



# **FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT**

## **BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

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**FINANCIAL SECTION**



1221 W. Mineral Avenue, Suite 202  
Littleton, CO 80120

 303-734-4800

 303-795-3356

 [www.HaynieCPAs.com](http://www.HaynieCPAs.com)

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Front Range Fire Rescue Fire Protection District  
Johnstown, Colorado

### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Front Range Fire Rescue 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Front Range Fire Rescue 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 Front Range Fire Rescue Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditors' 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 auditors' 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 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 Front Range Fire Rescue 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 Front Range Fire Rescue Fire Protection District's ability to continue as a going concern for a reasonable period of time.

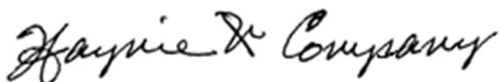
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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, Schedule of Contributions and Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Front Range Fire Rescue Fire Protection District's financial statements as a whole. The Individual Budgetary Comparison Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado  
July 11, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Front Range Fire Rescue Fire Protection District (the "District"), we offer readers of these financial statements, this narrative overview and analysis of the financial activities of the District's performance during the fiscal year ending December 31, 2023. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

### **Background Information**

The District was formed in 2018, however has roots going back to the early 1900s. The District was formed when the Johnstown Fire Protection District and Milliken Fire Protection District combined. The predominant fund approach for the District is comprised of four basic funds, the General, Capital, Impact Fees and Volunteer Pension Funds.

The District provides fire and emergency response as well as community risk reduction services to over 29,000 residents and business within the District's borders with currently three stations located in Johnstown, Hill n Park and Milliken.

### **Financial Highlights**

- The total assets and deferred outflows of Front Range Fire Rescue were \$39,971,706 at the close of the fiscal year. The total assets and deferred outflows exceeded liabilities and deferred inflows by \$18,627,919. Of this amount \$8,955,151 represents the balance of the unrestricted net position.
- The District realized a \$141,117 increase in fund balances during the fiscal year. The increase consists of excess revenues and other financing sources over expenditures of \$141,117. The increase was primarily driven from an increase in property tax revenue and interest earnings offset by expenditures.
- In July 2023, the District received a \$3,500,000 loan to assist with the Station 1 remodel that was completed in April 2024. At the end of the fiscal year, there was \$575,921 remaining of loan proceeds to expend.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$3,493,265. The change in fund balance for the general fund was a decrease of \$1,461,411 for the fiscal year. This is attributable to the additional contribution the District made to the Capital Fund of \$1,700,000 to support additional capital needs of the District for the future.
- Property Tax Receivables increased by \$7,296,960. The increase is due to the increase in assessed valuation for the fiscal year 2024, which increased by \$638,263,606.
- Capital Assets increased by \$4,525,412, which was primarily driven by the Station 1 remodel in Johnstown.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the District. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## **Government-wide Financial Statements**

The *Government-wide financial statements* present the financial picture of the District from the economic measurement resources focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). They are intended to provide a broad overview in a manner similar to a private sector business.

The *Statement of Net Position* presents information of all the assets and deferred outflows and liabilities and deferred inflows of the District, with the difference between the two 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 net position of the District 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 (e.g., uncollected taxes and earned but unused vacation leave).

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*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 government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 maintains four (4) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, the impact fee fund, and the volunteer pension fund, which are all considered to be major funds. The District adopts an annual budget to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget and can be found on pages 31, and 35-38 of this report. The basic governmental fund financial statements can be found on pages 3 and 4 of this report.

### **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Governmental fund financial statements.

### **Other Information**

In addition, information on the District's participation in an agent retirement plan can be found on pages 21-29 of this report.

### **Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Front Range Fire Rescue, assets and deferred outflows exceeded liabilities and deferred inflows by \$18,627,919 at the close of the most recent fiscal year. The largest portions of the District's net position are its unrestricted (48%) and its net investment in capital assets (43%).

Net investment in capital assets consists of capital assets (e.g., land, construction in progress, buildings, machinery, vehicles, and equipment); less any related debt still outstanding used to acquire those assets, adjusted for unspent proceeds. 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, since the capital assets themselves cannot be used to liquidate these liabilities.

The unrestricted portion of net assets consist of unrestricted liquid assets for which the board of directors has the authority to alter this designation of funds.

The following table contains a comparative analysis between the current and prior fiscal year for the government-wide statements.

	<b>Governmental Activities</b>		<b>Increase/ Decrease</b>
	<b>2023</b>	<b>2022</b>	
Cash and Investments	\$ 9,981,741	\$ 9,732,601	\$ 249,140
Other assets	14,727,426	8,640,716	6,086,710
Capital assets, net	11,692,076	7,166,664	4,525,412
<b>Total Assets</b>	<b>36,401,243</b>	<b>25,539,981</b>	<b>10,861,262</b>
<b>Deferred outflows of resources</b>	<b>3,570,463</b>	<b>2,549,841</b>	<b>1,020,622</b>
Current liabilities	1,007,154	216,057	791,097
Long-term liabilities	6,123,462	2,433,486	3,689,976
<b>Total liabilities</b>	<b>7,130,616</b>	<b>2,649,543</b>	<b>4,481,073</b>
<b>Deferred inflows of resources</b>	<b>14,213,171</b>	<b>8,743,338</b>	<b>5,469,833</b>
Net investment in capital assets	7,966,649	6,776,039	1,190,610
Restricted	1,706,119	3,583,104	(1,876,985)
Unrestricted	8,955,151	6,337,798	2,617,353
<b>Total net position at December 31,</b>	<b>18,627,919</b>	<b>16,696,941</b>	<b>1,930,978</b>

During 2023, there was an increase in other assets, which was comprised of an increase in property taxes receivable. Property taxes receivable increased due to an increase in assessed value growth in Weld County of 107.8% and Larimer County of 123.7%.

There was an increase in capital assets which was due incurred construction costs for the remodel of Fire Station Number 1 and the purchase of new vehicles and other equipment. The construction of Fire Station Number 1 was completed in April 2024.

