



FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

 303-734-4800

 303-795-3356

 www.HaynieCPAs.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Front Range Fire Rescue Fire Protection District
Johnstown, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund of Front Range Fire Rescue Fire Protection District as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund of Front Range Fire Rescue Fire Protection District as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities 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; this includes 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 Front Range Fire Rescue Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Front Range Fire Rescue Fire Protection 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 Front Range Fire Rescue Fire Protection 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.

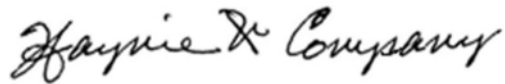
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund – Budgetary Comparison Schedule, Schedule of Contributions and Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Front Range Fire Rescue Fire Protection District's financial statements as a whole. The Individual Fund Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were 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 basic 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, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
July 11, 2023

BASIC FINANCIAL STATEMENTS

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2022

| | GOVERNMENTAL ACTIVITIES 2022 |
|---|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 9,732,601 |
| Cash Held at County Treasurer | 22,143 |
| Prepaid Expenses | 13,769 |
| Receivables | |
| Property Taxes | 6,725,490 |
| Accounts | 779 |
| Capital Assets, Not Being Depreciated | 402,207 |
| Capital Assets, Depreciated | |
| Net of Accumulated Depreciation | 6,764,457 |
| Pension Asset - SWDB | 1,878,535 |
| | 25,539,981 |
| TOTAL ASSETS | |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Related to Volunteer Pension | 1,477,025 |
| Related to SWDB Pension | 1,072,816 |
| | 2,549,841 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | |
| LIABILITIES | |
| Accounts Payable | 31,875 |
| Accrued Salaries and Benefits | 61,084 |
| Due to Pension Fund | 2,103 |
| Noncurrent Liabilities | |
| Due within One Year | 120,995 |
| Due in More Than One Year | 269,630 |
| Pension Liability - Volunteer Fund | 2,163,856 |
| | 2,649,543 |
| TOTAL LIABILITIES | |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Revenues - Property Taxes | 6,725,490 |
| Related to Volunteer Pension | 577,566 |
| Related to SWDB Pension | 1,440,282 |
| | 8,743,338 |
| DEFERRED INFLOWS OF RESOURCES | |
| NET POSITION | |
| Net Investment in Capital Assets | 6,776,039 |
| Restricted for Emergencies | 159,767 |
| Restricted for Capital | 3,423,337 |
| Unrestricted | 6,337,798 |
| | 16,696,941 |
| TOTAL NET POSITION | \$ 16,696,941 |

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

| <u>FUNCTIONS/PROGRAMS</u> | Program Revenues | | | NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION |
|--|------------------|-------------------------|--|---|
| PRIMARY GOVERNMENT | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities 2022 |
| Governmental Activities | | | | |
| General Government | \$ 6,431,697 | \$ 391,334 | \$ 53,030 | \$ (5,987,333) |
| Interest on Long-Term Debt | 42,524 | - | - | (42,524) |
| Total Governmental Activities | \$ 6,474,221 | \$ 391,334 | \$ 53,030 | (6,029,857) |
| GENERAL REVENUES | | | | |
| Property Taxes | | | | 6,002,621 |
| Impact Fees | | | | 653,488 |
| Interest | | | | 68,094 |
| Net Realized/Unrealized Gains (Losses) on Investments | | | | (37,221) |
| Gain on Sale of Assets | | | | 163,682 |
| Other | | | | 22,789 |
| | | | | 6,873,453 |
| TOTAL GENERAL REVENUES | | | | 6,873,453 |
| CHANGE IN NET POSITION | | | | 843,596 |
| NET POSITION, Beginning | | | | 14,550,985 |
| NET POSITION, Ending | | | | \$ 15,394,581 |

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

INDIVIDUAL FUND SCHEDULES

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

| | GENERAL FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | IMPACT FEE FUND | Total |
|--|----------------------|-----------------------------|-------------------------|-----------------------|----------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 5,378,710 | \$ 3,326,585 | \$ - | \$ 1,027,306 | \$ 9,732,601 |
| Cash Held at County Treasurer | 22,143 | - | - | - | 22,143 |
| Property Taxes Receivable | 5,544,740 | 1,180,750 | - | - | 6,725,490 |
| Prepaid Expenses | 13,769 | - | - | - | 13,769 |
| Due From Other Funds | - | 126,150 | - | - | 126,150 |
| Accounts Receivable | 779 | - | - | - | 779 |
| TOTAL ASSETS | \$ 10,960,141 | \$ 4,633,485 | \$ - | \$ 1,027,306 | \$ 16,620,932 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 2,477 | \$ 29,398 | \$ - | \$ - | \$ 31,875 |
| Accrued Expenses | 61,084 | - | - | - | 61,084 |
| Due To Other Funds | 128,253 | - | - | - | 128,253 |
| TOTAL LIABILITIES | 191,814 | 29,398 | - | - | 221,212 |
| DEFERRED INFLOWS | | | | | |
| Deferred Revenues - Property Taxes | 5,544,740 | 1,180,750 | - | - | 6,725,490 |
| TOTAL LIABILITIES AND DEFERRED INFLOWS | 5,736,554 | 1,210,148 | - | - | 6,946,702 |
| FUND BALANCES | | | | | |
| Fund Balances | | | | | |
| Nonspendable | 13,769 | - | - | - | 13,769 |
| Restricted for Emergencies | 159,767 | - | - | - | 159,767 |
| Restricted for Capital Projects | - | 3,423,337 | - | - | 3,423,337 |
| Restricted for Debt Service | - | - | - | - | - |
| Assigned for Capital Projects | - | - | - | 1,027,306 | 1,027,306 |
| Unassigned | 5,050,051 | - | - | - | 5,050,051 |
| TOTAL FUND BALANCES | 5,223,587 | 3,423,337 | - | 1,027,306 | 9,674,230 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 10,960,141 | \$ 4,633,485 | \$ - | \$ 1,027,306 | \$ 16,620,932 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | | | | | 7,166,664 |
| Pension balances are not available resources and are not included in fund financial statements | | | | | |
| Net pension liability | | | | | (2,163,856) |
| Net pension asset | | | | | 1,878,535 |
| Deferred outflows related to pension | | | | | 2,549,841 |
| Deferred inflows related to pension | | | | | (2,017,848) |
| Long-term liabilities such as bonds payable and deferred loss on refunding, are not due and payable in the current period and are not reported in the funds. | | | | | |
| Bonds Payable | | | | | (346,203) |
| Accrued compensated absences | | | | | (44,422) |
| Net position of governmental activities | | | | | <u>\$ 16,696,941</u> |

