

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditors
December 31, 2023

PLATEAU VALLEY FIRE PROTECTION DISTRICT

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Plateau Valley Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plateau Valley Fire Protection District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Plateau Valley 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 Plateau Valley Fire Protection District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Plateau Valley 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Plateau Valley Fire Protection District's internal control. Accordingly, no such opinion is expressed.

Certified Public Accountants

- 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 Plateau Valley 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 (page 3 through 5), budgetary comparison information (page 29), schedule of changes in net pension liability (page 27), and schedule of district contributions (page 28) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information for the pension fund. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Blair and Associates, P.C.

Cedaredge, Colorado
June 25, 2024

Plateau Valley Fire Protection District Management's Discussion and Analysis

This discussion and analysis are designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the MD&A.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a government type activity. The following statements and schedules are included:

- Statement of net position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 3)
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 5)
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2022 (See page 27).

STATEMENT OF NET POSITION – GOVERNMENT-WIDE

The following table shows the condensed statement of net position for the past two years.

	<u>2023</u>	<u>2022</u>
Current Assets	\$ 2,283,681	\$ 2,206,924
Capital Assets (Net of Depreciation)	1,488,394	1,524,324
Net Pension Assets	744,758	1,279,808
Total Assets	<u>4,516,833</u>	<u>5,011,056</u>
 Deferred Outflows of Resources	 <u>725,776</u>	 <u>298,561</u>
 Current Liabilities	 29,015	 69,035
Net Pension Liability	43,992	-
Long-term Liabilities	37,760	31,102
Total Liabilities	<u>110,767</u>	<u>100,137</u>
 Deferred Inflow of Resources		
Pension	248,847	560,569
Property Taxes	1,055,080	1,011,699
Total Deferred Inflow of Resources	<u>1,303,927</u>	<u>1,572,268</u>
 Net Position		
Investment in Capital Assets	1,488,394	1,524,324
Restricted for TABOR	47,100	46,000
Restricted for Pensions	1,177,695	1,017,800
Committed for Capital Replacement	800,000	800,000
Unrestricted	314,726	280,190
Total Net Position	<u>\$ 3,827,915</u>	<u>\$ 3,668,314</u>

Plateau Valley Fire Protection District Management's Discussion and Analysis

The net position of the District increased by \$125,618 in 2023. This is largely due to the purchase of capital assets and the net change in the pension reporting. The District's total assets decreased by \$67,008 in 2023 due to the net change in pension reporting as well as the depreciation on capital assets. The District's total liabilities increased in 2023 by \$10,630 due to a decrease in accounts payable and an increase in pension liability.

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Charges for Services	\$ 315,403	\$ 245,149
Total Operating Revenue	<u>315,403</u>	<u>245,149</u>
Non-Operating Revenue:		
General Property Taxes	1,046,017	695,721
Specific Ownership Tax	130,549	90,975
Investment Income	49,999	13,763
Other Revenue	27,375	93,869
Total Non-Operating Revenue	<u>1,253,940</u>	<u>894,328</u>
Total Revenue	<u>\$ 1,569,343</u>	<u>\$ 1,139,477</u>

The District's total revenues increased in 2023 by \$429,866 from 2022. The revenue increase was a result of an increase in property taxes.

REVIEW OF EXPENDITURES

	<u>2023</u>	<u>2022</u>
Operating Expenditures:		
EMS & Fire Operating Expenditures	\$ 137,922	\$ 155,237
Building & Grounds	49,067	37,406
Administration	1,105,874	1,042,475
Communication	13,383	11,557
Capital Outlays	189,700	64,469
Total Expenditures	<u>\$ 1,495,946</u>	<u>\$ 1,311,144</u>

The District's expenses increased \$184,802; in large part, this was due to a decrease in capital expenditures and an increase in administration expenses. The major capital assets purchased during 2023 were equipment for ambulances and down payment of 2 new vehicles.

ECONOMIC AND OTHER FACTORS

Plateau Valley has been subject to economic cycles of boom and bust primarily due to the oil and gas activity in the area. Around 2008 the economy showed a decline and then became more stable in 2012. Growth has been flat since that time.