## **Governmental Activities**

Governmental activities net position increased by \$1,930,978. Key elements of this increase are reported below:

	<b>Governmental Activities</b>		<b>Increase/ Decrease</b>
	<b>2023</b>	<b>2022</b>	
<b><u>Revenues</u></b>			
Program revenues:			\$ -
Charge for services	228,368	391,334	(162,966)
Operating Grants and Contributions	597,399	53,030	544,369
General revenues:			0
Property Taxes	6,960,171	6,002,621	957,550
Interest	320,512	68,094	252,418
Net Realized/Unrealized Gains (Losses) on Investments	45,969	(37,221)	83,190
Gain on Sale of Assets	4,000	163,682	(159,682)
Other	16,174	676,277	(660,103)
<b>Total Revenues</b>	<b>8,172,593</b>	<b>7,317,817</b>	<b>854,776</b>
<b><u>Expenses</u></b>			
General government	\$ 6,198,070	\$ 5,704,858	\$ 493,212
Interest on Long-Term debt	43,545	27,492	16,053
<b>Total Expenses</b>	<b>6,241,615</b>	<b>5,732,350</b>	<b>509,265</b>
<b>Increase in Net Position</b>	<b>\$ 1,930,978</b>	<b>\$ 1,585,467</b>	<b>\$ 345,511</b>
<b>Beginning Net Position</b>	16,696,941	15,111,474	1,585,467
<b>Ending Net Position</b>	<b>\$ 18,627,919</b>	<b>\$ 16,696,941</b>	<b>\$ 1,930,978</b>

Overall revenues increased by \$854,776 while expenses increased by \$509,265. Most of the revenue increase was from an increase in property tax revenue and operating grants and contributions. The property tax revenue increase was driven by an increase in assessed value in Weld County. Total assessed value in Weld County increased \$98,572,010 or 20.4%.

Expenses increased from prior year due to personnel expenses. During 2023 the district gave employees on average an 8% cost of living increase.

## **Financial Analysis of the Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$9,815,347, an increase of \$141,117 in comparison with the prior year's balance. The increase was primarily driven from an increase in property tax revenue and interest earnings offset by expenditures.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, the spendable fund balance of the general fund was \$3,493,265. As a measure of the general fund's liquidity, it may be useful to compare spendable fund balance to total fund expenditures. Spendable fund balance represents 56.62% of total current year general fund expenditures of \$6,169,694.

### **Budgetary Highlights**

During 2023, total revenues in the general fund were \$51,718 more than final budgeted revenues while total expenditures were \$554,440 under budgeted expenditures. The positive revenue variance resulted primarily from interest earnings that were greater than budget. The expenditure variance was primarily due to a decrease in costs in personnel expenditures and general operations.

### **Capital Asset and Debt Administration**

**Capital assets** – The District's investment in capital assets as of December 31, 2023, totals \$11,692,076 (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, improvements other than buildings, buildings and improvements, vehicles, furniture, and equipment.

Outlays for capital assets during 2023 were \$5,001,016 which consisted primarily of the remodel of Fire Station Number 1 construction costs.

Fund balance in the Capital Project fund increased \$1,108,806 for the year ending December 31, 2023. This increase was due to the district receiving a loan for the remodel of Station 1 in the amount of \$3,500,000 and contributions from the district of \$1,700,000, offset by capital asset purchases to support the District's operations. These purchases included the purchases of support vehicles, radios, ballistics equipment, thermal imaging cameras and building improvements including the remodel of Station 1.

Additional information on the District's capital assets can be found in Note 4 to the financial statements on page 18.

**Long-term liabilities** – During 2023, the District entered into a lease purchase agreement to fund the construction of Station 1. The agreement requires the District pay approximately \$440,000 annually for the next ten years. Colorado Revised Statute 32-1-1101(6) states that a fire district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

The District had long-term compensated absences payable of \$54,285 at year-end.

Additional information on the District's long-term liabilities can be found in Note 5 to the financial statements on pages 19-20.

### **Economic Factors and Next Year's Budgets and Rates**

The District's mil rate is 11.663 for FY 2024 which is an increase from prior year. In addition, the district experienced a 108.1% increase in net assessed value from prior year. The District expects to continue to see a net assessed value increase in both Larimer and Weld Counties, with continued projected growth in the region.

Oil & gas assessed values are extremely volatile in Weld County which are dependent on the oil market and other outside resources.

### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Front Range Fire Rescue Fire Protection District at 101 S. Irene Avenue Milliken, CO 80543.

## **BASIC FINANCIAL STATEMENTS**

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2023

	GOVERNMENTAL ACTIVITIES 2023
	2023
<b>ASSETS</b>	
Cash and Investments	\$ 9,981,741
Cash Held at County Treasurer	17,623
Prepaid Expenses	83,820
Loan Receivable	575,921
Receivables	
Property Taxes	14,022,450
Accounts	27,612
Capital Assets, Not Being Depreciated	4,864,604
Capital Assets, Depreciated	
Net of Accumulated Depreciation	6,827,472
 TOTAL ASSETS	 36,401,243
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to Volunteer Pension	1,515,529
Related to SWDB Pension	2,054,934
	2,054,934
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 3,570,463
<b>LIABILITIES</b>	
Accounts Payable	711,232
Accrued Salaries and Benefits	109,821
Accrued Interest Payable	10,841
Due to Pension Fund	50,317
Noncurrent Liabilities	
Due within One Year	124,943
Due in More Than One Year	3,654,769
Pension Liability - Volunteer Fund	2,161,725
Pension Liability - SWDB	306,968
	306,968
 TOTAL LIABILITIES	 7,130,616
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Revenues - Property Taxes	14,022,450
Related to Volunteer Pension	35,254
Related to SWDB Pension	155,467
	155,467
 DEFERRED INFLOWS OF RESOURCES	 14,213,171
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,966,649
Restricted for Emergencies	185,091
Restricted for Capital	1,521,028
Unrestricted	8,955,151
	8,955,151
 TOTAL NET POSITION	 \$ 18,627,919

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

<u>FUNCTIONS/PROGRAMS</u>	Program Revenues			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities 2023
<b>Governmental Activities</b>				
General Government	\$ 6,198,070	\$ 228,368	\$ 597,399	\$ (5,372,303)
Interest on Long-Term Debt	43,545	-	-	(43,545)
Total Governmental Activities	\$ 6,241,615	\$ 228,368	\$ 597,399	(5,415,848)
<b>GENERAL REVENUES</b>				
				6,960,171
Property Taxes				320,512
Interest				45,969
Net Realized/Unrealized Gains (Losses) on Investments				4,000
Gain on Sale of Assets				16,174
Other				16,174
TOTAL GENERAL REVENUES				7,346,826
CHANGE IN NET POSITION				1,930,978
NET POSITION, Beginning				16,696,941
NET POSITION, Ending				\$ 18,627,919

