

STRASBURG FIRE PROTECTION DISTRICT NO. 8

STRASBURG, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2022

**STRASBURG FIRE PROTECTION DISTRICT NO. 8
STRASBURG, COLORADO**

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Strasburg Fire Protection District No. 8

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Strasburg Fire Protection District No. 8 as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Strasburg Fire Protection District No. 8'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, the major fund, and the aggregate remaining fund information of Strasburg Fire Protection District No. 8 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. 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 Strasburg Fire Protection District No. 8 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 Strasburg Fire Protection District No. 8'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.

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Auditor's Responsibilities for the Audit of 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 of 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 Strasburg Fire Protection District No. 8'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 Strasburg Fire Protection District No. 8's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the FPPA - SWDB and Volunteer pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Strasburg Fire Protection District No. 8's basic financial statements. The Schedule of Changes in Net Position – Budget and Actual – Pension Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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, Schedule of Changes in Net Position – Budget and Actual – Pension Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Gnum + Associates LLC".

June 19, 2023
Longmont, Colorado

STRASBURG FIRE PROTECTION DISTRICT NO. 8

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As management of the Strasburg Fire Protection District, (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2022.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2022

- At December 31, 2022, the District's governmental funds reported a combined fund balance of \$1,783,399, an increase of \$437,426 in comparison to the prior year. Of this amount, \$1,620,170, or 91%, is available for spending at the government's discretion (unassigned fund balance).
- Total government-wide revenue increased \$496,121, or approximately 47%, from prior year primarily due to the mill levy increase.
- Total government-wide expenses increased by \$648,638, or approximately 70%, from prior year due to an increase in staffing, wages, and related benefits and expenses related to the benefit volunteer pension plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 statements of a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include fire, medical, and inspection. There are no business-type activities at the District.

The District's government-wide statements can be found on pages 1 to 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 legal requirements. All funds of the District can be divided into two categories: governmental funds and fiduciary funds. The District does not have any proprietary funds.

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 District's near-term financing decisions. The governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for all major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

FIDUCIARY FUNDS

The District maintains one fiduciary fund, the pension fund, to account for resources held in trust for retirees and beneficiaries covered under the District's Volunteer Pension Plan. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is an accrual basis.

The basic fiduciary fund financial statements can be found on pages 7 to 8 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire 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 9 to 27 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's Pension Fund. Required supplementary information can be found on pages 28 to 33. This report also presents certain supplementary information which includes a budgetary comparison schedule for the Pension Fund on page 34.

FINANCIAL ANALYSIS OF OVERALL GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position over time may serve as a useful indicator of the District's financial position.

Strasburg Fire Protection District's Net Position

	<u>2022</u>	<u>2021</u>	Dollar Increase (Decrease)
Assets:			
Current and other assets	\$ 3,090,869	\$ 2,740,652	\$ 350,217
Capital assets	984,353	1,046,040	(61,687)
Total assets	<u>4,075,222</u>	<u>3,786,692</u>	<u>288,530</u>
Deferred outflows of resources	<u>157,452</u>	<u>178,341</u>	<u>(20,889)</u>
Liabilities:			
Current liabilities	37,839	128,765	(90,926)
Long-term liabilities	547,208	471,757	75,451
Total liabilities	<u>585,047</u>	<u>600,522</u>	<u>(15,475)</u>
Deferred inflows of resources	<u>1,533,620</u>	<u>1,225,800</u>	<u>307,820</u>
Net Position:			
Net investment in capital assets	984,353	1,046,040	(61,687)
Restricted	251,698	117,341	134,357
Unrestricted	877,956	975,330	(97,374)
Total net position	<u>\$ 2,114,007</u>	<u>\$ 2,138,711</u>	<u>\$ (24,704)</u>

Current and other assets increased by \$288,530 from prior year primarily due to an increase in cash as the result of current year earnings on a fund basis. Capital assets declined \$61,687 from the prior year due to current year depreciation expense exceeding capital additions which were not significant in the current year.

Current liabilities decreased by \$90,926 from prior year as the general fund did not owe any amount to the pension fund at year end. Deferred inflows of resources increased \$307,820 from prior year

primarily as the result of an increase in deferred pension amounts related to the volunteer plans increase in benefit payments effective February 2022.

As of December 31, 2022, approximately 47% of the District’s net position reflects its investment in capital assets, which includes land, fire stations, vehicles, equipment and furniture. The District uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. A portion of the District’s net position, 12%, represents resources that are subject to restrictions including Colorado Constitutional restrictions and capital expenditures. The remaining unrestricted net position, \$877,956 or 41% may be used to meet the District’s ongoing obligations.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position. This same situation held true in the prior year. Overall, the District’s net position decreased slightly by \$24,704 from the prior year.

Strasburg Fire Protection District’s Change in Net Position

	<u>2022</u>	<u>2021</u>	Dollar Increase (Decrease)
<u>Revenues:</u>			
Program revenues:			
Emergency medical services	\$ 214,511	\$ 238,928	\$ (24,417)
Capital grants and contributions	50,329	28,272	22,057
General revenues:			
Property taxes	1,123,668	622,354	501,314
Specific ownership taxes	77,079	48,745	28,334
Impact fees	44,638	68,316	(23,678)
Investment earnings	2,514	2,963	(449)
Miscellaneous	39,705	46,745	(7,040)
Total revenues	1,552,444	1,056,323	496,121
<u>Expenditures/expenses:</u>			
Operating expenses:			
Firefighting and inspection	1,487,674	837,057	650,617
Emergency medical services	89,474	91,453	(1,979)
Total expenditures and expenses	1,577,148	928,510	648,638
Change in net position	(24,704)	127,813	(152,517)
Net position – beginning	2,138,711	2,010,898	127,813
Net position – ending	\$ 2,114,007	\$ 2,138,711	\$ (24,704)

