

BYERS FIRE PROTECTION DISTRICT NO. 9

FINANCIAL STATEMENTS

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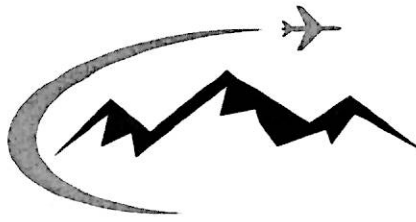
INDEPENDENT AUDITORS' REPORT

December 31, 2023

BYERS FIRE PROTECTION DISTRICT NO. 9

Contents

	<u>Page</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
Government – Wide Financial Statements	10-12
Fund Financial Statements	13-19
Notes to Financial Statements	20-35
Required Supplementary Information	36-38
Other Supplementary Information	39-40



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Byers Fire Protection District No. 9

Opinions

We have audited the accompanying financial statements of the Byers Fire Protection District No. 9 as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Byers Fire Protection District No. 9 basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Byers Fire Protection District No. 9 as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year ended in accordance with accounting principles generally accepted in the United States.

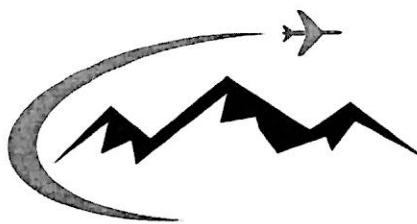
Basis for Opinions

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 the Byers Fire Protection District No. 9 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 the 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 the Byers Fire Protection District No. 9's ability to continue as a going concern for one year 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include 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 GAAS will always detect a material misstatement when it exists. The risk is 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.

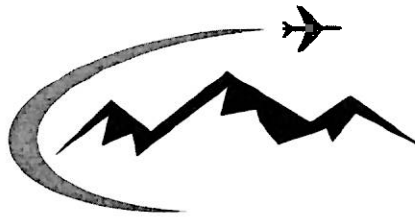
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures 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 the Byers Fire Protection District No. 9's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Byers Fire Protection District No. 9'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.



Mountain Capital CPA PC

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Byers Fire Protection District No. 9's basic financial statements. The Schedule of Changes in Net Position - Budget and Actual - Pension is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the 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, the 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.

Mountain Capital CPA PC

Westminster, Colorado
December 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Byers Fire Protection District No. 9

Management's Discussion and Analysis

As of and for the year ended December 31, 2023

As management of the Byers Fire Protection District No. 9 (the District), we offer readers of the District's financial statements this narrative analysis of the financial activities of the District for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the notes to the financial statement.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,379,517.
- Total expenses exceeded revenues by \$114,378.
- At the end of the current fiscal year, the fund unrestricted balance for the District was \$812,030. This represents a decrease of \$108,390 from 2022 and the entire unrestricted fund balance may be used to meet the District's obligations to citizens and creditors.

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 expense are reported in this statement for some items 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 (government 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 government 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 page 11 to 12 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 financial 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 revenue, expenditures, and changes in fund balances provides 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 statement can be found on pages 14 to 17 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 18 to 19 of this report.

NOTES TO THE FINANCIALS 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 21 to 35 of this report.

OTHER INFORMATION

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 37 to 38. This report also presents certain supplementary information which includes a budgetary comparison schedule for the pension fund on page 40.

FINANCIAL ANALYSIS OF OVERALL GOVERNMENT-WIDE STATEMENTS

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

Byers Fire Protection District's No. 9 Net Position

	<u>2022</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Assets:			
Current and other assets	\$ 2,233,548	\$ 2,256,683	\$ 23,135
Capital assets	<u>776,158</u>	<u>738,941</u>	<u>(37,217)</u>
Total assets	<u>3,009,706</u>	<u>2,995,624</u>	<u>(14,082)</u>
Liabilities:			
Current liabilities	<u>3,981</u>	<u>3,099</u>	<u>(882)</u>
Total liabilities	<u>3,981</u>	<u>3,099</u>	<u>(882)</u>
Deferred inflows of resources	<u>511,830</u>	<u>613,008</u>	<u>101,178</u>
Net Position:			
Net investment in capital assets	766,158	738,941	(27,217)
Restricted	797,317	828,546	31,229
Unrestricted	<u>920,420</u>	<u>812,030</u>	<u>(108,390)</u>
Total net position	<u>\$ 2,483,895</u>	<u>\$ 2,379,517</u>	<u>\$ (104,378)</u>

As of December 31, 2023, approximately 31% 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, 35%, represents the resources that are subject to restrictions including Colorado Constitutional restrictions and capital expenditures. The remaining unrestricted net position, \$812,030 or 34% may be used to meet the District's ongoing obligations.