The District provides 24-hour advance life services to the individuals who live, work, and visit areas within the district as well as providing fire protection to the more than 842 square miles of service area.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Plateau Valley Fire Protection District, P.O. Box 210, Mesa, Colorado 81643, or 970-268-5283.

Plateau Valley Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2023

	Governmental Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 213,874	\$ -	\$ 213,874
Accounts receivable (less allowance of \$72,095)	81,272	-	81,272
Property taxes receivable	1,055,080	-	1,055,080
Other current receivables	11,774	-	11,774
Prepaid expenses	27,516	-	27,516
Investments	894,165	-	894,165
Capital Assets (net of accumulated depreciation):			
Land	-	175,396	175,396
Construction in Progress	-	139,176	139,176
Building and improvements	-	547,299	547,299
Fire trucks and equipment	-	415,213	415,213
Rescue vehicles and equipment	-	161,945	161,945
Station equipment	-	43,287	43,287
Communication equipment	-	6,078	6,078
Net Pension Asset-Volunteer Pension	-	744,758	744,758
DEFERRED OUTFLOW OF RESOURCES:			
SWDB	-	282,733	282,733
Volunteer Pension	-	443,043	443,043
TOTAL ASSETS	\$ 2,283,681	2,958,928	5,242,609
LIABILITIES			
Accounts payable	\$ 6,204	-	6,204
Other current liabilities	22,811	-	22,811
Long-term liabilities:			
Net Pension Liability- SWDB	-	43,992	43,992
Compensated absences	-	37,760	37,760
TOTAL LIABILITIES	29,015	81,752	110,767
DEFERRED INFLOW OF RESOURCES			
Property taxes	1,055,080	-	1,055,080
Volunteer Pension	-	243,448	243,448
State Wide Defined Benefit Plan- FPPA	-	5,399	5,399
TOTAL DEFERRED INFLOWS OF RESOURCES	1,055,080	248,847	1,303,927
FUND BALANCES AND NET Position			
Emergency reserve - TABOR	47,100	(47,100)	-
Committed for Capital Replacement	800,000	(800,000)	-
Nonspendable	27,516	(27,516)	-
Unassigned	324,970	(324,970)	-
TOTAL FUND BALANCES	1,199,586	(1,199,586)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,283,681		
NET Position			
Invested in capital assets, net of related debt		1,488,394	1,488,394
Restricted for:			
Pensions		1,177,695	1,177,695
TABOR emergency		47,100	47,100
Committed for Capital Replacement		800,000	800,000
Unrestricted		314,726	314,726
TOTAL NET POSITION		\$ 3,827,915	\$ 3,827,915

The notes to the financial statement are an integral part of this statement.

Plateau Valley Fire Protection District
Statement of Net Position
December 31, 2023

Fund balance per general fund balance sheet	\$ 1,199,586
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,488,394
Compensated Absences	(37,760)
Pension Funds not reported at General fund level	1,177,695
Net Position for governmental activities	<u>\$ 3,827,915</u>

The notes to the financial statement are an integral part of this statement.

Plateau Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2023

	General Fund	Adjustments (See Page 7)	Statement of Activities
EXPENDITURES/EXPENSES			
Fire protection-operation	\$ 1,306,246	\$ 10,585	\$ 1,316,831
Capital outlay	189,700	(189,700)	-
Depreciation	-	221,702	221,702
Pension Activity	-	(94,808)	(94,808)
Total expenditures/expenses	<u>1,495,946</u>	<u>(52,221)</u>	<u>1,443,725</u>
PROGRAM REVENUES			
Charges for services	<u>315,403</u>	-	<u>315,403</u>
Net program expenses	<u>(1,180,543)</u>	<u>52,221</u>	<u>(1,128,322)</u>
GENERAL REVENUES			
Property taxes	1,046,017	-	1,046,017
Specific ownership	130,549	-	130,549
Interest income	49,999	-	49,999
Miscellaneous income	<u>27,375</u>	-	<u>27,375</u>
Total general revenues	<u>1,253,940</u>	-	<u>1,253,940</u>
Excess of expenditures over revenues	73,397	52,221	
Change in net Position			125,618
FUND BALANCE/NET Position			
Beginning of the year	1,095,087	2,607,210	3,702,297
End of the year	<u>\$ 1,168,484</u>	<u>\$ 2,659,431</u>	<u>\$ 3,827,915</u>

The notes to the financial statement are an integral part of this statement.

