

INTER-CANYON FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Inter-Canyon Fire Protection District  
Morrison, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Inter-Canyon 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 the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

### **Emphasis of a Matter**

As outlined in Note 9 to the financial statements, the District restated governmental activities beginning net position as a result of errors noted in prior years related to capital assets. Our opinion on the financial statements is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 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' 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 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 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 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 the 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, general fund budgetary comparison schedule, and GASB required pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*The Adams Group, LLC*

Greenwood Village, Colorado  
March 22, 2024

## MANAGEMENT'S DISCUSSION & ANALYSIS

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report offers readers of the Inter-Canyon Fire Protection District (the "District") financial statements the District's discussion and analysis of its financial performance during the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

Background Information

The District is a governmental subdivision incorporated under the laws of the State of Colorado. The District provides fire protection, ambulance, emergency medical and rescue services to residents in the area from Tiny Town on the North to Hilldale Pines Subdivision on the South and from Deer Creek Canyon on the East to Hillview Road on the West.

The District is the primary special purpose government responsible for the above services in its service area. As a result, all significant activities have been included in the basic financial statements. The District's financial statements represent those of a stand-alone government, as there are no components units.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States.

2023 Financial Highlights

- The District's financial status reflected an increase in net position during the 2023 fiscal year. The increase was \$276,123, a 5.4% increase when compared to beginning net position. Ending net position as of December 31, 2023 was \$5,578,386.
- Net position for governmental activities was restated in the current year by \$189,830 as a result of errors noted during the current year. See Note 9 for additional information.
- Property and specific ownership tax revenues accounted for \$1,688,163 or 80.1% of all revenues. The District had revenue of \$123,056 from charges for services, and \$295,888 from intergovernmental, investment earnings and other revenues.
- During the year ended December 31, 2023, total governmental activities expenditures were \$1,830,984, of which, \$340,978 is related to fire operations and emergency services. The largest component expenditure category is administration which represents approximately 55.5% of total expenditures in 2023.
- At December 31, 2023, the District's general fund balance sheet reported an ending fund balance of \$1,542,343, an increase of \$126,490 from the prior year. The increase was a result of property tax revenues received in the current year as well as a decrease in expenditures when compared to the prior year.
- As of December 31, 2023, the District's long-term debt is related to leases measured under GASB Statement No. 87. See Note 4 for additional information.

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

*Government-wide financial statements.* The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private section business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The District's main governmental activity is fire protection and emergency medical services. The basic government-wide financial statements can be found on pages 1-2 of this report.

*Fund financial statements.* A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has one governmental fund, a general fund.

The District adopts an annual appropriated budget for the general fund, as required by State Statutes. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 3 – 6 of this report.

*Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 – 30 of this report.

*Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on pages 31 – 35.

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5,578,386 at the close of the most recent fiscal year, representing an increase in total net position for the year amounting to \$276,123.

Government-wide Financial Analysis

One of the largest portions of the District's net position (69.6%) reflects its net investment in capital assets (for example, land, construction in progress, buildings, machinery and equipment, and vehicles); 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 its 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 because the capital assets themselves cannot be used to liquidate these liabilities.

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

District's Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 3,687,482	\$ 3,279,729
Capital assets	3,944,885	3,692,643
Net pension asset	-	212,934
Total assets	7,632,367	7,185,306
Deferred outflows of resources	456,983	222,970
Liabilities		
Current liabilities	78,239	240,026
Net pension liability	296,775	53,476
Lease liability	60,356	-
Total liabilities	435,370	293,502
Deferred inflows of resources	2,075,594	2,002,341
Net position:		
Net investment in capital assets	3,884,529	3,692,643
Restricted	62,000	271,934
Unrestricted	1,631,857	1,147,856
Total net position	\$ 5,578,386	\$ 5,112,433

An additional portion of the District's net position (1.1%) represents resources that are subject to restrictions on how they may be used, most of which are restrictions imposed from external sources. The remaining 29.3% of total net position (\$1,631,857), represents unrestricted net position that may be used to meet the District's ongoing obligations.

The District's finances are strong, sound, and stable because of solid, dedicated and committed financial management. The changes in net position displayed subsequently show the governmental activities during the previous two fiscal years. The increase in net position for each year represents the extent to which expenses were less than revenues during the year.