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

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

| | GENERAL FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | IMPACT FEE FUND | Total |
|---|-----------------|-----------------------------|-------------------------|-----------------------|--------------|
| REVENUES | | | | | |
| Taxes | \$ 4,850,419 | \$ 979,079 | \$ 173,123 | \$ - | \$ 6,002,621 |
| Charges for Services | 391,334 | - | - | - | 391,334 |
| Impact Fees | - | - | - | 653,488 | 653,488 |
| Intergovernmental | 53,030 | - | - | - | 53,030 |
| Interest Income (Loss) | 37,134 | 28,230 | 59 | 2,671 | 68,094 |
| Investment Income (Loss) | (37,221) | - | - | - | (37,221) |
| Miscellaneous | 22,586 | - | - | - | 22,586 |
| TOTAL REVENUES | 5,317,282 | 1,007,309 | 173,182 | 656,159 | 7,153,932 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Contractual and Professional Service | 306,825 | - | - | - | 306,825 |
| Personnel | 4,334,093 | - | - | - | 4,334,093 |
| Equipment Maintenance | 137,049 | 155,488 | - | - | 292,537 |
| Materials & Supplies | 283,821 | - | - | - | 283,821 |
| Divisions | 159,441 | - | - | - | 159,441 |
| Treasurer's Fees | 69,340 | 14,414 | 2,598 | - | 86,352 |
| Contributions to Pension Funds | 35,000 | - | - | - | 35,000 |
| Capital Outlay | - | 626,557 | - | - | 626,557 |
| Debt Service | | | | | |
| Principal | - | - | 371,819 | - | 371,819 |
| Interest | - | - | 17,884 | - | 17,884 |
| TOTAL EXPENDITURES | 5,325,569 | 796,459 | 392,301 | - | 6,514,329 |
| EXCESS OF REVENUES OVER EXPENDITURES | (8,287) | 210,850 | (219,119) | 656,159 | 639,603 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | 195,000 | 238,476 | - | - | 433,476 |
| Unrealized gain on investment | 203 | - | - | - | 203 |
| Transfers | - | (519,652) | 148,505 | 371,147 | - |
| TOTAL FINANCING SOURCES (USES) | 195,203 | (281,176) | 148,505 | 371,147 | 433,679 |
| NET CHANGE IN FUND BALANCES | 186,916 | (70,326) | (70,614) | 1,027,306 | 1,073,282 |
| FUND BALANCES, Beginning | 5,036,671 | 3,493,663 | 70,614 | - | 8,600,948 |
| FUND BALANCES, Ending | \$ 5,223,587 | \$ 3,423,337 | \$ - | \$ 1,027,306 | \$ 9,674,230 |

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

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

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

| | |
|---|--------------|
| Net Changes in Fund Balances - Total Governmental Funds | \$ 1,073,282 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation</p> | |
| Depreciation expense | (454,461) |
| Capital Asset Additions | 626,457 |
| <p>Change in compensated absences is not reported in the fund statements, however, the change is reported in the Statement of Activities</p> | |
| | (6,380) |
| <p>Changes in pension liability/(asset) and deferred inflows and outflows do not use current financial resources and are excluded from the funds</p> | |
| Changes in liability/(asset), deferred outflows and deferred inflows - Volunteer plan | (242,767) |
| Changes in liability/(asset), deferred outflows and deferred inflows - SWDB plan | (496,920) |
| Current year contributions reflected as deferred outflows | 267,000 |
| <p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position</p> | |
| Principal payments | 371,819 |
| <p>Amortization of debt-related balances does not use current financial resources and is excluded from the funds</p> | |
| Amortization of Premium | (7,516) |
| Amortization of Deferred Loss on Refunding | (17,124) |
| <p>In the governmental fund financial statements, the proceeds from the sale of assets are shown as an increase in financial resources. In the government-wide financial statements, the gain or loss is calculated and reported.</p> | |
| | (269,794) |
| Change in Net Position of Governmental Activities | \$ 843,596 |

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

As of December 31, 2022

| | <u>VOLUNTEER PENSION TRUST</u> |
|------------------------------------|------------------------------------|
| ASSETS | |
| Cash and Investments | \$ 2,823,394 |
| Property Taxes Receivable | 148,512 |
| Due from General Fund | <u>2,103</u> |
| TOTAL ASSETS | <u><u>\$ 2,974,009</u></u> |
| LIABILITIES | |
| Accrued Expenses | 169 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Revenues - Property Taxes | <u>147,594</u> |
| NET POSITION | |
| Reserved for Pension Benefits | <u><u>\$ 2,826,246</u></u> |

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

Year Ended December 31, 2022

| | <u>VOLUNTEER PENSION TRUST</u> |
|--------------------------------|------------------------------------|
| ADDITIONS | |
| Property Taxes | \$ 118,918 |
| District Contributions | 37,000 |
| State Contributions | 95,556 |
| Interest and Dividend Income | 52,780 |
| Realized Gain on Investments | 104,317 |
| TOTAL ADDITIONS | <u>408,571</u> |
| DEDUCTIONS | |
| Pension Payments | 373,620 |
| Audit fees | 8,800 |
| Actuarial Studies | 9,000 |
| Treasurer's Fees | 1,802 |
| Management Fees | 27,217 |
| Unrealized Loss on Investments | 625,219 |
| TOTAL DEDUCTIONS | <u>1,045,658</u> |
| CHANGE IN NET POSITION | (637,087) |
| NET POSITION, Beginning | <u>3,463,333</u> |
| NET POSITION, Ending | <u>\$ 2,826,246</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Front Range Fire Rescue Fire Protection District was formed to provide fire protection and emergency medical services to the towns of Johnstown, Milliken and portions of unincorporated Weld and Larimer counties within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Front Range Fire Rescue Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

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

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

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

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

In the fund financial statements, the District reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for financial resources and related expenditures for the construction and acquisition of major assets and the related debt service activities.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The *Debt Service Fund* accounts for the activities associated with the servicing and payment of the District's General Obligation Bonds.