Plateau Valley Fire Protection District
 Reconciliation of the Statement of Revenues Expenditures,
 and Change in the Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2023

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

Excess of revenues over expenditures - general fund	<u>\$</u>	<u>73,397</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		185,773
Depreciation		<u>(221,702)</u>
		<u>(35,929)</u>
Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.		<u>94,808</u>
		<u>94,808</u>
Increase of compensated absences is reported as a reduction an expense on the statement of activities.		<u>(6,658)</u>
Change in Net Position of governmental activities	<u>\$</u>	<u><u>125,618</u></u>

The notes to the financial statement are an integral part of this statement.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The Plateau Valley Fire Protection District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection and ambulance services within and surrounding the area of Plateau Valley.

The District operates under the Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

Reporting Entity

The Plateau Valley Fire Protection District is a special district as defined by Colorado Statutes and is governed by an elected board of directors. The Board of Directors has oversight, responsibility, and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with the 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 as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund*

Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services. The District retains no risk of loss.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental-type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$2,500 or more.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

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 as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as 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. The District considers revenues to be available if they are collectible within 120 days except for property taxes which are considered available if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The General Fund is the District's operating fund. It accounts for all financial resources of the government. Additionally, the District reports the following fund type:

Generally, the effect of inter-fund activity has been eliminated from government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Compensated Absences

The District adopted a policy addressing compensated absences for full-time employees only. A summary of that policy follows.

Paid Time Off - 40 - hour Employees:

1 thru 5 years	15.75 Days
6 thru 10 years	18.00 Days
11 thru 15 years	21.75 Days
16 + years	24.75 Days

Paid Time Off - 56 - hour Employees:

1 thru 5 years	18.00 Days
6 thru 10 years	22.50 Days
11 thru 15 years	27.00 Days
16 + years	31.50 Days

The maximum accrual rate is three times the annual PTO hours. On December 31, 2023, the vacation time accrued was \$37,760.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 1 - Summary of Significant Accounting Policies-Continued

Budgets and Budgetary Accounting

Annual appropriated expenditures budgets are adopted for Governmental Fund and the Fiduciary Fund. Annual budgets for the Governmental Fund are prepared on the modified accrual basis of accounting. Annual appropriation budgets are adopted for the Fiduciary Fund on the accrual basis of accounting. The appropriations are adopted, and may not be exceeded, on a total fund basis. The details of the budget calendar are outlined below:

August 25	Assessors certify to all taxing entities and to the Division of Local Government the total new assessed and actual values (for real and personal property) used to compute the statutory and TABOR property tax revenue limits. (C.R.S 39-5-121 (2)(b) and 39-5-128).
October 15	Budget officer must submit proposed budget to the governing body. (C.R.S. 29-1-105) Governing body must publish "Notice of Budget" upon receiving proposed budget. (C.R.S. 29-1-106(1)) Notice may be posted if the budget is less than \$50,000.
November 1	Deadline for submitting applications to the Division for an increased levy pursuant to 29-1-302, C.R.S. and applications for exclusion of assessed valuation attributable to new primary oil or gas production from the 5.5% limit pursuant to (C.R.S. 29-1-301 (1)(b))
December 10	Assessors' changes in assessed valuation will be made only once by a single notification (re-certification) to the county commissioners or other body authorized by law to levy property tax, and to DLG. (C.R.S. 39-1-111(5))
December 15	Deadline for certification of mill levy to county commissioners (C.R.S 39-5-128(1)). Local governments levying property tax must adopt their budgets before certifying the levy to the county. If the budget is not adopted by certification deadline, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re- appropriated for the purposes specified in such last appropriation. (C.R.S. 29-1-108(2) and (3))
December 22	Deadline for county commissioners to levy taxes and to certify the levies to the assessor. (C.R.S. 39-1-111(1))
December 31	Local governments not levying a property tax must adopt the budget on or before this date; if they fail to adopt the budget see the penalty for failure to adopt cited on December 15. All governing bodies must enact a resolution or ordinance to appropriate funds for the ensuing fiscal year. If the budget is not appropriated by year-end, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the budget year. (C.R.S 29-1-108(4))