Byers Fire Protection District's No. 9 Net Position

	<u>2022</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Emergency medical services	\$ 152,332	\$ 185,247	\$ 32,915
Grants and contributions	88,198	26,148	(62,050)
General revenues:			
Property taxes	608,378	479,064	(129,314)
Specific ownership taxes	11,989	5,658	(6,331)
Impact fees	4,752	4,752	-
Investment earnings	1,459	7,837	6,378
Miscellaneous	47,623	18,326	(29,297)
Total revenues	<u>914,731</u>	<u>727,032</u>	<u>(187,699)</u>
Expenditures/expenses:			
Operating expenses:			
Firefighting and inspection	698,237	652,735	(45,502)
Emergency medical services	84,192	188,675	104,483
Total expenditures and expenses	<u>782,429</u>	<u>841,410</u>	<u>58,981</u>
Change in net position	132,302	(114,378)	(246,680)
Net position - beginning	<u>2,361,593</u>	<u>2,493,895</u>	<u>132,302</u>
Net position - end	<u>\$ 2,493,895</u>	<u>\$ 2,379,517</u>	<u>\$ 114,378</u>

FINANCIAL ANALYSIS OF THE GOVERNEMENT'S FUNDS

Governmental funds. At the end of 2023, unassigned fund balance was \$812,030. In the current year, the decrease in unassigned fund balance was approximately \$108,390 compared to the prior year. The remainder of the fund balance is either nonspendable in form, \$360,454, restricted for enabling legislation, \$25,525, or restricted for a particular purpose, \$442,567.

GENERAL FUND BUDGETARY HIGHLIGHTS

For 2023, the District budgeted revenue in the amount of \$850,830 but instead earned revenue of \$701,495. The decrease of \$148,885 was primarily the result of decreases in property tax revenue, grant and communications income and miscellaneous income. In total, the District originally budgeted to spend \$850,083 with actual expenditures of \$807,966. Capital expenditures were \$17,290 under budget for the year, and salaries were \$37,832 over budget for the year. Budget details can be found on page 17.

CAPITAL ASSETS

The District's investment in capital assets for its governmental activities as of December 31, 2023 amounted to \$738,941, net of accumulated depreciation. Mission capital assets includes land, fire stations, vehicles, equipment and furniture.

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 on page 29.

NEXT YEAR'S BUDGET

The District's general fund balance at the end of the 2023 fiscal year totaled \$1,280,122. The District has appropriated \$1,016,492 for 2024 spending which includes capital expenditures of \$30,000.

REQUEST FOR INFORMATION

The 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 request for additional financial information should be addressed to Byers Fire Protection District No. 9 at PO Box 85, Byers, Colorado 80103.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BYERS FIRE PROTECTION DISTRICT NO. 9

Statement of Net Position

December 31, 2023

	Total Governmental Activities
Assets:	
Cash and investments	\$ 1,256,716
Receivables:	
Due from county treasurer	13,451
EMS accounts receivable, net	5,371
State pension contribution receivable	25,191
Property tax receivable	613,008
Prepaid expense	7,683
Net pension asset	335,263
Capital assests, not being depreciated	33,000
Capital assests, net of accumulated depreciated	705,941
Total assests	<u>2,995,624</u>
Deferred outflows of resources:	
Total deferred outflows of resources	<u>-</u>
Liabilities:	
Accounts payable	3,099
Net pension liability	-
Total liabilities	<u>3,099</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	613,008
Total deferred inflows of resources	<u>613,008</u>
Net position:	
Net investment in capital assets	738,941
Restricted for emergencies	25,525
Restricted for net pension asset	360,454
Restricted for capital improvements	442,567
Unrestricted	812,030
Total net postion	<u>\$ 2,379,517</u>