Total revenues increased \$496,121 in 2022 as compared to 2021. The increase is primarily due to the increase in the mill levy approved by the voters in 2021. Expenditures increased by approximately \$648,638. This was the result of an increase in 2022 of approximately \$220,000 in wages and associated benefits as the District hired three new full-time fire-fighters and increased wages to be more competitive. Approximately \$440,000 of the expenditure increase was the result of changes in assumptions and actual experience based on the actuarial study for the volunteer pension plan. The net of this activity resulted in a decline current year net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds. At the end of 2022, unassigned fund balance was \$1,620,170. In the current year, the increase in unassigned fund balance was approximately \$418,565 compared to the prior year primarily due to an increase in property and specific ownership revenue which more than offset the increase in current expenditures. The remainder of the fund balance is either nonspendable in form, \$20,414, restricted for enabling legislation, \$48,000, or restricted for a particular purpose, \$94,815.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the District amended the general fund budget due to an increase in wages and related benefits as the District was able to use reserve funds to hire additional staff and providing more competitive wages.

In total, the District budgeted revenue in the amount of \$1,549,062 but instead earned revenue of \$1,613,060. The increase of \$63,998 was primarily the result of capital grant income exceeding the budgeted amount. In total, the District originally budgeted to spend \$1,008,662 and amended the budget to \$1,175,634 with actual expenditures of \$1,175,634. There were no significant differences between the amended and final budget. Budget details can be found on page 6.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of December 31, 2022 amounted to \$984,353, net of accumulated depreciation. This investment in capital assets includes land, fire stations, vehicles, equipment and furniture. The decrease in capital assets of \$61,687 for the current fiscal year was due to current year depreciation exceeding capital additions in the current year. The District did not have any significant capital additions in the current year.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements starting on page 17.

NEXT YEAR'S BUDGET

The District's general fund balance at the end of the 2022 fiscal year totaled \$1,783,399. The District has appropriated \$1,926,389 for 2022 spending which includes a large capital project of \$450,000 for crew quarters.

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 District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Strasburg Fire Protection District at P.O. Box 911, Strasburg, Colorado 80136.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Net Position
December 31, 2022

	Total Governmental Activities
Assets:	
Cash and investments	\$ 1,650,052
Receivables:	
Due from county treasurer	6,126
EMS accounts receivable, net	87,729
Government grants receivable	2,304
Other receivable	963
Property tax receivable	1,119,583
Prepaid expense	20,414
Restricted cash and investments	94,815
Net pension asset	108,883
Capital assets, not being depreciated	57,225
Capital assets, net of accumulated depreciation	927,128
Total assets	4,075,222
Deferred outflows of resources:	
Deferred outflows related to pensions	157,452
Total deferred outflows of resources	157,452
Liabilities:	
Accounts payable	31,007
Accrued liabilities	6,832
Compensated absences	
Due within one year	20,029
Net pension liability	527,179
Total liabilities	585,047
Deferred inflows of resources:	
Deferred inflows related to pensions	414,037
Unavailable revenue - property taxes	1,119,583
Total deferred inflows of resources	1,533,620
Net position:	
Net investment in capital assets	984,353
Restricted for emergencies	48,000
Restricted for net pension asset	108,883
Restricted for capital improvements	94,815
Unrestricted	877,956
Total net position	\$ 2,114,007

The accompanying notes are an integral part of this financial statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			Net (expense) revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Functions/Programs:					
Primary government:					
Governmental activities:					
Firefighting and inspection	\$ 1,487,674	\$ -	\$ 50,329	\$ -	\$ (1,437,345)
Emergency medical services	89,474	214,511	-	-	125,037
Total Primary Government	\$ 1,577,148	\$ 214,511	\$ 50,329	\$ -	(1,312,308)
General revenues:					
Property taxes					1,123,668
Specific ownership taxes					77,079
Impact fees					44,638
Investment earnings					2,514
Miscellaneous					39,705
Total general revenues					1,287,604
Change in net position					(24,704)
Net position - beginning of year					2,138,711
Net position - end of year					\$ 2,114,007

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

STRASBURG FIRE PROTECTION DISTRICT NO. 8**Balance Sheet****Governmental Funds - General Fund****December 31, 2022**

	Total Governmental Funds
Assets:	
Cash and investments	\$ 1,650,052
Due from county treasurer	6,126
EMS accounts receivable, net of allowance	87,729
Government grants receivable	2,304
Other receivables	963
Property tax receivable	1,119,583
Prepaid expense	20,414
Restricted cash and investments	94,815
Total assets	\$ 2,981,986
Liabilities:	
Accounts payable	\$ 31,007
Accrued payroll liabilities	6,832
Total liabilities	37,839
Deferred inflows of resources:	
Unavailable revenue - receivables	41,165
Unavailable revenue - property taxes	1,119,583
Total deferred inflows of resources	1,160,748
Fund balance:	
Nonspendable, prepaids	20,414
Restricted for enabling legislation	48,000
Restricted for capital improvements	94,815
Unassigned	1,620,170
Total fund balance	1,783,399
Total liabilities, deferred inflows of resources and fund balance	\$ 2,981,986
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 1,783,399
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	984,353
Net pension assets are not financial resources and therefore are not reported in the funds	108,883
Deferred outflows related to pensions are not financial resources and therefore are not reported in the funds.	157,452
Deferred inflows related to pensions are not financial resources and therefore are not reported in the funds.	(414,037)
Revenues in the statement of activities that do not provide current financial resources are unavailable for the funds.	41,165
Long-term liabilities, including earned benefits payable and net pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(547,208)
Net position of governmental activities	\$ 2,114,007

The accompanying notes are an integral part of this financial statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - General Fund
For the Year Ended December 31, 2022