On or before December 31, the Board shall enact an ordinance appropriating the budget for the ensuing fiscal year. The Board may amend the appropriation ordinance at any time during the year in the event of an emergency.

Property Taxes

Annual property taxes are levied on January 1, based on assessed valuation certified by Mesa County by December 15 of the prior year. On January 1, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections monthly to the District.

The District recognizes a receivable for property tax when the tax is levied. Deferred revenue is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Summary of Significant Accounting Policies
December 31, 2023

Note 1 - Summary of Significant Accounting Policies-Continued

Encumbrances

Encumbrance accounting is not employed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

Statewide Defined Benefit Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Volunteer Fire Pension Fund

The District participates in the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS), administered by FPPA, which represents the assets of numerous separate plans that have been pooled for investment purposes. The net pension liabilities or assets, deferred outflows of resources and deferred inflows of resources related to Pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the pensions have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

Note 2 – Employee Retirement Statewide Plan

General Information about the Fire & Police Statewide Defined Benefit 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 the 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 Plan assets are included in the Fire & Police Members' Benefit Investment Fund 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 an available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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

A member is eligible for early retirement at age 50 with at least five years of credited service or after 30 years of 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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2023 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2022 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2022, 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 4.50 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 2023 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Department were \$31,597 for 2023.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA’s financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2022, Annual Report, employer contributions to the SWDB plan were \$78,283,012 compared to total employer contributions of \$78,601,240 on the Schedule of Employer Contributions. Adjustments were made to reduce employer contributions to zero for departments that had no remaining members at year end and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the SWDB plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Actuarial Valuation Dates

The collective total pension liability 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.

Actuarial Assumptions.

The actuarial valuation for the Statewide Defined Benefit Plan was 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 assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
	January 1, 2023	January 1, 2022
Actuarial Method	Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%	0.00%
*Includes Inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 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.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income-Rates	10.00%	45.45%
Absolute Return	9.00%	6.49%
Fixed Income-Credit	5.00%	6.90%
Cash	1.00%	3.92%
Total	100%	

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.

On December 31, 2022, the Department reported a net liability of \$43,992 for its proportionate share of the net pension liability/ (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of that date. The Department’s proportion of the net pension liability/ (asset) was based on a projection of the Department’s long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. On December 31, 2022, the Department’s proportion was 0.049562 percent, which was an increase/ (decrease) of (0.00804) percent from its proportion measured as of December 31, 2021.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Discount Rate

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 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.

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:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Department’s proportionate share of the net pension liability/(asset)	\$ 303,276	\$ 43,992	\$ (170,779)

Reconciliation of Collective Deferred Outflows and Inflows of Resources

The following tables present the SWDB collective deferral reconciliations showing beginning deferrals as of December 31, 2020, adding the current year collective deferrals and adjusting for the current year amortization of deferrals to arrive at the ending December 31, 2022, collective deferral amounts:

Deferred Outflows of Resources

	Difference Between Actual and Expected Experience	Changes in Assumptions	Net difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$ 76,912	\$ 38,303	\$ (179,758)
Deferral Amounts Added	36,859	28,800	292,651
Total Amortization Amounts Recognized in Pension Expense	(18,545)	(10,744)	(13,342)
Current Year contribution	<u>31,597</u>	<u>-</u>	<u>-</u>
Outstanding Deferral Amounts as of Measurement Date, December 31, 2022	<u>\$ 126,823</u>	<u>\$ 56,359</u>	<u>\$ 99,551</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Summary of Significant Accounting Policies
 December 31, 2023