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities	
	2023*	2022
Revenues:		
Program revenues:		
Charges for services	\$ 123,056	\$ 97,837
Operating grants and contributions	81,959	40,173
Capital grants and contributions	115,200	43,500
General revenues:		
Property taxes and specific ownership taxes	1,688,163	1,652,978
Investment earnings	60,362	22,354
Other revenue	38,367	164,618
Total revenues	2,107,107	2,021,460
Expenses:		
Administration	1,015,315	613,494
Fire operations	309,833	259,020
Emergency medical services	31,145	118,696
Pension contributions	105,679	105,679
Depreciation and amortization	367,843	391,735
Interest on long-term debt	1,169	-
Total expenses	1,830,984	1,488,624
Changes in net position	276,123	532,836
Net position - beginning	5,302,263	4,579,597
Net position - ending	\$ 5,578,386	\$ 5,112,433

\*Beginning net position restated, see Note 9 for information.

Property and specific ownership taxes account for a large portion of the District's revenue, contributing about 80.1% of total revenues as compared to 81.8% of revenues in 2022. During 2023 the District received approximately 15.0% from program revenues; in comparison to approximately 9.0% in 2022. During 2023, investment earnings constituted approximately 2.9% which was an increase of 1.8% from 2022. Intergovernmental revenues in 2023 were 9.4% of total revenues in 2023 as compared to 4.0% in the prior year. The District expenses are predominantly related to administration, fire operations, emergency medical services, and pension contributions.

Total expenses for governmental activities was \$1,830,984 in 2023 when compared to the 2022 balance of \$1,488,624. The largest increase was related to the administration function which had an increase of \$401,821 from 2022 to 2023.

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides functional areas of administration, emergency medical services, and fire operations. The primary funding source for the general fund is taxation of real property, charges for services and other revenues.

As of December 31, 2023, the District's general fund reported an ending fund balance of \$1,542,343, an increase of \$126,490 from the prior year. The District has \$1,459,909 of unassigned fund balance, which is available for spending at the District's discretion. In addition, the District has \$62,000 restricted as of December 31, 2023 under the TABOR amendment as of December 31, 2023.

General Fund Budgetary Highlights

A budget to actual statement is provided for the general fund. Budgeted taxes represent the full levy of property taxes for the year, whereas actual results reflect a small number of delinquent accounts. There were positive revenue variances totaling \$378,592, including lease proceeds. Expenditures for the District were under budget by \$342,600.

The District must maintain a 3% emergency contingency restricted reserve account as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2023, the District's TABOR reserve amounted to \$62,000.

Capital Assets and Debt Administration

*Capital Assets*

At the end of 2023, the District had capital assets and lease assets of \$3,944,885 (net of accumulated depreciation and amortization) in a broad range of capital assets, including land, fire stations and equipment, and vehicles. Additional information on the District's capital assets and lease assets can be found in Note 3 to the financial statements. Total depreciation and amortization expense for the year was \$367,843.

	Governmental Activities	
	2023	2022
Land	\$ 122,301	\$ 122,301
Construction in progress	1,434,427	1,229,511
Buildings	1,385,359	1,453,210
Vehicles and equipment	943,501	1,077,451
Lease assets	59,297	-
	<u>\$ 3,944,885</u>	<u>\$ 3,882,473</u>

INTER-CANYON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

*Lease Liability*

For the year ended December 31, 2023, the District had lease activity which was measured under GASB Statement No. 87, *Leases*. At December 31, 2023, the District has lease assets of \$59,297 (net of accumulated amortization) and a lease liability of \$60,356. See Note 4 for additional information.

*Factors Bearing on the District's Future*

The District showed significant recovery during the year in the economy and expects a brighter outlook in the upcoming years. Tax revenues showed continuous improvement and the District continues to invest in capital assets for the future.

*Contacting the District's Financial Management Team*

This Financial Report is designed to provide District citizens, our customers and creditors, and the State of Colorado with a general overview of the District's finances and to demonstrate the District's accountability for the revenues it receives. If you have questions regarding this report or need additional publicly available financial information, please contact the District's Administrative Office at (303) 697-4413, located at Station 1, 7939 South Turkey Creek Road, Morrison, CO 80465.