	Total Governmental Funds
Revenues:	
Property tax	\$ 1,123,668
Specific ownership tax	77,079
Investment income	2,514
Impact fees	44,638
Grant income	78,504
Medical services, net of uncollectible	246,952
Miscellaneous revenue	39,705
Total revenues	<u>1,613,060</u>
Expenditures:	
Current:	
Salaries, payroll taxes and benefits	575,221
Professional fees	92,566
Office supplies	4,977
Treasurer's fees	16,892
Firefighting	128,501
EMS services and fees	42,736
Insurance	49,180
Buildings	20,890
Equipment and repairs	78,916
Volunteers	20,334
Volunteer Pension contribution	64,575
Miscellaneous	29,993
Capital Outlay:	
Capital expenditures	50,853
Total expenditures	<u>1,175,634</u>
Net change in fund balance	437,426
Fund balance - beginning of year	<u>1,345,973</u>
Fund balance - end of year	<u><u>\$ 1,783,399</u></u>

The accompanying notes are an integral part of this financial statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balance of the governmental funds \$ 437,426

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense. This is the amount
by which capital outlay exceeded depreciation expense in the current year. (61,687)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds. (60,616)

Governmental funds report pension contributions as expenditures,
however, pension expense is reported in the statement of activities. This
is the amount by which pension contributions exceed pension expense. (325,623)

Some expenses reported in the statement of activities do not require the
use of current financial resources and therefore, are not recorded as
expenditures in governmental funds. (14,204)

Change in net position of governmental activities \$ (24,704)

The accompanying notes are an integral part of this financial statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget
and Actual - General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property tax	\$ 1,120,619	\$ 1,120,619	\$ 1,123,668	\$ 3,049
Specific ownership tax	78,443	78,443	77,079	(1,364)
Investment income	1,000	1,000	2,514	1,514
Impact fees	35,500	35,500	44,638	9,138
Grants	25,000	25,000	78,504	53,504
Medical services, net of uncollectible	275,500	275,500	246,952	(28,548)
Contributions	6,500	6,500	13,203	6,703
Miscellaneous revenue	6,500	6,500	26,502	20,002
Total revenues	1,549,062	1,549,062	1,613,060	63,998
Expenditures:				
Current:				
Salaries, payroll taxes and benefits	353,800	575,000	575,221	(221)
Professional fees	69,000	69,000	92,566	(23,566)
Office supplies	16,500	16,500	4,977	11,523
Treasurer's fees	7,000	7,000	16,892	(9,892)
Firefighting	134,500	134,500	128,501	5,999
EMS services and fees	40,700	40,700	42,736	(2,036)
Insurance	59,700	59,700	49,180	10,520
Buildings	20,862	20,862	20,890	(28)
Equipment and repairs	56,000	56,000	78,916	(22,916)
Volunteers and special events	15,600	15,600	20,334	(4,734)
Volunteer pension contribution	80,000	80,000	64,575	15,425
Miscellaneous	-	-	29,993	(29,993)
Capital Outlay:				
Capital expenditures	155,000	155,000	50,853	104,147
Total expenditures	1,008,662	1,229,862	1,175,634	54,228
Net change in fund balance	\$ 540,400	\$ 319,200	\$ 437,426	\$ 118,226

The accompanying notes are an integral part of this financial statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Net Position
Fiduciary Fund
December 31, 2022

	Pension Fund
Assets:	
Cash and investments	\$ 687,499
Total assets	687,499
Liabilities:	
Accrued liabilities	378
Total liabilities	378
Net position:	
Restricted for pension	687,121
Total net position	\$ 687,121

The accompanying notes are an integral part of this statement.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2022

	Pension Fund
Additions:	
Contributions:	
District contribution	\$ 64,575
State contribution	40,771
Total contributions	<u>105,346</u>
Investment activity:	
Interest and dividends	53
Net investment earnings	<u>53</u>
Total additions	<u>105,399</u>
Deductions:	
Pension benefits	89,550
Professional fees	4,500
Administration	<u>18</u>
Total deductions	<u>94,068</u>
Change in net position	11,331
Net position - beginning of year	<u>675,790</u>
Net position - end of year	<u><u>\$ 687,121</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The accounting policies of the Strasburg Fire Protection District No. 8 (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments (US GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the financial statements.

Reporting Entity

The District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection and medical support for parts of Adams and Arapahoe counties within Strasburg, Colorado. The District operates under an elected five-person board of directors.

The District complies with GASB Pronouncements which establish standards for defining and reporting on the financial reporting entity. It defines component units as legally separate entities for which the officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District has no component units as defined by the GASB.

Basis of Presentation

The accompanying financial statements are presented in accordance with GASB Statement No. 34.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary and component unit fiduciary funds are excluded from the government-wide financial statements since the resources of the fiduciary and component unit fiduciary funds are not available to the District.

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 primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities of the District are normally supported by property taxes, ownership taxes, and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues.

1. **Summary of Significant Accounting Policies (continued)**

Basis of Presentation (continued)

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for governmental and fiduciary funds are presented.

The District reports the following governmental fund:

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 District reports the following fiduciary fund:

Pension Fund - accounts for transactions relating to assets held by the District in the capacity of trustee for its pension plan for vested volunteer firefighters.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current *financial* resources or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the 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 *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenues. A six-month availability period is used for grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt and expenditures related to compensated absences are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

The pension fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

1. Summary of Significant Accounting Policies (continued)

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

Deposits and Investments

Non-negotiable certificates of deposits are stated at cost or amortized cost. Investments, with a maturity in excess of one year when purchased, are reported at fair value.

Grants and Other Receivables

Revenue from government grants is deemed to be earned when the District incurs costs or other expenditures which satisfy the terms imposed by the respective grant contracts. Accounts receivable consist of ambulance revenues earned, reduced by the estimated portion that is expected to be uncollectible. Allowances for uncollectible accounts receivable are based upon historical trends and aging.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value 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 market prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. At December 31, 2022, the District did not hold any investments required to be reported under fair value.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. At the option of the taxpayer, property taxes may be paid in full or in two equal installments. The first of such installment is to be paid as of February 28 and the second installment to be paid no later than June 15. If elected to be paid in full, amount is to be paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within subsequent statutory periods, the property tax lien will be sold at public auction. The Counties bill and collect the property taxes and remit collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible.