Note 2 – Employee Retirement Statewide Plan-Continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Deferred Inflows of Resources

	Difference Between Actual and Expected Experience	Change in Assumptions	Net Difference Between Projected and Actual Investment Earnings
Beginning Deferral Amounts as of Measurement Date, December 31, 2020	\$ 6,264	\$ -	\$ -
Deferral Amounts Added	-	-	-
Total Amortization Amounts Recognized in Pension Expense	<u>(865)</u>	=	-
Outstanding Deferral Amounts as of Measurement Date, December 31, 2022	<u>\$ 5,399</u>	<u>\$ -</u>	<u>\$ -</u>

\$85,521 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

Net Amount of Collective Deferred Inflows and Outflows of Resources Recognized in the Collective Net Pension Expense in Subsequent Years

The following table presents the SWDB plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

For the Plan Year Ended December 31,	Amounts Recognized in Collective Pension Expense
2023	\$ 23,172
2024	41,975
2025	59,264
2026	82,029
2027	16,974
Thereafter	22,323

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Subsequent Event

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 Pan.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 3 – Statewide Death and Disability Plan

Plan Description – The District contributes to the Statewide Death and disability Plan (SWD & DP), a cost sharing multiple-employer death and disability plan administered by FPPA. The SWD & DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD & DP may include part-time police and fire employees. Contributions to the SWD & DP are used solely for the payment of death and disability benefits. Employers who are covered by Social security may elect supplementary coverage by the Plan. The Plan was established in Section 1098 pursuant to Colorado Revised Statutes. FPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD & DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.0% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.0% contribution may be paid entirely by the employer or the member, or it may be split between SWD & DP on behalf of the employees was \$30,183 equal to the required contribution for each year.

Note 4 – Volunteer Retirement Plan

General Information about the Volunteer Fire Pension Plan

Plan Description

The Entity contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>. For the measurement period ending December 31, 2022, the VFDP included membership of 17 retirees and beneficiaries, 1 inactive, non-retired members, and 14 active members for a total of 32 members.

Benefits Provided

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is \$700. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service in excess of 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years.

Vested Retirement

A member with 10 or more but less than 20 years of service is eligible to receive a benefit of \$35 per month times the number of vesting years.

Disability Retirement Benefit

A member is eligible for long-term disability for injuries in the line of duty. Long-term disability is a lifetime amount after one year of service of \$700 per month.

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or \$350 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and \$350 following death after disability retirement. An additional amount of \$17 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent.

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 4 – Volunteer Retirement Plan-Continued

This annuity shall cease if the surviving spouse or dependent parent remarries, and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Funeral Benefits

A one-time funeral benefit is paid of \$1,400 in the event of a death of a member.

Contributions

The Entity contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2023, the Entity contributed \$97,879, and the state’s matching contribution was \$0.

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

On December 31, 2022, the Entity reported a net pension liability/ (asset) of \$(744,758). The net pension liability/ (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2023. The total pension liability as of December 31, 2022, is based upon the January 1, 2023, actuarial valuation.

For the year ended December 31, 2023, the District recognized pension expense of \$(32,874). On December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 14,536	\$ 59,395
Net difference between projected and actual earnings on pension plan investments	320,738	184,053
Change in Assumptions	9,890	-
Contributions subsequent to the measurement date	<u>97,879</u>	<u>-</u>
Total	<u>\$ 443,043</u>	<u>\$ 243,448</u>

\$443,043 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$(10,790)
2024	1,609
2025	30,714
2026	80,183
2027	-
Thereafter	-
Total	<u>\$ 101,716</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Summary of Significant Accounting Policies
 December 31, 2023

Note 4 – Volunteer Retirement Plan-Continued

Actuarial Assumptions

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

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

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

Long-term Expected Return of Plan Assets

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.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Summary of Significant Accounting Policies
 December 31, 2023

Note 4 – Volunteer Retirement Plan-Continued

Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022, are summarized in the following table:

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

The figures in the above table were supplied by Fire and Police Pension Association Staff.

Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	<u>\$(547,667)</u>	<u>\$(744,758)</u>	<u>\$(907,376)</u>

Note 5 – Changes in Capital Assets

	Balance 12/31/2022	Additions	Reclass Deletions	Balance 12/31/2023
Buildings	\$ 1,112,236	\$ -	\$ -	\$ 1,112,236
Radio system	180,203	-	-	180,203
Fire Vehicles & Equipment	2,488,023	-	-	2,488,023
Medical Vehicles & Equipment	927,874	38,811	-	966,685
Station Equipment	367,500	7,786	-	375,286
Total Fixed Assets	<u>5,075,836</u>	<u>46,597</u>	<u>-</u>	<u>5,122,433</u>
Accumulated Depreciation:				
Buildings	(530,053)	(34,883)	-	(564,936)
Radio system	(170,712)	(3,412)	-	(174,124)
Fire Vehicles & Equipment	(1,964,398)	(108,412)	-	(2,072,810)
Medical Vehicles & Equipment	(751,025)	(53,715)	-	(804,740)
Station Equipment	(310,719)	(21,280)	-	(331,999)
Total Accumulated Depreciation	<u>(3,726,907)</u>	<u>(221,702)</u>	<u>-</u>	<u>(3,948,609)</u>
Construction in Progress	-	139,176	-	139,176
Land	175,395	-	-	175,395
Net Fixed Assets	<u>\$ 1,524,324</u>	<u>\$ (35,929)</u>	<u>\$ -</u>	<u>\$ 1,488,395</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 6 – Fund Balance Classification Policies and Procedures

With the implementation of GASB 54, Fund Balance Classification, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted-fund constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision-making authority, in the Districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) Unassigned – which are funds available for any purpose. The District does have Committed, Restricted, and Non-spendable fund classification in 2023.

It is the District’s policy to spend restricted funds first then unrestricted funds for the purpose for which both funds are available and committed and assigned funds are spent when expenditure are incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
- Non-spendable, which is its prepaid expenses,
- Committed, which are fund designated by the board of directors for a specific purpose.
- Unassigned

Note 7 – Budget to Actual Comparison

	General Fund
Revenue and Other Financing Resources	
GAAP Basis	\$ 1,569,343
Modification to GAAP Basis	
Carryover from prior year	691,054
Resources Budgetary Basis	2,260,397
23 Budgeted Resources	1,646,762
Variance Favorable (Unfavorable)	<u>\$ 613,635</u>
Expenditures- GAAP Basis	\$ 2,024,397
Modification to GAAP Basis	
Capital Outlays	189,700
Pension Expense	(489,791)
Depreciation	(221,702)
Emergency Reserve	47,100
Expenditures Budgeted Basis	1,549,704
23 Budgeted Expenditures	1,921,900
Variance Favorable (Unfavorable)	<u>\$ 372,196</u>

PLATEAU VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2023

Note 8 – Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit more than federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits.

	2023	
Cash & Investments consisted of the following:		
Petty Cash - Uninsured	\$ 600	
Checking & Money Markets:		
Insured	213,274	
Collateralized by PDPA	-	
Total	213,274	
Total Cash & Cash Equivalents	213,874	
Investments CD's:(Measured at amortized cost)		
Insured	894,165	Level 1
Total Deposits & Investments	\$ 1,108,039	

Colorado Statues specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligation of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

The Districts investments on December 31, 2023, are categorized above to give an indication of the level of risk assumed by the District at year-end.

The District considers cash in the bank, cash on hand, and investment with original maturities of three months or less as cash and cash equivalents.

The District Categorizes its fair value measurements within the fair vale hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government ca access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3: Unobservable inputs for an asset or liability.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
Summary of Significant Accounting Policies
December 31, 2023

Note 9 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue more than the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District believes it is in compliance with this amendment.

