	18,000	137	17,863
Contributions to Volunteer Pension Plan	10,000	10,000	-
Audit	10,000	9,500	500
Ambulance billing fees	11,100	19,245	(8,145)
Accounting	28,320	28,869	(549)
General liability insurance	74,057	72,697	1,360
Worker's compensation	84,968	67,006	17,962
Bank fees	500	136	364
Payroll service	-	2,823	(2,823)
Postage/shipping	240	393	(153)
Total General Finance	<u>292,328</u>	<u>265,931</u>	<u>26,397</u>
Administrative			
Office supplies	4,668	3,402	1,266
Office equipment	3,700	3,622	78
New Hire exams	12,000	5,069	6,931
Medical exams and background verification	10,600	807	9,793
Morale and Welfare	10,800	8,471	2,329
Administrative software and programs	8,415	25,967	(17,552)
General expenses	1,000	-	1,000
Total Administrative	<u>51,183</u>	<u>47,338</u>	<u>3,845</u>
Wages			
Regular	2,223,772	2,046,954	176,818
Department over-time	75,130	59,606	15,524
Reserves stipend	18,000	5,600	12,400
Payroll taxes	33,334	65,683	(32,349)
Total Wages	<u>2,350,236</u>	<u>2,177,843</u>	<u>172,393</u>
Benefits			
FPPA - Pension benefits	200,139	179,815	20,324
Health insurance	307,944	313,158	(5,214)
FPPA - death and disability	60,205	69,741	(9,536)
Total Benefits	<u>568,288</u>	<u>562,714</u>	<u>5,574</u>
General Logistics			
Equipment repairs and maintenance	8,485	1,184	7,301
Biohazard waste contract	1,140	1,038	102
Uniforms	21,550	22,786	(1,236)
Physical fitness supplies	-	199	(199)
Physical fitness equipment	7,500	7,755	(255)
General dues and subscriptions	884	2,914	(2,030)
Total General Logistics	<u>39,559</u>	<u>35,876</u>	<u>3,683</u>
Information Technology			
Supplies	100	285	(185)
Equipment	10,562	4,147	6,415
Administrative	27,150	42,864	(15,714)
Total Information Technology	<u>37,812</u>	<u>47,296</u>	<u>(9,484)</u>
Communications			
Supplies	1,150	181	969
Equipment	59,850	42,178	17,672
Equipment repairs and maintenance	6,846	12,038	(5,192)
Telephone	6,500	5,477	1,023
Cellular devices	15,624	13,386	2,238
Pager service	66	189	(123)
Pikes Peak Radio Communication Network	9,486	15,610	(6,124)
Radio license fee	-	155	(155)
Station alerting	-	705	(705)
Total Communications	<u>99,522</u>	<u>89,919</u>	<u>9,603</u>

(Continued)

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL
GENERAL FUND
Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)			
Fleet Services			
Fuel and gasoline	42,600	48,808	(6,208)
Fire - repairs and maintenance	33,540	50,662	(17,122)
EMS - repairs and maintenance	9,600	8,673	927
Command - repairs and maintenance	15,800	4,850	10,950
Utility vehicles/machines - gas and oil	-	31	(31)
Utility vehicles/machines - repairs and maint.	1,500	1,528	(28)
	<u>103,040</u>	<u>114,552</u>	<u>(11,512)</u>
Facilities			
Station 1 - supplies	3,600	5,026	(1,426)
Station 1 - equipment	9,850	6,074	3,776
Station 1 - repairs and maintenance	4,329	12,017	(7,688)
Station 1 - trash	780	1,238	(458)
Station 1 - gas	8,820	9,813	(993)
Station 1 - electric	12,181	10,228	1,953
Station 1 - water	2,739	2,433	306
Station 1 - alarm	480	960	(480)
Station 1 - improvements	14,900	10,512	4,388
Station 2 - supplies	1,509	1,361	148
Station 2 - equipment	2,619	169	2,450
Station 2 - repairs and maintenance	2,184	4,461	(2,277)
Station 2 - trash	384	102	282
Station 2 - gas	3,622	4,120	(498)
Station 2 - electric	5,400	4,462	938
Station 2 - alarm	480	480	-
Station 2 - improvements	3,500	19,145	(15,645)
Training Center - utilities	828	621	207
Training Center - improvements	17,000	844	16,156
Radio Tower - annual lease	100	100	-
Radio Tower - electric	516	354	162
Communications Center - Equipment	-	26	(26)
	<u>95,821</u>	<u>94,546</u>	<u>1,275</u>
Personal Protective Equipment			
Structural	45,362	25,719	19,643
Medical	700	440	260
Wildland	5,400	7,890	(2,490)
Rescue	-	584	(584)
Hazardous materials	-	236	(236)
	<u>51,462</u>	<u>34,869</u>	<u>16,593</u>
Operations			
Firefighting supplies	3,100	1,927	1,173
Firefighting equipment	25,352	32,922	(7,570)
Medical supplies	35,888	32,509	3,379
Medical equipment	12,940	17,008	(4,068)
Wildland Intermix supplies	-	970	(970)
Wildland Intermix equipment	1,250	-	1,250
Rescue supplies	500	21	479
Rescue equipment	35,224	10,416	24,808
Hazardous materials supplies	408	376	32
Hazardous material equipment	5,032	-	5,032
Command and control supplies	299	-	299
Command and control equipment	7,700	-	7,700
	<u>127,693</u>	<u>96,149</u>	<u>31,544</u>
(Continued)			

BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL
GENERAL FUND
Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actuals</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)			
Training			
Supplies	5,000	10,731	(5,731)
Equipment	180	2,669	(2,489)
Tuition	104,835	117,616	(12,781)
Travel	47,850	28,883	18,967
Administrative	-	7,847	(7,847)
	<u>157,865</u>	<u>167,746</u>	<u>(9,881)</u>
Wildland Deployment			
Supplies	676	403	273
Equipment	13,500	16,383	(2,883)
Repairs and maintenance	5,999	13,339	(7,340)
Travel	54,266	129,622	(75,356)
Base Wages	178,361	218,160	(39,799)
Overtime Wages	123,301	405,449	(282,148)
Payroll taxes	-	6,417	(6,417)
	<u>376,103</u>	<u>789,773</u>	<u>(413,670)</u>
Community Risk			
Prevention materials and education	3,675	2,273	1,402
Investigations and inspections	2,300	8,758	(6,458)
	<u>5,975</u>	<u>11,031</u>	<u>(5,056)</u>
Capital Improvements			
Vehicles and equipment	1,408,399	1,116,113	292,286
Non-capitalizable items	-	9,215	(9,215)
	<u>1,408,399</u>	<u>1,125,328</u>	<u>283,071</u>
Command Section			
Public affairs	32,000	35,529	(3,529)
Liason affairs	1,420	3,316	(1,896)
Executive development	22,842	-	22,842
Research and development	12,500	958	11,542
Legal affairs	25,000	9,981	15,019
	<u>93,762</u>	<u>49,784</u>	<u>43,978</u>
Total expenditures	<u>\$ 5,859,048</u>	<u>\$ 5,710,695</u>	<u>\$ 148,353</u>

OTHER INFORMATION

**BLACK FOREST FIRE/RESCUE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2022**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property (Operations)</u>	<u>Prior Year Assessed Valuation for Current Year Property (Debt Service)</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
			<u>Operations</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2016	\$ 141,458,340	\$ 191,297,090	9.215	1.022	\$ 1,499,044	\$ 1,495,290	99.75%
2017	\$ 149,221,020	\$ 204,077,900	9.215	0.963	\$ 1,571,597	\$ 1,571,733	100.01%
2018	\$ 160,320,010	\$ 224,897,000	9.215	0.899	\$ 1,679,534	\$ 1,677,265	99.86%
2019	\$ 166,547,860	\$ 241,080,680	9.215	0.837	\$ 1,736,524	\$ 1,732,906	99.79%
2020	\$ 205,146,960	\$ 298,737,510	11.896	0.653	\$ 2,635,504	\$ 2,630,629	99.82%
2021	\$ 213,392,180	\$ 318,093,890	14.500	0.639	\$ 3,297,449	\$ 3,272,193	99.23%
2022	\$ 253,533,170	\$ 388,418,790	14.500	0.000	\$ 3,676,231	\$ 3,671,947	99.88%
Estimated for year ending December 31, 2023	\$ 249,391,320	\$ 401,055,270	14.951	0.000	\$ 3,728,650		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurers' does not permit identification of specific year of assessment.