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Activities
For the Year Ended December 31, 2023

		Program Revenues			Net (expense) revenue and Changes In Net Position
			Operating	Capital	Total
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities
Functions/Programs:					
Primary government					
Governmental activities					
Firefighting and inspection	\$ 652,735	\$ -	\$ 26,148	\$ -	\$ (626,587)
Emergency medical services	188,675	185,247	-	-	(3,428)
	<u>\$ 841,410</u>	<u>\$ 185,247</u>	<u>\$ 26,148</u>	<u>\$ -</u>	<u>\$ (630,015)</u>
Total Primary Government					
General revenues:					
Property taxes					479,064
Specific ownership taxes					5,658
Impact fees					4,752
Investment earnings					7,837
Miscellaneous					18,326
Total general revenues					<u>515,637</u>
Change in net position					(114,378)
Net position - beginning of year					<u>2,493,895</u>
Net position - end of year					<u>\$ 2,379,517</u>

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

FUND FINANCIAL STATEMENTS

BYERS FIRE PROTECTION DISTRICT NO. 9

Balance Sheet

Governmental Funds - General Fund

For the Year Ended December 31, 2023

	Total Governmental Activities
Assets:	
Cash and investments	\$ 1,256,716
Due from county treasurer	13,451
EMS accounts receivable, net of allowance	5,371
Property tax receivable	613,008
Prepaid expense	7,683
Total assets	<u>\$ 1,896,229</u>
Liabilities:	
Accounts payable	\$ 3,099
Total liabilities	<u>3,099</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	613,008
Total deferred inflows of resources	<u>613,008</u>
Fund balance:	
Nonspendable, prepaids	7,683
Restricted for enabling legislation	25,525
Restricted for capital improvements	442,567
Unassigned	804,347
Total fund balance	<u>1,280,122</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,896,229</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	\$ 1,280,122
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	738,941
Net pension assets are not financial resources and therefore are not reported in the funds	360,454
Net position of governmental activities	<u>\$ 2,379,517</u>

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds - General Fund
For the Year Ended December 31, 2023

	Total Governmental Funds
Revenues:	
Property tax	\$ 479,064
Specific ownership tax	5,658
Investment income	7,491
Impact fees	4,752
Grant income	432
Medical services, net of uncollectible	185,247
Miscellaneous revenue	18,851
Total revenues	<u>701,495</u>
Expenditures:	
Current:	
Salaries, payroll taxes and benefits	471,832
Professional fees	6,961
Office supplies	7,751
Treasurer's fees	2,262
Firefighting	34,780
EMS services and fees	38,475
Insurance	36,191
Buildings	23,628
Equipment and repairs	57,070
Volunteers	9,460
Volunteer Pension contribution	26,183
Miscellaneous	15,663
Capital Outlay:	
Capital expenditures	77,710
Total expenditures	<u>807,966</u>
Net change in fund balance	(106,471)
Fund balance - beginning of year	1,386,593
Fund balance - end of year	<u>\$ 1,280,122</u>

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

BYERS FIRE DISTRICT PROTECTION DISTRICT NO. 9
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances of the governmental funds	\$ (106,471)
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 depreciated expense. This is the amount by which outlay exceeded depreciation expense in the current year.	(37,127)
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.	<u>29,220</u>
Change in net position of governmental activities	<u>(\$ 114,378)</u>

