

# Evergreen Fire Protection District

Annual Financial Report

December 31, 2023



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## Independent Auditor's Report

To the Board of Directors  
Evergreen Fire Protection District

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Evergreen Fire Protection District (the "District") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Evergreen 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Evergreen Fire Protection District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Evergreen Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Evergreen Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

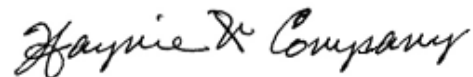
## **Required Supplementary Information**

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

**Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evergreen Fire Protection District's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado  
July 16, 2024

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

This section presents management's analysis of Evergreen Fire Protection District (the District) financial condition and activities as of and for the year ended December 31, 2023. Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements.

This information should be read in conjunction with the audited financial statements that follow this section. The District, as the primary governmental entity, includes, within the financial statements, the financial position and activities of the District's Pension Plan as a component unit. The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on the District's financial issues and activities.

The information in this MD&A is presented under the following headings:

- I. Overview of the Basic Financial Statements
- II. Financial Analysis
- III. Capital Assets and Lease Administration
- IV. Budgetary Highlights
- V. Economic Factors and Next Year's Budget and Rates
- VI. Requests for Information

**I. Overview of the Basic Financial Statements**

The District's basic financial statements are comprised of four components: (A.) Government-wide Financial Statements (B.) Fund Financial Statements (C.) Notes to Basic Financial Statements and (D.) Required supplementary information and other supplementary information in addition to the basic financial statements.

**A. Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of overall District government, except for fiduciary activities. Governmental activities generally are financed through taxes.

**B. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

General Fund

The District's General Fund statements include:

The *Balance Sheets* present information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenditures and Changes in Fund Balance* present information which reflects how the District's fund balance changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

**C. Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 8 to 26 of this report.

**D. Required Supplementary Information and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

**II. Financial Analysis**

**A. Financial Highlights**

- Net Position increased by \$2,012,873 (8%) when compared to 2022
- District revenues (fund basis) increased by \$1,215,546 (12%) from 2022 to 2023
- District expenses (fund basis) increased by \$643,214 (8%) from 2022 to 2023

**B. Financial Position**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, the total net position, was \$26,166,709 and \$24,153,836 for the years ended December 31, 2023 and 2022, respectively.

The largest portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

**Statement of Net Position  
December 31, 2023**

<b>Assets</b>	
Current assets	\$ 23,081,618
Capital assets, net and others non-current assets	12,868,826
Deferred outflows of resources	1,502,873
Total assets and deferred outflows of resources	37,453,317
<b>Liabilities and Deferred Inflows of Resources</b>	
Current liabilities	481,085
Non-current liabilities	1,520,375
Deferred inflows of resources	9,285,279
Total liabilities and deferred inflows of resources	11,286,739
<b>Net Position</b>	
Net investment in capital assets	12,868,826
Restricted	252,111
Unrestricted	13,045,541
Total net position	\$ 26,166,478

**C. Results of Operation**

The following table shows the changes in the District's Net Position during the year.

**Statement of Activities  
Year Ended December 31,**

<b>Revenue</b>	<b>2023</b>
Property taxes	\$ 7,683,236
Specific ownership taxes	560,236
Investment earnings	642,155
Charges for services	2,158,627
Operating grants and contributions	105,096
Total revenue	11,149,350
<b>Expenses</b>	
Public safety	9,141,886
Interest and related costs on debt	(5,409)
Total program expenses	9,136,477
<b>Change in Net Position</b>	2,012,873
<b>Net Position—Beginning of Year</b>	24,153,836
<b>Net Position—End of Year</b>	\$ 26,166,709

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

**District Revenue and Expense Analysis:**

***Revenues***

District revenues as of December 31, 2023 increased by \$1,215,546 over the year ended December 31, 2022. The increase was primarily a result of the sale of a land asset and increased charges for services.

***Expenditures/Expenses***

District expenditures/expenses as of December 31, 2023 increased by \$643,214 over the year ended December 31, 2022. This is primarily due to increased capital outlay.

**General Fund:**

The General Fund was established and continually funded to provide for the general and administrative expenses and operating costs of the District. This Fund provides for the functional areas of the organization: Administration, Firefighting, Fire Prevention, Training, Communications, Apparatus and Facilities Maintenance and Replacement. The primary funding source for the General Fund is taxation of real and personal property. Other sources of income for the General Fund include interest income on reserve funds and fees from plan reviews and inspections, grants and payments for reimbursable out-of-district responses. The primary projects or program efforts for establishing funding during 2023 were:

- Support and improve upon the training programs which enable us to provide quality emergency services to the community.
- Maintain competitive salaries and benefits for all existing full-time and temporary personnel of the District.
- Normally incurred operational expenses of the District and Department.
- Maintain established fire prevention, educational and safety programs as well as the development of new programs.
- Maintain a replacement program to continually upgrade aging equipment and apparatus.
- Continue with the building maintenance and upgrade program for the fire station.