The *Impact Fee Fund* is a capital projects fund used to account for financial resources to be used for defraying projected impacts on capital facilities caused by new developments.

Additionally, the District reports the following fund types:

The *Pension Trust Fund* is a *Fiduciary Fund* that accounts for the activities of the volunteer fire defined benefit pension plans. Fiduciary Funds are used to report assets held in a trustee capacity for others outside the government. These activities are reported in a separate statement of fiduciary net assets. The District excludes this activity from government-wide financial statements because the District cannot use these assets to finance its operation.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized.

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

| | |
|----------------------------|-------------|
| Buildings and Improvements | 7- 40 years |
| Vehicles and Equipment | 7- 20 years |
| Software | 5-10 years |

Long-Term Obligations

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

The face amount of debt issued is reported as other financing sources. Premiums received on

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

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

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

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

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District also restricts the amounts in the Capital Projects Fund for building projects, and impact fees are restricted for capital facilities needed to serve new development.
- Assigned – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Fund Balance Classification (Continued)

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Budgets and Budgetary Accounting

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

- In September, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Total Volunteer Pension Trust Fund expenditures for the Johnstown Fire Pension fund exceeded the Budget which may be in violation of State statutes. Total District expenditures did not exceed the total Budget.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

NOTE 3: CASH AND INVESTMENTS

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

| | |
|-------------|---------------------|
| Deposits | \$ 7,534,280 |
| Investments | <u>2,198,321</u> |
| Total | <u>\$ 9,732,601</u> |

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

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

| | |
|-------------|---------------------|
| Deposits | \$ 172,637 |
| Investments | <u>2,650,757</u> |
| Total | <u>\$ 2,823,394</u> |

Custodial Credit Risk – Deposits

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

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

At December 31, 2022, the District had deposits with financial institutions with a carrying amount of \$7,762,110. The bank balances with the financial institutions were \$7,766,024. Of these balances, \$250,000 was covered by federal insurance and \$7,516,024 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Fair Value Measurements

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District and the Volunteer Pension Trust categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date; Level 2 inputs are significant other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are significant unobservable inputs for an asset or a liability.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The District investments subject to fair value measurements are as follows:

| Investments Type | Value as of December 31 | | | |
|--|----------------------------|------------|---------|---------|
| | 2022 | Level 1 | Level 2 | Level 3 |
| Debt Securities | | | | |
| U.S. Treasury Obligations | \$ 636,474 | \$ 636,474 | \$ - | \$ - |
| Corporate Bonds | 316,403 | - | 316,403 | - |
| Total Investments Measured at Fair Value | 952,877 | 636,474 | 316,403 | - |
| Reconciliation to the Government-wide Statement of Net Position | | | | |
| Investments not Subject to Fair Value Hierarchy | | | | |
| Government Investment Pool | 796,341 | | | |
| Certificates of Deposit | 449,103 | | | |
| Total Investment Value | \$ 2,198,321 | | | |

The Volunteer Pension Trust investments subject to fair value measurements are as follows:

| Investments Type | Value as of December 31 | | | |
|---|----------------------------|--------------|------------|---------|
| | 2022 | Level 1 | Level 2 | Level 3 |
| Debt Securities | | | | |
| U.S. Treasury Obligations | \$ 103,598 | \$ 103,598 | \$ - | \$ - |
| Corporate Bonds | 319,492 | - | 319,492 | - |
| Equity Securities | | | | |
| Common Stock | 1,512,680 | 1,512,680 | - | - |
| Mutual Funds | 887,624 | 887,624 | - | - |
| Total Investments Measured at Fair Value | \$ 2,823,394 | \$ 2,503,902 | \$ 319,492 | \$ - |
| Total Investment Value | \$ 2,823,394 | | | |

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds are not subject to interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following table categorizes interest rate risk and concentration of credit risk for the District:

| <u>Investment Category</u> | <u>Market Value</u> | <u>Maturity Less Than 1 Year</u> | <u>Maturity 1-10 Years</u> | <u>Concentration of Credit Risk</u> | <u>S&P Rating</u> |
|-----------------------------|---------------------|----------------------------------|----------------------------|-------------------------------------|-----------------------|
| Government Investment Pool | \$ 796,341 | \$ 796,341 | \$ - | 36.22% | N/A |
| Corporate Bonds | 316,403 | 222,939 | 98,570 | 14.39% | A-AAA |
| US Treasury Bonds and Notes | 636,474 | 98,571 | 532,797 | 28.95% | AA+ |
| Certificates of Deposit | 449,103 | 449,103 | - | 20.43% | N/A |
| Total | <u>\$ 2,198,321</u> | <u>\$ 1,566,954</u> | <u>\$ 631,367</u> | <u>100.00%</u> | |

The following table categorizes interest rate risk and concentration of credit risk for the Volunteer Pension Trust:

| <u>Investment Category</u> | <u>Market Value</u> | <u>Maturity Less Than 1 Year</u> | <u>Maturity 1-10 Years</u> | <u>Concentration of Credit Risk</u> | <u>S&P Rating</u> |
|-----------------------------|---------------------|----------------------------------|----------------------------|-------------------------------------|-----------------------|
| Common Stock | 1,512,680 | 1,512,680 | - | 53.58% | N/A |
| US Treasury Bonds and Notes | 103,598 | - | 103,598 | 3.67% | AA+ |
| Corporate Bonds | 319,492 | 24,757 | 294,735 | 11.32% | BBB-AAA |
| Mutual Funds | 887,624 | 887,624 | - | 31.44% | N/A |
| Total | <u>\$ 2,823,394</u> | <u>\$ 2,425,061</u> | <u>\$ 398,333</u> | <u>100.00%</u> | |

Credit Risk

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

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds, equity mutual funds and insurance contracts are not subject to custodial credit risk. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third party institution to act as a custodian for its securities and collateral.