Property taxes are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. These amounts are recorded as revenue in the subsequent year when they are available or collected.

Interfund Receivables/Payables

Activity between funds that represent outstanding balances between funds are reported as "due to/from other funds". The outstanding balances between the funds result mainly from the time lag between the dates that (1) the interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of the prepaid item is recorded as an expense when consumed rather than when purchased.

Capital Assets

Capital assets, which include buildings and improvements, fire and EMS vehicles and equipment, and furniture and other equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed.

Normal maintenance and repairs that do not add value to assets or materially extend the life of the assets are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the capital assets. Depreciation is reported as a current charge in the statement of activities.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-30
Fire and EMS vehicles and equipment	5-20
Furniture and other equipment	5-15

Compensated Absences

The District permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category, *deferred outflows of resources related to pensions*. See Notes 5 and 6 for additional information.

1. **Summary of Significant Accounting Policies (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as inflow of resources (revenue) until that time frame. The District has three items that qualify for reporting in this category, *unavailable revenue - property taxes*, *unavailable revenue - receivables*, and *deferred inflows related to pensions*. See Note 5 and Note 6 for additional information on pensions. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted – net position, a flow assumption must be made about the order in which resources are considered to be applied. Although not included in a formal policy, the District considers restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Policies

In the fund financial statements, governmental funds report aggregate amounts for five classes of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not spendable in form which includes items such as prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District's highest level of decision-making authority, the Board of Directors. This constraint may be removed or changed only through formal action of the Board of Directors.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies (continued)

Assigned fund balance. This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. Unlike commitments, assignments generally only exist temporarily. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority. As of December 31, 2022, the District has not adopted a policy designating District personnel to determine amounts to be assigned.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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. Although not included in a formal policy, the District considers decreases in fund balance to first reduce committed, then assigned, and then unassigned balances, in that order.

Impact Fees

The District collects impact fees on new development which is restricted for certain capital expenditures. For the year ended December 31, 2022, the District received \$44,638 in impact fees. The District properly restricts the unspent impact fees. The amount restricted as of December 31, 2022 amounted to \$94,815.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with US GAAP. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15 of each year, the District's accountant submits to the Board of Directors a recommended budget which details the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

2. Stewardship, Compliance, and Accountability (continued)

Budgets and Budgetary Accounting (continued)

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes which allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20 commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. Spending and revenue limits are determined 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 also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and federal grants). The District has restricted a portion of its December 31, 2022 year-end fund balance in the General Fund for emergencies as required under TABOR of \$48,000, which is the approximate required reserve at December 31, 2022.

The District's management believes it is in compliance with the provisions of TABOR, as it is currently understood. However, TABOR is complex and subject to interpretation. Many of the provisions may not become fully understood without judicial review.

3. Detailed Notes on the Funds

Deposits and Investments

As of December 31, 2022, cash and investments are classified in the accompanying financial statements as follows:

Government-wide Statement of Net Position:	
Cash and investments	\$ 1,650,052
Restricted cash and investments	<u>94,815</u>
Total Government-wide Statement of Net Position	1,744,867
Fiduciary Fund Statement of Net Position:	
Cash and investments	<u>687,499</u>
	<u>\$ 2,432,366</u>

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

3. Detailed Notes on the Funds (continued)

Deposits and Investments (continued)

The District has not adopted a formal investment policy, however, it does follow Colorado state statutes regarding investments. The following is a summary of deposits and investments held by the District as of December 31, 2022:

Type	<u>Government- wide</u>	<u>Fiduciary Fund</u>	<u>Carrying Value</u>
Deposits with financial institutions	\$ 1,640,134	\$ 620,220	\$ 2,260,354
Certificates of deposit	104,733	67,279	172,012
Total	<u>\$ 1,744,867</u>	<u>\$ 687,499</u>	<u>\$ 2,432,366</u>

Custodial Credit Risk: The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 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 a minimum of 102% of the aggregate uninsured deposits.

As of December 31, 2022, the District's governmental cash deposits (not including certificates of deposit) had a carrying value of \$1,640,134 with corresponding bank balances of \$1,641,519 of which \$250,000 is federally insured. The District has deposits in the amount of \$1,391,549 which are in excess of FDIC coverage. As required by CRS, these deposits are collateralized under PDPA. The District's certificates of deposit are not in excess of FDIC coverage.

As of December 31, 2022, the District's fiduciary fund cash deposits had a carrying value of \$620,220 with corresponding bank balances of \$620,220, of which \$250,000 is federally insured. Deposit amounts of \$370,220 are in excess of FDIC coverage. As required by CRS, these deposits are collateralized under PDPA. The District's fiduciary fund certificates of deposit are not in excess of FDIC coverage.

Interest Rate Risk: As a means of limiting exposure to fair value losses arising from rising interest rates, State law prohibits the District from holding investments with excessive maturities. The District limits its investments to savings accounts and certificates of deposit thus the District avoids interest rate risk.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District follows the general provisions of the Colorado Revised Statutes (CRS). CRS specify investment instruments meeting defined rating and risk criteria in which local governmental entities may invest. The allowed investments may include but are not limited to certain money market funds and certain certificates of deposit.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

3. Detailed Notes on the Funds (continued)

Accounts Receivable

As of December 31, 2022, EMS accounts receivable consisted of the following:

EMS receivable	\$ 189,555
Less: allowance for uncollectible accounts	<u>(101,826)</u>
EMS accounts receivable, net	<u>\$ 87,729</u>

Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Construction-in-progress	<u>11,711</u>	<u>514</u>	<u>-</u>	<u>12,225</u>
Total capital assets not being depreciated	<u>56,711</u>	<u>514</u>	<u>-</u>	<u>57,225</u>
Capital assets being depreciated:				
Buildings and improvements	501,279	-	-	501,279
Fire and EMS vehicles and equipment	2,152,104	34,190	(21,630)	2,164,664
Furniture and other equipment	<u>104,683</u>	<u>16,149</u>	<u>-</u>	<u>120,832</u>
Total capital assets being depreciated	<u>2,758,066</u>	<u>50,339</u>	<u>(21,630)</u>	<u>2,786,775</u>
Less accumulated depreciation for:				
Buildings and improvements	(203,292)	(19,989)	-	(223,281)
Fire and EMS vehicles and equipment	(1,548,873)	(81,014)	21,630	(1,608,257)
Furniture and other equipment	<u>(16,572)</u>	<u>(11,537)</u>	<u>-</u>	<u>(28,109)</u>
Total accumulated depreciation	<u>(1,768,737)</u>	<u>(112,540)</u>	<u>21,630</u>	<u>(1,859,647)</u>
Total capital assets being depreciated, net	<u>989,329</u>	<u>(62,201)</u>	<u>-</u>	<u>927,128</u>
Capital assets, net	<u>\$ 1,046,040</u>	<u>\$ (61,687)</u>	<u>\$ -</u>	<u>\$ 984,353</u>

Depreciation expense was charged to the functions of the District as follows:

Governmental activities:	
Firefighting and inspection	\$ 65,802
Emergency medical services	<u>46,738</u>
Total depreciation expense – governmental activities	<u>\$ 112,540</u>

4. Other Information

Risk Management

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, and are not expected to exceed the commercial insurance coverage. Settled claims have not exceeded commercial coverage in the last three years.

5. State Fire and Police Pension Plan

The District provides post-retirement pension benefits for all full-time fire prevention personnel hired after April 8, 1978, through the Statewide Defined Benefit Plan (SWDB Plan) cost-sharing multiple-employer defined benefit plan administered by Colorado Fire and Police Pension Association (FPPA). The SWDB Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for certain members through the Statewide Death and Disability Plan (D&D Plan), which is also administered by FPPA. The D&D Plan is a noncontributory plan. All full-time, paid firefighters of the District are members of the SWDB Plan and the D&D Plan. Local revenue sources are responsible for funding the D&D Plan benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. The Plan assets are included in the Fire & Police Member's Benefit Investment Fund and the Fire & Police Members' Self-Directed Fund (for Deferred Retirement Option Plan assets and Separate Retirement Accounts assets from eligible retired members). FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the SWDB and D&D plans. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Description of Benefits: A member is eligible for normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

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

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

5. State Fire and Police Pension Plan (continued)

Contributions: Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase their member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase .5% annually through 2022 to a total of 12% of pensionable earnings. Employer contributions will increase .5% annually beginning in 2021 through 2030 to a total of 13% of pensionable earnings.

In 2022, members of the SWDB Plan and their employers contributed at the rate of 12% and 9%, respectively, of pensionable earnings for a total contribution rate of 21%. In 2021, members of the SWDB Plan and their employers contributed at the rate of 11.5% and 8.5%, respectively, of pensionable earnings for a total contribution rate of 20%. Contributions to the pension plan from the District were \$33,040 for the year ended December 31, 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: At December 31, 2021, the District reported a pension asset of \$(108,883) for its proportionate share of the SWDB net pension asset. The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2022. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the District's proportion was .020092%, which was a decrease of .000049% from its proportion measured at December 31, 2020.

For the year ended December 31, 2021, the District recognized pension income of \$10,787. At December 31, 2021, 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 proportionate share	\$ 6,864	\$ -
Difference between expected and actual experience	31,179	2,538
Net difference between projected and actual earnings on plan investments	-	72,870
Changes of assumptions or other inputs	15,527	-
Contributions subsequent to the measurement date	33,040	-
Total	<u>\$ 86,610</u>	<u>\$ 75,408</u>

Contributions of \$33,040 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

5. State Fire and Police Pension Plan (continued)

<u>Year ended December 31,</u>	
2023	\$ (8,348)
2024	(15,886)
2025	(8,537)
2026	(1,907)
2027	6,878
Thereafter	5,962
Total	\$ <u>(21,838)</u>

Actuarial Assumptions: The actuarial valuations for the SWDB Plan were used to determine the total pension and actuarially determined contributions for the year ending December 31, 2021. The most recent experience study was completed in 2018. The valuations used the following actuarial assumption and other inputs:

	<u>Total pension liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial valuation date	January 1, 2022	January 1, 2021
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25%-11.25%
Cost of living adjustment (COLA)	0%	0.0%
* Includes inflation at	2.5%	2.5%

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

At least every 5 years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

5. State Fire and Police Pension Plan (continued)

Asset class	Target allocation	Long-term Expected Rate of Return
Global equity	39%	8.23%
Equity long/short	8%	6.87%
Private markets	26%	10.63%
Fixed income -rates	10%	4.01%
Fixed income – credit	5%	5.25%
Absolute return	10%	5.60%
Cash	2%	2.32%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.0%. 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 FPPA 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.

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

1% Decrease 6.0%	Current Discount Rate 7.0%	1 % Increase 8.0%
\$ (15,016)	\$ (108,883)	\$ (186,646)

Subsequent Event: During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and 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.

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

Pension Plan Fiduciary Net Position: FPPA’s financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA’s financial statements are recognized in the period the contributions are due. Detailed information about the SWDB Plan’s fiduciary net position is available in FPPA’s annual comprehensive financial report which can be obtained at <http://www.fppaco.org>.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

6. Volunteer Firefighters' Pension Plan

The Volunteer Firefighter's Pension Plan (the "Volunteer Plan") is a single-employer defined benefit pension plan administered by the District that provides retirement income for volunteer firefighters in recognition of their service to the District. The plan is managed with oversight by a seven-member Board of Trustees, consisting of five elected District officials and two eligible volunteer firefighters. The Volunteer Plan does not issue separate stand-alone statements. Volunteer Plan information from the latest actuarial report may be obtained by contacting the Strasburg Fire Protection District, 56281 E. Colfax Avenue, Strasburg, CO 80136.