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

**III. Capital Assets and Leases Payable**

**A. Capital Assets**

The District's investment in capital assets at December 31, 2023 amounts to \$12,868,826 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings. An analysis of changes in capital assets is as follows:

<b>Capital Assets December 31, 2023 and 2022</b>				
	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>Percentage Change</b>
Land	\$ 2,249,539	\$ 2,249,539	\$ -	0.00%
Construction in progress	361,934	361,934	-	0.00%
Buildings	10,806,238	10,715,992	90,246	0.84%
Machinery and equipment	3,919,012	3,757,690	161,322	4.29%
Vehicles	7,727,335	7,668,910	58,425	0.76%
Total capital assets	25,064,058	24,754,065	309,993	
Less: accumulated depreciation	(12,195,232)	(11,413,187)	(782,045)	
Capital assets, net of accumulated depreciation	\$ 12,868,826	\$ 13,340,878	\$ (472,052)	

The District's significant investments in capital during 2023 are as follows:

- CPR compression device
- Fire pumps
- Rescue extrication tools
- IT equipment

Additional information on the District's capital assets can be found in Note 5 of this report.

**IV. Pension**

The District currently maintains two separate pension plans with the Fire and Police Pension Association (FPPA). One plan is maintained for the volunteer firefighters and another plan is for paid personnel.

The District's strategy is to adequately fund the pensions, including funding in excess of the required minimum contributions to the volunteer firefighter's pension. A schedule of volunteer firefighter's pension contributions can be found on page 28.

**Evergreen Fire Protection District  
Management's Discussion and Analysis  
December 31, 2023**

Plan	2023 Projected Net Pension Liability(Asset)	2022 Projected Net Pension Liability(Asset)
Statewide Defined Benefit Plan (Paid Personnel)	\$47,994	\$(389,025)
Volunteer Firefighter's Pension	\$1,427,942	\$53,219

Net Pension Liability/Asset: A net pension asset is an actuarial determination that the plan's asset position exceeds the projected benefit payments. A net pension liability indicates an actuarial determination that the plan's asset position is less than the projected benefit payments.

The District's proportionate share of the paid personnel Statewide Defined Benefit Plan's projected net pension liability changed by \$436,969 in 2022. The decrease of the net pension asset indicates adequate funding and a further improving position of the pension.

The District's proportionate share of the Volunteer Firefighter's Pension projected net pension liability improved by \$1,374,723. The decrease of the net pension asset indicates adequate funding and a further improving position of the pension. The improved position is a result of contributions in excess of the required minimum and changes to actuarial assumptions.

Additional information on the District's pensions can be found in Note 8 of this report.

**V. General Fund Budgetary Highlights**

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements. It should be noted that the 2023 budget was monitored to more closely align expenses with the areas of responsibility.

The difference between the final budgeted expenditures of \$9,680,316 and the actual expenditures of \$8,403,710 resulted in a favorable variance of \$1,276,606.

Additional information on the District's detailed budget can be found in page 27 of this report.

**VI. Economic Factors and Next Year's Budget**

- Property taxes are budgeted in the amount of \$8,787,809 for the General Fund based on an assessed valuation of the district of \$766,891,471 with a mill levy of 11.459.
- Capital expenditures are budgeted at \$1,659,000 for strategic capital, and apparatus replacement.

**VII. Requests for Information**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Evergreen Fire Protection District, 1802 Bergen Parkway, Evergreen, CO, 80439.

## **Basic Financial Statements**

**Evergreen Fire Protection District**  
**Statement of Net Position**  
**December 31, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 13,670,262
Cash with county treasurer	36,179
Property tax receivable	8,774,006
Other accounts receivable	216,360
Prepaid expenses	384,811
Total current assets	23,081,618
Long-Term assets:	
Capital assets, net (Note 5)	12,868,826
Total long-term assets	12,868,826
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pension	1,502,873
Total deferred outflows of resources	1,502,873
Total assets and deferred outflows of resources	\$ 37,453,317
<b>Liabilities</b>	
Accounts payable	\$ 220,715
Accrued expenses	260,370
Noncurrent liabilities:	
Compensated absences	44,539
Net pension liability	1,475,936
Total liabilities	2,001,560
<b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	8,774,006
Deferred inflows related to pension	511,273
Total deferred inflows of resources	9,285,279
<b>Net Position</b>	
Net investment in capital assets	12,868,826
Restricted for emergencies	252,111
Unrestricted	13,045,541
Total net position	26,166,478
Total liabilities, deferred inflows of resources, and net position	\$ 37,453,317

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

**Evergreen Fire Protection District**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contribution</u>	<u>Governmental Activities</u>
Governmental activities				
Public safety	\$ 9,141,886	\$ 2,158,627	\$ 105,096	\$ (6,878,163)
Interest and related costs on long-term debt	(5,409)	-	-	5,409
Total governmental activities	<u>\$ 9,136,477</u>	<u>\$ 2,158,627</u>	<u>\$ 105,096</u>	<u>\$ (6,872,754)</u>
<b>General revenues:</b>				
				7,683,236
Property taxes				560,005
Specific ownership taxes				642,155
Investment income				<u>        </u>
				2,012,642
<b>Change in net position</b>				24,153,836
<b>Net position - beginning of year</b>				<u>        </u>
<b>Net position - end of year</b>				<u>\$ 26,166,478</u>