At December 31, 2022, the District had \$796,341 invested in the Colorado Government Liquid Asset Trust (COLOTRUST); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE, of which COLOTRUST PLUS+ is the only portfolio the District is enrolled in.

COLOTRUST PLUS+, which operates similarly to a money market fund and each share is equal in value to \$1.00, offers daily liquidity. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust.

COLOTRUST PLUS+ is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 4: CAPITAL ASSETS

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

| Governmental activities: | Balance at December 31, 2021 | Additions | Disposals/ Retirements | Balance at December 31, 2022 |
|---|---|-------------------|-----------------------------------|---|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 132,152 | \$ - | \$ (132,152) | \$ - |
| Construction in progress | 51,616 | 350,591 | - | 402,207 |
| Total Capital assets, not being depreciated | 183,768 | 350,591 | (132,152) | 402,207 |
| Capital assets, being depreciated: | | | | |
| Buildings and Improvements | 5,419,253 | 55,332 | - | 5,474,585 |
| Vehicles, Machinery and Equipment | 6,287,968 | 220,534 | (403,316) | 6,105,186 |
| Software | 7,906 | - | - | 7,906 |
| Total capital assets being depreciated/amortized | 11,715,127 | 275,866 | (403,316) | 11,587,677 |
| Less accumulated depreciation for: | | | | |
| Buildings and Improvements | 1,584,197 | 139,167 | - | 1,723,364 |
| Vehicles, Machinery and Equipment | 3,042,330 | 315,294 | (265,674) | 3,091,950 |
| Software | 7,906 | - | - | 7,906 |
| Accumulated depreciation | 4,634,433 | 454,461 | (265,674) | 4,823,220 |
| Total Capital Assets, Depreciated, Net | 7,080,694 | (178,595) | (137,642) | 6,764,457 |
| Total Capital Assets, Net | <u>\$ 7,264,462</u> | <u>\$ 171,996</u> | <u>\$ (269,794)</u> | <u>\$ 7,166,664</u> |

Depreciation expense included the amount \$454,461 and was charged to General Government activities of the District.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT

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

| | Balance at December 31, 2021 | | Additions | Reductions | Balance at December 31, 2022 | | Amounts Due Within One Year |
|--------------------------------|------------------------------------|-------------------|---------------------|-------------------|------------------------------------|--|--------------------------------------|
| Governmental activities | | | | | | | |
| Construction note payable | \$ 463,022 | \$ - | \$ (116,819) | \$ 346,203 | \$ 120,995 | | |
| Total notes payable | <u>463,022</u> | <u>-</u> | <u>(116,819)</u> | <u>346,203</u> | <u>120,995</u> | | |
| General obligation bonds | 255,000 | - | (255,000) | - | | | |
| Bond Premium | 7,516 | - | (7,516) | - | | | |
| Total bond obligation | <u>262,516</u> | <u>-</u> | <u>(262,516)</u> | <u>-</u> | | | |
| Compensated absences | 38,042 | 206,617 | (200,237) | 44,422 | | | |
| Total Long-Term Debt | <u>\$ 763,580</u> | <u>\$ 206,617</u> | <u>\$ (579,572)</u> | <u>\$ 390,625</u> | <u>\$ 120,995</u> | | |

Construction Note Payable

On January 22, 2020 the District entered into a \$600,000 construction loan agreement with First National Bank. The District received total proceeds of \$594,994 under the agreement, which were used for improvements to the District's Administration Offices and Fire Station located in Milliken, CO. The loan is secured by a Promissory Note which matures on October 22, 2025 and bears interest at 3.25%.

G.O. Bonds

The Milliken Fire Protection District issued 2012 General Obligation (G.O.) Refunding Bonds, dated August 3, 2012, with principal and interest payments due semi-annually on December 1 and June 1, through 2024. The bonds were issued to refund the Series 2003 Bonds. Interest accrues at rates ranging from 2.0% to 3.0%. Upon the dissolution of the Milliken Fire Protection District the liability of the outstanding G.O. Bonds was absorbed by the District. The District may be subject to legal action if it fails to comply with its obligations stated in the bond document. In 2022, the District paid the bonds in full.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Annual debt service requirements as of December 31, 2022, are as follows:

| Year Ended December 31, | Principal | Interest | Total |
|--|-------------------|------------------|-------------------|
| 2023 | \$ 120,995 | \$ 9,329 | \$ 130,324 |
| 2024 | 124,930 | 5,394 | 130,324 |
| 2025 | 100,278 | 1,386 | 101,664 |
| Total Debt Service Requirements | \$ 346,203 | \$ 16,109 | \$ 362,313 |

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss. Settled claims have not exceeded coverage for the last three years.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. On November 2, 2010, voters within the District approved the collection, retention and expenditure of the full revenues generated by the District in 2010 and subsequent years without limitation.

The District has established an emergency reserve, representing 3% of fiscal year spending as required by the Amendment. At December 31, 2022, the emergency reserve of \$159,767 was recorded in the General Fund.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: PENSION PLANS

Volunteer Firefighters' Pension Plans

Plan Description - The District has established defined benefit pension plans for volunteer firefighters as authorized by State of Colorado statute. The Plans are administered by the District. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. The Plans also provide for burial benefit upon the death of an active or retired firefighter in the amount of \$2,400. Spouses of deceased firefighters who have served a minimum of ten years may receive benefits of 50% of the earned pension. The plans are reported in a pension trust fiduciary fund in the financial statements.

Funding Policy - The Plans receive contributions from the District in an amount not to exceed one half mill of property tax revenue. Contributions are established and may be amended by the District Board. As established by the legislature, the State of Colorado also contributes to the plan. An actuary is used to determine the adequacy of contributions.