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget
and Actual - General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property tax	\$ 511,830	\$ 511,830	\$ 479,064	\$ (32,766)
Specific ownership tax	15,000	15,000	5,658	(9,342)
Investment income	10,000	10,000	7,491	(2,509)
Impact fees	6,000	6,000	4,752	(1,248)
Grants	60,000	60,000	432	(59,568)
Medical services, net of uncollectible	145,000	145,000	185,247	40,247
Contributions	5,000	5,000	525	(4,475)
Miscellaneous revenue	38,000	38,000	18,326	(19,674)
Communications	60,000	60,000	-	(60,000)
Total revenues	<u>850,830</u>	<u>850,830</u>	<u>701,495</u>	<u>(149,335)</u>
Expenditures:				
Current:				
Salaries, payroll taxes and benefits	434,000	434,000	471,832	(37,832)
Professional fees	10,900	10,900	6,961	3,939
Office supplies	5,500	5,500	7,751	(2,251)
Treasurer's fees	4,000	4,000	2,262	1,738
Firefighting	47,500	47,500	34,780	12,720
EMS services and fees	88,000	88,000	38,475	49,525
Insurance	35,000	35,000	36,191	(1,191)
Buildings	25,000	25,000	23,628	1,372
Equipment and repairs	55,000	55,000	57,070	(2,070)
Volunteers and special events	16,000	16,000	9,460	6,540
Volunteer Pension contribution	26,183	26,183	26,183	-
Miscellaneous	8,000	8,000	15,663	(7,663)
Capital Outlay:				
Capital expenditures	95,000	95,000	77,710	17,290
Total expenditures	<u>850,083</u>	<u>850,083</u>	<u>807,966</u>	<u>42,117</u>
Net change in fund balance	<u>747</u>	<u>747</u>	<u>(106,471)</u>	<u>(107,218)</u>

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	Pension Fund
Assets:	
Cash and investment	\$ 335,263
State pension contribution receivable	25,191
Total assets	<u>360,454</u>
Liabilities:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net Position:	
Restricted for pension	360,454
Total net position	<u><u>\$ 360,454</u></u>

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	Pension Fund
Additions:	
Contributions:	
District contribution	\$ 26,183
State contribution	25,191
Total contributions	<u>51,374</u>
Investment activity:	
Interest and dividends	346
Net investment earnings	346
Total additions	<u>346</u>
Deductions:	
Pension benefits	22,500
Total deductions	<u>22,500</u>
Change in net position	29,220
Net position - beginning of year	<u>331,234</u>
Net position - end of year	<u><u>\$ 360,454</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Byers Fire Protection District No. 9 (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 consistently applied in the preparation of the financial statements.

Reporting Entity

The District is 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, Morgan, Elbert, and Arapahoe counties within Byers, 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 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 service.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenue includes 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.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

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 funds:

General Fund – is the District's primary operating fund. Its 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resource 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*.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

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

Revenues 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 uncollected. Allowance for 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 are significant unobservable inputs. At December 31, 2023, the District did not hold any investment 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 installments is to be paid as of February 28 and the second to be paid no later than June 15. If elected to be paid in full, amount is paid no later than April 30. If payments are not made timely, delinquent interest accrues. If the taxes are not paid within the 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 date that (1) the interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

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 items 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 \$3,000 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 expenditure 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	30
Fire and EMS vehicles and equipment	15
Furniture and other equipment	5-10

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

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 one item that qualify for reporting in this category, unavailable revenue – property taxes. These amounts are deferred and recognized as inflows of resources in the period that the amounts becomes 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 these 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 for 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 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 constraint 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 constraint 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.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies (continued)

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

Funds Balance Policies (continued)

Assigned fund balance. This classification reflects the amounts constrained by the Districts "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, 2023, the District has not adopted a policy designed 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 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 assignment, 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, 2023, the District received \$4,752 in impact fees.

Use of Estimates

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

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

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 allow the District to amend the budget and adopt a supplementary appropriation of 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 services and federal grants). The District has a portion of its December 31, 2023 year-end fund balances in the General Fund for emergencies as required under TABOR of \$25,525 which is the approximate required reserve at December 31, 2023.

The District 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, 2023, cash and investments are classified in the accompanying financial statements as follows:

Government-wide Statement of Net Position	
Cash and investments	\$ 1,256,716
Fiduciary Fund Statement of Net Position:	
Cash and investments	335,263
	<u>\$ 1,591,979</u>

BYERS FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

December 31, 2023

3. Detailed Notes on the Funds(continued)

Deposits and Investments (continued)

The District has an 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, 2023:

	<u>Government- wide</u>	<u>Fiduciary Fund</u>	<u>Carrying Value</u>
Type			
Deposits with financial institutions	\$ 814,149	\$ 195,065	\$ 1,009,214
Certificates of deposit	<u>442,567</u>	<u>140,198</u>	<u>582,765</u>
Total	<u>\$ 1,256,716</u>	<u>\$ 335,263</u>	<u>\$ 1,591,979</u>

Custodial Credit Risk: The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositions. State regulators determine eligible. 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 of all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral be at a minimum of 102% of the aggregate uninsured deposits.