Inter-Canyon Fire Protection District  
7939 South Turkey Creek Rd.  
Morrison, CO 80465

## BASIC FINANCIAL STATEMENTS

INTER-CANYON FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Governmental Activities
<u>Assets</u>	
Cash and investments	\$ 1,587,125
Cash with county treasurer	7,633
Property tax receivable	2,015,422
Prepaid items	20,434
EMS accounts receivable, net of allowance for uncollectible of \$28,999	55,154
Other accounts receivables	1,714
Capital assets, not being depreciated	1,556,728
Capital assets, being depreciated and amortized (net of accumulated depreciation and amortization)	2,388,157
Total Assets	7,632,367
 <u>Deferred Outflows of Resources</u>	
Related to pension	456,983
Total Deferred Outflows of Resources	456,983
 <u>Liabilities</u>	
Accounts payable	17,603
Other liabilities	60,636
Net pension liability	296,775
Noncurrent liabilities:	
Due within one year	11,970
Due in more than one year	48,386
Total Liabilities	435,370
 <u>Deferred Inflows of Resources</u>	
Related to pension	60,172
Unavailable property taxes	2,015,422
Total Deferred Outflows of Resources	2,075,594
 <u>Net Position</u>	
Net investment in capital assets	3,884,529
Restricted	
Emergencies	62,000
Unrestricted	1,631,857
Total Net Position	\$ 5,578,386

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

INTER-CANYON FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Governmental Activities:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Fire operations and emergency services	\$ 1,829,815	\$ 123,056	\$ 81,959	\$ 115,200
Interest and fiscal charges	1,169	-	-	-
Total Governmental Activities	\$ 1,830,984	\$ 123,056	\$ 81,959	\$ 115,200
GENERAL REVENUES:				
Property taxes				1,575,414
Specific ownership taxes				112,749
Interest income				60,362
Other revenue				38,367
Total General revenues				1,786,892
Changes in net position				276,123
Net Position, Beginning (as restated)				5,302,263
Net Position, Ending				\$ 5,578,386

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

INTER-CANYON FIRE PROTECTION DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUND  
DECEMBER 31, 2023

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments	\$ 1,587,125
Cash with county treasurer	7,633
Property tax receivable	2,015,422
Prepaid items	20,434
EMS accounts receivable, net of allowance for uncollectible of \$29,698	55,154
Other accounts receivables	1,714
Total Assets	\$ 3,687,482
 <u>Liabilities, deferred inflows of resources and fund balance</u>	
Liabilities:	
Accounts payable	\$ 17,603
Other liabilities	60,636
Total Liabilities	78,239
 <u>Deferred inflows of resources</u>	
Unavailable property taxes	2,015,422
Unavailable EMS revenue	51,478
Total Deferred Inflows of Resources	2,066,900
 Fund balance:	
Nonspendable	
Prepaid items	20,434
Restricted	
Emergencies	62,000
Unassigned	1,459,909
Total Fund Balances	1,542,343
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,687,482

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

INTER-CANYON FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023

Total fund balance - governmental fund	\$	1,542,343
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets and lease assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		3,944,885
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.		
Emergency medical service fees		51,478
Certain assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Net pension liability		(296,775)
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.		
Lease liability		(60,356)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		456,983
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		(60,172)
Total net position of governmental activities	<u>\$</u>	<u>5,578,386</u>

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

INTER-CANYON FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 1,575,414
Specific ownership taxes	112,749
Intergovernmental revenues	197,096
Charges for services	117,243
Contributions	18,563
Interest income	60,362
Other revenue	38,367
Total revenues	2,119,794
 <u>Expenditures</u>	
Current:	
Administration	1,157,079
Firefighting	31,145
Firefighting equipment	60,699
Communications	107,512
Emergency medical services	38,139
Stations expense	119,841
Pension contributions	124,179
Capital outlay	413,897
Debt service:	
Principal	6,577
Interest and fiscal charges	1,169
Total expenditures	2,060,237
 Excess revenues over expenditures	 59,557
 <u>Other Financing Sources</u>	
Lease proceeds	66,933
Total other financing sources	66,933
 Net changes in fund balance	 126,490
 Fund balance - beginning	 1,415,853
Fund balance - ending	\$ 1,542,343

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

INTER-CANYON FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

Net changes in fund balance - total governmental fund: \$ 126,490

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

Capital outlays to purchase or construct capital assets are reported in governmental fund as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. Includes current year lease activity.