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

**INDIVIDUAL FUND SCHEDULES**

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	IMPACT FEE FUND	Total
<b>ASSETS</b>				
Cash and Investments	\$ 3,806,135	\$ 4,497,749	\$ 1,492,766	\$ 9,796,650
Cash Restricted for Emergencies	185,091	-	-	185,091
Cash Held at County Treasurer	17,623	-	-	17,623
Property Taxes Receivable	11,560,259	2,462,191	-	14,022,450
Prepaid Expenses	83,820	-	-	83,820
Due From Other Funds	236,037	355,005	371,149	962,191
Loan Receivable	-	575,921	-	575,921
Accounts Receivable	23,972	3,640	-	27,612
<b>TOTAL ASSETS</b>	<b>\$ 15,912,937</b>	<b>\$ 7,894,506</b>	<b>\$ 1,863,915</b>	<b>\$ 25,671,358</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 47,098	\$ 664,134	\$ -	\$ 711,232
Accrued Expenses	109,821	-	-	109,821
Due To Other Funds	433,583	236,038	342,887	1,012,508
<b>TOTAL LIABILITIES</b>	<b>590,502</b>	<b>900,172</b>	<b>342,887</b>	<b>1,833,561</b>
<b>DEFERRED INFLOWS</b>				
Deferred Revenues - Property Taxes	11,560,259	2,462,191	-	14,022,450
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>12,150,761</b>	<b>3,362,363</b>	<b>342,887</b>	<b>15,856,011</b>
<b>FUND BALANCES</b>				
<b>Fund Balances</b>				
Nonspendable	83,820	-	-	83,820
Committed for Capital Projects	-	4,532,143	-	4,532,143
Restricted for Emergencies	185,091	-	-	185,091
Restricted for Capital Projects	-	-	1,521,028	1,521,028
Unassigned	3,493,265	-	-	3,493,265
<b>TOTAL FUND BALANCES</b>	<b>3,762,176</b>	<b>4,532,143</b>	<b>1,521,028</b>	<b>9,815,347</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,912,937</b>	<b>\$ 7,894,506</b>	<b>\$ 1,863,915</b>	<b>\$ 25,671,358</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.				11,692,076
Pension balances are not available resources and are not included in fund financial statements				
Net pension liability				(2,468,693)
Deferred outflows related to pension				3,570,463
Deferred inflows related to pension				(190,721)
Long-term liabilities such as bonds payable and deferred loss on refunding, are not due and payable in the current period and are not reported in the funds.				
Bonds payable				(3,725,427)
Accrued interest payable				(10,841)
Accrued compensated absences				(54,285)
<b>Net position of governmental activities</b>				<b>\$ 18,627,919</b>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	IMPACT FEE FUND	Total
<b>REVENUES</b>				
Taxes	\$ 5,786,351	\$ 1,173,820	\$ -	\$ 6,960,171
Charges for Services	173,686	-	-	173,686
Impact Fees	-	-	482,929	482,929
Intergovernmental	75,899	-	-	75,899
Interest Income	212,951	85,267	22,294	320,512
Investment Income	45,969	-	-	45,969
Grants & Donations	38,571	-	-	38,571
Wildland Revenue	54,682	-	-	54,682
Miscellaneous	16,174	-	-	16,174
<b>TOTAL REVENUES</b>	<b>6,404,283</b>	<b>1,259,087</b>	<b>505,223</b>	<b>8,168,593</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Contractual and Professional Service	384,843	-	11,501	396,344
Personnel	4,990,064	-	-	4,990,064
Equipment Maintenance	140,109	178,071	-	318,180
Materials & Supplies	322,519	-	-	322,519
Divisions	209,869	-	-	209,869
Treasurer's Fees	80,790	17,213	-	98,003
Contributions to Pension Funds	41,500	-	-	41,500
Capital Outlay	-	5,001,516	-	5,001,516
<b>Debt Service</b>				
Principal	-	120,777	-	120,777
Interest	-	32,704	-	32,704
<b>TOTAL EXPENDITURES</b>	<b>6,169,694</b>	<b>5,350,281</b>	<b>11,501</b>	<b>11,531,476</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>234,589</b>	<b>(4,091,194)</b>	<b>493,722</b>	<b>(3,362,883)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	4,000	-	-	4,000
Loan Proceeds	-	3,500,000	-	3,500,000
Transfers	(1,700,000)	1,700,000	-	-
<b>TOTAL FINANCING SOURCES (USES)</b>	<b>(1,696,000)</b>	<b>5,200,000</b>	<b>-</b>	<b>3,504,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,461,411)</b>	<b>1,108,806</b>	<b>493,722</b>	<b>141,117</b>
FUND BALANCES, Beginning	5,223,587	3,423,337	1,027,306	9,674,230
FUND BALANCES, Ending	<u>\$ 3,762,176</u>	<u>\$ 4,532,143</u>	<u>\$ 1,521,028</u>	<u>\$ 9,815,347</u>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$	141,117
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the  
cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation

Depreciation expense		(476,104)
Capital Asset Additions		5,001,516

Change in compensated absences is not reported in the fund statements, however, the change is reported in the Statement of Activities		(9,863)
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Changes in pension liability/(asset) and deferred inflows and outflows do not use current financial  
resources and are excluded from the funds

Changes in liability/(asset), deferred outflows and deferred inflows - Volunteer plan		582,947
Changes in liability/(asset), deferred outflows and deferred inflows - SWDB plan		(221,101)
Current year contributions reflected as deferred outflows		302,530

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment  
reduces long-term liabilities in the statement of net position. Loan proceeds are revenue in the governmental  
funds, but the proceeds increase long-term liabilities in the statement of net position.

Principal payments		120,777
Change in accrued interest		(10,841)
Loan Proceeds		(3,500,000)

Change in Net Position of Governmental Activities	\$	<u>1,930,978</u>
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The accompanying notes are an integral part of the financial statements.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

As of December 31, 2023

	<u>VOLUNTEER PENSION TRUST</u>
ASSETS	
Cash and Investments	\$ 3,084,692
Property Taxes Receivable	307,159
Accounts Receivable	444
Due from General Fund	<u>50,317</u>
 TOTAL ASSETS	 <u><u>\$ 3,442,612</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Revenues - Property Taxes	 <u>307,159</u>
 NET POSITION	
Reserved for Pension Benefits	 <u><u>\$ 3,135,453</u></u>

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

Year Ended December 31, 2023

	VOLUNTEER PENSION TRUST
ADDITIONS	
Property Taxes	\$ 146,727
District Contributions	41,500
State Contributions	101,496
Interest and Dividend Income	64,871
Unrealized Gain on Investments	263,522
Realized Gain on Investments	111,030
TOTAL ADDITIONS	<u>729,146</u>
DEDUCTIONS	
Pension Payments	375,735
Audit fees	9,600
Actuarial Studies	9,000
Treasurer's Fees	2,173
Management Fees	23,431
TOTAL DEDUCTIONS	<u>419,939</u>
CHANGE IN NET POSITION	309,207
NET POSITION, Beginning	<u>2,826,246</u>
NET POSITION, Ending	<u><u>\$ 3,135,453</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Front Range Fire Rescue Fire Protection District was formed to provide fire protection and emergency medical services to the towns of Johnstown, Milliken and portions of unincorporated Weld and Larimer counties within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Front Range Fire Rescue Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

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 District officials appoint a voting majority of the organization’s governing body and either 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.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

**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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of the 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 1) charges to customers or applicants 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*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected 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.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for financial resources and related expenditures for the construction and acquisition of major assets and the related debt service activities.