The actuarial study as of December 31, 2022, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plans.

As of the date of the report, there were 29 total members of the Johnstown Volunteer Fire Pension Plan. None of the 29 members were active. As of the date of this report, there were 20 members of the Milliken Volunteer Fire Pension Plan. None of the 20 members were active.

Annual Pension Cost - For the year ended December 31, 2022, the District and State contributed \$106,581 and \$32,235, respectively, to the Front Range Fire Rescue Johnstown Fire Pension Plan, which was 100% of the actuarially required contributions. The District and State contributed \$95,162 and \$19,391, respectively, which was 100% of the required contributions for the Milliken Fire Pension Plan. The required contribution was determined as part of the December 31, 2022, actuarial valuation using the entry-age actuarial cost method. Actuarial assumptions included the following:

Interest Rate – 4.50% per annum, compounded annually, net of expenses

Retirement - Age 50, after 20 years of service

Disability - None

Mortality – Modified 1994 Group Annuity Mortality for males

Marital Status - 75% married, with males 3 years older

Based on the current value of the Funds, the Plan's current level of contributions are adequate to support the prospective benefit levels on an actuarially sound basis.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: PENSION PLANS (continued)

Volunteer Firefighters' Pension Plans (Continued)

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

At December 31, 2022 the District reported a pension liability in the amount of \$1,314,457 for the Front Range Fire Rescue Johnstown Volunteer Pension Plan and \$849,399 for the Milliken Fire Rescue Volunteer Pension Plan. The net pension liabilities were measured as of December 31, 2022, and were determined by an actuarial valuation as of December 31, 2022.

For the year ended December 31, 2022 the District recognized pension expense of \$247,753 for the Front Range Fire Rescue Johnstown Pension Plan. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the Johnstown Pension plan from the following sources:

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Johnstown Volunteer Fire Pension Plan

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Change in Assumptions | \$117,000 | \$0 |
| Difference between expected and actual experience. | \$579,313 | \$0 |
| Difference between projected and actual earnings. | \$90,748 | \$468,141 |
| Total | \$787,061 | \$468,141 |

Amounts reported as deferred outflows of resources and deferred inflows of resources relate to pensions will be recognized in pension expense as follows:

| Year ended December 31, | |
|--------------------------------|-------------|
| 2023 | \$ (69,776) |
| 2024 | \$(107,312) |
| 2025 | \$ (48,960) |
| 2026 | \$ (17,372) |
| 2027 | \$ 25,056 |
| Thereafter | \$ 537,284 |

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: PENSION PLANS (continued)

Volunteer Firefighters' Pension Plans (Continued)

the discount rate of 4.50 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 (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

| | 1% Decrease (3.50%) | Current Discount Rate (4.50%) | 1% Increase (5.50%) |
|--|---------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability (asset) | \$ 1,742,587 | \$ 1,314,457 | \$ 961,229 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – Milliken Volunteer Fire Pension Plan

For the year ended December 31, 2022 the District recognized a pension benefit of \$(4,986) for the Milliken Fire Pension Plan. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Change in assumptions. | \$153,362 | \$0 |
| Difference between expected and actual experience. | \$490,906 | \$38,006 |
| Difference between projected and actual earnings. | \$ 45,696 | \$71,419 |
| Total | \$689,964 | \$109,425 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31, | |
|--------------------------------|------------|
| 2023 | \$ 17,077 |
| 2024 | \$ 5,026 |
| 2025 | \$ 17,302 |
| 2026 | \$ 22,768 |
| 2027 | \$ 30,385 |
| Thereafter | \$ 487,981 |

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: PENSION PLANS (continued)

Volunteer Firefighters' Pension Plans (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 4.50 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 (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

| | 1% Decrease (3.50%) | Current Discount Rate (4.50%) | 1% Increase (5.50%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability (asset) | \$ 973,559 | \$ 849,399 | \$ 743,288 |

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

As of ended December 31, 2022, and for the year then ended, the District recognized the following combined pension liabilities, pension expense, deferred outflows of resources and deferred inflows of the resources related to the Johnstown Volunteer Fire Pension Plan and the Milliken Volunteer Fire Pension Plan:

| | Johnstown Volunteer Fire Pension Plan | Milliken Volunteer Fire Pension Plan | Total |
|--|---|--|--------------|
| Proportionate share of the net pension liability | \$ 1,314,457 | \$ 849,399 | \$ 2,163,856 |
| Pension expense (benefit) | \$ 247,753 | \$ (4,986) | \$ 242,767 |
| Deferred outflows of resources | \$ 787,061 | \$ 689,964 | \$ 1,477,025 |
| Deferred inflows of resources | \$ 468,141 | \$ 109,425 | \$ 577,566 |

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

General Information about the Pension Plan

Pensions. The District contributes to the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan (Continued)

additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

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

General Information about the Pension Plan (continued)

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with a least five years of accredited service may leave contributions with the SWDP Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the member

Members of the SWDB Plan and their employers are contributing at the rate of 12 and 9 percent, respectively, of base salary for a total contribution rate of 21 percent in 2022. In 2014, the

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan (Continued)

members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 and 4 percent, respectively, of base salary for a total contribution rate of 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

At December 31, 2022, the District reported an asset in the amount of \$1,878,535 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension asset to December 31, 2021. The District's proportion of the net pension asset was based on the contributions to the SWDB Plan for the calendar year 2021 relative to the total contributions of participating employers to the SWDB Plan.