The Volunteer Plan's financial statements, shown as a pension trust fund in the District's statements, are prepared using the economic resources measurement focus and accrual basis of accounting. Employer contributions, benefit payments, and refunds are recognized when due. Volunteer Plan investments are reported at fair market value. Administrative costs are financed through contributions and investment income. As of January 1, 2022, the Volunteer Plan is closed to new members.

Plan Membership: For the year ended December 31, 2022, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>1</u>
	<u>22</u>

Description of Benefits: Effective July 1, 2017, the Volunteer Plan, as established and amended by the plan's Board of Trustees, increased its monthly pension for volunteers from \$250 to \$300 for those who have satisfied the normal age and service requirements. Effective February 1, 2022, the monthly pension payments were increased again from \$300 to \$450. The Volunteer Plan further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service.

Contributions: The Volunteer Plan is funded by the District's general fund and the State of Colorado. The District is required to contribute at a rate to maintain the actuarial soundness of the plan as set by statute. The contribution requirements of the District are established under Title 31, Article 30 of CRS, as amended. The District and the State of Colorado contributed \$64,575 and \$40,771, respectively, for the year ended December 31, 2022.

Investments: The Volunteer Plan's policy allows the Volunteer Plan to invest in interest-bearing obligations of the United States, interest-bearing bonds of Colorado, general obligations bonds of municipalities, in any depository enumerated in §24-75-603, C.R.S., and secured as provided in §11-10.5-101, et seq., C.R.S., and §11-47-101, et seq., or in such other investments authorized by C.R.S. It is the policy of the Volunteer Board to pursue an investment strategy that allows for preservation of the Volunteer Plan. As of December 31, 2022, the Volunteer Plan investments consist of money market funds and certificates of deposit insured under FDIC and collateralized as required under CRS.

For the year ended December 31, 2022, the annual money-weighted rate of return, net of investment expense was .008%.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

6. Volunteer Firefighters' Pension Plan (continued)

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2023 with a measurement date of December 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial method	Entry age, normal
Amortization method	Level dollar, open
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation rate	Implicit
Investment rate of return	4.05%
Projected salary increases	n/a
Cost of living adjustment (COLA)	None

In the current year valuation, the investment rate of return has been updated from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Pre-retirement mortality valuations were determined using Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP -2020 Ultimate project scale. Post-retirement mortality valuations were determined using Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 project scale. Disabled retiree valuations were determined using Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five year projected with the MP-2020 Ultimate project scale with a minimum probability of 3.5% for males and 2.5% for females.

The long-term investment rate of return on pension plan investments is assumed to be the same as the municipal bond rate of 4.05% as the Volunteer Plan is entirely invested in short-term assets. For purposes of this valuation, the municipal bond rate is 4.05% (based on daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 4.05%. This is an increase from the prior Single Discount Rate of 1.84% used for the December 31, 2021 GASB 67/68 information.

The actuarial valuation uses the assumptions and methods applicable for volunteer fire plans that were adopted as a result of the 2022 Experience Study as used by FPPA. The mortality assumptions have been updated since the prior valuations as a result of the 2022 Experience Study. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with FPPA.

Actuarial Cost Method: Under the entry age normal actuarial cost method, the Normal Cost is computed as the level dollar amount which, if paid from the earliest time each member would have been eligible to join the plan if it then existed (thus, entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan. The normal cost for the plan is determined by summing the normal cost of all members.

The Actuarial Accrued Liability under this method at any point in time is the theoretical amount of the fund that should have been accumulated had annual contributions been made in prior years equaling to the normal cost. The Unfunded Actuarial Accrued Liability/(Surplus) is the excess of the actuarial accrued liability over the actuarial value of the plan assets as of the valuation date.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

6. Volunteer Firefighters' Pension Plan (continued)

Under this method, experience gains and losses (i.e., decreases or increases in accrued liabilities), attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: The net pension liability was measured at December 31, 2022 with an actuarial valuation as of January 1, 2023. The components of the net pension liability of Volunteer Plan at December 31, 2022 is as follows:

Total pension liability:	
Service cost	\$ 29,786
Interest	20,460
Change in benefit terms	525,304
Difference between expected and actual experience	(99,525)
Assumptions changes	(313,879)
Benefit payments, including lump sums	(89,550)
Net change in total pension liability	<u>72,596</u>
Total pension liability - beginning	<u>1,141,722</u>
Total pension liability - ending	<u>\$ 1,214,318</u>
Plan fiduciary net position:	
Contributions – employer	\$ 64,575
Contributions - member	-
Net investment income	53
Benefit payments	(89,550)
Pension plan administrative expense	(4,500)
State of Colorado supplemental discretionary payment	40,771
Other	-
Net change in plan fiduciary net position	<u>11,349</u>
Plan fiduciary net position – beginning	<u>675,790</u>
Plan fiduciary net position – ending	<u>\$ 687,139</u>
Net pension liability	<u>\$ 527,179</u>
Plan fiduciary net position as a percentage of total pension liability	<u>56.59%</u>

For the year ended December 31, 2022, the District recognized pension expense for the Volunteer Plan of \$435,025. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Plan from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ -	\$ 107,763
Changes of assumptions or other inputs	45,206	230,866
Difference between projected and actual earnings on plan investments	25,636	-
Total	<u>\$ 70,842</u>	<u>\$ 338,629</u>

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

6. Volunteer Firefighters' Pension Plan (continued)

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

<u>Year ended December 31,</u>		
2023	\$	(92,706)
2024		(96,967)
2025		(80,611)
2026		2,497
Total	\$	<u>(267,787)</u>

Discount Rate: A Single Discount Rate of 4.05% was used to measure the total pension liability. This Single Discount Rate was based on a municipal bond rate of 4.05%. The projection of cash flows used to determine the Single Discount Rate assumed that employer contributions will be made at current rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2122.