The *Impact Fee Fund* is a capital projects fund used to account for financial resources to be used for defraying projected impacts on capital facilities caused by new developments.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

Additionally, the District reports the following fund types:

The *Pension Trust Fund* is a *Fiduciary Fund* that accounts for the activities of the volunteer fire defined benefit pension plans. Fiduciary Funds are used to report assets held in a trustee capacity for others outside the government. These activities are reported in a separate statement of fiduciary net assets. The District excludes this activity from government-wide financial statements because the District cannot use these assets to finance its operation.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column 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 historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	7- 40 years
Vehicles and Equipment	7- 20 years
Software	5-10 years

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of notes and bonds that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

*Unrestricted Net Position* typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District also restricts impact fees for capital facilities needed to serve new development.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District commits the amounts in the Capital Projects Fund for building projects.
- Assigned – 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. The District did not have any committed resources as of December 31, 2023.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Balance Classification** (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure) until then.

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

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

**Recently Issued Accounting Pronouncements**

The District implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, during the year ended December 31, 2023. Statement 96, in general, requires the recognition of an intangible right-to-use asset for certain information technology agreements, along with a corresponding liability. Implementation of the new accounting standard requires retroactive application.

The District had no software arrangements that met the definition for recognition under GASB Statement No. 96 for the year ended December 31, 2023 and the implementation had no effect on the financial statements.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2023

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

**Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

**NOTE 3: CASH AND INVESTMENTS**

A summary of Governmental funds deposits and investments as of December 31, 2023 follows:

	Deposit	\$ 2,274,581
	Investments	<u>7,707,160</u>
	Total	<u>\$ 9,981,741</u>

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

A summary of Fiduciary funds deposits and investments as of December 31, 2023 follows:

	Deposits	\$ 155,636
	Investments	<u>2,929,056</u>
	Total	<u>\$ 3,084,692</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. 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.

The District has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the District had deposits with financial institutions with a carrying amount of \$2,430,217. The bank balances with the financial institutions were \$8,531,346. Of these balances, \$250,000 was covered by federal insurance and \$8,281,346 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

**Investments**

Fair Value Measurements

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District and the Volunteer Pension Trust categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date; Level 2 inputs are significant other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are significant unobservable inputs for an asset or a liability.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

The District investments subject to fair value measurements are as follows:

<u>Investments Type</u>	<u>Value as of</u> <u>December 31</u>			
	<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities				
U.S. Treasury Obligations	\$ 561,289	\$ 561,289	\$ -	\$ -
Corporate Bonds	435,189	-	435,189	-
Total Investments Measured at Fair Value	<u>996,478</u>	<u>561,289</u>	<u>435,189</u>	<u>-</u>
Reconciliation to the Government-wide Statement of Net Position				
Investments not Subject to Fair Value Hierarchy				
Government Investment Pool	6,256,365			
Certificates of Deposit	<u>454,317</u>			
Total Investment Value	<u>\$ 7,707,160</u>			

The Volunteer Pension Trust investments subject to fair value measurements are as follows:

<u>Investments Type</u>	<u>Value as of</u> <u>December 31</u>			
	<u>2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities				
U.S. Treasury Obligations	\$ 56,186	\$ 56,186	\$ -	\$ -
Corporate Bonds	327,330	-	327,330	-
Equity Securities				
Common Stock	1,676,387	1,676,387	-	-
Mutual Funds	<u>869,153</u>	<u>869,153</u>	-	-
Total Investments Measured at Fair Value	<u>2,929,056</u>	<u>\$ 2,601,726</u>	<u>\$ 327,330</u>	<u>\$ -</u>
Total Investment Value	<u>\$ 2,929,056</u>			

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds are not subject to interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following table categorizes interest rate risk and concentration of credit risk for the District:

<u>Investment Category</u>	<u>Market Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-10 Years</u>	<u>Concentration of Credit Risk</u>	<u>S&amp;P Rating</u>
Government Investment Pool	\$ 6,256,365	\$ 6,256,365	\$ -	81.18%	N/A
Corporate Bonds	435,189	94,714	340,475	5.63%	A-AAA
US Treasury Bonds and Notes	561,289	49,886	511,403	7.29%	AA+
Certificates of Deposit	454,317	454,317	-	5.90%	N/A
Total	<u>\$ 7,707,160</u>	<u>\$ 6,855,282</u>	<u>\$ 851,878</u>	<u>100.00%</u>	

The following table categorizes interest rate risk and concentration of credit risk for the Volunteer Pension Trust:

<u>Investment Category</u>	<u>Market Value</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-10 Years</u>	<u>Concentration of Credit Risk</u>	<u>S&amp;P Rating</u>
Common Stock	1,676,387	1,676,387	-	57.23%	N/A
US Treasury Bonds and Notes	56,186	24,756	31,430	1.92%	AA+
Corporate Bonds	327,330	24,685	302,645	11.18%	AAA
Mutual Funds	869,153	869,153	-	29.67%	N/A
Total	<u>\$ 2,929,056</u>	<u>\$ 2,594,981</u>	<u>\$ 334,075</u>	<u>100.00%</u>	

Credit Risk

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

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 3: CASH AND INVESTMENTS** (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds, equity mutual funds and insurance contracts are not subject to custodial credit risk. In accordance with the District's investment policy, the District limits its exposure to custodial credit risk by utilizing an independent third party institution to act as a custodian for its securities and collateral.

At December 31, 2023, the District had \$6,256,365 invested in the Colorado Government Liquid Asset Trust (COLOTRUST); 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, of which COLOTRUST PLUS+ is the only portfolio the District is enrolled in.

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.

