

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**Financial Statements
with
Independent Auditors' Report**

**For the Year Ended
December 31, 2023**

Chaffee County Fire Protection District

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FINANCIAL SECTION

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2023

This management's discussion and analysis of the Chaffee County Fire Protection District financial performance provides an overall review of the District's financial activities for the year ended December 31, 2023. The intent of this management's discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the District's financial performance.

Financial Highlights

The District offers fire protection services to over 1,000 square miles of Chaffee County, excluding the town of Salida, and the boundaries of the South Arkansas Fire Protection District. The District's assets exceeded its liabilities at the close of 2023 by \$4,272,697 (*net position*), which is an increase of \$98,892 from the prior year. Of this amount, \$1,424,978 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.

May 11, 2021 the District entered into an Intergovernmental Agreement with the Town of Buena Vista for Emergency Services. The annual compensation to the District from the Town of Buena Vista is the equivalent of the tax revenue that would be collected if all Town taxable properties were in the District. The annual compensation for 2023 was \$358,185.

The District imposes a mill levy of 3.964 mills upon each dollar of the total valuation for assessment of all taxable property with the District. The property taxes received from this mill levy for the 2023 year was \$1,255,632. The District's net position is used for on-going operations and upcoming capital projects, repairs, maintenance and replacement of existing equipment.

The District had total revenues of \$2,192,779 in 2023 versus \$2,053,704 in 2022, an increase of \$139,075.

Using the Basic Financial Statements

The Basic Financial Statements consists of management's discussion and analysis (this section) and a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first statement, The Statement of Net Position, provides long-term and short-term information about the District's overall financial status.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) December 31, 2023

Government-Wide Financial Statements

Governmental Type Activities:

The District's governmental-type activity consists of the fire protection district operations. The District's fire protection district operations are supported primarily by property taxes received and charges for services.

Financial Analysis of the District as a Whole

Net position increased in 2023 by \$98,892 to \$4,272,697, compared to the increase in 2022 of \$439,930 to \$4,173,805.

Cash and investments of the District on December 31, 2023, totaled \$1,035,656 and at December 31, 2022 totaled \$1,269,635, not including amounts held for pension benefits, which were \$2,393,334 in 2023 and \$2,257,678 for 2022.

Capital assets, net of accumulated depreciation, of the District on December 31, 2023 totaled \$2,781,719, a net change of \$72,173.

Net position

A summary of the District's net position at December 31, 2023 and 2022 is as follows:

	Condensed Statement of Net Position	
	2023	2022
Current Assets	\$ 1,107,954	\$ 2,555,584
Non Current Assets		
Capital Assets - Net	<u>2,781,719</u>	<u>3,091,092</u>
Total Assets	<u>3,889,673</u>	<u>5,646,676</u>
Deferred Outflows of Financial Resources	<u>792,428</u>	<u>540,244</u>
Current Liabilities	144,199	403,806
Non Current Liabilities	<u>119,120</u>	<u>97,704</u>
Total Liabilities	<u>263,319</u>	<u>501,510</u>
Deferred Inflows of Financial Resources	<u>146,085</u>	<u>1,511,605</u>
Net Position		
Net Investment in Capital Assets	2,781,719	2,853,891
Restricted Net Position	66,000	62,000
Unrestricted Net Position	<u>1,424,978</u>	<u>1,257,914</u>
Total Net Position	<u>\$ 4,272,697</u>	<u>\$ 4,173,805</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2023

Condensed Statement of Activities

Condensed Statement of Activities		
	<u>2023</u>	<u>2022</u>
PROGRAM REVENUES		
Charges for Services	\$ 446,609	\$ 379,910
Operating Grants & Contributions	<u>187,197</u>	<u>251,534</u>
Total Program Revenues	<u>633,806</u>	<u>631,444</u>
GENERAL REVENUES		
Property Taxes	1,255,632	1,225,970
Other Taxes	152,361	138,716
Investment Earnings	62,730	26,167
Other Revenues	<u>88,250</u>	<u>31,408</u>
Total General Revenues	<u>1,558,973</u>	<u>1,422,261</u>
Total Revenues	<u>2,192,779</u>	<u>2,053,705</u>
PROGRAM EXPENSES		
Public Safety	<u>2,093,887</u>	<u>1,613,744</u>
Change in Net Position	98,892	439,961
Net Position, Beginning	<u>4,173,805</u>	<u>3,733,875</u>
Net Position, Ending	<u>\$ 4,272,697</u>	<u>\$ 4,173,836</u>

Budget and Actual Comparisons

Budgeted revenues were less than actual revenues by 228,229 in 2023. Actual expenditures were more than budgeted by \$162,484. The most significant difference between budget and actual expenses was related to administration and professional services.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
December 31, 2023**

Capital Assets

The total accumulated depreciation for 2023 was \$186,754, with the total net decrease of \$72,173, leaving a balance of \$2,781,717 in net capital assets.

The following is a summary of capital asset activity:

	Balance			Balance
	12/31/22	Additions	Deletions	12/31/23
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	<u>1,017,307</u>	<u>(14,979)</u>	<u>-</u>	<u>1,002,328</u>
Total capital assets not being depreciated	<u>1,200,323</u>	<u>(14,979)</u>	<u>-</u>	<u>1,185,344</u>
Capital assets being depreciated				
Buildings and improvements	917,127	49,700	-	966,827
Equipment	740,506	65,860	-	806,366
Vehicles and accessories	<u>3,505,014</u>	<u>14,000</u>	<u>-</u>	<u>3,519,014</u>
Total capital assets being depreciated	<u>5,162,647</u>	<u>129,560</u>	<u>-</u>	<u>5,292,207</u>
Total capital assets	<u>6,362,970</u>	<u>114,581</u>	<u>-</u>	<u>6,477,551</u>
Accumulated depreciation				
Buildings and improvements	(381,087)	(26,192)	-	(407,279)
Equipment	(576,622)	(31,676)	-	(608,298)
Vehicles and accessories	<u>(2,551,371)</u>	<u>(128,886)</u>	<u>-</u>	<u>(2,680,257)</u>
Total accumulated depreciation	<u>(3,509,080)</u>	<u>(186,754)</u>	<u>-</u>	<u>(3,695,834)</u>
Net capital assets being depreciated	<u>1,653,567</u>	<u>(57,194)</u>	<u>-</u>	<u>1,596,373</u>
Net capital assets	<u>\$ 2,853,890</u>	<u>\$ (72,173)</u>	<u>\$ -</u>	<u>\$ 2,781,717</u>

Long Term Obligations

The District also posted a total of \$13,335 in accrued compensated absences.