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

**Evergreen Fire Protection District**  
**Governmental Funds Balance Sheet and**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**with the Statement of Net Position**  
**December 31, 2023**

	General Fund	Debt Service Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 13,670,277	\$ (15)	\$ 13,670,262
Cash with county treasurer	36,164	15	36,179
Property tax receivable	8,774,006	-	8,774,006
Other accounts receivable	216,360	-	216,360
Prepaid expenses	384,811	-	384,811
Total assets	\$ 23,081,618	\$ -	\$ 23,081,618
<b>Liabilities</b>			
Accounts payable	220,715	-	220,715
Accrued expenses	260,370	-	260,370
Total liabilities	481,085	-	481,085
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenue	8,774,006	-	8,774,006
Total deferred inflows of resources	8,774,006	-	8,774,006
<b>Fund Balances</b>			
Nonspendable	384,811	-	384,811
Restricted for:			
Emergency reserve	252,111	-	252,111
Assigned for:			
Strategic capital	2,198,906	-	2,198,906
Apparatus replacement	2,790,830	-	2,790,830
Station 1	6,540,394	-	6,540,394
Unassigned	1,659,475	-	1,659,475
Total fund balance	13,826,527	-	13,826,527
Total liabilities, deferred inflows of resources and fund balances	\$ 23,081,618	\$ -	\$ 23,081,618
<b>Fund Balances - Total Governmental Funds</b>			\$13,826,527
Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:			
Capital assets used in governmental activities are not current financial resources and are excluded from the funds.			
Governmental capital assets, net			12,868,826
Long-term liabilities, such as capital leases, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences			(44,539)
Pension balances are not available resources and are not included in fund financial statements.			
Net pension liability			(1,475,936)
Deferred outflows related to pension			1,502,873
Deferred inflows related to pension			(511,273)
<b>Net position of governmental activities</b>			<b>\$ 26,166,478</b>

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

**Evergreen Fire Protection District**  
**Governmental Fund Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**December 31, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>Revenues</b>			
Property tax	\$ 7,115,824	\$ 567,412	\$ 7,683,236
Specific ownership tax	560,005	-	560,005
Ambulance billing, net	1,136,177	-	1,136,177
Interest income	642,155	-	642,155
Donations	1,817	-	1,817
Intergovernmental	80,000	-	80,000
Wildland income	555,589	-	555,589
Grant income	23,279	-	23,279
Vehicle maintenance	41,348	-	41,348
Other	<u>425,513</u>	<u>-</u>	<u>425,513</u>
Total Revenues	<u>10,581,707</u>	<u>567,412</u>	<u>11,149,119</u>
<b>Expenditures</b>			
Salaries and benefits	4,610,808	-	4,610,808
Commodities and supplies	665,724	-	665,724
Contractual services	1,280,519	-	1,280,519
Other operating expenses	1,498,398	9,576	1,507,974
Capital outlay	348,261	-	348,261
Debt Service			
Principal	-	615,000	615,000
Interest and fiscal charges	<u>-</u>	<u>15,375</u>	<u>15,375</u>
Total Expenditures	<u>8,403,710</u>	<u>639,951</u>	<u>9,043,661</u>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<u>2,177,997</u>	<u>(72,539)</u>	<u>2,105,458</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In (Out)	<u>(11,493)</u>	<u>11,493</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11,493)</u>	<u>11,493</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	2,166,504	(61,046)	2,105,458
<b>Fund balance:</b>			
<b>Beginning of the year</b>	<u>11,660,023</u>	<u>61,046</u>	<u>11,721,069</u>
<b>End of the year</b>	<u>\$ 13,826,527</u>	<u>\$ -</u>	<u>\$ 13,826,527</u>

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

**Evergreen Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**December 31, 2023**

**Net change in fund balance—total governmental funds** \$ 2,105,458

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Additionally, fund financial statements do not recognize contributions of capital assets as revenues.

Current year depreciation	(782,045)
Capital outlay - capitalized portion	353,097
Loss on disposal	(43,104)

Changes in long-term liabilities are reflected as income or expense on the statement of changes in fund balance but are not recorded as income or expenses on the statement of activities

Debt principal payments	615,000
Bond premium amortization	19,504
Accrued interest payable - change in liability	1,280
Accrued compensated absences - change in liability	12,507

Changes in assets, liabilities, deferred outflows of resources, and deferred inflows of resources related to the District's defined benefit and volunteer retirement plans are recognized on the statement of activities and are not reflected as an expense on the statement of revenues, expenditures, and changes in fund balance.