As of December 31, 2023, the District's governmental cash deposits had a carrying value of \$1,256,716 with corresponding bank balances of \$1,287,540 of which \$250,000 is federally insured. The District has deposits in the amount of \$1,037,540 which are in excess of FDIC coverage. As required by CRS, these deposits are collateralized under FDPA.

As of December 31, 2023, the Districts fiduciary fund cash deposits had a carrying value of \$195,065 with corresponding balances of \$195,065 of which is federally insured. As required by CRS, these deposits are collateralized under FDPA. The District's fiduciary fund certificates of deposits 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 certifications of deposit this the District avoids interest rate risk.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The Districts follows the general provisions of the Colorado Reserved Statutes (CRS). CRS specify investment instruments meetings 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 deposits.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

3. Detailed Notes on the Funds (continued)

Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital asset not being depreciated:				
Land	\$ 25,000	\$ 8,000	\$ -	\$ 33,000
Total capital asset not being depreciated	<u>25,000</u>	<u>8,000</u>	<u>-</u>	<u>33,000</u>
Capital asset being depreciated:				
Buildings and improvements	165,000	55,000	-	220,000
Fire and EMS vehicle and equipment	929,558	-	-	929,558
Furniture and other equipment	613,173	-	-	613,173
Total capital asset being depreciated	<u>1,707,731</u>	<u>55,000</u>	<u>-</u>	<u>1,762,731</u>
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Fire and EMS vehicle and equipment	(633,466)	(51,406)	-	(684,872)
Furniture and other equipment	(323,107)	(48,811)	-	(371,918)
Total accumulated depreciation	<u>(956,573)</u>	<u>(100,217)</u>	<u>-</u>	<u>(1,056,790)</u>
Total capital assets being depreciated, net	<u>751,158</u>	<u>(45,217)</u>	<u>-</u>	<u>705,941</u>
Capital assets, net	<u>\$ 776,158</u>	<u>\$ (37,217)</u>	<u>\$ -</u>	<u>\$ 738,941</u>

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

Governmental activities:	
Firefighting and inspection	\$ 60,217
Emergency medical services	40,000
Total depreciation expense - governmental activities	<u>\$ 100,217</u>

4. Other Management

Risk Management

The District is exposed to 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 of 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.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

5. Volunteer Firefighters' Pension Plan

The Volunteer Firefighters Pension Plan (the "Volunteer Plan") is a single-employer defined benefit pension plan administered by the District that provides retirement income for voluntary firefighters in recognition of their service to the District. The Volunteer Plan does not issue separate stand-alone statements. An actuary study of the plan has not been completed.

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.

Plan Membership: For the year ended December 31, 2023, pension plan membership consisted of the following:

Inactive plan members currently receiving benefits	19
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Description of Benefits: benefit payments were \$100 per month for 2023. The normal age and service requirement is the latest date in volunteer regions 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 \$26,183 and \$25,191 respectively, for the year ended December 31, 2023.

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 investment strategy that allows for preservation of the Volunteer Plan. As of December 31, 2023, The Volunteer Plan investments consists= of money market funds and certificates of deposit insured under FDIC and collateralized as required under CRS.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

6. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Differences between the Government 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 \$1,795,731 less accumulated depreciation of \$1,056,790 or a net book value of \$738,941 are not financial resources and therefore are not reported in the funds.

Long term assets are not available to pay for current period expenditure and, therefore, are not reported in the funds. Net pension asset for the VFPP Plan amounted to \$360,454

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

The governmental fund statement of revenues, expenditures, and changes in fund balances including 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 reconciliation 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	\$ (60,217)
Depreciation expense -emergency medical services	(40,000)
Capital outlay	63,090
Net adjustment	<u>\$ (37,127)</u>

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

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 expenses.