Additional information on the long term obligations can be found in Note 5 of the financial statements.

The following is a summary of long term obligations:

	Balance		Balance
	12/31/22	Net Change	12/31/23
Accrued Compensated Absences	<u>\$ 14,027</u>	<u>\$ 13,335</u>	<u>\$ 27,362</u>

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information (RSI)

December 31, 2023

The Future of the District

The District is in the process of developing a strategic plan to outline the future of any possible capital projects, apparatus replacement, or staffing. With the increased development and population growth of the District, staffing demands have increased. The District hopes to add one staff position in 2025. The position would be an Assistant Chief of Operations. The District will continue to maintain current equipment and apparatus while planning for replacement of critical equipment that has become obsolete or fails service tests. The District will maintain the resident firefighter program based out of Nathrop, which is currently filled with 3 residents. The resident program will expand with Station 4 in Poncha Springs to add living quarters for 6. Seeking additional grants will continue to be a major focus to assist in replacement of equipment now and into the future as well as to support the mitigation program. The District will maintain its wildland program, including 10 positions in the wildland reserve program, which hosts qualified individuals to increase the available pool of personnel. The wildland program deploys resources on major fires and provides supplemental income to the District. The District will continue to partner with Envision Chaffee County on Chaffee Chips events while looking for ways to continue the vast mitigation efforts throughout the county. Developing a Community Risk Reduction plan using feedback from the community will be a focus for the Fire Prevention Department. In 2025, the District will assume responsibility for hosting community CPR classes with the support of the Town of Buena Vista.

Request for Information

The financial report is designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the District's finances. Questions concerning this or any additional information should be addressed to Chaffee County Fire Protection District, 499 Antero Cir, Buena Vista CO 81211.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Chaffee County Fire Protection District
Buena Vista, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, major fund and aggregate remaining fund information of Chaffee County Fire Protection District, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Chaffee County Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and aggregate remaining fund information of the Chaffee County Fire Protection District as of December 31, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Financial Statements section of our report. We are required to be independent of the Chaffee County Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Chaffee County Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chaffee County Fire Protection District 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 Chaffee County Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Chaffee County Fire Protection District's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chaffee County Fire Protection District's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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, the individual nonmajor fund financial statements fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
November 4, 2024

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Basic Financial Statements

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Equivalents	\$ 981,012
Investments	41,768
Cash with Fiscal Agent	12,876
Accounts Receivable	61,510
Internal Balances	<u>10,788</u>
Total Current Assets	<u>1,107,954</u>
Noncurrent Assets	
Capital Assets Not Being Depreciated	1,185,345
Capital Assets Being Depreciated, net	<u>1,596,374</u>
Total Noncurrent Assets	<u>2,781,719</u>
Total Assets	3,889,673
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Deferred Outflows - Pensions (net)	<u>792,428</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 4,682,101</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 125,808
Accrued Payroll	<u>18,391</u>
Total Current Liabilities	144,199
Noncurrent Liabilities	
Due in Excess of One Year	<u>119,120</u>
Total Liabilities	<u>263,319</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Inflows - Pensions (net)	<u>146,085</u>
NET POSITION	
Net Investment in Capital Assets	2,781,719
Restricted Net Position	66,000
Unrestricted Net Position	<u>1,424,978</u>
Total Net Position	<u>4,272,697</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 4,682,101</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Activities
Year Ended December 31, 2023

Function/Program	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Public Safety	<u>\$ 2,093,887</u>	<u>\$ 446,609</u>	<u>\$ 187,197</u>	<u>\$ (1,460,081)</u>
General Revenues:				
Property Taxes, levied for general purposes				1,255,632
Specific Ownership Taxes				152,361
Investment Earnings				62,730
Other Revenues				<u>88,250</u>
Total General Revenues				<u>1,558,973</u>
Change in Net Position				98,892
Net Position, Beginning				<u>4,173,805</u>
Net Position, Ending				<u>\$ 4,272,697</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2023
(With Comparative Totals for December 31, 2022)

	General Fund	
	2023	2022
ASSETS		
Cash and Equivalents	\$ 981,012	\$ 1,242,928
Investments	41,768	41,601
Cash with Fiscal Agent	12,876	11,822
Property Tax Receivable	-	1,253,769
Accounts Receivable	61,510	639
Prepaid Expenses	-	2,976
Internal Balances	10,788	1,849
Total Assets	<u>\$ 1,107,954</u>	<u>\$ 2,555,584</u>
LIABILITIES DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 125,808	\$ 384,315
Accrued Payroll	18,391	19,491
Total Liabilities	<u>144,199</u>	<u>403,806</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Property Taxes	<u>-</u>	<u>1,253,769</u>
FUND BALANCE		
Nonspendable	-	2,976
Restricted for Emergencies	66,000	62,000
Committed for Operating Reserves	531,758	633,550
Committed for Station Development	215,997	49,483
Committed for Equipment Replacement	150,000	150,000
Total Fund Balance	<u>963,755</u>	<u>898,009</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 1,107,954</u>	<u>\$ 2,555,584</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2023

Fund Balance - Governmental Funds \$ 963,755

Amounts reported for governmental activities in the statement of net position because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital Assets	6,477,552	
Accumulated Depreciation	<u>(3,695,833)</u>	2,781,719

Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds

FPPA Statewide Defined Benefit Plan

Net pension liability	(39,670)	
Deferred outflows - pensions (net)	391,242	
Deferred inflows - pensions (net)	<u>(141,528)</u>	210,044

Chaffee County Fire Protection District Pension Fund

Net pension liability	(52,088)	
Deferred outflows - pensions (net)	401,186	
Deferred inflows - pensions (net)	<u>(4,557)</u>	344,541

Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position

Accrued Compensated Absences	<u>(27,362)</u>	
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Net Position - Governmental Activities \$ 4,272,697

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	General Fund	
	2023	2022
REVENUES		
Taxes	\$ 1,407,993	\$ 1,364,686
Intergovernmental	187,197	251,533
Charges for Services	446,609	379,910
Investment Earnings	62,730	26,167
Other Revenues	88,250	31,408
Total Revenues	<u>2,192,779</u>	<u>2,053,704</u>
EXPENDITURES		
Current		
Public Safety (Operations)	1,698,445	1,276,705
Pension Expenses	197,260	195,828
Capital Outlay	231,328	1,059,716
Debt Service	-	1,951
Total Expenditures	<u>2,127,033</u>	<u>2,534,200</u>
Change in Fund Balance	65,746	(480,496)
Fund Balance, Beginning	<u>898,009</u>	<u>1,378,505</u>
Fund Balance, Ending	<u>\$ 963,755</u>	<u>\$ 898,009</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Governmental Fund Change in Fund Balance to
Governmental Activities Change in Net Position
Year Ended December 31, 2023

Change in Fund Balance - Governmental Funds		\$ 65,746	
Amounts reported for governmental activities in the statement of activities are different because:			
Purchases of capital assets are expensed in the funds and depreciated for the statement of activities while capital asset deletions are not reported in the funds:			
Capital Outlay	\$ 114,582		
Depreciation Expense	<u>(186,754)</u>	(72,172)	
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Change in deferred outflows - pensions (net)	252,184		
Change in net pension asset/liability	(245,282)		
Change in deferred inflows - pensions (net)	<u>111,751</u>	118,653	
Accrued compensated absences are expensed when paid in the funds and are recorded as long-term obligations for the statement of net position			
Change in Accrued Compensated Absences		<u>(13,335)</u>	
Change in Net Position - Governmental Activities			\$ <u>98,892</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Fiduciary Net Position -
Pension Trust Fund
December 31, 2023
(With Comparative Totals for December 31, 2022)

	Total	
	2023	2022
ASSETS		
Restricted Cash and Investments	\$ 2,393,334	\$ 2,257,678
Accounts Receivable	41,357	195,285
Internal Balances	(10,788)	(1,849)
Total Assets	<u>2,423,903</u>	<u>2,451,114</u>
LIABILITIES		
Accounts Payable	<u>1,859</u>	<u>2,619</u>
NET POSITION		
Restricted for Retirement Benefits	<u>\$ 2,422,044</u>	<u>\$ 2,448,495</u>

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

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Statement of Changes in Fiduciary Net Position -
Pension Trust Fund
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	<u>Total</u>	
	<u>2023</u>	<u>2022</u>
ADDITIONS:		
Contributions:		
State Matching Contribution	\$ 41,357	\$ 41,357
District Contributions	155,903	153,928
Investment Earnings	<u>7,970</u>	<u>(278,114)</u>
Total Additions	<u>205,230</u>	<u>(82,829)</u>
DEDUCTIONS:		
Pension Benefit Payments	213,154	186,022
Funeral Benefits	800	-
Accounting	845	990
Actuarial Fees	10,500	4,500
Investment Fees	<u>6,381</u>	<u>27,238</u>
Total Deductions	<u>231,680</u>	<u>218,750</u>
Change in Fiduciary Net Position	(26,450)	(301,579)
Net Position, Beginning	<u>2,448,495</u>	<u>2,750,074</u>
Net Position, Ending	<u>\$ 2,422,045</u>	<u>\$ 2,448,495</u>

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

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chaffee County Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

REPORTING ENTITY

Chaffee County Fire Protection District is a quasi-municipal corporation governed by an elected five-member board of directors. The District is governed pursuant to provisions of the Colorado Special District Act. The District was established in 1975 to provide fire protection services to Chaffee County, excluding the Towns of Buena Vista and Salida, and a portion of Chaffee County served by another district. As required by generally accepted accounting principles, these financial statements present the Chaffee County Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements, nor is the District a component unit of another entity.

BASIC FINANCIAL STATEMENTS

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIC FINANCIAL STATEMENTS (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements. The District's operations consist of a General Fund (governmental) and a Pension Trust Fund.

The District's fiduciary fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The District reports the following major governmental fund:

General Fund

This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration.

The District also reports the following fiduciary fund:

Pension Trust Fund

The District has established the Chaffee County Fire Protection District Pension Fund (Volunteer Firefighters) to provide pension and other benefits to the volunteer firefighters and their dependents (Note 4).

Budgets

The District adopts an annual budget for all funds which are all prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

- (1) Submission of the proposed budget to the local governing body by October 15 of each year.
- (2) Adoption of the budget and certification of mill levies to the Board of County Commissioners by December 15.
- (3) Filing the adopted budget with DOLA by January 31st of each year.
- (4) Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
- (5) Liens are placed on property for which taxes are delinquent in November of each year.

For the current year, the State allowed for the adoption of the 2023 budget and mill levy certification subsequent to year end. The District adopted its budget and 2024 mill levy on January 3, 2024.

Encumbrances

The District does not utilize encumbrance accounting.

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

The District's cash and cash equivalents include cash in bank, certificates of deposit with a maturity date of three months or less and liquid investments as part of its cash and cash equivalents.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE** (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. The District has not recorded an allowance against outstanding receivables.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are not considered to be available to liquidate liabilities for the current period.