(269,055)

**Change in net position of governmental activities** \$ 2,012,642

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

**Evergreen Fire Protection District**  
**Fiduciary Fund**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	<u>\$ 182,710</u>
Total assets	<u>182,710</u>
<b>Liabilities</b>	
Accounts payable	<u>28,144</u>
<b>Net Position</b>	
Restricted for:	
Other governments	<u>154,566</u>
Total net position	<u><u>\$ 154,566</u></u>

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

**Evergreen Fire Protection District**  
**Fiduciary Fund**  
**Statement of Changes in Fiduciary Net Position**  
**December 31, 2023**

<b>Additions</b>	<b>Custodial Funds</b>
Member contributions	<u>\$ 61,640</u>
Total contributions	<u>61,640</u>
<b>Deductions</b>	
Maintenance and hardware	<u>48,930</u>
Total deductions	<u>48,930</u>
Net increase in fiduciary net position	<u>12,710</u>
Net position - beginning	<u>141,856</u>
Net position - ending	<u><u>\$ 154,566</u></u>

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

# Evergreen Fire Protection District

## Notes to Financial Statements

### December 31, 2023

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#### 1. Definition of Reporting Entity

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The Evergreen Fire Protection District (District) is an independent local governmental unit incorporated under the laws of the State of Colorado, organized under a charter, and governed by an elected five-member Board of Directors (Board) to provide a combination of volunteer and paid fire protection and emergency medical services within the boundaries of the District in Jefferson and Clear Creek counties of Colorado. The Department was formed in 1948 as a nonprofit corporation in the State of Colorado (State).

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

The District, which is the primary government, is not considered a component unit of any other government and does not engage in any business-type activities.

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#### 2. Summary of Significant Accounting Policies

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The financial statements of the Evergreen Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues. There are no business-type activities in the District for the year ended December 31, 2023.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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## 2. Summary of Significant Accounting Policies (continued)

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

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

The District has the following major governmental funds:

**General Fund** – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation and payment of governmental long-term debt principal, interest and related costs.

The District has the following fiduciary fund:

**Custodial Fund** – The Custodial Fund is used to account for the fiduciary assets held by the District pursuant to the Jefferson County Mountain Area Radio System (JCMARS) Intergovernmental Agreement (IGA). The Fiduciary Fund Balance may only be expended for purposes defined under the IGA. The purpose of the agreement is to provide for the cooperative improvement, maintenance, and operation of Jefferson County Mountain Area Radio System and other necessary and related equipment to operate a radio system for the Members.

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

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets and liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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

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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 of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting.

Property taxes, intergovernmental grants, and investment income 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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile the ending net position and the change in net position.

In accordance with GASB, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

**Capital Assets**

Capital assets used in governmental activities of the District are recorded at cost. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	10 - 75 years
Machinery and equipment	3 - 10 years
Vehicles	7 - 30 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset have not been capitalized. The District's threshold for capitalization is \$5,000, where the asset's estimated useful life is greater than one year.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### Compensated Absences

Employees of the District are allowed to accumulate unpaid vacation and sick time. Upon termination of employment with the District, an employee will be compensated for accrued vacation time, up to the employee's maximum, at their current rate of pay. Accrued sick time is not paid to the employee upon termination. Accumulated unpaid vacation pay is accrued when earned in the Government-wide financial statements. A liability is reported in the Governmental Fund financial statements when payment is due.

### Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the Balance Sheet as Due from Other Funds and Due to Other Funds because they are short-term in nature.

### Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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## 2. Summary of Significant Accounting Policies (continued)

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- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance 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. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

### **Revenue Recognition/Property Taxes**

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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## 2. Summary of Significant Accounting Policies (continued)

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### Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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## 3. Stewardship, Compliance and Accountability

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### Budgetary Information

*Budgetary Policy* – The District Board appoints the Budget Officer. The Budget Officer prepares the budget in accordance with Budget Law, observing legal requirements for content, and format. Prior to October 15, the District Budget Officer submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Directors. At this time a copy of the budget is made available for inspection by the public and notice of the proposed budget is published. Public hearings are held at the regular Board of Directors meetings to obtain taxpayer input.

No later than December 15th of the prior year for the ensuing fiscal year, the Board of Directors must formally adopt the budget, which is legally enacted through passage of a Resolution to Adopt its budget and a Resolution to Appropriate. In 2023, the budgets for the General Fund were adopted, on a basis consistent with GAAP. After adopting its budget, but not earlier than December 1st and no later than December 15th the Board of Directors must certify its property tax levy to the Board of County Commissioners.

Appropriations are controlled and the budget is only amended in conformity with Colorado Revised Statutes, which defines three bases for budget amendments; 1) budgetary transfers; 2) adopt a supplemental appropriation, (if there is receipt of unanticipated revenue, other than ad valorem taxes and it is available to meet a contingency); and 3) a downward revision of the appropriation.

*Budgetary Data* – Budget amounts presented in the General Fund “Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual” reflect the original budget and the amended budget (which has been adjusted for legally authorized revision to the annual budget during the year). All annual appropriations lapse at fiscal year-end.

Actual 2023 expenditure in the Debt Service Fund exceed budgeted appropriations, which may be a violation of State statutes.