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.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2023, is summarized as follows:

<b>Governmental activities:</b>	<b>Balance at December 31, 2022</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance at December 31, 2023</b>
Capital assets, not being depreciated:				
Construction in progress	402,207	4,576,405	(114,008)	4,864,604
Total Capital assets, not being depreciated	<u>402,207</u>	<u>4,576,405</u>	<u>(114,008)</u>	<u>4,864,604</u>
Capital assets, being depreciated:				
Buildings and Improvements	5,474,585	144,744	-	5,619,329
Vehicles, Machinery and Equipment	6,105,186	394,375	-	6,499,561
Software	7,906	-	-	7,906
Total capital assets being depreciated/amortized	<u>11,587,677</u>	<u>539,119</u>	<u>-</u>	<u>12,126,796</u>
Less accumulated depreciation for:				
Buildings and Improvements	1,653,164	150,171	-	1,803,335
Vehicles, Machinery and Equipment	3,162,150	325,933	-	3,488,083
Software	7,906	-	-	7,906
Accumulated depreciation	<u>4,823,220</u>	<u>476,104</u>	<u>-</u>	<u>5,299,324</u>
Total Capital Assets, Depreciated, Net	<u>6,764,457</u>	<u>63,015</u>	<u>-</u>	<u>6,827,472</u>
Total Capital Assets, Net	<u>\$ 7,166,664</u>	<u>\$ 4,639,420</u>	<u>\$ (114,008)</u>	<u>\$ 11,692,076</u>

Depreciation expense included the amount \$476,104 and was charged to General Government activities of the District.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 5: LONG-TERM DEBT**

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

	Balance at December 31,			Balance at December 31,		Amounts Due
	2022	Additions	Reductions	2023	Within One Year	
<b>Governmental activities</b>						
Construction note payable						
2020	\$ 346,203	\$ -	\$ (120,777)	\$ 225,426	\$	124,943
2023	-	3,500,000		3,500,000		-
Total notes payable	<u>346,203</u>	<u>3,500,000</u>	<u>(120,777)</u>	<u>3,725,426</u>		<u>124,943</u>
Compensated absences	44,422	278,060	(268,197)	54,285		-
<b>Total Long-Term Debt</b>	<u>\$ 390,625</u>	<u>\$ 3,778,060</u>	<u>\$ (388,974)</u>	<u>\$ 3,779,712</u>	<u>\$</u>	<u>124,943</u>

**Construction Note Payable-2020**

On January 22, 2020 the District entered into a \$600,000 construction loan agreement with First National Bank. The District received total proceeds of \$594,994 under the agreement, which were used for improvements to the District's Administration Offices and Fire Station located in Milliken, CO. The loan is secured by a Promissory Note which matures on October 22, 2025 and bears interest at 3.25%.

**Construction Note Payable-2023**

On July 11, 2023 the District entered into a \$3,500,000 construction loan agreement with First National Bank. As of year-end, the District received total proceeds of \$2,924,079, as such a receivable of the remaining loan proceeds was reported for \$575,921. The loan proceeds were used for improvements to Fire Station 1 located in Milliken, CO. The loan is a reimbursement loan which expenses to date on Fire Station 1 are \$3,957,156. The loan is secured by a Promissory Note which matures on January 14, 2034, and bears interest at 4.67%. Commencing on July 14, 2023, the District made interest payments in the amount of the interest that has accrued on the outstanding principal balance of the loan. After the final draw has been paid and the loan has become an authorized contract with an established maturity schedule, the outstanding principal balance of the loan will be payable in monthly installments occurring after the effective date of the loan conversion in an amount sufficient to amortize the unpaid principal over 120 months. The outstanding principal balance of the loan is payable in full on the maturity date.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 5: LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

Annual debt service requirements for the 2020 Construction Loan as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 124,943	\$ 5,381	\$ 130,324
2025	100,483	1,377	101,860
<b>Total Debt Service Requirements</b>	<b>\$ 225,426</b>	<b>\$ 6,758</b>	<b>\$ 232,184</b>

Annual debt service requirements for the 2023 Construction Loan as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 233,797	\$ 132,101	\$ 365,899
2025	292,761	146,318	439,079
2026	306,729	132,350	439,079
2027	321,364	117,715	439,079
2028	336,697	102,382	439,079
2029-2033	1,940,344	255,049	2,195,393
2034-2039	68,308	390	68,698
<b>Total Debt Service Requirements</b>	<b>\$ 3,500,000</b>	<b>\$ 886,305</b>	<b>\$ 4,386,305</b>

**NOTE 6: 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 coverage for the last three years.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**Claims and Judgments**

The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 7: COMMITMENTS AND CONTINGENCIES** (Continued)

**TABOR Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. On November 2, 2010, voters within the District approved the collection, retention and expenditure of the full revenues generated by the District in 2010 and subsequent years without limitation.

The District has established an emergency reserve, representing 3% of fiscal year spending as required by the Amendment. At December 31, 2023, the emergency reserve of \$185,091 was recorded in the General Fund.

**NOTE 8: PENSION PLANS**

**Volunteer Firefighters' Pension Plans**

Plan Description - The District has established defined benefit pension plans for volunteer firefighters as authorized by State of Colorado statute. The Plans are administered by the District. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. The Plans also provide for burial benefit upon the death of an active or retired firefighter in the amount of \$2,400. Spouses of deceased firefighters who have served a minimum of ten years may receive benefits of 50% of the earned pension. The plans are reported in a pension trust fiduciary fund in the financial statements.

Funding Policy - The Plans receive contributions from the District in an amount not to exceed one half mill of property tax revenue. Contributions are established and may be amended by the District Board. As established by the legislature, the State of Colorado also contributes to the plan. An actuary is used to determine the adequacy of contributions.

The actuarial study as of December 31, 2023, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plans.

As of the date of the report, there were 29 total members of the Johnstown Volunteer Fire Pension Plan. None of the 29 members were active. As of the date of this report, there were 20 members of the Milliken Volunteer Fire Pension Plan. None of the 20 members were active.

Annual Pension Cost - For the year ended December 31, 2023, the District and State contributed \$95,911 and \$56,696, respectively, to the Front Range Fire Rescue Johnstown Fire Pension Plan, which was 100% of the actuarially required contributions. The District and State contributed \$89,789 and \$44,800, respectively, which was 100% of the required contributions for the Milliken Fire Pension Plan. The required contribution was determined as part of the December 31, 2023, actuarial valuation using the entry-age actuarial cost method. Actuarial assumptions included the following:

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 8: PENSION PLANS** (Continued)

Interest Rate – 4.50% per annum, compounded annually, net of expenses  
Retirement - Age 50, after 20 years of service  
Disability - None  
Mortality – Modified 1994 Group Annuity Mortality for males  
Marital Status - 75% married, with males 3 years older

Based on the current value of the Funds, the Plan’s current level of contributions are adequate to support the prospective benefit levels on an actuarially sound basis.