Capital Assets

Capital assets, which include land, machinery and equipment (furniture, vehicles, computers, etc.), are reported in the Governmental Activities column of the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	10-40 years
Equipment	5-25 years
Vehicles and Accessories	10-30 years

Deferred Outflows and Inflows of Financial Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has pension related items, which arises only under the full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, contributions subsequent to measurement date and the difference between projected and actual investment returns, the difference between projected and actual pension experience, changes in plan assumptions and changes in the District's proportionate share of the underlying pension asset or liability, are reported in the governmental activities statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE (Continued)**

Deferred Outflows and Inflows of Financial Resources (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, property taxes, which arises both under the full accrual and modified accrual basis of accounting, and pension related items that only are reported under full accrual, that qualify for reporting in this category. The property tax item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The pension items are the difference between projected and actual pension experience, pension earnings, changes in assumptions and changes in the District's proportionate share of the underlying pension asset or liability. The pension differences and changes are amortized based on the requirements of GASB Statement 68.

Accrued Leave

Employees accrue (earn) 96 hours of PTO each year. PTO is accrued at the rate of 5.96 per pay period. PTO is pro-rated for the calendar year in which the employee is hired (for example, if an employee was hired on July 1, the employee can only accrue 48 hours PTO through December 31 of that year). Accrued but unused PTO is forfeited if an employee's employment terminates for any reason.

Long-Term Obligation

Long-term debt is reported at face value, net of applicable discounts and deferred gains or charges on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION/FUND BALANCE** (Continued)

Net Position/Fund Balance

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. The District currently does not have this category of fund balance.

Fund balance is reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The District's restricted fund balance represents the funds set aside to satisfy the TABOR emergency reserve requirement discussed in Note 6.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The District currently has no committed funds.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The District currently has assigned fund balances for specific uses.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2: CASH AND INVESTMENTS

The District's cash and investment balances are comprised of the following:

Cash and equivalents	\$ 52,933
Investment bank deposits	41,768
Restricted pension bank deposits	<u>195,833</u>
Total bank deposits	290,534
Investments (cash equivalent)	928,064
Restricted pension investments	<u>2,197,501</u>
Total investments	3,125,565
Cash on Hand	<u>15</u>
Total cash and investments	<u>\$ 3,416,114</u>

The cash and investments are presented in the financial statements as follows:

Cash and equivalents	\$ 981,012
Investments	41,768
Restricted pension cash and investments	<u>2,393,334</u>
Total cash and investments	<u>\$ 3,416,114</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2023, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

The District's deposits are categorized as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC insured deposits - Not in District's name	\$ 519,340	\$ 290,534
PDPA collateralized *	7,865	-
Cash on hand	<u>-</u>	<u>15</u>
Total cash and deposits	<u>\$ -</u>	<u>\$ 527,205</u>

* - Not in District's name

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2023 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Uncategorized</u>	<u>Total</u>	<u>Weighted Avg Mat</u>
Investment Pools	\$ -	\$ -	\$ -	\$ 928,064	\$ 928,064	-
Pension Mutual Funds	-	2,074,684	-	-	2,074,684	-
Pension Treasury Investments	-	119,727	-	-	119,727	12.24
Total Investments	<u>\$ -</u>	<u>\$ 2,194,411</u>	<u>\$ -</u>	<u>\$ 928,064</u>	<u>\$ 3,122,475</u>	<u>0.47</u>

The District’s local government pool investment, further described below, is not subject to categorization or the fair value disclosures.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Mutual Funds and Treasury Investments:** Valued at quoted market prices of similar assets.

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2023, there were no changes in the methods or assumptions utilized to derive the fair value of the District’s assets and liabilities.

Credit Risk

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Noninsured trust pension plans with a bank or trust company authorized to exercise trust powers in this state as a trustee.

The District’s investment policy limits its investments to those allowed by Colorado Revised Statute 31-30-1113 as described above, and as otherwise indicated in the statute.

The District has invested \$928,064 in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The investment is valued at net asset value. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk (Continued)

A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions of the Trusts. Substantially all securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. Colotrust is rated AAAM by Standard and Poor's.

Concentration of Credit Risk

As of December 31, 2023 the District had concentration of credit risk as shown in the pension table below.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the District's pension investments were held by UBS Financial Services, Inc.

PENSION INVESTMENTS

At December 31, 2023, the District's pension investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Wgt'd Avg Maturity</u>	<u>Rating</u>
Mutual Funds	\$ 2,026,498	-	N/A
Fixed Income Securities (Bank Deposits)	195,833	1.23	N/A
U.S. Treasuries	171,003	11.93	-
Total Pension Investments	<u>\$ 2,393,334</u>	<u>0.94</u>	

The following is an allocation of the pension balances by individual investment:

<u>Allocation of Balances</u>	<u>Fair Value</u>	<u>% of Total</u>
<u>U. S. Treasury Bonds and Strips</u>	\$ 171,003	7.14%
<u>Mutual Funds</u>		
UBS Govt Money Mkt Invest	202,848	8.48%
Catalyst/Millburn Hedge Strat	174,596	7.30%
Columbia Acorn Thermostat	132,906	5.55%
Nrthrn Lights Dynamic US Opp	130,853	5.47%
Prudential PGIM Total Return Bond	122,498	5.12%
All Other Mutual Funds	1,262,797	52.76%
<u>Cash Deposits</u>	<u>195,833</u>	<u>8.18%</u>
Total Pension Investments	<u>\$ 2,393,334</u>	<u>100.00%</u>

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 3: CAPITAL ASSETS

Capital Asset Activity for the year ended December 31, 2023 was as follows:

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
Capital assets not being depreciated				
Land	\$ 183,016	\$ -	\$ -	\$ 183,016
Construction in Progress	<u>1,017,307</u>	<u>(14,979)</u>	<u>-</u>	<u>1,002,328</u>
Total capital assets not being depreciated	<u>1,200,323</u>	<u>(14,979)</u>	<u>-</u>	<u>1,185,344</u>
Capital assets being depreciated				
Buildings and improvements	917,127	49,700	-	966,827
Equipment	740,506	65,860	-	806,366
Vehicles and accessories	<u>3,505,014</u>	<u>14,000</u>	<u>-</u>	<u>3,519,014</u>
Total capital assets being depreciated	<u>5,162,647</u>	<u>129,560</u>	<u>-</u>	<u>5,292,207</u>
Total capital assets	<u>6,362,970</u>	<u>114,581</u>	<u>-</u>	<u>6,477,551</u>
Accumulated depreciation				
Buildings and improvements	(381,087)	(26,192)	-	(407,279)
Equipment	(576,622)	(31,676)	-	(608,298)
Vehicles and accessories	<u>(2,551,371)</u>	<u>(128,886)</u>	<u>-</u>	<u>(2,680,257)</u>
Total accumulated depreciation	<u>(3,509,080)</u>	<u>(186,754)</u>	<u>-</u>	<u>(3,695,834)</u>
Net capital assets being depreciated	<u>1,653,567</u>	<u>(57,194)</u>	<u>-</u>	<u>1,596,373</u>
Net capital assets	<u>\$ 2,853,890</u>	<u>\$ (72,173)</u>	<u>\$ -</u>	<u>\$ 2,781,717</u>

NOTE 4: LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long term obligations of the District for December 31, 2023:

	<u>Balance</u> <u>12/31/22</u>	<u>Net Change</u>	<u>Balance</u> <u>12/31/23</u>
Accrued Compensated Absences	\$ 14,027	\$ 13,335	\$ 27,362

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS

VOLUNTEER FIREFIGHTER'S PENSION FUND

Plan Description

The District is trustee for a single-employer defined benefit pension plan ("Chaffee County Fire Protection District") for all volunteer firefighters. The plan is included as pension trust fund in the District's financial statements. The plan is administered by a Board of Trustees composed of the five members of the District's Board of Directors and two District volunteer, retired volunteer or active retiree firefighters selected in accordance with Colorado State Statutes. The plan provides normal retirement benefits as well disability and survivor benefits. In 2023, the regular benefit was \$440 per month or a prorated benefit after 10 year of qualified service, the greater of one half the benefits for normal retirement of \$220 per month for temporary disability, \$450 per month for full disability and a 50% death benefit. The benefits were increased in the fall of 2023 to \$490 per month base pension benefit with a survivor benefit of \$245 per month. Any eligible firefighter may begin receiving a monthly pension upon attaining age 50. The plan does not issue stand-alone financial statements.

Funding Policy

The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one mill of property tax revenue. The District is currently contributing on the basis of .5 mills on the assessed valuation. Because the District's monthly benefit exceeds \$300, the State of Colorado contributes the greater of (a) the contribution amount that would have been actuarially required if the monthly pension benefit was \$300 in the immediately preceding year, or (b) the highest State contribution the District received in 1998 through 2001. The State's contribution may not exceed the amount of revenue that would be generated from a .5 mill tax on the District's net assessed valuation in the immediately preceding year. The District received \$41,357 from the State for its contribution match of the District's \$153,928 contribution.

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

At December 31, 2023, the District reported net pension assets of \$2,422,045 and a total pension liability of \$2,474,133, for a net pension liability of \$(52,088). The net pension liability was measured as December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the District recognized pension income of \$65,378. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER'S PENSION FUND (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (4,557)
Changes of assumptions or other inputs	\$ 1,388	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 399,798	\$ -
Total	\$ 401,186	\$ (4,557)

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

Year Ended December 31:	Amortization Amount
2024	\$ 125,435
2025	123,114
2026	120,398
2027	27,682
Total	\$ 396,629

Actuarial assumptions. The actuarially determined contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age actuarial cost method with a level amount open amortization period with 20-year remaining amortization. Actuarial assumptions included the following:

Actuarial method	Entry Age Normal Cost
Long-term investment rate of return, net of pension plan investment expenses, including inflation	5.75%
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value
Salary increase, including wage inflation	N/A
Cost of Living Adjustments (COLA)	0.00%
Inflation	Implicit
Retirement Age	Earlier of age 50 and 20 years of service. 50% probability for ages 50-64, 100% probability at age 65.
Mortality	For active members, Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. For annuitants, Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER’S PENSION FUND (Continued)

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

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 and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of the valuation date are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Long-Term Expected Rate of Return	Percentage of Portfolio
Domestic Equity	6.69%	34.06%
International Equity	7.92%	5.80%
Fixed Income	6.85%	43.72%
Cash	0.25%	16.21%
Other	0.00%	0.21%
Total	5.75%	100.00%

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 4.05% (based on the 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 5.75%.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 5.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Proportionate share of the net pension asset (liability)	\$ (347,425)	\$ (83,677)	\$ 138,332

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER'S PENSION FUND (Continued)

Plan Membership

As of the January 1, 2023 actuarial study, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving	48
Inactive plan members entitled to but not yet receiving	4
Active plan members	<u>10</u>
Total	<u>62</u>

Schedule of Changes in the Volunteer Net Pension Liability

The following is a schedule of the changes in both the total pension liability and the net pension liability for the year ended December 31, 2023:

Schedule of Changes in District's Net Pension Liability and Related Ratios	
<u>Total Pension Liability</u>	<u>2023</u>
Service cost	\$ 15,930
Interest	139,986
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	<u>(213,954)</u>
Net changes in total pension liability	(58,038)
Total Pension Liability - beginning	<u>2,532,171</u>
Total Pension Liability - ending (a)	<u>\$ 2,474,133</u>
 <u>Plan Fiduciary Net Position</u>	
Contributions - employer	\$ 155,903
Contributions - state	41,357
Net investment Income	1,590
Benefit payments, including refunds of employee contributions	(213,954)
Administrative expense	(11,345)
State of Colorado Supplemental Discretionary Payment	-
Net change in plan fiduciary net position	<u>(26,449)</u>
Plan fiduciary net position - beginning	<u>2,448,494</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,422,045</u>
 District's net pension liability (asset) - ending (a)-(b)	 <u>\$ 52,088</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 97.89%

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

VOLUNTEER FIREFIGHTER'S PENSION FUND (Continued)

Schedule of Changes in the Volunteer Net Pension Liability (Continued)

Changes in Actuarial Assumptions - Mortality tables, withdrawal rates, and disability rates have all been updated since the prior valuation. The assumptions are similar to the assumption set used to value volunteer fire districts in Colorado that are associated with Fire and Police Pension Association of Colorado. Additionally, administrative expenses are now assumed to be equal to an average of the actual expenses for the two prior years. There were no benefit changes during the fiscal year, and no changes to actuarial assumptions from the January 1, 2023 valuation.