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

At December 31, 2021, the District's asset proportion was 0.3466356118%, which was an increase of 0.0207303230% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022 the District recognized a pension benefit of \$496,920. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan (Continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$537,924 | \$ 43,813 |
| Changes in assumptions | \$267,893 | \$ - |
| Net differences between projected and fund investment earnings. | \$ - | \$ 1,257,222 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions. | \$ - | \$ 139,247 |
| Contributions subsequent to the measurement date | \$267,000 | N/A |
| Total | \$1,072,816 | \$1,440,282 |

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

Deferred outflows of resources of \$267,000 related to contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year ended December 31 | |
|-------------------------------|--------------|
| 2023 | \$ (188,239) |
| 2024 | \$ 318,284 |
| 2025 | \$ (186,777) |
| 2026 | \$ (65,888) |
| 2027 | \$ 93,360 |
| Thereafter | \$ 31,333 |

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

| | |
|---|------------------|
| Actuarial Method | Entry Age Normal |
| Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation | 7.0 percent |

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan (Continued)

| | |
|--|----------------------|
| Salary increases, including wage inflation | 4.25 – 11.25 percent |
| Cost of Living Adjustments (COLA) | 0.00 percent |

The post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 annuitant mortality tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years. The pre-retirement non-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020, are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return |
|-----------------------|-------------------|-----------------------------------|
| Global Equity | 39.0% | 8.23% |
| Equity Long/Short | 8.0% | 6.87% |
| Private Markets | 26.0% | 10.63% |
| Fixed Income - Rates | 10.0% | 4.01% |
| Fixed Income - Credit | 5.0% | 5.25% |
| Absolute Return | 10.0% | 5.60% |
| Cash | 2.0% | 2.32% |
| Total | 100.0% | |

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan (Continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension liability (asset) | \$(259,062) | \$(1,878,535) | (\$3,220,179) |

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

NOTE 10: SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 11, 2023, the date which the financial statements were issued.

REQUIRED SUPPLEMENTAL INFORMATION

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|---------------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 4,578,322 | \$ 4,521,851 | \$ (56,471) |
| Specific Ownership Taxes | 261,326 | 328,568 | 67,242 |
| Charges for Services | 200,000 | 391,334 | 191,334 |
| Intergovernmental | 43,000 | 53,030 | 10,030 |
| Interest | 27,000 | - | (27,000) |
| Interest Income (Loss) | - | 37,134 | 37,134 |
| Investment Income (Loss) | - | (37,221) | (37,221) |
| Miscellaneous | 15,000 | 22,586 | 7,586 |
| TOTAL REVENUES | 5,124,648 | 5,317,282 | 192,634 |
| EXPENDITURES | | | |
| Current | | | |
| Contractual and Professional Service | 368,610 | 306,825 | 61,785 |
| Personnel | 4,332,855 | 4,334,093 | (1,238) |
| Equipment Maintenance | 218,050 | 137,049 | 81,001 |
| Materials & Supplies | 269,300 | 283,821 | (14,521) |
| Divisions | 187,300 | 159,441 | 27,859 |
| Treasurer's Fees | 68,675 | 69,340 | (665) |
| Contributions to Pension Funds | 37,000 | 35,000 | 2,000 |
| Emergency Reserves/Contingency | 175,739 | - | 175,739 |
| TOTAL EXPENDITURES | 5,657,529 | 5,325,569 | 331,960 |
| EXCESS OF REVENUES OVER EXPENDITURES | (532,881) | (8,287) | 524,594 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of capital assets | 120,000 | 195,000 | 75,000 |
| TOTAL OTHER SOURCES (USES) | 120,000 | 195,000 | 75,000 |
| NET CHANGE IN FUND BALANCES | (412,881) | 186,713 | 599,594 |
| FUND BALANCES, Beginning | 5,500,000 | 5,036,671 | (463,329) |
| FUND BALANCES, Ending | \$ 5,087,119 | \$ 5,223,384 | \$ 136,265 |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER FIREFIGHTERS' PENSION PLANS

December 31, 2022

Johnstown Volunteer Fire Pension Plan

| Fiscal Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution* | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-------------------------------|-------------------------------------|----------------------|----------------------------------|-----------------|--|
| 2015 | \$ 73,064 | \$ 73,064 | \$ - | N/A | N/A |
| 2016 | 64,382 | 200,049 | (135,667) | N/A | N/A |
| 2017 | 79,693 | 117,927 | (38,234) | N/A | N/A |
| 2018 | 69,791 | 153,558 | (83,767) | N/A | N/A |
| 2019 | 79,419 | 180,524 | (101,105) | N/A | N/A |
| 2020 | 73,865 | 185,031 | (111,166) | N/A | N/A |
| 2021 | 54,134 | 135,593 | (81,459) | N/A | N/A |
| 2022 | 56,696 | 138,816 | (82,120) | N/A | N/A |

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

Milliken Volunteer Fire Pension Plan

| Fiscal Year Ended December 31 | Actuarially Determined Contribution | Actual Contribution* | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|-------------------------------|-------------------------------------|----------------------|----------------------------------|-----------------|--|
| 2015 | \$ 54,031 | \$ 54,031 | \$ - | N/A | N/A |
| 2016 | 58,985 | 58,985 | - | N/A | N/A |
| 2017 | 32,910 | 74,031 | (41,121) | N/A | N/A |
| 2018 | 37,040 | 64,031 | (26,991) | N/A | N/A |
| 2019 | 38,452 | 95,337 | (56,885) | N/A | N/A |
| 2020 | 45,609 | 105,791 | (60,182) | N/A | N/A |
| 2021 | 41,422 | 115,881 | (74,459) | N/A | N/A |
| 2022 | 44,978 | 114,553 | (69,575) | N/A | N/A |