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

At December 31, 2023 the District reported a pension liability in the amount of \$1,161,580 for the Front Range Fire Rescue Johnstown Volunteer Pension Plan and \$1,000,145 for the Milliken Fire Rescue Volunteer Pension Plan. The net pension liabilities were measured as of December 31, 2023, and were determined by an actuarial valuation as of December 31, 2023.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Johnstown Volunteer Fire Pension Plan**

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the Johnstown Pension plan from the following sources:

	<b>Deferred Outflows of <u>Resources</u></b>	<b>Deferred Inflows of <u>Resources</u></b>
Difference between actual and expected experience	\$ 558,610	\$ -
Change in assumptions	111,150	-
Net difference between projected and actual investment earnings on pension plan investments	149,885	-
District contributions subsequent to the measurement date	-	-
Total	<b>\$ 819,645</b>	<b>\$ -</b>

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 8: PENSION PLANS** (Continued)

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

<b>Year ending December 31,</b>	
2024	\$ 1,107
2025	59,459
2026	91,047
2027	133,475
2028	24,896
Thereafter	509,661
	\$ 819,645

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 4.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

	<u>Projected Net Pension</u> <u>(Asset) Liability</u>
1% Decrease to 3.50%	\$ 1,591,199
Single Discount Rate 4.50%	\$ 1,161,580
1% Increase to 5.50%	\$ 806,013

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – Milliken Volunteer Fire Pension Plan**

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 <u>Resources</u></b>	<b>Deferred Inflows of <u>Resources</u></b>
Difference between actual and expected experience	\$ 472,786	\$ 35,254
Change in assumptions	140,589	-
Net difference between projected and actual investment earnings on pension plan investments	82,509	-
District contributions subsequent to the measurement date	-	-
Total	\$ 695,884	\$ 35,254

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 8: PENSION PLANS** (Continued)

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

<b>Year ending December 31,</b>	
2024	\$ 29,318
2025	41,594
2026	47,060
2027	54,677
2028	30,385
Thereafter	457,596
	<u>\$ 660,630</u>

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability (asset) calculated using

the discount rate of 4.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1-percentage-point higher (5.50 percent) than the current rate:

	<u>Projected Net Pension</u> <u>(Asset) Liability</u>	
1% Decrease to 3.50%	\$	1,138,440
Single Discount Rate 4.50%	\$	1,000,145
1% Increase to 5.50%	\$	881,603

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

As of ended December 31, 2023, and for the year then ended, the District recognized the following combined pension liabilities, pension expense, deferred outflows of resources and deferred inflows of the resources related to the Johnstown Volunteer Fire Pension Plan and the Milliken Volunteer Fire Pension Plan:

	Johnstown Volunteer Fire Pension	Milliken Volunteer Fire Pension	Total
Proportionate share of the net pension liability	\$1,161,580	\$1,000,145	\$ 2,161,725
Pension expense (benefit)	\$ (653,602)	\$ 70,655	\$ (582,947)
Deferred outflows of resources	\$ 819,645	\$ 695,884	\$ 1,515,529
Deferred inflows of resources	\$ -	\$ 35,254	\$ 35,254

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLANS**

**Statewide Defined Benefit Pension Plan**

Plan Description: The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund and assets. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

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

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLANS** (Continued)

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annual 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 were contributing at the rate of 12.0

percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

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

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

At December 31, 2023, the District reported a liability of \$306,968 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 is based upon the January 1, 2023 actuarial valuation. The actuarially determined contributions as of December 31, 2022 are based upon the January 1, 2022 actuarial valuation.

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 0.3458 percent, a decrease of .0008 percent from the previous year.

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

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLANS** (Continued)

	<b>Actuarial Assumptions</b>
Actuarial Valuation Date	January 1, 2023- Total Pension Liability January 1, 2022- Actuarial Determined Contributions
Actuarial Method	Entry Age Normal
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%

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 preretirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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

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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLANS** (Continued)

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

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).

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

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

	<u>Projected Net Pension</u> <u>(Asset) Liability</u>
1% Decrease to 6%	\$ 2,116,194
Single Discount Rate	\$ 306,968
1% Increase to 8%	\$ (1,191,658)

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 9: DEFINED BENEFIT PENSION PLANS** (Continued)

For the year ended December 31, 2023, the District recognized pension expense related to this plan of \$221,101. 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 actual and expected experience	\$ 664,478	\$ 37,678
Change in assumptions	393,267	-
Net difference between projected and actual investment earnings on pension plan investments	694,659	-
Change in proportionate shares of contributions	-	117,789
District contributions subsequent to the measurement date	<u>302,530</u>	<u>-</u>
Total	<u>\$2,054,934</u>	<u>\$ 155,467</u>

The \$302,530 reported as deferred outflows of resources related to pensions resulting from District 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:

<b>Year ending December 31,</b>	
2024	\$ 143,426
2025	274,629
2026	395,270
2027	554,120
2028	98,801
Thereafter	<u>130,691</u>
	<u>\$1,596,937</u>

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 8.7704 years determined as of the beginning of the December 31, 2022 measurement period.

*Subsequent Event: Statewide Retirement Plan*

During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

**NOTE 10: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through July 11, 2024, the date which the financial statements were issued.

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**REQUIRED SUPPLEMENTAL INFORMATION**

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 5,544,801	\$ 5,516,101	\$ (28,700)
Specific Ownership Taxes	304,964	270,250	(34,714)
Charges for Services	200,000	173,686	(26,314)
Intergovernmental	234,300	75,899	(158,401)
Interest Income (Loss)	15,000	212,951	197,951
Investment Income (Loss)	-	45,969	45,969
Grants & Donations	30,000	38,571	8,571
Wildland Revenue	10,000	54,682	44,682
Miscellaneous	13,500	16,174	2,674
<b>TOTAL REVENUES</b>	<b>6,352,565</b>	<b>6,404,283</b>	<b>51,718</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Contractual and Professional Service	341,500	384,843	(43,343)
Personnel	5,198,368	4,990,064	208,304
Equipment Maintenance	231,550	140,109	91,441
Materials & Supplies	281,350	322,519	(41,169)
Divisions	210,500	209,869	631
Treasurer's Fees	83,172	80,790	2,382
Contributions to Pension Funds	41,500	41,500	-
Emergency Reserves/Contingency	336,194	-	336,194
<b>TOTAL EXPENDITURES</b>	<b>6,724,134</b>	<b>6,169,694</b>	<b>554,440</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(371,569)</b>	<b>234,589</b>	<b>606,158</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	1,000	4,000	3,000
Capital Fund Transfer	(1,700,000)	(1,700,000)	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>(1,699,000)</b>	<b>(1,696,000)</b>	<b>3,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,070,569)</b>	<b>(1,461,411)</b>	<b>609,158</b>
FUND BALANCES, Beginning	5,290,919	5,223,587	(67,332)
FUND BALANCES, Ending	<b>\$ 3,220,350</b>	<b>\$ 3,762,176</b>	<b>\$ 541,826</b>