Contributions to the volunteer plan	\$ 51,720
Pension expense volunteer plan	(22,500)
Net adjustment	<u>\$ 29,220</u>

BYERS FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

December 31, 2023

7. 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 Benefits Plans (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 plans. 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 reports that includes financial statements and required supplementary information for both the SWDB and D&D plans. FPPA issues a publicly available annual comprehensive financial support 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 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 benefits 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.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

7. State Fire and Police Pension Plan(continued)

Contributions: Contribution rates for employers and member 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. Members 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% pensionable earnings.

In 2023, 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 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%. Contributions to the pension plan from the District were \$91,184 for the year ended December 31, 2023.

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, 2022, the District reported a pension asset of (\$19,339) for its proportionate share of the SWDB net pension asset. The net pension liability/(asset) was measured as of December 31, 2022, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the District's proportion was .0218%.

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

7. State Fire and Police Pension Plan(continued)

Actuarial Assumptions: The actuarial valuations for the SWBD Plan were used to determine the total pension and actuarially determined contributions for the year ending December 31, 2023. The most experience study was completed in 2022. The valuations used the following actuarial assumptions and other inputs:

	<u>Total pension liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial validation date	January 1, 2023	January 1, 2022
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return	7.00%	7.00%
Projected salary increases	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustment(COLA)	0%	0.00%
*Includes inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining 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 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pensions 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 target asset allocation as of December 31, 2022 are summarized as follows:

BYERS FIRE PROTECTION DISTRICT NO. 9
Notes to Financial Statements
December 31, 2023

7. **State Fire and Police Pension Plan(continued)**

Asset Class	Target allocation	Long-term Expected Rate of Return
Global equity	35%	8.93%
Equity long/short	6%	7.47%
Private markets	34%	10.31%
Fixed income - rates	10%	5.45%
Fixed income - credit	5%	6.90%
Absolute return	9%	6.49%
Cash	1%	3.92%
Total	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 actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually requires 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 benefits 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.

Pension Plan Fiduciary Net Position: FPPA's financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employers contributions to 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>

REQUIRED SUPPLEMENTARY INFORMATION

BYERS FIRE PROTECTION DISTRICT NO. 9
Schedule of Contributions and Related Ratios - SWDB Plan

	<u>2022</u>	<u>2023</u>
Statutorily required contribution	\$ 19,365	\$ 37,297
Contributions in relation to the statutorily required contribution	17,060	29,189
Contribution deficiency (excess)	<u>\$ 2,305</u>	<u>\$ 8,108</u>
District's covered payroll	215,167	414,410
Contribution as percentage of covered payroll	9.0%	9.0%

BYERS FIRE PROTECTION DISTRICT NO. 9
Schedule of the District Proportionate Share of the Net Position Liability/(Asset)-SWDB Plan
Last Ten Fiscal Years*

Fiscal year	<u>2023</u>
Plan measurement date, December 31,	2022
District's proportionate (percentage) of the net position liability/(asset)	0.0218%
District's proportionate share of the net position liability/(asset)	19,334
District's covered payroll	414,410
District's proportionate share of net pension liability/(asset) as a percentage of the covered payroll	-4.65%

* 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.

Notes:

The total pension liability as of December 31, 2023, actuarial valuation was determined using the following actuary assumptions:

Actuarial validation date	January 1, 2023
Measurement Date	December 31, 2022
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 the Pup-2010 Safety Annuitant Mortality Tables projected to with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

OTHER SUPPLIMENTARY INFORMATION

BYERS FIRE PROTECTION DISTRICT NO. 9
Statement of Changes in Net Position - Budget and Actual - Pension Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Additions:				
District contribution	\$ 26,183	\$ 26,183	\$ 26,183	\$ -
State contribution	22,000	22,000	25,191	3,191
Investment contribution	500	500	346	(154)
Total revenues	<u>48,683</u>	<u>48,683</u>	<u>51,720</u>	<u>3,037</u>
Deductions:				
Pension payments	25,000	25,000	22,500	2,500
Contingency	5,000	5,000	-	5,000
Administration	5,000	5,000	-	5,000
Total expenditure	<u>35,000</u>	<u>35,000</u>	<u>22,500</u>	<u>12,500</u>
Change in net position	<u>\$ 13,683</u>	<u>\$ 13,683</u>	<u>\$ 29,220</u>	<u>\$ 15,537</u>