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
FRONT RANGE FIRE RESCUE, JOHNSTOWN FIRE PENSION

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Measurement period ending December 31, | | | | | | | |
| Total Pension Liability | | | | | | | |
| Service Cost | \$ 5,479 | \$ 5,479 | \$ 5,022 | \$ 5,022 | \$ 8,280 | \$ 8,653 | \$ 11,042 |
| Interest Cost | 159,419 | 159,146 | 147,213 | 151,491 | 135,633 | 135,869 | 138,927 |
| Experience Loss/(Gain)/(Deferred Inflow) | - | (122,144) | (111,845) | (102,560) | (72,259) | 102,489 | (38,555) |
| Difference Between Expected and Actual Experiences | (3,525) | 425,068 | 49,281 | 65,580 | - | - | - |
| Assumption Changes | | | - | 316,116 | 140,394 | - | - |
| Benefit Payments | (226,520) | (235,920) | (185,808) | (166,153) | (179,609) | (181,950) | (176,800) |
| Net Change in Total Pension Liability | (65,147) | 231,629 | (96,137) | 269,496 | 32,439 | 65,061 | (65,386) |
| Total Pension Liability - Beginning | 3,612,767 | 3,381,138 | 3,477,275 | 3,207,779 | 3,175,340 | 3,110,279 | 3,175,665 |
| Total Pension Liability - Ending | \$ 3,547,620 | \$ 3,612,767 | \$ 3,381,138 | \$ 3,477,275 | \$ 3,207,779 | \$ 3,175,340 | \$ 3,110,279 |
| Plan Fiduciary Net Position | | | | | | | |
| Employer Contributions | 116,917 | 81,459 | 163,132 | 158,625 | 131,659 | 96,028 | 123,367 |
| State Contributions | 21,899 | 54,134 | 21,899 | 21,899 | 21,899 | 21,899 | 76,682 |
| Actual Return on Assets | (420,091) | (381,050) | 290,611 | 402,698 | (68,635) | 232,646 | - |
| Benefit Payments | (226,520) | (235,920) | (185,808) | (166,153) | (179,609) | (181,950) | (176,800) |
| Pension Plan Administrative Expenses | - | (31,912) | (50,117) | (45,258) | (27,735) | (23,985) | (21,978) |
| Net Change in Plan Fiduciary Net Position | (507,795) | (513,289) | 239,717 | 371,811 | (122,421) | 144,640 | 1,271 |
| Plan Fiduciary Net Position - Beginning | 2,031,866 | 2,545,155 | 2,305,438 | 1,933,627 | 2,056,048 | 1,911,408 | 1,910,137 |
| Plan Fiduciary Net Position - Ending | \$ 1,524,071 | \$ 2,031,866 | \$ 2,545,155 | \$ 2,305,438 | \$ 1,933,627 | \$ 2,056,048 | \$ 1,911,408 |
| Net Pension Liability/(Asset) | 2,023,549 | 1,580,901 | 835,983 | 1,171,837 | 1,274,152 | 1,119,292 | 1,198,871 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 42.96% | 56.24% | 75.28% | 66.30% | 83.30% | 87.75% | 90.17% |
| Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
MULLIKEN FIRE PENSION

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Measurement period ending December 31, | | | | | | | | | |
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,939 | \$ 13,331 |
| Interest Cost | 61,092 | 61,252 | 57,998 | 59,510 | 52,833 | 54,576 | 66,355 | 68,311 | 65,842 |
| Experience Loss/(Gain)/(Deferred Inflow) | - | (28,385) | (27,856) | - | - | 143,771 | - | - | 92,319 |
| Difference Between Expected and Actual Experiences | 44,793 | 166,493 | 54,819 | 9,500 | - | 1,156 | (14,693) | - | (38,841) |
| Assumption Changes | - | - | - | 231,091 | 770 | - | 229,136 | - | - |
| Benefit Payments | (141,700) | (137,700) | (115,625) | (96,837) | (96,837) | (91,688) | (93,665) | (96,371) | (92,940) |
| Net Change in Total Pension Liability | (35,815) | 61,660 | (30,664) | 203,264 | (43,234) | 107,815 | 187,133 | (25,121) | 39,711 |
| Total Pension Liability - Beginning | 1,417,540 | 1,355,880 | 1,386,544 | 1,183,280 | 1,226,514 | 1,118,699 | 931,566 | 956,687 | 916,976 |
| Total Pension Liability - Ending | \$ 1,381,725 | \$ 1,417,540 | \$ 1,355,880 | \$ 1,386,544 | \$ 1,183,280 | \$ 1,226,514 | \$ 1,118,699 | \$ 931,566 | \$ 956,687 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Employer Contribution | 114,553 | 74,459 | 81,760 | 71,306 | 40,000 | 50,000 | 34,954 | 30,000 | 39,969 |
| Pension Plan Net Investment Income | (92,456) | (87,072) | 66,348 | 92,939 | (34,471) | 55,180 | 28,001 | 10,775 | 37,086 |
| Benefit Payments | (141,700) | (137,700) | (115,625) | (96,837) | (96,837) | (91,688) | (93,665) | (96,371) | (92,940) |
| Pension Plan Administrative Expenses | - | (13,105) | (15,908) | (9,990) | - | - | (1,126) | (3,232) | (1,247) |
| State of Colorado Supplemental Discretionary Payment | - | 41,422 | 24,031 | 24,031 | 24,031 | 24,031 | 24,031 | 24,031 | 24,031 |
| Net Change in Plan Fiduciary Net Position | (119,603) | (121,996) | 40,606 | 81,449 | (67,277) | 37,523 | (7,805) | (34,797) | 6,899 |
| Plan Fiduciary Net Position - Beginning | 528,811 | 650,807 | 610,201 | 528,752 | 596,029 | 558,506 | 566,311 | 601,108 | 594,209 |
| Plan Fiduciary Net Position - Ending | \$ 409,208 | \$ 528,811 | \$ 650,807 | \$ 610,201 | \$ 528,752 | \$ 596,029 | \$ 558,506 | \$ 566,311 | \$ 601,108 |
| Net Pension Liability/(Asset) | 972,517 | 888,729 | 705,073 | 776,343 | 654,528 | 630,485 | 560,193 | 365,255 | 355,579 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 29.62% | 37.30% | 48.00% | 44.01% | 44.69% | 48.60% | 49.92% | 60.79% | 62.83% |
| Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

See the accompanying independent auditors' report.