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER FIREFIGHTERS' PENSION PLANS

December 31, 2023

Johnstown Volunteer Fire Pension Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 73,064	\$ 73,064	\$ -	N/A	N/A
2016	64,382	200,049	(135,667)	N/A	N/A
2017	79,693	117,927	(38,234)	N/A	N/A
2018	69,791	153,558	(83,767)	N/A	N/A
2019	79,419	180,524	(101,105)	N/A	N/A
2020	73,865	185,031	(111,166)	N/A	N/A
2021	54,134	120,066	(65,932)	N/A	N/A
2022	56,696	138,816	(82,120)	N/A	N/A
2023	77,222	152,839	(75,617)	N/A	N/A

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

Milliken Volunteer Fire Pension Plan

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 54,031	\$ 54,031	\$ -	N/A	N/A
2016	58,985	58,985	-	N/A	N/A
2017	32,910	74,031	(41,121)	N/A	N/A
2018	37,040	64,031	(26,991)	N/A	N/A
2019	38,452	95,337	(56,885)	N/A	N/A
2020	45,609	105,791	(60,182)	N/A	N/A
2021	41,422	135,664	(94,242)	N/A	N/A
2022	44,978	114,553	(69,575)	N/A	N/A
2023	49,900	134,821	(84,921)	N/A	N/A

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

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
FRONT RANGE FIRE RESCUE JOHNSTOWN FIRE PENSION

Measurement period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>								
Service Cost	\$ -	\$ 5,479	\$ 5,479	\$ 5,022	\$ 5,022	\$ 8,280	\$ 8,653	\$ 11,042
Interest Cost	162,676	159,419	159,146	147,213	151,491	135,633	135,869	138,927
Plan Benefit Changes	147,861	-	-	-	316,116	-	-	-
Experience Loss/(Gain)/(Deferred Inflow)	-	-	(122,144)	(111,845)	(102,560)	(72,259)	102,489	(38,555)
Difference Between Expected and Actual Experiences	26,767	(3,525)	425,068	49,281	65,580	-	-	-
Assumption Changes	-	-	-	-	-	140,394	-	-
Benefit Payments	(235,485)	(226,520)	(188,834)	(185,808)	(166,153)	(179,609)	(181,950)	(176,800)
Net Change in Total Pension Liability	101,819	(65,147)	278,715	(96,137)	269,496	32,439	65,061	(65,386)
Total Pension Liability - Beginning	3,594,706	3,659,853	3,381,138	3,477,275	3,207,779	3,175,340	3,110,279	3,175,665
Total Pension Liability - Ending	<u>\$ 3,696,525</u>	<u>\$ 3,594,706</u>	<u>\$ 3,659,853</u>	<u>\$ 3,381,138</u>	<u>\$ 3,477,275</u>	<u>\$ 3,207,779</u>	<u>\$ 3,175,340</u>	<u>\$ 3,110,279</u>
<b>Plan Fiduciary Net Position</b>								
Employer Contribution	96,143	84,682	98,167	163,132	158,625	131,659	96,028	123,367
State Contributions	56,696	54,134	21,899	21,899	21,899	21,899	21,899	76,682
Actual Return on Assets	337,342	(420,091)	370,079	290,611	402,698	(68,635)	232,646	-
Benefit Payments	(235,485)	(226,520)	(188,834)	(185,808)	(166,153)	(179,609)	(181,950)	(176,800)
Pension Plan Administrative Expenses	-	-	(58,422)	(50,117)	(45,258)	(27,735)	(23,983)	(21,978)
Net Change in Plan Fiduciary Net Position	254,696	(507,795)	242,889	239,717	371,811	(122,421)	144,640	1,271
Plan Fiduciary Net Position - Beginning	2,280,249	2,788,044	2,545,155	2,305,438	1,933,627	2,056,048	1,911,408	1,910,137
Plan Fiduciary Net Position - Ending	<u>\$ 2,534,945</u>	<u>\$ 2,280,249</u>	<u>\$ 2,788,044</u>	<u>\$ 2,545,155</u>	<u>\$ 2,305,438</u>	<u>\$ 1,933,627</u>	<u>\$ 2,056,048</u>	<u>\$ 1,911,408</u>
Net Pension Liability/(Asset)	1,161,580	1,314,457	871,809	835,983	1,171,837	1,274,152	1,119,292	1,198,871
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.58%	63.43%	76.18%	75.28%	66.30%	83.30%	87.75%	90.17%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS  
VOLUNTEER FIREFIGHTERS' PENSION PLAN  
MILLIKEN FIRE PENSION