Capital outlay and lease expense	430,255
Depreciation and amortization expense	(367,843)

The issuance of long-term debt provides current financial resources to fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position.

Lease proceeds	(66,933)
Principal payments	6,577

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund.

Emergency medical services	5,813
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. The increases (decreases) in these activities consist of:

Pension income	141,764
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Changes in net position of governmental activities	\$ 276,123
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INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organized in 1956, Inter-Canyon Fire Protection District (District) is an independent local governmental unit incorporated under the laws of the State of Colorado and organized under a charter and governed by an elected board of directors to provide volunteer fire protection and emergency services within the boundaries of the District in Jefferson County, Colorado.

Five stations and 27 active volunteer firefighters serve the approximately 52 square miles of varied topography, southwest of Denver in the foothills. The east edge of the District begins near the first hogback west of the Ken Caryl subdivision and extends west past State Highway 285. The northern edge is south of Marshdale and extends south to within a few miles of Waterton Canyon and the South Platte River. Throughout this area are fuels of grasses, brush, ponderosa, and lodge pole pines with steep canyons, remote residences as well as subdivisions with hundreds of clustered homes. These conditions add to the challenges to provide residents with quality fire, rescue, and emergency medical services.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies.

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it. As required by generally accepted governmental accounting principles, the financial statements of the reporting entity include those of the District (the primary government) which has no component units. The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position and the statement of activities). These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and emergency medical service revenue.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and fund financial statements (continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

The 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 of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax, intergovernmental revenues, and emergency medical service fees. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or when the long-term obligations is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

*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 District’s policies.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments

Investments are stated at net asset value.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At December 31, 2023, management has recorded an allowance of \$29,698 for contractual allowances and uncollectible ambulance service fees. All receivables are expected to be collected within one year.

Capital Assets

Capital assets, which include land, construction in progress, buildings, and equipment, and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Buildings and improvements	5 - 40 years
Vehicles and equipment	5 - 20 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are recorded for amounts related to the District's defined benefit pension plans which are to be amortized and recognized as revenue/expense in future periods.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon separation from 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 separation. 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. The District's general fund is used to liquidate compensated absences of the governmental activities.

Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset unless the lease has a purchase option.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise the option.

Deferred Inflows of Resources

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

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Inflows of Resources (continued)

Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected. EMS revenue is considered a deferred inflow of resources in the fund financial statements for amounts not collected within the period of availability or 60 days. Deferred inflows of resources also include certain amounts related to the District's defined benefit pension plans and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District's governmental fund balances may consist of five classifications based on the relative strength of spending constraints:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. At December 31, 2023, the District had \$20,434 classified as nonspendable fund balance related to prepaid items.

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. At December 31, 2023, the District has \$62,000 restricted for emergencies.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the District's Board of Directors (Board). The Board is the highest level of decision-making body for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2023, the District had no amounts classified as committed fund balance.

*Assigned* – Amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the general fund. At December 31, 2023, the District had no amounts classified as assigned fund balance.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances (continued)

*Unassigned* – Amounts that are available for general purpose.

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.

Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributed to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Property taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes (continued)

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Budgets

In accordance with the Colorado Budget Law, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. District management is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of the general fund must be approved by the Board.

New Accounting Standard Implementation

For the year ended December 31, 2023, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides guidance on the accounting and financial reporting for SBITAs for governments. The implementation of the new standard had no impact on the District's net position as of December 31, 2023.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 – CASH AND INVESTMENTS

A summary of deposits and investments at December 31, 2023, follows:

Deposits with financial institutions	\$	321,635
Investments		<u>1,265,490</u>
Total cash and investments	\$	<u><u>1,587,125</u></u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the bank balance and carrying amount of the District's deposits were \$394,764 and \$321,635, respectively. All cash deposits were covered by either the FDIC or PDPA.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District generally limits its concentration of investments to those noted with an asterisk (\*) below, where are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk.

Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party. The District limits investment maturities to five years or less unless formally approved by the Board of Directors. Colorado statutes specify investment instruments meeting a defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

ColoTrust and Fair Value

As of December 31, 2023, the District had invested \$1,265,490 in 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 Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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.

The District's investment in ColoTrust is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2023:

	Balances December, 31 2022*	Additions	Deletions	Balances December, 31 2023
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 122,301	\$ -	\$ -	\$ 122,301
Construction in progress	1,229,511	204,916	-	1,434,427
Total capital assets, not being depreciated	<u>1,351,812</u>	<u>204,916</u>	<u>-</u>	<u>1,556,728</u>
Capital assets, being depreciated				
Buildings	2,729,167	15,950	-	2,745,117
Vehicles and equipment	4,857,914	142,456	-	5,000,370
Total capital assets, being depreciated	<u>7,587,081</u>	<u>158,406</u>	<u>-</u>	<u>7,745,487</u>
Accumulated depreciation				
Buildings	(1,275,957)	(83,801)	-	(1,359,758)
Vehicles and equipment	(3,780,463)	(276,406)	-	(4,056,869)
Total accumulated depreciation	<u>(5,056,420)</u>	<u>(360,207)</u>	<u>-</u>	<u>(5,416,627)</u>
Total capital assets being depreciated, net	<u>2,530,661</u>	<u>(201,801)</u>	<u>-</u>	<u>2,328,860</u>
Total capital assets, net	<u>3,882,473</u>	<u>3,115</u>	<u>-</u>	<u>3,885,588</u>
Lease assets, being amortized				
Land	-	43,220	-	43,220
Equipment	-	23,713	-	23,713
Total lease assets, being amortized	<u>-</u>	<u>66,933</u>	<u>-</u>	<u>66,933</u>
Accumulated amortization				
Equipment and land	-	(7,636)	-	(7,636)
Total accumulated amortization	<u>-</u>	<u>(7,636)</u>	<u>-</u>	<u>(7,636)</u>
Total leased assets, net	<u>-</u>	<u>59,297</u>	<u>-</u>	<u>59,297</u>
Total capital and leased assets, net	<u>\$ 3,882,473</u>	<u>\$ 62,412</u>	<u>\$ -</u>	<u>\$ 3,944,885</u>

\*See Note 9 as beginning balances for capital assets were restated as result of prior period adjustment.

Depreciation expense of \$360,207 and amortization expense of \$7,636 was charged to fire operations and emergency services for the year ended December 31, 2023.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 4 – LONG-TERM DEBT

Lease Liabilities

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Deletions	Balance at December 31, 2023	Due In One Year
Land lease liability	\$ -	\$ 43,220	\$ 3,799	\$ 39,421	\$ 7,673
Tower lease liability	-	23,713	2,778	20,935	4,297
Total	<u>\$ -</u>	<u>\$ 66,933</u>	<u>\$ 6,577</u>	<u>\$ 60,356</u>	<u>\$ 11,970</u>

On May 31, 2023, the District entered into a land lease agreement in the amount of \$43,220 for the right to lease a portion of property for the purpose of erecting, installing, operating, and maintaining communications towers. The District recognizes a lease liability and right-to-use lease assets in the government-wide financial statements. At the commencement of the lease, the District measures a lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets on the statement of net position. The lease requires future principal and interest payments in the aggregate amount of \$43,284, with interest at 4.13%. The final payment is due in 2028.

The lease agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreement.

Annual debt service requirements to maturity for the lease agreement as of December 31, 2023 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,673	\$ 1,462	\$ 9,135
2025	8,273	1,136	9,409
2026	8,903	789	9,692
2027	9,567	416	9,983
2028	5,005	60	5,065
Total	<u>\$ 39,421</u>	<u>\$ 3,863</u>	<u>\$ 43,284</u>

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 4 – LONG-TERM DEBT (CONTINUED)

Lease Liabilities (continued)

On May 1, 2023, the District entered into a communications lease agreement in the amount of \$23,713 for the purpose of installing, operating, and maintaining a wireless communications antenna and ancillary equipment on lessor’s communications tower.

The District recognizes a lease liability and right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the District measures a lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of the lease payments made.

The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets on the statement of net position. The lease requires future principal and interest payments in the aggregate amount of \$22,672, with interest at 3.64%. The final payment is due in 2028.