SUPPLEMENTAL INFORMATION

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|--------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 983,633 | \$ 979,079 | \$ (4,554) |
| Interest | 1,967 | 28,230 | 26,263 |
| TOTAL REVENUE | 985,600 | 1,007,309 | 21,709 |
| EXPENDITURES | | | |
| Equipment | 278,000 | 155,488 | 122,512 |
| Treasurer's Fees | 14,755 | 14,414 | 341 |
| Capital Outlay | 2,292,510 | 626,557 | 1,665,953 |
| TOTAL EXPENDITURES | 2,585,265 | 796,459 | 1,788,806 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,599,665) | 210,850 | 1,810,515 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of capital assets | 220,000 | 238,476 | 18,476 |
| Transfers | - | (519,652) | (519,652) |
| TOTAL OTHER SOURCES (USES) | 220,000 | (281,176) | (501,176) |
| NET CHANGE IN FUND BALANCES | (1,379,665) | (70,326) | 1,810,515 |
| FUND BALANCES, Beginning | 3,200,000 | 3,493,663 | 293,663 |
| FUND BALANCES, Ending | \$ 1,820,335 | \$ 3,423,337 | \$ 2,104,178 |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

| | <u>ORIGINAL AND FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE Positive (Negative)</u> |
|---|--|------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 173,074 | \$ 173,123 | \$ 49 |
| Interest | 87 | 59 | (28) |
| | <u>173,161</u> | <u>173,182</u> | <u>21</u> |
| TOTAL REVENUE | | | |
| EXPENDITURES | | | |
| Treasurer's Fees | 2,596 | 2,598 | (2) |
| Debt Service | 260,498 | 389,703 | (129,205) |
| | <u>263,094</u> | <u>392,301</u> | <u>(129,207)</u> |
| TOTAL EXPENDITURES | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(89,933)</u> | <u>(219,119)</u> | <u>(129,186)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers | - | 148,505 | 148,505 |
| | <u>-</u> | <u>148,505</u> | <u>148,505</u> |
| TOTAL OTHER SOURCES (USES) | | | |
| NET CHANGE IN FUND BALANCES | (89,933) | (70,614) | (129,186) |
| FUND BALANCES, Beginning | <u>105,841</u> | <u>70,614</u> | <u>10,795</u> |
| FUND BALANCES, Ending | <u>\$ 15,908</u> | <u>\$ -</u> | <u>\$ (118,391)</u> |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

IMPACT FEE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2022

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|--------------------------------|---------------------------------|----------------------------|------------------------------------|
| REVENUES | | | |
| Impact Fees | \$ 275,000 | \$ 653,488 | \$ 378,488 |
| Interest | 500 | 2,671 | 2,171 |
| TOTAL REVENUE | <u>275,500</u> | <u>656,159</u> | <u>380,659</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers | - | 371,147 | 371,147 |
| TOTAL OTHER SOURCES (USES) | <u>-</u> | <u>371,147</u> | <u>371,147</u> |
| NET CHANGE IN FUND BALANCES | 275,500 | 1,027,306 | 751,806 |
| FUND BALANCES, Beginning | <u>365,000</u> | <u>-</u> | <u>(365,000)</u> |
| FUND BALANCES, Ending | <u><u>\$ 640,500</u></u> | <u><u>\$ 1,027,306</u></u> | <u><u>\$ 386,806</u></u> |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER PENSION TRUST FUND-Front Range Fire Rescue Johnstown
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2022

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|---------------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 61,477 | \$ 60,459 | \$ (1,018) |
| District Contribution | 21,000 | 21,000 | - |
| State Contribution | 21,899 | 54,134 | 32,235 |
| Interest and Dividend Income | 40,000 | 42,995 | 2,995 |
| Realized Gains on Investments | 75,000 | 101,653 | 26,653 |
| Unrealized Loss on Investments | - | (525,698) | (525,698) |
| | <u>219,376</u> | <u>(245,457)</u> | <u>(464,833)</u> |
| EXPENDITURES | | | |
| Benefit Payments | 238,320 | 235,920 | 2,400 |
| Audit Fees | 4,400 | 4,400 | - |
| Actuarial Study | 4,500 | 5,000 | (500) |
| Treasurer's Fees | 1,100 | 1,171 | (71) |
| Management Fees | 20,000 | 22,512 | (2,512) |
| | <u>268,320</u> | <u>269,003</u> | <u>(683)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(48,944)</u> | <u>(514,460)</u> | <u>(465,516)</u> |
| CHANGE IN NET POSITION | (48,944) | (514,460) | (465,516) |
| NET POSITION, Beginning | <u>2,420,000</u> | <u>2,553,418</u> | <u>333,589</u> |
| NET POSITION, Ending | <u>\$ 2,371,056</u> | <u>\$ 2,038,958</u> | <u>\$ (131,927)</u> |

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER PENSION TRUST FUND-Milliken Fire
BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2022

| | ORIGINAL AND FINAL BUDGET | ACTUAL | VARIANCE Positive (Negative) |
|---|---------------------------------|-------------------|------------------------------------|
| REVENUES | | | |
| Property Taxes | \$ 61,477 | \$ 58,459 | \$ (3,018) |
| District Contribution | 16,000 | 16,000 | - |
| State Contribution | 24,031 | 41,422 | 17,391 |
| Interest and Dividend Income | 6,000 | 9,785 | 3,785 |
| Realized Gains on Investments | 15,000 | 2,664 | (12,336) |
| Unrealized Loss on Investments | - | (99,521) | (99,521) |
| TOTAL REVENUE | <u>122,508</u> | <u>28,809</u> | <u>(93,699)</u> |
| EXPENDITURES | | | |
| Benefit Payments | 137,700 | 137,700 | - |
| Audit Fees | 4,400 | 4,400 | - |
| Actuarial Study | 3,500 | 4,000 | (500) |
| Treasurer's Fees | 922 | 631 | 291 |
| Management Fees | 5,000 | 4,705 | 295 |
| TOTAL EXPENDITURES | <u>151,522</u> | <u>151,436</u> | <u>86</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(29,014)</u> | <u>(122,627)</u> | <u>(93,613)</u> |
| CHANGE IN NET POSITION | (29,014) | (122,627) | (93,613) |
| NET POSITION, Beginning | <u>610,000</u> | <u>657,317</u> | <u>69,130</u> |
| NET POSITION, Ending | <u>\$ 580,986</u> | <u>\$ 534,690</u> | <u>\$ (24,483)</u> |

See the accompanying independent auditors' report.