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the SWDB - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at <http://www.FPPAco.org>.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Contributions. 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 the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$34,995 for the plan year ended December 31, 2022 and \$54,071 for the fiscal year ended December 31, 2023. The current year contributions will be expensed in 2024 for FPPA purposes and are a timing difference at year end. The District had 11 contributing members to the plan during 2023.

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

At December 31, 2023, the District reported a liability of \$(39,670) for its proportionate share of the SWDB’s net pension liability. The net pension asset or liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The District’s proportion of the net pension liability was based on District’s contributions to the SWDB for the calendar year 2022 relative to the total contributions of participating employers to the SWDB.

At December 31, 2023, the District’s proportion was 0.04469%, which was an increase of 0.00092% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the District recognized pension expense of \$27,291. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 75,037	\$ (4,767)
Changes of assumptions or other inputs	\$ 45,566	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 99,709	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 5,448	\$ (25,350)
Contributions subsequent to the measurement date	\$ 54,071	\$ -
Total	\$ 279,831	\$ (30,117)

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

\$54,071 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2024.

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

Year Ended December 31:	Fiscal year Total
2024	\$ 20,021
2025	33,947
2026	48,244
2027	68,468
2028	10,771
2029-2031	14,192
Total	\$ 195,643

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	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 the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

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

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023**

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	\$ (273,478)	\$ (39,670)	\$ 153,999

Subsequent Event

Statewide Retirement Plan. 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 Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan. As the computations shown above relate to the balances of the plan as of December 31, 2022, before the combination, we still refer to the Statewide Defined Benefit Plan above.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 6: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2023 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2023, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

In November 1994, the District's electorate approved a ballot issue to permit the District to retain and spend all non-tax revenues in each fiscal year beginning 1995 without regards to the limitations of TABOR.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The District has made the following fund balance reservation as a result of Article X, Section 20 (TABOR) of the Colorado Constitution:

Emergency Reserve

The Article requires an emergency reserve be set aside for 2023 in the amount of 3% or more of its fiscal year spending. At December 31, 2023, the District has reserved \$66,000 in the General Fund for emergencies.

The District believes it is in compliance with the provisions of the TABOR Amendment.

Commitments

The Board has established a commitment for a twenty-five percent operating reserve based on current year expenditures. For 2023, this amount was \$531,578 and is shown as such in the General Fund

The Board has designated \$150,000 for apparatus replacement through the adoption of the 2024 budget. This amount is shown as Committed for Equipment Replacement in the General Fund.

The Board has designated \$300,000 for Station Development through the adoption of the 2024 budget. As the District does not have adequate funds to establish the full commitment, the District has reflected a \$215,997 Committed for Station Development in the General Fund.

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023**

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to firemen; and natural disasters. The District purchases commercial insurance and for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 8: SUBSEQUENT EVENT

In January 2024, the District certified its property tax mill levy of 4.163 for the property tax year 2023 (to be collected in the 2024 fiscal year) in the amount of \$1,866,307. As this mill levy was not adopted until after year end, it was not recorded as a receivable and related deferred inflow as of December 31, 2023.

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditors' Report.

NOTE 9: BUDGET VIOLATION

The District's expenditures exceed appropriations in the General and Pension Trust Funds in the amount of \$162,484 and \$22,580, respectively, which may be a violation of state statutes.

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**Required Supplementary Information
(Pension Schedules – Unaudited)**

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll	District's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2023	0.0446928%	\$ 39,670	\$ 388,833	10.20%	97.63%
12/31/2022	0.0437693%	\$ 237,201	\$ 352,353	67.32%	116.16%
12/31/2021	0.0389173%	\$ 84,490	\$ 312,588	27.03%	101.90%
12/31/2020	0.0341080%	\$ 19,290	\$ 251,388	7.67%	101.90%
12/31/2019	0.0359349%	\$ (45,432)	\$ 240,713	-18.87%	95.23%
12/31/2018	0.0364125%	\$ 52,385	\$ 212,988	24.60%	106.34%
12/31/2017	0.0380093%	\$ (13,734)	\$ 194,525	-7.06%	98.21%
12/31/2016	0.0388636%	\$ 685	\$ 188,400	0.36%	100.10%
12/31/2015	0.0435038%	\$ 49,097	\$ 195,638	25.10%	106.83%
12/31/2014	0.0182317%	\$ 16,303	\$ 79,188	20.59%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

**FPPA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2023	\$ 34,995	\$ 34,995	\$ -	\$ 388,833	9.00%
12/31/2022	\$ 29,950	\$ 29,950	\$ -	\$ 352,353	8.50%
12/31/2021	\$ 25,007	\$ 25,007	\$ -	\$ 312,588	8.00%
12/31/2020	\$ 20,111	\$ 20,111	\$ -	\$ 251,388	8.00%
12/31/2019	\$ 19,257	\$ 19,257	\$ -	\$ 240,713	8.00%
12/31/2018	\$ 17,039	\$ 17,039	\$ -	\$ 212,988	8.00%
12/31/2017	\$ 15,562	\$ 15,562	\$ -	\$ 194,525	8.00%
12/31/2016	\$ 15,072	\$ 15,072	\$ -	\$ 188,400	8.00%
12/31/2015	\$ 15,651	\$ 15,651	\$ -	\$ 195,638	8.00%
12/31/2014	\$ 6,335	\$ 6,335	\$ -	\$ 79,188	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY

Volunteer Pension Plan

Last 10 Fiscal Years

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<u>Total Pension Liability</u>					
Service cost	\$ 15,930	\$ 38,376	\$ 38,376	\$ 45,868	\$ 45,868
Interest	139,986	144,244	144,107	150,405	149,046
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(65,894)	-	(129,875)	-
Changes of assumptions	-	20,078	-	-	-
Benefit payments	<u>(213,954)</u>	<u>(186,022)</u>	<u>(174,335)</u>	<u>(170,171)</u>	<u>(172,356)</u>
Net changes in total pension liability	(58,038)	(49,218)	8,148	(103,773)	22,558
Total Pension Liability - beginning	<u>2,532,171</u>	<u>2,581,389</u>	<u>2,573,241</u>	<u>2,677,014</u>	<u>2,654,456</u>
Total Pension Liability - ending (a)	<u>\$ 2,474,133</u>	<u>\$ 2,532,171</u>	<u>\$ 2,581,389</u>	<u>\$ 2,573,241</u>	<u>\$ 2,677,014</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$ 155,903	\$ 153,928	\$ 129,183	\$ 123,272	\$ 108,897
Contributions - state (discretionary)	41,357	41,357	41,357	41,357	41,357
Net investment Income	1,590	(305,353)	137,114	117,284	269,578
Benefit payments	(213,954)	(186,022)	(174,335)	(170,171)	(172,356)
Administrative expense	(11,345)	(5,490)	(11,580)	(6,275)	(10,900)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(26,449)	(301,580)	121,739	105,467	236,576
Plan fiduciary net position - beginning	<u>2,448,494</u>	<u>2,750,074</u>	<u>2,628,335</u>	<u>2,522,868</u>	<u>2,286,292</u>
Plan fiduciary net position - ending(b)	<u>\$ 2,422,045</u>	<u>\$ 2,448,494</u>	<u>\$ 2,750,074</u>	<u>\$ 2,628,335</u>	<u>\$ 2,522,868</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ 52,088</u>	<u>\$ 83,677</u>	<u>\$ (168,685)</u>	<u>\$ (55,094)</u>	<u>\$ 154,146</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.89%	96.70%	106.53%	102.14%	94.24%

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

12/31/2018 12/31/2017 12/31/2016 12/31/2015

\$ 45,868	\$ 91,139	\$ 91,139	\$ 91,139
163,853	28,167	119,115	167,225
-	-	-	-
(147,401)	48,345	(33,526)	(102,394)
(149,531)	-	-	-
<u>(168,330)</u>	<u>(166,348)</u>	<u>(164,282)</u>	<u>(153,692)</u>
(255,541)	1,303	12,446	2,278
<u>2,909,997</u>	<u>2,908,694</u>	<u>2,896,248</u>	<u>2,893,970</u>
<u>\$ 2,654,456</u>	<u>\$ 2,909,997</u>	<u>\$ 2,908,694</u>	<u>\$ 2,896,248</u>

\$ 108,040	\$ 103,250	\$ 101,341	\$ 93,799
41,357	41,357	41,357	41,357
(89,405)	149,415	58,466	(10,356)
(168,330)	(166,348)	(164,282)	(153,692)
(1,083)	(1,304)	(12,446)	(2,385)
-	-	-	-
<u>(109,421)</u>	<u>126,370</u>	<u>24,436</u>	<u>(31,277)</u>
<u>2,395,713</u>	<u>2,269,343</u>	<u>2,244,907</u>	<u>-</u>
<u>\$ 2,286,292</u>	<u>\$ 2,395,713</u>	<u>\$ 2,269,343</u>	<u>\$ 2,244,907</u>

<u>\$ 368,164</u>	<u>\$ 514,284</u>	<u>\$ 639,351</u>	<u>\$ 651,341</u>
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86.13% 82.33% 78.02% 77.51%

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS

Volunteer Pension Plan

Last 10 Fiscal Years

<u>Fiscal Year Ended</u>	<u>Total Pension Liability</u>	<u>Plan's Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>	<u>Plan's Fiduciary Net Position as Percent of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percent of Covered Payroll</u>
12/31/14	\$ 2,893,970	\$ 2,276,184	\$ 617,786	78.65%	\$ -	N/A
12/31/15	\$ 2,896,248	\$ 2,244,907	\$ 651,341	77.51%	\$ -	N/A
12/31/16	\$ 2,908,694	\$ 2,269,343	\$ 639,351	78.02%	\$ -	N/A
12/31/17	\$ 2,909,997	\$ 2,395,713	\$ 514,284	82.33%	\$ -	N/A
12/31/18	\$ 2,654,456	\$ 2,286,292	\$ 368,164	86.13%	\$ -	N/A
12/31/19	\$ 2,677,014	\$ 2,522,868	\$ 154,146	94.24%	\$ -	N/A
12/31/20	\$ 2,573,241	\$ 2,628,335	\$ (55,094)	102.14%	\$ -	N/A
12/31/21	\$ 2,581,389	\$ 2,750,074	\$ (168,685)	106.53%	\$ -	N/A
12/31/22	\$ 2,532,171	\$ 2,448,494	\$ 83,677	96.70%	\$ -	N/A
12/31/23	\$ 2,474,133	\$ 2,422,045	\$ 52,088	97.89%	\$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