The lease agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreement.

Annual debt service requirements to maturity for the lease agreement as of December 31, 2023 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,297	\$ 682	\$ 4,979
2025	4,607	521	5,128
2026	4,932	351	5,283
2027	5,272	169	5,441
2028	1,827	14	1,841
Total	<u>\$ 20,935</u>	<u>\$ 1,737</u>	<u>\$ 22,672</u>

NOTE 5 – VOLUNTEERS’ PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police member’s Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Plan description (continued)

The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan.

FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers’ rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50 percent benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

At December 31, 2023, the following members were covered by the benefit terms:

Retirees and Beneficiaries	32
Active members	<u>12</u>
Total	<u><u>44</u></u>

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefits for a member is \$432 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$21.60 per month for every year of services.

Survivor’s death benefits range from \$216 monthly benefit payment to 50 percent of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$864.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources; contributions directly from the District and contributions from the State based on assessed property values and other formulas.

For the year ended December 31, 2023, the District’s contributions were \$105,679, not including contributions from the State.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

At December 31, 2023, the District reported a net pension liability of \$264,700. The net pension liability was measured at December 31, 2022 and was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023.

For the year ended December 31, 2023, the District recognized pension income of \$124,372. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 17,195
Change in assumptions	10,166	-
Net difference between projected and actual earnings on pension plan investments	113,110	-
Contributions subsequent to measurement date	<u>105,679</u>	<u>-</u>
Total	<u>\$ 228,955</u>	<u>\$ 17,195</u>

\$105,679 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability 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:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ (11,841)
2025	16,531
2026	36,119
2027	<u>65,272</u>
Total	<u>\$ 106,081</u>

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the following:

- **Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- **Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- **Disabled:** 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

\*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

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).

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

For this purpose of the valuation, the long-term 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 discount rate is 7.00 percent.

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. Best estimates of arithmetic nominal 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:

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

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 Volunteer 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 payment) to determine the total pension liability.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	[a]	[b]	[a] - [b]
Balance, December 31, 2022	\$ 2,240,508	\$ 2,187,032	\$ 53,476
Changes for the year:			
Service cost	11,844	-	11,844
Interest	151,080	-	151,080
Net investment income	-	(175,527)	175,527
Contributions - employer	-	105,679	(105,679)
Benefit payments including refunds of employee contributions	(179,125)	(179,125)	-
Difference between expected and actual experience of total pension liability	(33,116)	-	(33,116)
Changes in assumptions	19,579	-	19,579
Administrative expense	-	(10,489)	10,489
State of Colorado supplemental discretionary payment	-	18,500	(18,500)
Net changes	(29,738)	(240,962)	211,224
Balance, December 31, 2023	\$ 2,210,770	\$ 1,946,070	\$ 264,700

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.00 percent, as well as the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 480,031	\$ 264,700	\$ 81,887

The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN

Plan Description

The District contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time firefighters of the District are members of the SWDB.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at <http://www.fppaco.org>.

Benefits Provided

A plan 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 the 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. 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 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.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Benefits Provided (continued)

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

The District and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increased 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers contributed at a rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent. In 2023, members of the SWDB plan and their employers contributed at a rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. The District's contributions to the plan of the year ended December 31, 2023, were \$31,130, equal to the required contributions.

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

At December 31, 2023, the District reported a net pension liability of \$32,075, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at 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 the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2022, the District's proportion was 0.0361 percent which was a decrease of 0.0032 percent from its proportion measured at December 31, 2021.

For the year ended December 31, 2023, the District recognized pension income of \$9,003. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 69,431	\$ 3,937
Changes of Assumptions or other Inputs	41,092	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	72,584	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	13,791	39,040
Contributions Subsequent to the Measurement Date	<u>31,130</u>	<u>-</u>
Total	<u>\$ 228,028</u>	<u>\$ 42,977</u>

\$31,130 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a decrease in the net pension liability 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 as pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ 10,781
2025	24,490
2026	37,938
2027	57,116
2028	9,456
Thereafter	<u>14,140</u>
Total	<u>\$ 153,921</u>

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The actuarial valuations as of January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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 percent 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.