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**4. Deposits and Investments**

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Cash and cash equivalents as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$13,670,262
Cash with county treasurer	<u>36,179</u>
Total cash and cash equivalents	<u>\$13,706,441</u>

Cash and cash equivalents as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 1,060,552
Investments	<u>12,645,889</u>
Total cash and cash equivalents	<u>\$13,706,441</u>

*Custodial Credit Risks – Deposits*

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2023, the District had cash deposits with a bank balance of \$1,360,926 and a carrying balance of \$1,060,552.

*Investments*

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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#### 4. Deposits and Investments (continued)

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As of December 31, 2023, the District had the following investments:

COLOTRUST	\$ 3,031,758
CSAFE	\$ 9,614,131

##### *Custodial Credit Risk - Investments*

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk.

##### *Interest Rate Risk*

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

COLOTRUST – The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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#### 4. Deposits and Investments (continued)

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A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE – The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**5. Capital Assets**

The following table presents capital assets activity of the District for the year ended December 31, 2023:

	Balance December 31, 2022	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2023
Capital assets, not being depreciated:				
Land	\$ 2,249,539	\$ -	\$ -	\$ 2,249,539
Construction in progress	<u>361,934</u>	<u>-</u>	<u>-</u>	<u>361,934</u>
Total capital assets, not being depreciated	<u>2,611,473</u>	<u>-</u>	<u>-</u>	<u>2,611,473</u>
Capital assets, being depreciated:				
Buildings and improvements	10,715,992	90,246	-	10,806,238
Machinery and equipment	3,757,690	204,426	(43,104)	3,919,012
Vehicles	<u>7,668,910</u>	<u>58,425</u>	<u>-</u>	<u>7,727,335</u>
Total capital assets, being depreciated	<u>22,142,592</u>	<u>353,097</u>	<u>(43,104)</u>	<u>22,452,585</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,774,540)	(219,167)	-	(3,993,707)
Machinery and equipment	(2,807,503)	(244,847)	-	(3,052,350)
Vehicles	<u>(4,831,144)</u>	<u>(318,031)</u>	<u>-</u>	<u>(5,149,175)</u>
Total accumulated depreciation	<u>(11,413,187)</u>	<u>(782,045)</u>	<u>-</u>	<u>(12,195,232)</u>
Total capital assets, being depreciated, net	<u>10,729,405</u>	<u>(428,948)</u>	<u>(43,104)</u>	<u>10,257,353</u>
Capital assets, net	<u>\$ 13,340,878</u>	<u>\$ (428,948)</u>	<u>\$ (43,104)</u>	<u>\$ 12,868,826</u>

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**6. Long-Term Debt**

The following is a summary of long-term debt transactions for the governmental activities of the District for the year ended December 31, 2023:

	<b>Balance</b>			<b>Balance</b>	
	<b>December 31,</b>			<b>December 31,</b>	<b>Due Within</b>
	<b>2022</b>	<b>Additions</b>	<b>Payments</b>	<b>2023</b>	<b>One Year</b>
2012 Refunding Bonds	\$ 615,000	\$ -	\$ (615,000)	\$ -	\$ -
2012 Bond Premium	<u>19,504</u>	<u>-</u>	<u>(19,504)</u>	<u>-</u>	<u>-</u>
Total bonded debt	<u>\$ 634,504</u>	<u>\$ -</u>	<u>\$ (634,504)</u>	<u>\$ -</u>	<u>\$ -</u>
Compensated absences	<u>57,047</u>	<u>162,751</u>	<u>(175,259)</u>	<u>44,539</u>	<u>-</u>
Total	<u>\$ 691,551</u>	<u>\$ 162,751</u>	<u>\$ (809,763)</u>	<u>\$ 44,539</u>	<u>\$ -</u>

Accrued compensated absences are being paid from resources generated by the General Fund.

Interest paid related to long-term debt during the year totaled \$15,375.

2012 Refunding Bonds – The District issued 2012 Refunding Bonds, dated December 26, 2012, with principal and interest payments due semiannually on June 1 and December 1, through 2023. Interest accrues at rates ranging from 2.00% to 3.70%. Current Interest Bonds, maturing on or after December 1, 2014, are subject to early redemption at the option of the District, in whole or in part in integral multiples of \$5,000, with no redemption premium. Current Interest Bonds maturing on December 1, 2020 are subject to mandatory sinking fund redemption, beginning on December 1, 2019 without any redemption premium.

Advance Refunding – The net proceeds of \$6,069,620 from the issuance of the 2012 Refund Bonds were used to advance refund the 2003 Series Bonds with a total principal amount of \$5,855,000. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the District’s liabilities.

The 2012 refunding bond was paid off in total as December 31, 2023.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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#### 7. Leases

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The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases on January 1, 2022. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It established requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's leases did not fall within the scope of GASB Statement No. 87.

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#### 8. Pensions

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The District currently maintains two separate pension plans. One plan is maintained for the volunteer firefighters and another plan for paid personnel.

##### **FPPA - Statewide Defined Benefit Plan**

**Plan Description:** The District contributes to the Fire and Police Pension Association (FPPA) to provide retirement benefits for paid employees and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for the plan, which is available by directly contacting the entity.