REQUIRED SUPPLEMENTAL INFORMATION

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 Required Supplementary Information Pensions
 December 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset)
 Fire & Police Statewide Defined Benefit Plan
 As of December 31,

	2023	2022
Department's proportion of the net pension liability/(asset)	.0576%	.0516%
Department's proportionate share of the net pension liability/(asset)	\$(967,645)	\$(111,959)
Department's covered payroll	\$ 437,944	\$ 414,217
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered payroll	45.3%	27.0%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	101.90%

Schedule of Department Contributions
 Fire & Police Statewide Defined Benefit Plan
 As of December 31,

	2023	2022
Contractually required contribution	\$ 39,415	\$ 33,137
Contributions in relation to the contractually required contribution	\$ 39,417	\$ 33,137
Contribution deficiency (excess)	\$ 0	\$ 0
Department's covered payroll	\$ 414,217	\$ 414,217
Contributions as a percentage of covered payroll	9.0%	8.0%

**Notes to the Required Supplementary Information
 December 31, 2023**

Changes in plan provisions. The plan provisions have not changed since the prior valuation.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

PLATEAU VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS MULTYEAR

Measurement period ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 16,384	\$ 16,384	\$ 21,279	\$ 21,279	\$ 26,925	\$ 26,925	\$ 23,357	\$ 23,357	\$ 20,310
Interest on the Total Pension Liability	116,592	115,119	109,572	107,307	120,455	115,067	80,043	76,613	61,280
Benefit Changes	-	-	-	-	-	-	321,384	-	302,243
Difference between Expected & Actual Experience	(81,125)	-	61,261	-	(217,652)	-	69,957	-	(133,831)
Assumption Changes	13,509	-	-	-	76,147	-	36,691	-	-
Benefit Payments	(110,460)	(110,460)	(110,460)	(82,460)	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
Net Change in Total Pension Liability	(45,100)	21,043	81,652	46,126	(64,265)	71,852	469,039	53,586	202,289
Total Pension Liability - Beginning	1,711,846	1,690,803	1,609,151	1,563,025	1,627,290	1,555,438	1,086,399	1,032,813	830,524
Total Pension Liability - Ending (a)	<u>\$ 1,666,746</u>	<u>\$ 1,711,846</u>	<u>\$ 1,690,803</u>	<u>\$ 1,609,151</u>	<u>\$ 1,563,025</u>	<u>\$ 1,627,290</u>	<u>\$ 1,555,438</u>	<u>#####</u>	<u>#####</u>
Plan Fiduciary Net Position									
Employer Contributions	\$ 64,480	\$ 76,707	\$ 109,744	\$ 65,372	\$ 28,901	\$ 52,357	\$ 74,523	\$ 69,376	\$ 68,420
Pension Plan Net Investment Income	(215,176)	345,742	268,978	264,795	605	245,286	85,365	29,465	98,368
Benefit Payments	(110,460)	(110,460)	(110,460)	(82,460)	(70,140)	(70,140)	(62,393)	(46,384)	(47,713)
Pension Plan Administrative Expense	(6,831)	(6,793)	(5,132)	(7,533)	(7,314)	(6,927)	(2,805)	(4,687)	(2,643)
State of Colorado Discretionary Payment	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(267,987)	305,196	263,130	240,174	(47,948)	220,576	94,690	47,770	116,432
Plan Fiduciary Net Position - Beginning	2,679,491	2,374,295	2,111,165	1,870,991	1,918,939	1,698,363	1,603,673	1,555,903	1,439,471
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,411,504</u>	<u>\$ 2,679,491</u>	<u>\$ 2,374,295</u>	<u>\$ 2,111,165</u>	<u>\$ 1,870,991</u>	<u>\$ 1,918,939</u>	<u>\$ 1,698,363</u>	<u>#####</u>	<u>#####</u>
Net Position Liability/(Asset) - Ending (a) - (b)	<u>\$ (744,758)</u>	<u>\$ (967,645)</u>	<u>\$ (683,492)</u>	<u>\$ (502,014)</u>	<u>\$ (307,966)</u>	<u>\$ (291,649)</u>	<u>\$ (142,925)</u>	<u>\$ (517,274)</u>	<u>\$ (523,090)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	144.68%	156.53%	140.42%	131.20%	119.70%	117.92%	109.19%	147.61%	150.65%