For purposes of this valuation, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity Index's 20-year Municipal GO AA Index); and the resulting Single Discount Rate is 4.05%.

Sensitivity of Pension Liability: The following presents the District's net pension liability calculated using the Single Discount Rate of 4.05%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease 3.05%	Current Discount Rate 4.05%	1 % Increase 5.05%
\$ 656,549	\$ 527,179	\$ 418,597

7. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Explanation of the reconciling items is as follows:

Capital assets of \$2,844,000 less accumulated depreciation of \$1,859,647 or a net book value of \$984,353 are not financial resources and therefore are not reported in the funds.

Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. Net pension asset for the SWDB Plan amounted to \$108,883.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

7. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position (continued)

Deferred outflows related to pensions are not financial resources and therefore are not reported in the governmental funds.

Deferred outflows – SWDB Plan	\$ 86,610
Deferred outflows – Volunteer Plan	70,842
Net adjustment	\$ <u>157,452</u>

Deferred inflows related to pensions are not financial resources and therefore are not reported in the governmental funds.

Deferred inflows – SWDB Plan	\$ (75,408)
Deferred inflows – Volunteer Plan	(338,629)
Net adjustment	<u>(414,037)</u>

Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds.

Unavailable revenue – EMS	\$ 38,861
Unavailable revenue – Grants	2,304
Net adjustment	\$ <u>41,165</u>

Long-term liabilities (compensated absences and net pension liability) are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (20,029)
Net pension liability – Volunteer Plan	(527,179)
Net adjustment	\$ <u>(547,208)</u>

Explanation of Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. Explanation of the reconciling items is as follows:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The details of this difference are as follows:

Depreciation expense –firefighting and prevention	\$ (65,802)
Depreciation expense –emergency medical services	(46,738)
Capital outlay	50,853
Net adjustment	\$ <u>(61,687)</u>

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Notes to Financial Statements
December 31, 2022

7. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities (continued)

Some revenues reported in the statement of activities do not provide current financial resources and therefore, are not recorded as revenues in governmental funds. The details of the difference are as follows:

Grant revenue	\$ (28,175)
EMS revenue	(32,441)
Net adjustment	<u>\$ (60,616)</u>

Governmental funds report pension contributions as expenditures, however, pension expense is reported in the statement of activities. This is the amount by which pension contributions exceed pension expense.

Contributions to the volunteer plan	\$ 64,575
Contributions to the SWDB plan	33,040
Pension expense volunteer plan	(434,025)
Pension income SWDB plan	10,787
Net adjustment	<u>\$ (325,623)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds. The change in compensated absences amounted to \$(14,204).

REQUIRED SUPPLEMENTARY INFORMATION

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of Contributions and Related Ratios - SWDB Plan
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 33,040	\$ 14,389	\$ 12,454	\$ 15,715	\$ 10,839	\$ 9,545	\$ 7,948	\$ 9,191	\$ 8,589	\$ 10,635
Contributions in relation to the statutorily required contribution	33,040	14,389	12,454	15,715	10,839	9,545	7,948	9,191	8,589	10,635
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 367,075	\$ 169,282	\$ 155,675	\$ 196,438	\$ 135,488	\$ 119,313	\$ 99,350	\$ 114,888	\$ 107,363	\$ 132,716
Contribution as a percentage of covered payroll	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of the District Proportionate Share of the Net Pension Liability/(Asset)- SWDB Plan
Last Ten Fiscal Years*

Fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan measurement date, December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportionate (percentage) of the net pension liability/(asset)	0.020092%	0.020043%	0.025964%	0.020085%	0.020582%	0.019603%	0.023699%	0.022852%	0.029865%
District's proportionate share of the net pension liability/(asset)	(108,883)	(43,514)	(14,684)	25,392	(29,610)	7,083	(418)	(25,790)	(26,705)
Districts' covered payroll	367,075	169,282	155,675	196,438	135,488	119,313	99,350	114,888	107,363
District's proportionate share of the net pension liability/(asset) as a percentage of the covered payroll	29.66%	25.70%	9.43%	-12.93%	21.85%	-5.94%	0.42%	22.45%	24.87%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the SWDB Plan. Covered payroll is presented based on the fiscal year. Information earlier than 2014 was not available.

NOTES:

The total pension liability as of December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2022
Measurement Date	December 31, 2021
Actuarial cost method	Entry age normal
Amortization method	N/A
Amortization period	N/A
Long-term investment rate of return**	7.00%
Projected salary increases	4.25% to 11.25%
Cost of living adjustment	None
**Includes inflation at	2.50%