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is two percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the defined benefit plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

The financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Pensions (continued)**

At December 31, 2023, the District reported a liability of \$47,994 for its proportionate share of the net pension liability. The net pension 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the District's proportion was approximately 0.05 percent.

For the year ended December 31, 2023, the District recognized pension expense of \$38,008. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings	\$ 103,890	\$ 5,891
Difference between actual and expected experience	108,608	-
Changes in assumptions	61,486	-
Changes in proportion	-	15,773
Current-year contributions	36,527	-
Total	\$ 310,511	\$ 21,664

Deferred outflows of resources of \$36,527, related to contributions subsequent to the measurement date, will reduce the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

<b>December 31,</b>		
2024	\$	21,241
2025		41,754
2026		60,616
2027		85,452
2028		13,200
Thereafter		30,057

**Actuarial assumptions:** The total pension liability and actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Pensions (continued)**

	<b>Actuarial Assumptions</b>
Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-Term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments	0%
Includes Inflation at	2.5%

**Sensitivity:** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate this is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	<b>Projected Net Pension (Asset) Liability</b>
1% Decrease to 6% Single Discount Rate	\$ 330,862
1% Increase to 8%	47,994
	(186,313)

The long-term expected rate of return on pension plan investments was determined using a building-block method, 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income – Rates	10.0%	5.45%
Fixed Income – Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
Total	100.0%	

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**8. Pensions (continued)**

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**Discount rate:** 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.

**Volunteer Firefighter’s Pension**

**Plan Description:** The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan, which is administered by FPPA. The plan is an agent multiple-employer plan that provides retirement benefits for members and beneficiaries according to the plan provisions. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan.

The financial statements of this Plan are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

At December 31, 2023, the District reported a net pension liability of \$1,427,942 for this Plan. The net pension 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.

For the year ended December 31, 2023, the District recognized pension expense of \$555,492. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between projected and actual investment earnings	\$ 789,602	\$ 469,808
Changes in assumptions	47,759	-
Difference between expected and actual experience	-	19,801
Current-year contributions	355,001	-
<b>Total</b>	<b>\$1,192,362</b>	<b>\$ 489,609</b>

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. Pensions (continued)**

Deferred outflows of resources of \$355,001 related to contributions subsequent to the measurement date will be recognized as a decrease to net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

<b>Year ending December 31,</b>	
2024	\$ (15,201)
2025	59,116
2026	106,438
2027	197,399

**Actuarial assumptions:** The total pension liability and actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Actuarially Determined Contributions</b>
Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 years
Long-Term Investment Rate of Return	7.0%
Asset Valuation Method	5-Year smoothed fair value
Retirement Age	50% per year of eligibility until 100% at age 65
Includes Inflation at	2.5%

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

	<b>Projected Net Pension Liability</b>
1% Decrease to 6.0% Single Discount Rate	\$ 2,249,791
1% Increase to 8.0%	1,427,942
	742,615

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

**8. 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 by weighting the expected future real rates of return by the target asset allocation percentage 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	3.92%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Equity Long/Short	6.0%	7.47%
Global Equity	35.0%	8.93%
Private Markets	34.0%	10.31%
Total	100.0%	

**Discount rate:** 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 the District contributions will continue to follow the current funding policy. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Had there been a point where assets were projected to be depleted, a municipal bond rate of 2.75% would have been used in the development of the blended GASB discount rate after that point. The 2.75% rate is based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from the Federal Reserve statistical release (H.15).

**9. Defined Contribution Plan**

Plan Description – The District provides pension benefits for its employees through a defined contribution plan. Employees are eligible to participate following completion of 1,000 hours of service. The District’s contributions for each employee are vested 20% after 2 years of service, plus 20% for each year of service thereafter. Employees are fully vested after 6 years of service. Plan assets are held at Mission Square.

# Evergreen Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2023

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#### **9. Defined Contribution Plan (continued)**

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Funding Policy – The plan requires that the District contribute an amount equal to 7.5% of the employee’s gross annual salary. District contributions and earnings forfeited by employees who leave the District prior to fully vesting are allocated to the remaining participants or are used to reduce the District’s contribution requirement for the subsequent year.

The District contributions to the Plan for the year ending December 31, 2023 were \$202,939 equal to the required contribution. Total forfeitures totaled \$27,945 at December 31, 2023.

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#### **10. Risk Management**

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The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District carries commercial insurance coverage for all risks of loss. Claims have not exceeded commercial coverage since inception.

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#### **11. Joint Ventures**

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During 2018, the District entered into the Jefferson County Mountain Area Radio System (JCMARS). Currently JCMARS has seven members. Each member District is entitled to one vote on the JCMARS board. Members pay contributions for both a repair and maintenance fee and a capital replacement fee. The repair and maintenance fee is based on that member’s assessed valuation. The capital replacement fee is \$35,000 per year. JCMARS is reported only within these financial statements.