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.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.45%
Fixed Income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
Total	<u>100%</u>	

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.

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).

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 6 – STATEWIDE DEFINED BENEFIT PLAN (CONTINUED)

Discount Rate (continued)

For 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 weekly rate closet 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 Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as the District’s proportionate share of the net pension liability (asset) if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate, as follows:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Proportionate Share of the			
Net Pension Liability (Asset)	<u>\$ 221,119</u>	<u>\$ 32,075</u>	<u>\$ (124,515)</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at <http://www.fppaco.org>.

NOTE 7 – TAXPAYER BILL OF RIGHTS (TABOR)

Article X, Section 20 of the Colorado Constitution, the Taxpayer’s Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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 revenue.

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service.

INTER-CANYON FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 7 – TAXPAYER BILL OF RIGHTS (TABOR) (CONTINUED)

Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The District had an emergency reserve of \$62,000 as of December 31, 2023.

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2023, a prior period adjustment was posted as a result of errors noted in the prior year related to capital assets and accumulated depreciation. As a result, the prior year governmental activities net position was understated in the prior year as a result of an overstatement of accumulated depreciation. The impact on beginning net position is outlined below:

	<u>Governmental Activities</u>
Net Position, as of December 31, 2022	\$ 5,112,433
Current year restatement	<u>189,830</u>
Net Position, as restated at December 31, 2022	<u><u>\$ 5,302,263</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

INTER-CANYON FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GENERAL FUND – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 1,578,185	\$ 1,575,414	\$ (2,771)
Specific ownership taxes	101,000	112,749	11,749
Intergovernmental revenues	-	197,096	197,096
Charges for services	-	117,243	117,243
Contributions	-	18,563	18,563
Interest income	-	60,362	60,362
Other revenue	128,950	38,367	(90,583)
Total revenues	1,808,135	2,119,794	311,659
<u>Expenditures</u>			
Current:			
Administration and payroll	1,227,567	1,157,079	70,488
Firefighting	56,600	31,145	25,455
Firefighting equipment	95,600	60,699	34,901
Communications	61,523	107,512	(45,989)
Emergency medical services	66,660	38,139	28,521
Stations expense	110,208	119,841	(9,633)
Pension contribution	124,179	124,179	-
Other	10,500	-	10,500
Capital outlay	650,000	413,897	236,103
Debt service:			
Principal	-	6,577	(6,577)
Interest and fiscal charges	-	1,169	(1,169)
Total expenditures	2,402,837	2,060,237	342,600
Excess (deficiency) of revenues over (under) expenditures	(594,702)	59,557	654,259
<u>Other Financing Sources</u>			
Lease proceeds	-	66,933	66,933
Total other financing sources	-	66,933	66,933
Net changes in fund balance	\$ (594,702)	126,490	\$ 721,192
Fund balance - beginning		1,415,853	
Fund balance - ending		\$ 1,542,343	

INTER-CANYON FIRE PROTECTION DISTRICT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND  
RELATED RATIOS – VOLUNTEER PENSION TRUST FUND  
LAST 10 FISCAL YEARS\*