PLATEAU VALLEY FIRE PROTECTION DISTRICT
 SCHEDULE OF CONTRIBUTIONS MULTIYEAR
 LAST 10 FISCAL YEARS

FY ENDING DECEMBER 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2014	\$ -	\$ 68,420	\$ (68,420)	N/A	N/A
2015	\$ -	\$ 69,376	\$ (69,376)	N/A	N/A
2016	\$ -	\$ 74,523	\$ (74,523)	N/A	N/A
2017	\$ -	\$ 52,357	\$ (52,357)	N/A	N/A
2018	\$ 5,136	\$ 28,901	\$ (23,765)	N/A	N/A
2019	\$ 5,136	\$ 65,372	\$ (60,236)	N/A	N/A
2020	\$ -	\$ 109,744	\$ (109,744)	N/A	N/A
2021	\$ -	\$ 76,707	\$ (76,707)	N/A	N/A
2022	\$ -	\$ 64,480	\$ (64,480)	N/A	N/A

*Includes both Employer & State of Colorado Discretionary Payment

Plateau Valley Fire Protection District
Statement of Revenues, Expenditures, and Change in Fund Balance
Actual and Budget
For the Year Ended December 31, 2023

	General Fund		
	Budget Original & Final	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 1,046,346	\$ 1,046,017	\$ (329)
Specific ownership tax	125,000	130,549	5,549
Ambulance	258,000	315,403	57,403
Interest income	23,100	49,999	26,899
Grants/Miscellaneous	194,316	27,375	(166,941)
Total Revenues	<u>1,646,762</u>	<u>1,569,343</u>	<u>(77,419)</u>
Expenditures:			
Administrative:			
Salaries	820,000	507,573	312,427
Payroll taxes & benefits	98,078	153,216	(55,138)
Insurance	195,000	151,195	43,805
Office expense	22,550	16,319	6,231
Accounting & legal	64,075	52,614	11,461
Dues & subscriptions	4,400	2,787	1,613
Treasurers fee	20,647	20,648	(1)
Directors fee	8,300	7,900	400
IT & maintenance expense	17,250	23,098	(5,848)
Human resource expense	1,650	765	885
Bad Debt expense	125,000	169,759	(44,759)
Total Administrative Expenditures	<u>1,376,950</u>	<u>1,105,874</u>	<u>271,076</u>
Operating Expenditures:			
Chemicals	1,100	416	684
Communications	13,750	13,383	367
EMS Supplies/drugs	21,450	18,327	3,123
EMS Billing Service	14,850	20,538	(5,688)
Fuel	25,300	20,562	4,738
Motor vehicle repairs & maintenance	19,250	12,208	7,042
Operating supplies	6,600	2,378	4,222
Fire prevention/Public education	1,100	2,459	(1,359)
Other equipment repairs & maintenance	6,600	6,981	(381)
Radio repairs & maintenance	4,400	428	3,972
Training expense	31,500	17,444	14,056
Travel expense	13,750	8,848	4,902
Uniforms	16,000	8,810	7,190
Postage & freight	550	-	550
Small tools & equipment	19,800	18,523	1,277
Building expenses	53,450	49,067	4,383
Capital outlays	295,500	189,700	105,800
Total Operating Expenditures	<u>544,950</u>	<u>390,072</u>	<u>154,878</u>
Total Expenditures	<u>1,921,900</u>	<u>1,495,946</u>	<u>425,954</u>
Revenue Over /(Under) Expenditures	<u>(275,138)</u>	<u>73,397</u>	<u>348,535</u>
Fund Balance - January 1,	691,054	1,095,087	404,033
Fund Balance - December 31,	<u>\$ 415,916</u>	<u>\$ 1,168,484</u>	<u>\$ 752,568</u>