CHAFFEE COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS

Volunteer Pension Plan

Last 10 Fiscal Years

<u>Fiscal Year Ended</u>	<u>Actuarially determined contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
12/31/2015	\$ 141,242	\$ 135,156	\$ 6,086	N/A	N/A
12/31/2016	\$ 149,569	\$ 142,698	\$ 6,871	N/A	N/A
12/31/2017	\$ 149,569	\$ 144,607	\$ 4,962	N/A	N/A
12/31/2018	\$ 149,569	\$ 149,397	\$ 172	N/A	N/A
12/31/2019	\$ 81,395	\$ 150,254	\$ (68,859)	N/A	N/A
12/31/2020	\$ 81,395	\$ 164,629	\$ (83,234)	N/A	N/A
12/31/2021	\$ 42,387	\$ 170,540	\$ (128,153)	N/A	N/A
12/31/2022	\$ 42,387	\$ 195,285	\$ (152,898)	N/A	N/A
12/31/2023	\$ 31,416	\$ 197,260	\$ (165,844)	N/A	N/A

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

CHAFFEE COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule -
General Fund
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023			
	Original & Final Budget	Actual	Variance w/ Final Budget	2022 Actual
REVENUES				
Taxes				
Property Taxes	\$ 1,387,769	\$ 1,253,159	\$ (134,610)	\$ 1,223,537
Specific Ownership Taxes	-	152,361	152,361	138,716
Delinquent Taxes, Penalties and Interest	-	<u>2,473</u>	<u>2,473</u>	<u>2,433</u>
Total Taxes	<u>1,387,769</u>	<u>1,407,993</u>	<u>20,224</u>	<u>1,364,686</u>
Intergovernmental				
Grants	115,000	112,943	(2,057)	201,061
State Matching Contribution	49,357	41,357	(8,000)	41,357
Impact Assistance	140	<u>32,897</u>	<u>32,757</u>	<u>9,115</u>
Total Intergovernmental	<u>164,497</u>	<u>187,197</u>	<u>22,700</u>	<u>251,533</u>
Charges for Services				
Rents	-	22,290	22,290	5,725
Special Services	<u>388,084</u>	<u>424,319</u>	<u>36,235</u>	<u>374,185</u>
Total Charges for Services	<u>388,084</u>	<u>446,609</u>	<u>58,525</u>	<u>379,910</u>
Investment Earnings				
	<u>23,000</u>	<u>62,730</u>	<u>39,730</u>	<u>26,167</u>
Other Revenues				
Donations	-	180	180	1,695
Insurance Claims	-	82,453	82,453	19,212
Sale of Capital Assets	-	-	-	1,400
Refunds and Reimbursements	1,200	4,342	3,142	7,113
Miscellaneous Income	-	<u>1,275</u>	<u>1,275</u>	<u>1,988</u>
Total Other Revenues	<u>1,200</u>	<u>88,250</u>	<u>87,050</u>	<u>31,408</u>
Total Revenues	<u>1,964,550</u>	<u>2,192,779</u>	<u>228,229</u>	<u>2,053,704</u>
EXPENDITURES				
Public Safety (Operations)				
Administration	129,318	246,748	(117,430)	197,688
Personnel Expenses	1,017,695	942,517	75,178	631,767
Professional Services	38,050	151,261	(113,211)	44,668
Utilities	45,800	56,085	(10,285)	42,945
Travel and Training	57,500	33,916	23,584	85,317
Maintenance and Repair	216,000	250,568	(34,568)	261,438
Firefighting and Equipment	7,000	947	6,053	1,420
Strike Team	1,000	<u>16,404</u>	<u>(15,404)</u>	<u>11,462</u>
Total Public Safety (Operations)	<u>1,512,363</u>	<u>1,698,446</u>	<u>(186,083)</u>	<u>1,276,705</u>
Pension Expenses				
	<u>205,260</u>	<u>197,260</u>	<u>8,000</u>	<u>195,828</u>
Capital Outlay				
	<u>246,927</u>	<u>231,328</u>	<u>15,599</u>	<u>1,059,716</u>
Debt Service				
Principal	-	-	-	1,904
Interest	-	-	-	47
Total Debt Service	-	-	-	<u>1,951</u>
Total Expenditures	<u>1,964,550</u>	<u>2,127,034</u>	<u>(162,484)</u>	<u>2,534,200</u>
Change in Fund Balance	-	65,745	65,745	(480,496)
Fund Balance, Beginning	<u>1,024,344</u>	<u>898,009</u>	<u>(126,335)</u>	<u>1,378,505</u>
Fund Balance, Ending	<u>\$ 1,024,344</u>	<u>\$ 963,754</u>	<u>\$ (60,590)</u>	<u>\$ 898,009</u>

See the accompanying Independent Auditor's Report.

Other Supplementary Information

**CHAFFEE COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
Budget and Actual - Pension Trust Fund
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)**

	2023			
	Original & Final Budget	Actual	Variance w/ Final Budget	2022 Actual
ADDITIONS:				
Contributions:				
State Matching Contribution	\$ 49,357	\$ 41,357	\$ (8,000)	\$ 41,357
District Contributions	147,903	155,903	8,000	153,928
Investment Earnings	85,000	7,970	(77,030)	(278,114)
Total Additions	<u>282,260</u>	<u>205,230</u>	<u>(77,030)</u>	<u>(82,829)</u>
DEDUCTIONS:				
Pension Benefit Payments	185,000	213,154	(28,154)	186,022
Funeral Benefits	-	800	(800)	-
Accounting	1,100	845	255	990
Actuarial Fees	-	10,500	(10,500)	4,500
Investment Fees	23,000	6,381	16,619	27,238
Total Deductions	<u>209,100</u>	<u>231,680</u>	<u>(22,580)</u>	<u>218,750</u>
Change in Fiduciary Net Position	73,160	(26,450)	(99,610)	(301,579)
Net Position, Beginning	<u>2,827,479</u>	<u>2,448,495</u>	<u>(378,984)</u>	<u>2,750,074</u>
Net Position, Ending	<u>\$ 2,900,639</u>	<u>\$ 2,422,045</u>	<u>\$ (478,594)</u>	<u>\$ 2,448,495</u>

See the accompanying Independent Auditor's Report.