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

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of Changes in the Plan's Net Pension Liability and Related Ratios -
Volunteer Pension Plan
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability:							
Service cost	\$ 29,786	\$ 28,316	\$ 25,649	\$ 25,649	\$ 23,281	\$ 23,601	\$ 19,670
Interest	20,460	22,201	30,592	30,702	31,913	32,007	26,733
Changes in benefit terms	525,304	-	-	-	-	196,584	-
Difference between expected and actual experience	(99,525)	-	(103,515)	-	(25,445)	-	-
Assumption changes	(313,879)	24,043	101,483	-	(13,295)	-	-
Benefit payments, including lump sums	(89,550)	(57,300)	(58,500)	(62,400)	(60,750)	(57,200)	(49,125)
Net change in total pension liability	<u>72,596</u>	<u>17,260</u>	<u>(4,291)</u>	<u>(6,049)</u>	<u>(44,296)</u>	<u>194,992</u>	<u>(2,722)</u>
Total pension liability - beginning	<u>1,141,722</u>	<u>1,124,462</u>	<u>1,128,753</u>	<u>1,134,802</u>	<u>1,179,098</u>	<u>984,106</u>	<u>986,828</u>
Total pension liability - ending	<u>\$ 1,214,318</u>	<u>\$ 1,141,722</u>	<u>\$ 1,124,462</u>	<u>\$ 1,128,753</u>	<u>\$ 1,134,802</u>	<u>\$ 1,179,098</u>	<u>\$ 984,106</u>
Plan fiduciary net position:							
Contributions - employer	\$ 64,575	\$ 60,139	\$ 64,575	\$ 71,901	\$ 59,134	\$ 47,072	\$ 53,145
Contributions - member	-	-	-	-	-	-	-
Net investment income	53	1,716	2,851	615	1,373	1,184	1,225
Benefit payments	(89,550)	(57,300)	(58,500)	(62,400)	(60,750)	(57,200)	(49,125)
Pension plan administrative expense	(4,500)	(10,838)	(4,612)	(10,005)	(4,550)	(9,900)	-
State of Colorado supplemental discretionary payment	40,771	40,853	36,417	35,680	31,963	33,550	28,607
Other	-	(1,149)	(638)	-	-	-	-
Net change in plan fiduciary net position	<u>11,349</u>	<u>33,421</u>	<u>40,093</u>	<u>35,791</u>	<u>27,170</u>	<u>14,706</u>	<u>33,852</u>
Plan fiduciary net position - beginning	<u>675,790</u>	<u>642,369</u>	<u>602,276</u>	<u>566,485</u>	<u>539,315</u>	<u>524,609</u>	<u>490,757</u>
Plan fiduciary net position - ending	<u>\$ 687,139</u>	<u>\$ 675,790</u>	<u>\$ 642,369</u>	<u>\$ 602,276</u>	<u>\$ 566,485</u>	<u>\$ 539,315</u>	<u>\$ 524,609</u>
Net pension liability	<u>\$ 527,179</u>	<u>\$ 465,932</u>	<u>\$ 482,093</u>	<u>\$ 526,477</u>	<u>\$ 568,317</u>	<u>\$ 639,783</u>	<u>\$ 459,497</u>
Plan fiduciary net position as a percentage of the total pension liability	56.59%	59.19%	57.13%	53.36%	49.92%	45.74%	53.31%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Information earlier than 2016 was not available.

Notes to Schedule:

Total pension liability was determined by an actuarial valuation as of January 1, 2023.

Retiree and beneficiary benefits were increased effective July 1, 2017 and January 1, 2022.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of Plan Contributions - Volunteer Pension Plan
Last 10 Fiscal Years*

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution**	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	50,528	81,752	(31,224)	n/a	n/a
2017	49,442	80,622	(31,180)	n/a	n/a
2018	49,442	91,097	(41,655)	n/a	n/a
2019	69,694	107,581	(37,887)	n/a	n/a
2020	69,694	100,992	(31,298)	n/a	n/a
2021	82,083	100,992	(18,909)	n/a	n/a
2022	82,083	105,346	(23,263)	n/a	n/a

* Information earlier than 2016 was not available.

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

Valuation Date: January 1, 2021

Notes Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years.

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	Market value
Inflation	Implicit
Salary increases	N/A
Investment rate of return	1.00%
Retirement age	50% rate assumed until age 65 at which 100% retirement is assumed.
Mortality	Mortality table RP-2014, adjusted back to 2006 with Scale MP-2014 and projected forward to 2018 with Scale MP-2017, fully generational using the ultimate rates from Scale MP-2017. An explicit assumption for administrative expenses was also added to the actuarially determined contribution.

Other information: There were no benefit changes during the year.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of the Net Pension Liability - Volunteer Pension Plan
Last 10 Fiscal Years*

Fiscal Year Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2016	984,106	524,609	459,497	53.31%	n/a	n/a
2017	1,179,098	539,315	639,783	45.74%	n/a	n/a
2018	1,134,802	566,485	568,317	49.92%	n/a	n/a
2019	1,128,753	602,275	526,478	53.36%	n/a	n/a
2020	1,124,462	642,369	482,093	57.13%	n/a	n/a
2021	1,141,722	675,790	465,932	59.19%	n/a	n/a
2022	1,214,318	687,139	527,179	56.59%	n/a	n/a

* Information earlier than 2016 was not available.

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of Investment Returns - Volunteer Pension Plan
Last 10 Fiscal Years*

	<u>Annual Return</u>
Annual money-weighted rate of return, net of investment expense:	
Fiscal year ending December 31, 2016	0.120%
Fiscal year ending December 31, 2017	0.219%
Fiscal year ending December 31, 2018	0.257%
Fiscal year ending December 31, 2019	0.102%
Fiscal year ending December 31, 2020	0.444%
Fiscal year ending December 31, 2021	0.313%
Fiscal year ending December 31, 2022	0.008%

* Information earlier than 2016 was not available.

OTHER SUPPLEMENTARY INFORMATION

STRASBURG FIRE PROTECTION DISTRICT NO. 8
Schedule of Changes in Net Position - Budget and Actual - Pension Fund
For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Additions:				
District contribution	\$ 80,000	\$ 80,000	\$ 64,575	\$ (15,425)
State contribution	30,000	30,000	40,771	10,771
Investment income	1,000	1,000	53	(947)
Total revenues	<u>111,000</u>	<u>111,000</u>	<u>105,399</u>	<u>(5,601)</u>
Deductions:				
Pension payments	67,000	90,000	89,550	450
Professional fees	10,000	10,000	4,500	5,500
Administration	150	150	18	132
Total expenditures	<u>77,150</u>	<u>100,150</u>	<u>94,068</u>	<u>6,082</u>
Change in net position	<u>\$ 33,850</u>	<u>\$ 10,850</u>	<u>\$ 11,331</u>	<u>\$ 481</u>