Measurement period ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,939	\$ 13,331
Interest Cost	70,301	61,092	61,252	57,998	59,510	52,833	54,576	66,355	68,311	65,842
Plan Benefit Changes	239,687	-	-	-	231,091	-	-	-	-	-
Experience Loss/(Gain)/(Deferred Inflow)	-	-	(28,385)	(27,856)	-	-	143,771	-	-	92,319
Difference Between Expected and Actual Experiences	29,638	44,793	166,493	54,819	9,500	-	1,156	(14,693)	-	(38,841)
Assumption Changes	-	-	-	-	-	770	-	229,136	-	-
Benefit Payments	(140,250)	(141,700)	(120,889)	(115,625)	(96,837)	(96,837)	(91,688)	(93,665)	(96,371)	(92,940)
Net Change in Total Pension Liability	199,376	(35,815)	78,471	(30,664)	203,264	(43,234)	107,815	187,133	(25,121)	39,711
Total Pension Liability - Beginning	1,398,536	1,434,351	1,355,880	1,386,544	1,183,280	1,226,514	1,118,699	931,566	956,687	916,976
Total Pension Liability - Ending	<u>\$ 1,597,912</u>	<u>\$ 1,398,536</u>	<u>\$ 1,434,351</u>	<u>\$ 1,355,880</u>	<u>\$ 1,386,544</u>	<u>\$ 1,183,280</u>	<u>\$ 1,226,514</u>	<u>\$ 1,118,699</u>	<u>\$ 931,566</u>	<u>\$ 956,687</u>
<b>Plan Fiduciary Net Position</b>										
Employer Contribution	90,021	114,553	52,864	81,760	71,306	40,000	50,000	34,954	30,000	39,969
Pension Plan Net Investment Income	54,059	(92,456)	78,679	66,348	92,939	(34,471)	55,180	28,001	10,775	37,086
Benefit Payments	(140,250)	(141,700)	(120,889)	(115,625)	(96,837)	(96,837)	(91,688)	(93,665)	(96,371)	(92,940)
Pension Plan Administrative Expenses	-	-	(16,752)	(15,908)	(9,990)	-	-	(1,126)	(3,232)	(1,247)
State of Colorado Supplemental Discretionary Payment	44,800	-	24,031	24,031	24,031	24,031	24,031	24,031	24,031	24,031
Net Change in Plan Fiduciary Net Position	48,630	(119,603)	17,933	40,606	81,449	(67,277)	37,523	(7,805)	(34,797)	6,899
Plan Fiduciary Net Position - Beginning	549,137	668,740	650,807	610,201	528,752	596,029	558,506	566,311	601,108	594,209
Plan Fiduciary Net Position - Ending	<u>\$ 597,767</u>	<u>\$ 549,137</u>	<u>\$ 668,740</u>	<u>\$ 650,807</u>	<u>\$ 610,201</u>	<u>\$ 528,752</u>	<u>\$ 596,029</u>	<u>\$ 558,506</u>	<u>\$ 566,311</u>	<u>\$ 601,108</u>
Net Pension Liability/(Asset)	1,000,145	849,399	765,611	705,073	776,343	654,528	630,485	560,193	365,255	355,579
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	37.41%	39.27%	46.62%	48.00%	44.01%	44.69%	48.60%	49.92%	60.79%	62.83%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See the accompanying independent auditors' report.

**SUPPLEMENTAL INFORMATION**

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,180,750	\$ 1,173,820	\$ (6,930)
Interest	5,000	85,267	80,267
<b>TOTAL REVENUE</b>	<b>1,185,750</b>	<b>1,259,087</b>	<b>73,337</b>
<b>EXPENDITURES</b>			
Equipment	840,000	178,071	661,929
Treasurer's Fees	17,711	17,213	498
Capital Outlay	6,486,400	5,001,516	1,484,884
Debt Service			
Principal	130,400	120,777	9,623
Interest	-	32,704	(32,704)
<b>TOTAL EXPENDITURES</b>	<b>7,474,511</b>	<b>5,350,281</b>	<b>2,124,230</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,288,761)</b>	<b>(4,091,194)</b>	<b>2,197,567</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	3,000,000	3,500,000	500,000
General Fund Transfer	1,700,000	1,700,000	-
<b>TOTAL OTHER SOURCES (USES)</b>	<b>4,700,000</b>	<b>5,200,000</b>	<b>500,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,588,761)</b>	<b>1,108,806</b>	<b>2,197,567</b>
FUND BALANCES, Beginning	3,200,000	3,423,337	223,337
FUND BALANCES, Ending	<b>\$ 1,611,239</b>	<b>\$ 4,532,143</b>	<b>\$ 2,420,904</b>

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

IMPACT FEE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Impact Fees	\$ 500,000	\$ 482,929	\$ (17,071)
Interest	2,000	22,294	20,294
	<u>502,000</u>	<u>505,223</u>	<u>3,223</u>
TOTAL REVENUE			
EXPENDITURES			
Contractual and Professional Service	13,000	11,501	1,499
Property for Station 5	1,000,000	-	1,000,000
Misc. Expenses	20,000	-	20,000
	<u>1,033,000</u>	<u>11,501</u>	<u>1,021,499</u>
TOTAL EXPENDITURES			
NET CHANGE IN FUND BALANCES	(531,000)	493,722	1,024,722
FUND BALANCES, Beginning	<u>1,027,306</u>	<u>1,027,306</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 496,306</u>	<u>\$ 1,521,028</u>	<u>\$ 1,024,722</u>

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER PENSION TRUST FUND-Front Range Fire Rescue Johnstown  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 73,797	\$ 73,363	\$ (434)
District Contribution	24,000	24,000	-
State Contribution	21,899	56,696	34,797
Interest and Dividend Income	30,000	52,340	22,340
Realized Gains on Investments	75,000	104,279	29,279
Unrealized Gains on Investments	-	215,772	215,772
	<u>224,696</u>	<u>526,450</u>	<u>301,754</u>
<b>EXPENDITURES</b>			
Benefit Payments	234,720	235,485	(765)
Audit Fees	4,800	4,800	-
Actuarial Study	5,000	5,000	-
Treasurer's Fees	1,107	1,086	21
Management Fees	22,000	20,111	1,889
	<u>267,627</u>	<u>266,482</u>	<u>1,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(42,931)</u>	<u>259,968</u>	<u>302,899</u>
CHANGE IN NET POSITION	(42,931)	259,968	302,899
NET POSITION, Beginning	<u>2,501,056</u>	<u>2,291,556</u>	<u>333,589</u>
NET POSITION, Ending	<u>\$ 2,458,125</u>	<u>\$ 2,551,524</u>	<u>\$ 636,488</u>

See the accompanying independent auditors' report.

FRONT RANGE FIRE RESCUE FIRE PROTECTION DISTRICT

VOLUNTEER PENSION TRUST FUND-Milliken Fire  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Property Taxes	\$ 73,797	\$ 73,364	\$ (433)
District Contribution	17,500	17,500	-
State Contribution	24,031	44,800	20,769
Interest and Dividend Income	5,000	12,531	7,531
Realized Gains on Investments	5,000	6,751	1,751
Unrealized Gains on Investments	-	47,750	47,750
	<u>125,328</u>	<u>202,696</u>	<u>77,368</u>
TOTAL REVENUE			
EXPENDITURES			
Benefit Payments	140,250	140,250	-
Audit Fees	4,800	4,800	-
Actuarial Study	4,000	4,000	-
Treasurer's Fees	1,107	1,087	20
Management Fees	5,000	3,320	1,680
	<u>155,157</u>	<u>153,457</u>	<u>1,700</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,829)</u>	<u>49,239</u>	<u>79,068</u>
CHANGE IN NET POSITION	(29,829)	49,239	79,068
NET POSITION, Beginning	<u>511,184</u>	<u>534,690</u>	<u>69,130</u>
NET POSITION, Ending	<u>\$ 481,355</u>	<u>\$ 583,929</u>	<u>\$ 148,198</u>

See the accompanying independent auditors' report.