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#### **12. TABOR Compliance**

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

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

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

**Evergreen Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2023**

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**12. TABOR Compliance (continued)**

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

# **Evergreen Fire Protection District**

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**Required Supplementary Information**

**Evergreen Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Governmental Fund Type—General Fund**  
**December 31, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>				
Property tax	\$ 7,083,656	\$ 7,083,656	\$ 7,115,824	\$ 32,168
Specific ownership tax	487,142	487,142	560,005	72,863
Abatement refund	29,719	29,719	-	(29,719)
Ambulance billing	1,450,000	1,450,000	1,136,177	(313,823)
Interest income	150	150	642,155	642,005
Donations	2,000	2,000	1,817	(183)
Intergovernmental	80,000	80,000	80,000	-
Wildland income	32,500	32,500	555,589	523,089
Grant income	247,000	247,000	23,279	(223,721)
Vehicle maintenance	75,000	75,000	41,348	(33,652)
Other	107,100	107,100	425,513	318,413
Total Revenues	<u>9,594,267</u>	<u>9,594,267</u>	<u>10,581,707</u>	<u>987,440</u>
<b>Expenditures:</b>				
Salaries and benefits	4,872,226	4,872,226	4,610,808	261,418
Commodities and supplies	738,657	738,657	665,724	72,933
Contractual services	1,154,824	1,154,824	1,280,519	(125,695)
Other operating expenses	2,154,379	2,154,379	1,498,398	655,981
Capital outlay	664,500	664,500	348,261	316,239
Contingency	-	95,730	-	95,730
Total Expenditures	<u>9,584,586</u>	<u>9,680,316</u>	<u>8,403,710</u>	<u>1,276,606</u>
<b>Excess Revenue Over (Under)</b>				
Expenditures	<u>9,681</u>	<u>(86,049)</u>	<u>2,177,997</u>	<u>2,264,046</u>
<b>Other financing sources/uses:</b>				
Transfers in or (out) to other funds	-	-	(11,493)	(11,493)
Total other sources:	-	-	(11,493)	(11,493)
<b>Excess Revenue Over (Under)</b>				
Expenditures and other financing sources	9,681	(86,049)	2,166,504	2,252,553
<b>Fund Balance—Beginning of year</b>				
	<u>11,651,154</u>	<u>11,651,154</u>	<u>11,660,023</u>	<u>8,869</u>
<b>Fund Balance—End of Year</b>				
	<u>\$ 11,660,835</u>	<u>\$11,565,105</u>	<u>\$ 13,826,527</u>	<u>\$ 2,261,422</u>

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

**Evergreen Fire Protection District**  
**Required Supplementary Information**  
**Volunteer Pension Fund**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

Measurement Period Ended*	Actuarially Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2022	\$ 259,434	\$ 355,001	\$ 95,567	-	N/A**
12/31/2021	307,359	355,001	47,642	-	N/A**
12/31/2020	307,359	350,833	43,474	-	N/A**
12/31/2019	266,777	390,000	123,223	-	N/A**
12/31/2018	266,777	225,000	(41,777)	-	N/A**
12/31/2017	224,405	305,000	80,595	-	N/A**
12/31/2016	224,405	305,000	80,595	-	N/A**
12/31/2015	263,611	305,000	41,389	-	N/A**
12/31/2014	\$ 263,611	\$ 301,455	\$ 37,844	-	N/A**

Note: This schedule is intended to show information for ten years. Reporting is provided in arrears and as such 2023 information is not available. Additional years will be displayed as they become available."

\*\* Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.

**Evergreen Fire Protection District**  
**Required Supplementary Information**  
**Statewide Defined Benefit Plan**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2022	0.05%	\$ 47,994	\$ 384,491	12.5%	97.6%
12/31/2021	0.07%	(389,025)	471,474	-82.5%	99.2%
12/31/2020	0.07%	(145,511)	579,074	-25.1%	106.7%
12/31/2019	0.05%	(26,534)	538,351	-4.9%	101.9%
12/31/2018	0.02%	30,271	421,013	7.2%	95.2%
12/31/2017	0.02%	(23,489)	160,388	-14.6%	106.3%
12/31/2016	0.02%	6,051	85,675	7.1%	98.2%
12/31/2015	0.02%	(306)	80,351	-0.4%	100.1%
12/31/2014	0.02%	(20,855)	83,101	-25.1%	106.8%
12/31/2013	0.02%	(17,331)	\$ 84,184	-20.6%	105.8%

Note: This schedule is intended to show information for ten years. Reporting is provided in arrears and as such 2022 information is not available. Additional years will be displayed as they become available.

\* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

**Evergreen Fire Protection District**  
**Required Supplementary Information**  
**Volunteer Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**

Measurement period ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 83,814	\$ 83,814	\$ 112,227	\$ 112,227	\$ 121,583	\$ 121,583	\$ 107,685	\$ 107,685	\$ 110,075
Interest	453,461	450,242	466,917	457,776	458,003	446,829	420,370	412,004	413,410
Benefit changes	557,350	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(4,852)	-	(339,621)	-	(15,397)	-	75,577	-	(137,249)
Changes of assumptions	78,460	-	-	-	294,377	-	154,774	-	-
Benefit Payments	(511,052)	(465,849)	(461,766)	(417,828)	(423,741)	(415,260)	(409,740)	(406,585)	(401,140)
<b>Net change in total pension liability</b>	<u>657,181</u>	<u>68,207</u>	<u>(222,243)</u>	<u>152,175</u>	<u>434,825</u>	<u>153,152</u>	<u>348,666</u>	<u>113,104</u>	<u>(14,904)</u>
<b>Total pension liability - Beginning</b>	6,688,019	6,619,812	6,842,055	6,689,880	6,255,055	6,101,903	5,753,237	5,640,133	5,655,037
<b>Total pension liability - Ending (a)</b>	<u>7,345,200</u>	<u>6,688,019</u>	<u>6,619,812</u>	<u>6,842,055</u>	<u>6,689,880</u>	<u>6,255,055</u>	<u>6,101,903</u>	<u>5,753,237</u>	<u>5,640,133</u>
<b>Plan fiduciary net position</b>									
Employer contributions	275,001	275,001	270,833	230,000	225,000	225,000	225,000	225,000	221,455
Net investment income	(529,053)	863,803	687,213	681,209	3,040	645,441	230,563	79,037	283,221
Benefit payments	(511,052)	(465,849)	(461,766)	(417,828)	(423,741)	(415,260)	(409,740)	(406,585)	(401,140)
Administrative expense	(32,438)	(30,252)	(24,842)	(37,286)	(38,176)	(35,183)	(7,115)	(18,632)	(6,881)
State of Colorado supplemental discretionary payment	80,000	80,000	80,000	160,000	-	80,000	80,000	80,000	80,000
<b>Net change in plan fiduciary net position</b>	<u>(717,542)</u>	<u>722,703</u>	<u>551,438</u>	<u>616,095</u>	<u>(233,877)</u>	<u>499,998</u>	<u>118,708</u>	<u>(41,180)</u>	<u>176,655</u>
<b>Plan fiduciary net position - beginning</b>	6,634,800	5,912,097	5,360,659	4,744,564	4,978,441	4,478,443	4,359,735	4,400,915	4,224,260
<b>Plan fiduciary net position - end (b)</b>	<u>5,917,258</u>	<u>6,634,800</u>	<u>5,912,097</u>	<u>5,360,659</u>	<u>4,744,564</u>	<u>4,978,441</u>	<u>4,478,443</u>	<u>4,359,735</u>	<u>4,400,915</u>
<b>District's net pension liability - ending (a)-(b)</b>	<u>1,427,942</u>	<u>53,219</u>	<u>707,715</u>	<u>1,481,396</u>	<u>1,945,316</u>	<u>1,276,614</u>	<u>1,623,460</u>	<u>1,393,502</u>	<u>1,239,218</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	80.56%	99.20%	89.31%	78.35%	70.92%	79.59%	73.39%	75.78%	78.03%

Note: This schedule is intended to show information for ten years. Reporting is provided in arrears and as such 2023 information is not available. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability which is one year in arrears.

# **Evergreen Fire Protection District**

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**Other Supplementary Information**

**Evergreen Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Governmental Fund Type—Debt Service Fund**  
**December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property tax	\$ 568,377	\$ 567,412	\$ (965)
Total Revenues	<u>568,377</u>	<u>567,412</u>	<u>(965)</u>
<b>Expenditures:</b>			
Operating expenditures	9,825	9,576	249
Bond principal payments	605,000	615,000	(10,000)
Bond interest payments	15,375	15,375	-
Contingency	<u>555</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>630,755</u>	<u>639,951</u>	<u>(9,751)</u>
<b>Excess Revenue Over (Under)</b>			
<b>Expenditures</b>	<u>(62,378)</u>	<u>(72,539)</u>	<u>(10,161)</u>
 <b>Other financing sources/uses:</b>			
Transfers in or (out) to other funds	<u>-</u>	<u>11,493</u>	<u>11,493</u>
Total other sources:	-	11,493	11,493
 <b>Fund Balance—Beginning of year</b>	<u>62,378</u>	<u>61,046</u>	<u>(1,332)</u>
<b>Fund Balance—End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,493)</u>

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

**Evergreen Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Fiduciary Fund**  
**December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Additions</b>			
Member contributions	\$ 61,641	\$ 61,640	\$ (1)
Total Revenues	<u>61,641</u>	<u>61,640</u>	<u>(1)</u>
<b>Deductions</b>			
Maintenance and hardware	<u>61,641</u>	<u>48,930</u>	<u>12,711</u>
Total Expenditures	<u>61,641</u>	<u>48,930</u>	<u>12,711</u>
Net increase in fiduciary net position	<u>-</u>	<u>12,710</u>	<u>12,710</u>
<b>Fund balance - beginning of year</b>	<u>49,026</u>	<u>141,856</u>	<u>92,830</u>
<b>Fund balance - end of year</b>	<u>\$ 49,026</u>	<u>\$ 154,566</u>	<u>\$ 105,540</u>

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