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015
<u>Total Pension Liability</u>								
Service cost	\$ 11,844	\$ 11,844	\$ 15,159	\$ 15,159	\$ 23,882	\$ 23,882	\$ 22,392	\$ 22,392
Interest	151,080	151,626	161,989	161,140	160,262	158,189	149,305	146,759
Differences between actual and expected experience	(33,116)	-	(158,902)	-	51,425	-	34,527	-
Changes in assumptions	19,579	-	-	-	92,232	-	60,097	-
Benefit payments	(179,125)	(163,676)	(165,628)	(162,755)	(153,912)	(154,950)	(142,471)	(128,188)
Net change in total pension liability	(29,738)	(206)	(147,382)	13,544	173,889	27,121	123,850	40,963
Total pension liability - beginning	2,240,508	2,240,714	2,388,096	2,374,552	2,200,663	2,173,542	2,049,692	2,008,729
Total pension liability - ending	\$ 2,210,770	\$ 2,240,508	\$ 2,240,714	\$ 2,388,096	\$ 2,374,552	\$ 2,200,663	\$ 2,173,542	\$ 2,049,692
<u>Plan Fiduciary Net Position</u>								
Contributions - employer	\$ 105,679	\$ 105,679	\$ 105,679	\$ 105,679	\$ 105,679	\$ 105,679	\$ 105,679	\$ 105,679
Net investment income	(175,527)	280,375	218,182	223,340	942	209,728	74,205	25,347
Benefit payments including refunds of employee contributions	(179,125)	(163,676)	(165,628)	(162,755)	(153,912)	(154,950)	(142,471)	(128,188)
Pension plan administrative expense	(10,489)	(10,651)	(8,735)	(13,054)	(13,551)	(18,815)	(7,155)	(9,365)
State of Colorado discretionary payment	18,500	37,000	-	18,500	18,500	18,500	18,500	33,823
Net change in plan fiduciary net position	(240,962)	248,727	149,498	171,710	(42,342)	160,142	48,758	27,296
Plan Fiduciary net position - beginning	2,187,032	1,938,305	1,788,807	1,617,097	1,659,439	1,499,297	1,450,539	1,423,243
Plan Fiduciary net position - ending	\$ 1,946,070	\$ 2,187,032	\$ 1,938,305	\$ 1,788,807	\$ 1,617,097	\$ 1,659,439	\$ 1,499,297	\$ 1,450,539
Net pension liability (asset) - ending	\$ 264,700	\$ 53,476	\$ 302,409	\$ 599,289	\$ 757,455	\$ 541,224	\$ 674,245	\$ 599,153
Plan fiduciary net position as a percentage of total pension liability	88.03%	97.61%	86.50%	74.91%	68.10%	75.41%	68.98%	70.77%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

**INTER-CANYON FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS – VOLUNTEER PENSION TRUST FUND**  
**LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 52,248	\$ 89,770	\$ 89,770	\$ 85,398	\$ 85,398	\$ 72,785	\$ 72,785	\$ 72,785	\$ 72,785
Actual contribution	124,179	105,679	105,679	105,679	105,679	105,679	105,679	105,679	105,679
Contribution deficiency (excess)	\$ (71,931)	\$ (15,909)	\$ (15,909)	\$ (20,281)	\$ (20,281)	\$ (32,894)	\$ (32,894)	\$ (32,894)	\$ (32,894)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Fiscal year 2015 was the first year of implementation, therefore, only available years are shown.

**Notes to Schedule:**  
Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021 determines the contribution amounts for 2022 and 2023.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age Mortality	50% per year of eligibility until 100% at age 65
	<b>Pre-retirement:</b> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
	<b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
	<b>Disabled:</b> 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

\* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

INTER-CANYON FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY – STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

Fiscal year ending December 31,	2023	2022	2021	2020	2019	2018	2017
Measurement date ending December 31,	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0361%	0.0393%	0.0336%	0.0282%	0.0229%	0.0253%	0.0255%
District's proportionate share of the net pension liability (asset)	\$ 32,075	\$ (212,934)	\$ (72,938)	\$ (15,948)	\$ 28,896	\$ (36,355)	\$ 9,211
District's covered payroll	253,192	241,003	334,333	153,101	147,813	148,315	130,463
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.7%	(88.4%)	(21.8%)	(10.4%)	19.5%	(24.5%)	7.1%
Plan fiduciary net pension as a percentage of the total pension liability	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%

\*The amounts presented for each fiscal year were determined as of December 31, based on the measurement date of the plan. The District implemented GASB Statement No. 68 in 2015; therefore, 10 years of data is not available.

INTER-CANYON FIRE PROTECTION DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS  
STATEWIDE DEFINED BENEFIT PLAN  
LAST 10 FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contributions	\$ 31,130	\$ 22,741	\$ 20,439	\$ 26,609	\$ 12,248	\$ 11,825	\$ 11,865	\$ 10,437
Contributions in relation to the statutorily required contributions	31,130	22,741	20,439	26,609	12,248	11,825	11,865	10,437
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 328,200	\$ 253,192	\$ 241,003	\$ 334,333	\$ 153,101	\$ 147,813	\$ 148,315	\$ 130,463
Contributions as a percentage of covered payroll	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%	8.0%	8.0%

\*The amounts presented for each fiscal year were determined as of December 31. The District implemented GASB Statement No. 68 in 2015, therefore, 10 years of data is not available.